
Foreign Affairs, Defence and Trade References Committee

Bali 2002

Security threats to Australians in South East
Asia

August 2004

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CONTENTS

MEMBERS OF THE COMMITTEE	iii
List of Abbreviations	ix
Conduct of the inquiry.....	xi
Terms of reference.....	xi
Recommendations	xiii
Executive summary.....	xiv
Introduction	xiv
Chapter One	1
A close look at the intelligence picture	1
No specific intelligence	1
Beyond specific intelligence.....	3
What do we understand by 'intelligence'?	7
The state of intelligence pre-Bali	9
Concluding remarks.....	25
The Blick Report	29
Misleading commentary about intelligence	33
Meeting with Minister Downer, June 2002.....	38
Chapter Two.....	53
DFAT Travel Advice.....	53
Travel advice in the light of Bali.....	53
General background about travel advisories	55
Travel advice by Australia and its consular partners	61
Travel advice after September 11 and before the Afghanistan action	64
Travel advice from 8 October 2001.....	68
Travel advice in 2002 leading up to the Bali attacks on 12 October	70
Concluding remarks.....	73

Chapter Three	77
Intelligence reports, threat assessments and travel advice.....	77
Concluding remarks.....	98
Chapter Four	103
Bali—an attractive soft target?	103
Compensation for victims of the Bali bombings.....	114
Chapter Five	117
Remarks by Government Senators.....	117
Chapter Six	129
DISSENTING REPORT	129
Senator Bob Brown, Australian Greens	129
Senator Natasha Stott Despoja, Australian Democrats	129
Intelligence	129
Travel advice	132
Findings	133
Recommendation.....	134
Timeline to terror	135
Abbreviations	144
Appendix 1	145
Submissions received by the Committee	145
Appendix 2	147
Witnesses who appeared before the Committee	147
Canberra, 19 June 2003	147
Canberra, 20 June 2003	147
Canberra, 24 September 2003	147
Adelaide, 25 September 2003.....	148
Canberra, 20 November 2003.....	148
Canberra, 27 November 2003.....	148
Canberra, 28 November 2003.....	149
Canberra, 28 May 2004	149
Canberra, 23 June 2004	150
Canberra, 5 August 2004.....	150

Appendix 3	151
WHAT OUR INTELLIGENCE AGENCIES DO	
Appendix 4	153
TRAVEL ADVISORIES FOR INDONESIA	
Appendix 5	193
EXTRACT FROM TRANSCRIPT OF EVIDENCE 28 NOVEMBER 2003	

List of Abbreviations

ADF	Australian Defence Force
AFP	Australian Federal Police
ANU	Australian National University
ASEAN	Association of South–East Asian Nations
ASIO	Australian Security and Intelligence Organisation
ASIS	Australian Secret Intelligence Service
ASPI	Australian Strategic Policy Institute
CIA	(US) Central Intelligence Agency
DFAT	Department of Foreign Affairs and Trade
DIG	Defence Intelligence Group
DIGO	Defence Imagery and Geospatial Organisation
DIO	Defence Intelligence Organisation
DSA	Defence Security Authority
DSD	Defence Signals Directorate
FBI	(US) Federal Bureau of Investigation
FPI	Islamic Defenders Front
ICG	International Crisis Group
IGIS	Inspector–General of Intelligence and Security
JI	Jemaah Islamiyah
LJ	Laskar Jihad
LJL	Laskar Jundullah
NZ	New Zealand
MMI	Indonesian Mujahidin Council
OBL/UBL	Osama bin Laden/Usama bin Laden
ONA	Office of National Assessments
SAC/PAV	Standing Advisory Committee on Commonwealth/State Cooperation for Protection Against Violence
SE Asia	Southeast Asia
SSB	Security Status Bulletin
US	United States of America
UK	United Kingdom

Conduct of the inquiry

On 24 March 2003, the Senate referred the following matters to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 26 June 2003.

Terms of reference

The performance of the Department of Foreign Affairs and Trade (DFAT) and other relevant agencies of the Commonwealth Government in the assessment and dissemination of threats to the security of Australians in South East Asia in the period 11 September 2001 to 12 October 2002, including:

- (a) The assessment made by DFAT and other relevant agencies of the Commonwealth Government of the threat to Australians in South East Asia from al Qaeda (and associated terrorist organisations) prior to 11 September 2001.
- (b) 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 Qaeda in Afghanistan in November 2001.
- (c) 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.
- (d) Any further change in threat assessments to Australians in South East Asia arising from the arrest and interrogation of Omar al-Faruq.
- (e) 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.
- (f) 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.
- (g) Any differences between the assessments of the threat made by DFAT and other related agencies of the Commonwealth Government and the content of the travel advisories, embassy bulletins and travel bulletins provided by DFAT over the period 11 September 2001 and 12 October 2002.
- (h) Any differences between DFAT travel advisories, travel bulletins and embassy bulletins between the period 11 September 2001 and 12 October 2002.

- (i) DFAT's conclusions of any deficiencies in the assessment system and the system for preparing travel advisories, travel bulletins and embassy bulletins in the period 11 September 2001 to 12 October 2002.
- (j) DFAT's conclusions on improvements to the dissemination of travel advisories, travel bulletins and embassy bulletins to the Australian travelling public in the future.

Through late 2003 and early 2004, Committee sought and received a number of extensions of time to report. The Senate eventually agreed to a final reporting date of 12 August 2004.

The Committee advertised in *The Australian* newspaper on 9 and 23 April 2003 and on its home page. It also wrote to relevant Commonwealth agencies and other stakeholders inviting submissions. It received 8 submissions and 2 supplementary submissions. With the exception of one submission received *in camera*, the remaining submissions were published and made available on the Committee's website. A list of submissions is at Appendix 1. The Committee also received significant amounts of other material as answers to questions on notice (most notably from the Department of Defence, which did not lodge a submission) and copies of travel advisories from Australia and its consular partners over the period 11 September to 12 October 2004.

The Committee held 10 public hearings in Canberra and Adelaide from 19 June 2003 to 5 August 2004. The Committee also held one *in camera* briefing with the Director-General of ASIO on 2 December 2003 which gave it an opportunity to explore some questions in greater depth without jeopardising future intelligence gathering. A list of the witnesses who appeared at public hearings is at Appendix 2. Hansard transcripts of the public hearings are available on the parliament house website.

The Committee thanks all those who have given generously of their time to assist its inquiry. While most of the witnesses to this inquiry were government officials and academics with an interest in intelligence, the Committee also heard from a number of victims of the Bali bombing and their families. To these people in particular, the Committee extends its deepest sympathy and best wishes.

Recommendations

Recommendation 1

The Committee recommends that, with a view to ensuring the country's future arrangements between intelligence assessments, threat assessments and travel advisories are optimal, consideration should be given to the establishment of an independent commission of inquiry with specific terms of reference to address these and related matters.

Recommendation 2

The Committee recommends that the government, in consultation with the travel industry further develop and oversee a code of practice which would, among other things, make it mandatory for travel agents/advisers to provide to overseas travellers, at the time a booking is made, a copy of both DFAT's Travel Advice for the destination concerned and ASIO's threat assessment for the country itself. Travellers must be advised to consult the DFAT Travel Advice 24 hours prior to their departure.

Recommendation 3

The Committee recommends that DFAT subject a representative selection of its Travel Advice to examination by an independent assessor with qualifications and experience in linguistics, literacy and communication. The assessor shall report to the minister on the intelligibility and accessibility of the language in which information is conveyed in travel advisories.

Recommendation 4

The Committee recommends that

- **the Commonwealth government prepare a green paper on the establishment of a national compensation scheme for victims of terrorism related crimes that fall within the Commonwealth jurisdiction; and**
- **the national council of Attorneys-General develop a proposal for the harmonisation of state laws dealing with compensation for victims of crimes so as to provide for circumstances such as terrorist attack.**

Executive summary

There is, I think, a tendency for us all to forget the self-evident truth that you cannot look forward with certainty, only backwards. Knowing an end point, it is easy to interpret, or reinterpret, the past.¹

Introduction

The Bali bombings of 12 October 2002 drove home to Australian citizens the nature and extent of the terrorist threat to Western interests in South-East Asia, and in Indonesia in particular. As this Report conveys, it is not as though a terrorist action of some kind was entirely unexpected. There was, however, no clear warning in the form of specific intelligence which, if identified and acted upon, would have provided an opportunity to prevent the Bali bombing or to act to protect those there at the time. Intelligence agencies had reported that Indonesia-based terrorists had the intention and capability to mount attacks against Western interests, and that Australian interests could not be regarded as exempt from such attacks. For several years the rise of extremism in Indonesia and SE Asia more broadly had been reported by the intelligence agencies of Australia and its allies. It had been examined, disputed and discussed by academics; it had been a topic for conferences and seminars; articles had been appearing in journals and in the press. By September 2001, ASIO had raised the assessed level of threat to Australian interests in Indonesia to HIGH—a setting at which it remained thereafter.

In December 2001, from the interrogation of operatives involved in the Singapore bombings, emerged the unequivocal presence in the region of Jemaah Islamiyah (JI) as a terrorist organisation, certainly inspired by and probably with substantial links to al-Qa'ida. Within six months, few people with an interest in regional security were in any doubt that JI cells were active in Indonesia, that the US and its allies, including Australia, had been declared the enemy, and that JI strikes could include 'soft targets'.

During 2002, Australian intelligence agencies intensified their efforts to secure better information about the structure, capabilities and intentions of JI and other militant groups. In Australia, ASIO, ONA, DIO and others reported regularly on the progress of their understanding. While there was some variation in these assessments, the overall picture was consolidating rapidly around a high threat level, a domestic security situation in Indonesia that was becoming increasingly violent, and the existence of terrorist groups with both the capacity, resources and intention to target Western interests, both 'soft' and 'hard'. Australian interests could not be considered exempt.

Meanwhile, tens of thousands of Australian tourists—roughly 20,000 per month—continued to flock to Bali, the vast majority of them ignorant of the assessed level of

1 *Transcript of Evidence*, 19 June 2003, p. 2 (Richardson, ASIO).

threat, with very few of them apparently having consulted the DFAT Travel Advices pertaining to Indonesia, and probably not one of them aware of ASIO's view that the level of threat across Indonesia was 'high', and that Bali could not be separated out from that assessment.

The Committee has not had access to classified intelligence material, and has relied on the evidence provided in public by agency officials, and on the publicly-released findings of the Inspector-General of Intelligence and Security (the Blick Report). The Senate Committee's Report attempts to deliver an account of this period which is faithful to the record of activities of Australian agencies as they presented it to the Committee, that is fair to both the intelligence services and to DFAT in its analysis and critique, and which avoids as far as possible the risks of judgements made in hindsight.

This is not to say that there is no wisdom to found in hindsight—otherwise any examination and reflection after the event would be redundant. The Committee scrutinises judgements that were made; it compares and contrasts advice produced by different sources and considers carefully the interpretations and emphases conveyed in that information and advice. The Report presents these in order assist with an appreciation of how the agencies acted and why, and whether the reasons were sufficient and the decisions robustly grounded. The comments do not imply or infer blame, let alone apportion it.

The Senate Committee has endeavoured to discharge its terms of reference thoroughly, and believes that it has done so to the full extent of the evidence presented to it. The Committee has made every effort to ensure that the relevant government agencies were given every opportunity to place their views and judgements on the public record, and to respond to the array of questions, concerns and allegations that have animated the public debate since Bali.

That Bali was a disaster is a cruel but simple fact of contemporary history. It was not so as a result of some culpable lapse by Australian government agencies or individual officials. Yes, there was a 'failure of intelligence' – but it is important not to regard limitations on intelligence as necessarily implying limitations on the skill and integrity of intelligence agencies. Australia's intelligence agencies did not know, before December 2001, of the existence of JI as a terrorist organisation. If there was any notable omission thereafter that contributed to the disaster it was the incapacity, or lack of political will on the part of the Indonesian government at that time to fully acknowledge JI's presence on its soil and to act decisively against extremists. Today, of course, the Indonesian government is an indispensable ally of Australia's in the fight against regional terrorism, and there is unprecedented collaboration on counter-terrorism between the two neighbours.

The Committee is satisfied that important lessons have been learned from the tragic events of Bali, and hopes that this Report will illuminate and extend those lessons.

Travel advice and threat assessments

At the time of this Report going to print in August 2004, the official ASIO threat assessment for Indonesia remained at high, and the official DFAT Travel Advice was that Australians should defer non-essential travel to Indonesia as a whole, including Bali. Despite this persistent advice, Australians have continued to flock to Bali in their thousands—around 15,000 per month since mid-2003.

The Committee makes this observation by way of affirming that official advice can only ever be that; Australians will continue to make their own decisions about how that advice impacts upon their personal choices and circumstances. This does not, of course, diminish the absolute requirement that our intelligence agencies and DFAT must always ensure that the advice they give is as accurate, meaningful, relevant, accessible and intelligible as possible.

The Committee is completely satisfied that, on the basis of all the evidence arrayed before it, there was no specific warning of the Bali attack. ASIO had, from September 2001 onwards, assessed the threat to Australian interests in Indonesia as high. From December 2001, Australia's intelligence agencies expended substantial effort to come to grips with the structure of terrorist groups in Indonesia, particularly Jemaah Islamiyah, and their links with international terrorists, notably al-Qa'ida. Throughout 2002 there was a persistent escalation of advice as agencies came to better appreciate the capacity and intent of JI. This advice was variously conveyed in widely-disseminated formal written 'product', through direct briefings, in discussions at top-level security committees, and through almost daily contact between officials of the relevant agencies.

For DFAT, threat assessments produced by ASIO were a key consideration in the formulation of travel advice. Prior to Bali, however, ASIO was not itself involved in scrutinising or clearing DFAT travel advice to the extent of ensuring that threats were adequately reflected in that advice. Since Bali, ASIO has been systematically involved in the Travel Advice process.

During the year before the Bali bombings, DFAT Travel Advice contained generic threat advice, with particular attention being paid to those areas of Indonesia where domestic ethnic and religious political violence posed serious risks to travellers. They included reference to explosions and bomb threats in Jakarta and elsewhere. For the first half of 2002 there was no notable warning about the deliberately anti-Western terrorist threat of the kind being discerned by the intelligence agencies during that period. The advisories tended to highlight the risks to foreigners arising from demonstrations and protests, and from harassment and opportunistic physical assault by militants. They did, however, warn that Australians should take seriously any bomb threats made against them or the premises they occupied. The advisories also stated, in response to persistent questions from travellers, that Bali was 'calm' and that tourist services were 'normal'.

In July 2002, the Travel Advices were strengthened to convey to travellers the need to 'monitor carefully developments' and to 'maintain a high level of personal security awareness'. The Advice also now warned that bombs had been exploded 'including in areas frequented by tourists' and that 'further explosions may be attempted'.

From 10 September 2002, each Travel Advice headline summary began with the words: 'In view of the ongoing risk of terrorist activity in the region ...' and concluded with the words: 'Tourism services elsewhere in Indonesia are operating normally, including Bali.'

In the Committee's view, the information and warnings contained in the travel advisories for Indonesia during the month or so before the Bali attacks, while warning of an increased generic terrorist risk, nonetheless did not adequately reflect the content of the threat assessments that were available by that time that specifically warned that Australians in their own right were now seen as terrorist targets in Indonesia. ASIO's threat assessments had made plain that Australians were potential terrorist targets not just because they were 'westerners', but because Australia itself had become a focus of al-Qa'ida/Jemaah Islamiah terrorist attention. In the Committee's view it would have been better for this additional piece of information to have been provided through DFAT's travel advisories so that potential Australian travellers would have been aware that Australians in their own right were now the objects of specific terrorist interest in Indonesia.

Furthermore, while DFAT's travel advisories warned of a generic terrorist threat 'in the region', the ASIO threat assessments had referred to Australians becoming potential terrorist targets specifically within Indonesia (as well as elsewhere in the region). Again, it is the Committee's view that it would have been better to tell the Australian travelling public that Australians in Indonesia (rather than simply westerners within the region) were of potential interest to al-Qa'ida/JI terrorist organisations.

It would be reasonable to assume, however, that anyone reading the Travel Advice—even just the headline summary and *Safety and Security* section—would understand that there was a generic terrorist risk, that bombs had exploded in the past, including where tourists gathered, and that further explosions may be attempted.

What the Travel Advice reader may *not* have appreciated was that Bali was no safer than any other part of Indonesia in terms of the terrorist risk or the likelihood of a bomb going off. The Committee considers that there are at least two reasons why this may have been so.

The first is that the average tourist—certainly as represented by some of the Bali victims and their families that appeared before the Committee—regarded Bali as a safe haven, set apart from the rest of Indonesia, a destination regarded as 'special' by the many hundreds of thousands of Australians who had visited Bali over many years. The second is that the references to Bali as 'calm' and 'normal', especially when juxtaposed against those specified locations that were highlighted as dangerous, would

have resonated reassuringly with what the intending Bali holiday-maker already, but mistakenly, believed.

During its inquiry, the Committee was repeatedly informed by almost every official who appeared before it that, throughout 2002, Bali could not be considered any safer, or at less risk of terrorist attack, than anywhere else in Indonesia—that Bali was just as vulnerable and the threat to it was just as high as the rest of the country.

This fact was constantly pressed upon the Committee by both the intelligence agencies and by DFAT officials. Yet nowhere in DFAT's Travel Advice for the period was that fact conveyed simply and directly to the Australian travelling public, even though the (mistaken) idea that Bali was a safe haven somehow set apart from Indonesia was almost an article of faith among Australian tourists. The Bulletins issued to resident expatriates and registered visitors by the Australian Embassy in Jakarta, whenever there was a reference to Bali being calm and normal, always added the reminder: 'Australian tourists in Bali should observe the same prudence as tourists in other parts of the country'.

The Committee considers that advice about Bali being 'calm' and with tourism 'normal', while being strictly correct, and deliberately included by DFAT in response to many questions about the state of affairs in Bali, nevertheless reinforced a benign (and erroneous) view of Bali at precisely the time when the security threats to Westerners from terrorists were unprecedentedly high.

What tourists really needed was to have their pervasively inappropriate views challenged—which does not mean being alarmist. A suitable advice could have taken the form: "Bali has long been considered a safe haven, but the risks of terrorism are as high there as elsewhere in Indonesia". Given that around 200,000 Australians a year were visiting Bali, the merits of such a proposal seem self-evident. While this suggestion benefits from hindsight, it is also a properly contextualised, relevant and measured piece of factual advice, entirely consistent with ASIO's uniformly high threat assessments and the general intelligence picture at the time, and it also takes into account the mindset of those travellers to whom it is directed.

The Committee agrees that ASIO properly assigned a threat level of HIGH to the situation in Indonesia (and thereby Bali). The Committee notes that ASIO, along with other agencies, was assiduous in the production of intelligence advice throughout the period as it came to better understand the nature, capabilities and intentions of JI. The Committee also appreciates that at no time was it appropriate for ASIO to issue a threat assessment at the top of its threat scale—something which would have required the threat to be confirmed by specific, reliable information about an attack.

But the majority of the Committee has somewhat different views from those held by the intelligence agencies about the particular *vulnerability* of Bali at least so far as these were conveyed to the Committee by agency heads during the Committee's hearings. Agency heads repeatedly told the Committee that the concentration of

Australians in Bali, of itself, did not render Bali a more likely target than elsewhere. The majority of the Committee does not share that view for the following reasons.

This Report rehearses at length the sequence of intelligence reporting relating to the terrorist threat in Indonesia in the twelve months leading up to the Bali bombing. In short, the threat was high—officially so from September 2001; Australia's profile as a supporter of US action was growing, and Australia was being increasingly portrayed as anti-Islamic; it was increasingly clear that JI had the intention, capability and resources to mount terrorist attacks including against soft targets and Australians could not be considered exempt.

Other factors were also at play. It became more apparent during 2002 that JI had links with al-Qa'ida, and that Osama bin Laden-inspired jihadism was energising Indonesian militants. The Indonesian authorities were either unable or unwilling to act against them. Indeed, the secular Muslim government was held in almost as much contempt by the radicals as their nemesis the West.

Osama bin Laden had identified Australia as a crusader force and within Indonesia there had been a surge of militancy against Westerners and their activities—especially tourist and recreational activities—that had long been regarded as decadent and offensive by Muslim activists. To terrorists like JI, nursing their potent grievances, and looking for suitable soft targets against which to exact their revenge, it is likely, in the view of a majority of the Committee, that Bali (along with other sites) would have been drawn into focus on the terrorists' strategic landscape.

Bali also enjoyed some qualities that distinguished it from other tourist destinations. It was renown as the tourist destination of choice in Indonesia for Westerners who wanted to let their hair down. It was regarded as a safe holiday destination, with a Balinese (largely Hindu) population that seemed more tolerant or indulgent of Western tourists' mores and behaviour than their Javanese Muslim counterparts.

Westerners gathered in large numbers in the clubs and bars that were concentrated in Kuta, and there was virtually no security presence. The relatively small number of Muslims inhabiting Bali reduced the likelihood of collateral Muslim casualties should a strike be mounted. In the background was a strong sentiment amongst Indonesian radicals, notably Laskar Jihad, that non-Muslim communities should be cleared out of the region.

In the light of all these considerations, the majority of the Committee finds it difficult to agree with the assessment of agency heads that Bali was not any more vulnerable than any other part of Indonesia. It was, in the Committee's majority view, more vulnerable than many if not most parts—especially given the fiercely anti-Western, jihad-inspired and self-righteous anger of Indonesia's extremists.

These views about Bali's vulnerability in no way detract from the legitimacy of ASIO's assessed threat level for Indonesia being placed at HIGH from December 2001. The Committee acknowledges that, in the absence of credible, specific

information confirming a threat, ASIO could not have issued a threat assessment any higher than the penultimate level at which the assessment already stood. It is not in the 'headline' threat assessments, but in the more general intelligence reports about terrorist threats in Indonesia that more consideration should have been given to the question of the vulnerability of Bali, especially given that around 200,000 Australians visited there each year. This might have also resulted in more appropriately crafted Travel Advice.

Both ASIO and DFAT have stated to the Committee that, notwithstanding the solid relationship and good communication that existed between the two agencies prior to Bali, their roles were 'too compartmentalised' when it came to the preparation of Travel Advice. That situation was reviewed immediately after Bali, and new arrangements were put in place which integrated ASIO into the iterative process whereby DFAT's Consular Division, its South and SE Asia Division, and its Jakarta Embassy formulate Travel Advice.

ASIO is now required to 'tick off' on Travel Advice pertaining to any region where the ASIO threat assessment is high. As well, DFAT has made major efforts to enhance the dissemination, accessibility and intelligibility of its Travel Advice, and to ensure that it works in close partnership with the travel industry to optimise the information flowing to intending travellers. The Committee commends the agencies on these initiatives. It is imperative that where a threat assessment is high, every effort is made by the travel industry to ensure that that information is drawn to travellers' attention—perhaps by annotation on the actual airline tickets.

Travel agents are a key source of advice for tourists. While the Committee commends the various initiatives by DFAT and the travel industry to work in partnership to encourage best practice, the Committee believes that steps could be taken to further strengthen the quality of advice and service to would-be travellers.

The Committee has therefore recommended that the government, in consultation with the travel industry further develop and oversee a code of practice which would, among other things, make it mandatory for travel agents/advisers to provide to overseas travellers, at the time a booking is made, a copy of both DFAT's Travel Advice for the destination concerned and ASIO's threat assessment for the country itself. Travellers must be advised to consult the DFAT Travel Advice 24 hours prior to their departure.

The Blick Report

Although the Committee did not have access to the classified material that informed the Australian intelligence agencies' assessments at the time, the Committee is in no doubt that there was no specific, actionable intelligence related to the bombings of 12 October 2002. This was the consistent evidence of the intelligence agencies and was the conclusion reached by the statutorily independent Inspector-General of Intelligence and Security, who *did* have access to all the relevant material. The Committee has no reason to (and does not) call into question Mr Blick's conclusions.

The terms of reference under which the Inspector-General operated did not require him to examine areas such as the formulation and accuracy of threat assessments, and their relationship to, and commensurability with, the travel advisories issued over that period. The Committee does not doubt in any way the professionalism and efficiency of the officials carrying out these duties within their respective agencies. Because the Senate Committee has not had access to the original intelligence, it has not been able to assess for itself whether the published threat assessments were congruent with the intelligence available. As well, given that such an assessment was also outside the terms of reference of the Blick inquiry, there is little the Committee can do to prevail against public criticism that this aspect of ASIO's work has not been subject to independent scrutiny.

This difficulty has not been overcome by the July 2004 report of the Flood inquiry which, by its own account, 'did not inquire into ASIO per se because that would not have been justified by the terms of reference. For this reason, domestic security and intelligence arrangements are not the focus of this [Flood] report'.

Again, the Committee can only assess the commensurability of Travel Advice against what were the published threat assessments or what was otherwise revealed publicly to the Committee by the agencies. Nor was the Inspector-General required to make such a judgement. While the Committee is perfectly satisfied that its assessments are justified on the basis of the evidence placed publicly before it, the Committee concedes that this is unlikely to be enough to satisfy those who insist that such assessments are impeded by lack of access to the detail of the intelligence reporting.

The Committee is mindful of the fact that it has been unable to have access to the underlying intelligence assessments which gave rise to the threat assessments and travel advisories constructed by DFAT on that basis. Further, the Committee is also mindful of the fact that the only previous inquiry conducted into these matters by the Inspector General of Intelligence and Security (IGIS) did not have any terms of reference empowering IGIS to examine the correlation between underlying intelligence assessments, threat assessments, and travel advisories

For these reasons the Committee is of the view that the country's future arrangements in these areas may be advantaged by an independent commission of inquiry with specific terms of reference to address these and related matters.

Allegations of 'missed' intelligence

During the inquiry, reference was made to various reports in the press and elsewhere claiming, for example, that relevant information from foreign intelligence agencies had been made available to Australian authorities, and that threat advice had been ignored. These reports and allegations were either simply erroneous or lacked foundation, or were highly contestable opinions.

The *Asian Pacific Post* out of Richmond, British Columbia, on 26 June 2003 reported that American spies identified two Bali resorts as terrorist targets months before the

Bali attacks. It also claimed that the report was meant to be shared with allies by the US liaison officers.

According to the former Director-General of Intelligence and Security (Bill Blick) this so-called *Combined Analysis* report was a forgery—it being clearly established to his satisfaction that there was no such report emanating from any official source. Mr Blick's testimony was supported by a letter to the Committee from the Director-General of ASIO (Mr Richardson) advising that all relevant Australian agencies had searched their records and can find no evidence that any such document was ever received.

Mr Richardson also provided to the Committee a copy of the 27 June 2003 letter from the US Assistant Secretary of State (James A Kelly) to HE Michael Thawley (Ambassador of Australia). The United States Department of State advised the Australian Ambassador in Washington on 27 June that the claim was 'thoroughly researched' and that there was 'no evidence to suggest that such a document was produced by the US Government'.

As well as confirming that the US Government had not produced the alleged document, the letter from Mr Kelly also stated that 'it has consistently been our policy to share information relating to possible terrorist threats to Australian citizens... I reaffirm: we had nothing to indicate a specific threat of attack or danger of attack in Bali'.

Mr Richardson also told the Committee that he had been advised that there had been an earlier, similar report in the Canadian press. 'The Canadian authorities checked that out with the United States at the time and got the same answer, and also the Canadian authorities could find no evidence in their system of any such document'.

Another particular issue that has been raised in several media reports concerns information emerging from the interrogation by the FBI of the al-Qa'ida operative known as Jabarah, who had been arrested early in 2002. During that interrogation, Jabarah revealed that the senior JI figure known as Hambali had planned 'to conduct small bombings in bars, cafes and nightclubs frequented by westerners in Thailand, Malaysia, Singapore, Philippines and Indonesia. Hambali also stated that he had one ton of PETN explosives in Indonesia. The source [Jabarah] did not know who would carry out the bombings or when'.

Several of the media reports assumed that this information was made available to Australian authorities prior to the Bali bombings. In fact, it was not forwarded to Australia until well after the event – although some general background on Jabarah had been forwarded to Australia in mid-2002. The Committee considers that at the very least, such information about Hambali's intentions, had it arrived earlier, would have assisted Australian intelligence agencies to enhance their assessments of the terrorist threat in Indonesia, and could well have resulted in stronger travel advice being issued. It could also have led to more direct pressure being applied by the Australian government to the Indonesian authorities to take stronger action against suspected terrorists. Whether it would have led to explicit warnings about Bali's

vulnerability is completely undeterminable. It is unlikely, however—even if Hambali's intentions had been known—that such knowledge would have resulted in the prevention of the Bali atrocity. Prior to Bali, the Indonesian government had consistently been unable or refused to respond appropriately to pressure from Australia and its allies to take action against extremists.

Towards the end of its inquiry, the Committee was confronted with another controversy arising out of comments in a report published by America's Rand Corporation. Entitled *Confronting the "Enemy Within"*, the report examined the domestic intelligence bureaus in the UK, France, Canada and Australia. Page 49 of that report included the following paragraph:

In the United Kingdom, MI5 has been accused of ignoring the threat posed by al Qaeda.... Equally in Australia, regional analysts following the movements of JI charge ASIO blatantly disregarded threat assessments that, if followed, could have prevented the October 2002 Bali tragedy.

The footnote to the last sentence referred to interviews with people in 'The Intelligence Corps, AFP', the 'Institute of Defense and Strategic Studies, Singapore' and an article in *The Age* of 8 January 2003. The Committee wrote to Dr Chalk, one of the RAND Report authors, asking for further details.

Dr Chalk responded promptly to the Committee's letter saying that the reference to the AFP was incorrect (it should have been the ADF), that he would not reveal his interview sources, and that he considered *The World Today* (the basis for *The Age* report) to be a reputable and suitable publication upon which to draw. Dr Chalk also pointed out that he was not making allegations against ASIO, he was simply reporting what others had said to him.

The Committee regards the allegations that ASIO 'blatantly disregarded' warnings that 'could have prevented' the Bali bombing to be without foundation. The Committee is not aware of any approaches made by Dr Chalk to the heads of either the AFP or ASIO to seek a response from those agencies to the allegations, either prior to or since the publication of the RAND report. The Committee considers that these allegations, especially given the prominent media coverage of the RAND report that resulted from their inclusion, may have caused unnecessary grief to the families of Bali victims, and undermined public confidence in ASIO.

The RAND authors are perfectly entitled to publish their views, and to report the views of others. However, it cannot have escaped their notice that allegations of the type they were reporting were not inconsequential. Their failure to balance those allegations, for example by making reference to the findings of the widely-publicised Blick report—which examined all the pre-Bali intelligence material and concluded that there was no specific intelligence warning of the attack—was an omission that does not reflect well on the authors.

Although not a matter that was included in its terms of reference, the Committee considered it appropriate to comment on the question of compensation for victims of

the terrorist attacks in Bali. There are some complex jurisdictional issues at play here that have led to variable levels of assistance and support to Bali victims. The Committee has made some recommendations to both Commonwealth and State governments with a view to establishing a fair national scheme for compensating victims of crimes such as terrorism.

Senator Steve Hutchins

Chair

Chapter One

A close look at the intelligence picture

I want to make the observation at the beginning that I am persuaded from what I have seen publicly that there was no Pearl Harbor here—that is, there was no clear warning which, if identified and acted upon, would have provided an opportunity to prevent the Bali bombing. To that extent, I do not believe it is accurate to describe what happened in Bali as an intelligence failure in any sense. On the other hand, I do think, from what we know publicly, that some important lessons can be drawn from what happened—about the intelligence capacities we have in relation to terrorism, the relationship between intelligence and policy and some of the policy operations we have in relation to terrorism.¹

No specific intelligence

1.1 Whatever the differences in nuance, perspective and accent that might have characterised the assessment product delivered by Australia's intelligence agencies before 12 October 2002, all are emphatic that there was no specific intelligence that gave prior warning of the blast.

ONA was progressively building its understanding of terrorism in Southeast Asia in the years leading up to the attacks in Bali. But at no stage did ONA receive intelligence material indicating that Jemaah Islamiyah was planning to mount an operation in Bali.²

[U]nfortunately... [ASIO] just did not have the intelligence available to us which could have prevented 12 October.³

The intelligence failure in Bali was the failure to identify the transition of Jemaah Islamiyah into a terrorist organisation some time after 1996. It was not on our radar screen as a terrorist organisation before December 2001. And, combined with the differences within Indonesia about JI, there was insufficient time before Bali to do what might have been able to have been done if JI had been identified as a terrorist threat a year or two earlier. We will never know if earlier identification would have made a difference.⁴

I certainly know that, when walking around our agencies after the Bali bombing, you got a real sense of the anguish of our analysts: 'Was there something more we could have done?' It is just extraordinarily difficult.⁵

1 *Transcript of Evidence*, 27 November 2003, p. 313 (White, Australian Strategic Policy Institute (ASPI))

2 *Submission 3*, p. 1 (ONA)

3 *Transcript of Evidence*, 19 June 2003, p41 (Richardson, ASIO)

4 *Transcript of Evidence*, 19 June 2003, p3 (Richardson, ASIO)

5 *Transcript of Evidence*, 28 November 2003, p. 353 (Bonighton, Dept of Defence).

1.2 Corresponding to the Australian intelligence agencies' certainty that they possessed no material providing prior warning of the Bali attack has been DFAT's unequivocal affirmation of the appropriateness and relevance of its Travel Advisories and their commensurability with the reported level of threat:

We can see no point where the settings in our South-East Asian advisories were inconsistent with those threat assessments. We have also undertaken comprehensive searches of the assessments and reports provided during the period under review by other agencies, including particularly ONA. While this material was helpful to us in ensuring appropriate references to the regional risk of terrorism in the travel advisories, we can see no analysis among these many reports indicating signs of a potential attack in Bali.⁶

1.3 The Committee addresses the issue of the appropriateness and commensurability of DFAT's Travel Advisories in a separate section of this report. The focus of discussion here is the nature and extent of the 'intelligence failure', and a survey of what information *was* known. Unfortunately the phrase 'intelligence failure' is itself a problematic expression with which to launch a discussion. It is ambiguous to the extent that it can convey both a simple, uncontroversial failure to anticipate an event because of lack of information, or a culpable failure to anticipate an event through slipshod intelligence gathering and poor analysis. The Committee is here referring to the former.

1.4 Perhaps the strongest statement of intelligence 'failure' was made to the Committee by the Director-General of ASIO (Mr Dennis Richardson).

[I]f as fair mindedly as you can you have a look at Bali, I personally believe there was the failure of ASIO, the failure of the Australian intelligence community, the failure of regional intelligence communities and others to identify the transition of JI into a terrorist organisation before late 2001—and I do not make that comment lightly. I think that should have happened. That is not hindsight. We are paid to identify things like that, and we did not. Therefore, if you are looking, that is one area that I think stands out.⁷

1.5 The Committee is in no doubt that the agencies have been painstaking in their review of pre-Bali intelligence, and accepts without question their advice that they could find nothing which specifically pointed to an attack in Bali on that fateful October day.

A specific threat in this context is the availability of specific information about a particular group, a particular target or a particular activity—that is, that we have firmer evidence about the nature of a particular forthcoming event, and that is what would convert that into specific intelligence about a specific threat. But in most cases we are talking about knowledge of groups of like-minded individuals or groups who have formed together to conduct particular activities. We see indications about their planning, but we do not

6 *Submission 4*, pp. 3-4 (DFAT).

7 *Transcript of Evidence*, 24 September 2003, p. 172 (Richardson, ASIO).

see any specific indications about the timing, the nature or the location of a particular activity.⁸

1.6 The Committee has not been able to itself examine the classified material available to the agencies pre-Bali. Even if it had access to such material, the Committee is not well equipped to make assessments of it as 'intelligence'. Such an examination, however, was undertaken by the then Inspector General of Intelligence (Mr Bill Blick). The unclassified summary of his report stated at paragraph 27 that:

Even with the benefit of hindsight and knowledge of possible and likely perpetrators, the inquiry could not construe any intelligence, even intelligence not mentioning Bali, as possibly providing warning of the attack.⁹

1.7 Mr Blick repeated in evidence to the Committee 'that that there was no intelligence that could, either then or with the benefit of hindsight, have been shown to point to the likelihood of an attack of that kind.'¹⁰ The Committee has no reason to (and does not) call into question Mr Blick's conclusions. The Blick report is discussed in more detail below.

Beyond specific intelligence

1.8 There is no such thing as 'perfect intelligence' and it would be foolish to expect, and wrong to require, a 100 percent success rate by any intelligence agency. Intelligence is an extremely complex business, and it simply cannot be expected that specific intelligence is always somehow 'just out there' waiting to be discovered. The search for 'specific intelligence' remains, of course, a core task, because in the absence of the kind of empirical evidence that it implies, intelligence judgements are more difficult to make. Such absence also makes it more difficult to criticise any failure to anticipate an event.

1.9 For the Committee, statements about there being no specific intelligence warning of the attack on Bali - and an 'up front' admission of failure concerning one particular, albeit important, development - risk conveying to the ordinary reader an overly simplified picture intelligence processes and outcomes. It may, for instance, imply that there *will* be specific intelligence of a terrorist act, when such intelligence is rarely available. The current Director-General of ONA (Mr Peter Varghese) responded to this matter in the following terms:

I fully agree with the characterisation of intelligence as a complex and somewhat difficult task. By its very nature, we are trying to find an explanation for things that do not always lend themselves to a very clear explanation, so we are always dealing with hypotheses that are, almost by

8 *Transcript of Evidence*, 28 May 2004, p. 420-421 (Lewincamp, DIO).

9 Inspector General of Intelligence Services Statement (December 2002) available at http://www.igis.gov.au/fs_statements.html.

10 *Transcript of Evidence*, 24 September 2003, p. 95 (Blick).

definition, going to be a little bit short of 100 per cent clear. I would not agree that the concept of 'no specific intelligence' is misleading or misrepresents things. I think it is a useful concept in looking at the issues that this committee is looking at. What is behind that is the very reasonable question that people could ask about whether the intelligence community had information which, if acted upon, could have prevented what happened in Bali. In that context, the reference to the absence of specific intelligence is actually very important and, far from misrepresenting things or being misleading, it is highly relevant to what you are doing.¹¹

1.10 On the matter of the place of 'specific intelligence' in the way an agency produces its advice, the Committee found instructive some comments made by former ONA Director-General Kim Jones about his agency's perspective on Bali as a potential terrorist target. During a general briefing on regional terrorism, and in response to a particular question by Minister Downer about possible terrorist targets in the region, ONA nominated as an example, and among other locations, Bali. Mr Jones stated that the nomination of Bali as a potential terrorist target was not because there was specific intelligence about an attack on Bali. It was an 'analytical judgement' based on 'an analysis of the factors at play in the region'.¹²

1.11 Also relevant to this discussion is the following statement by the British government, included in its response to the inquiry conducted in the UK about pre-Bali intelligence and UK agencies' effectiveness:

It is rare for reliable intelligence to contain specific information about imminent threats on which action may be taken, such as preventing the attack by disrupting the terrorists, or deterring the attack or its consequences by taking defensive security measures.¹³

1.12 If specific intelligence is rare, it seems to the Committee that it is more appropriate – especially for consumers of intelligence – to focus on the product emerging as considered analysis of the agencies rather than on the facts that might or might not lie behind it. It is in the arena of 'analytical judgements' that intelligence agencies carry out their most important work, and it is the task to which the talents and time of analysts should be most consistently applied and most productively directed.

1.13 And so it is that intelligence is **not** – as some may believe and as a certain reading of Mr Richardson's 'failure' statement may unintentionally convey – simply a matter of searching for or discerning that key or specific piece of information that

11 *Transcript of Evidence*, 28 May 2004, p. 453 (Varghese, ONA).

12 *Transcript of Evidence*, 20 June 2003, p. 84 (Jones, ONA).

13 Prime Minister Tony Blair *Government Response to the Intelligence and Security Committee Inquiry into Intelligence, Assessments and Advice prior to the terrorist Bombings on Bali 12 October 2002* (HMSO) February 2003, p. 3.

suddenly makes all the difference, pointing one in the right direction, or enabling all the dots to be joined and the plot to be revealed.

1.14 The Committee explored with intelligence experts on a number of occasions the issue of 'specific intelligence' and the relationships between data, information, evidence and the analysis and assessment of it. The following exchange usefully illuminates the considerations at work – facts and judgements – in developing an intelligence report.

Senator BRANDIS—I do not want to go on too much about it, but some of the non-professional witnesses we have had, if I can call them that, seem to think that this is pure empiricism—that the quality depends on whether we know the relevant facts. But it is not a factual inquiry. It is not even primarily a matter of empirical data; it is a matter in which the quality of the assessment—as you say, Professor Babbage—is even more important than the availability of data which, as I said a moment ago, will of itself have a range of quality. Do you agree?

Prof. Babbage—I certainly do, and I suspect my colleague does too. We have been in and around the intelligence community for many years. Frankly, perhaps there is not a more fundamental point I should emphasise than this: there is a real difference between data, or pure information if you like, and intelligence. Intelligence is analysed and has judgement. It draws on professional expertise to make judgements. That is the difference. You can have data points for everything from radar detections to whatever. They will only tell you that an aircraft was detected here, going along this line and that was it. Intelligence will tell you that that was actually almost certainly a fighter aircraft coming from this base and going to that base and it was probably gearing up for this sort of exercise or whatever. That is the difference: it has put in the judgement. ... A quality, high-grade intelligence organisation has the best analysts and also manages those analysts. The data streams are very important, of course, but if you do not have the quality analysts you are not really in the game.¹⁴

1.15 Similar themes were echoed throughout the discussions, which brought home clearly to the Committee the distinctive features of intelligence work, and the skills and qualities that analysts must possess if they are to be effective.

A good analyst will look at a historical development; they will look at where a situation has evolved from and they have to try and anticipate where it is going...[A] good analyst has to try and piece together imperfect information to make a judgement on what is likely to happen in the future. Of course that is a very difficult task, but that is what the analyst is paid to do.¹⁵

14 *Transcript of Evidence*, 20 November 2003, p. 296 (Prof Ross Babbage).

15 *Transcript of Evidence*, 20 November 2003, p. 257 (Dr D Wright-Neville).

1.16 In the words of a former Secretary of the Defence Department when giving evidence before the parliamentary committee inquiring into intelligence leading up to the invasion of Iraq: 'Assessments are, finally, matters of judgement'.¹⁶ Similar words were echoed in the comments of ASIO's Dennis Richardson:

I think the best thing an organisation like ASIO can do, and the best thing I can do individually, is to be prepared to make a judgement call and to be accountable for those judgement calls. This might sound a bit odd, but I have accommodated the thought that I could end a public service career in disgrace because of a bad judgement call. We live in an environment in which, in the event of a bad call, the blame will be there—and it is pretty unforgiving. That is the way it ought to be, because you are talking about matters of public safety. I think, again, once you have crossed that psychological barrier and once you have accommodated the thought that you have a lot riding on your judgement calls, and you could end up where you would prefer not to be as a result of them, that makes it easier to make those judgement calls.¹⁷

1.17 The Committee considers that while there was 'no specific intelligence' relating to the Bali atrocity - what is nevertheless relevant as a consideration is what ONA's Kim Jones called 'analytical judgements' arising from a comprehensive and contextual examination by agencies of the 'factors at play'. To include a consideration of these elements avoids delivering a somewhat reductionist account and helps to provide a more instructive re-visiting of the pre-Bali intelligence story.

1.18 In any event, the Committee considers that Mr Richardson may be judging himself and the other intelligence agencies by an impossibly high standard. This view was articulated by one well-informed observer in the following terms:

We have to be realistic about what even a well-funded and very capable intelligence system can deliver... It is unrealistic to expect that our intelligence agencies can provide us, reliably and with great specificity, with warnings of terrorist attacks before they occur—for example, that an attack will occur on the following day at the following place. I therefore place the bar somewhat lower than Dennis Richardson did in his appearance before this committee, where I think he described the failure to identify Bali as an intelligence failure. I very much respect the conceptual and professional framework in which Dennis made that observation, but it seems to me that it is unrealistic of us, as consumers of the intelligence product, to expect that kind of service out of intelligence agencies. That is not a reflection of the quality of our intelligence agencies but of the nature of the intelligence business.¹⁸

16 Committee Hansard, Joint Committee on ASIO, ASIS and DSD Inquiry into intelligence on Iraq's weapons of mass destruction, 22 August 2003, p. 4 (Mr William Pritchett, former Secretary of the Dept of Defence).

17 *Transcript of Evidence*, 24 September 2003, p. 175 (Richardson, ASIO).

18 *Transcript of Evidence*, 27 November 2003, p. 314 (Mr H White, ASPI).

1.19 The Committee concurs. The intelligence business is not well understood by many people, including decision-makers, and the Committee sees merit in a brief exploration of some important features of this somewhat arcane activity.

What do we understand by 'intelligence'?

1.20 Strategic intelligence is defined by one eminent writer on these matters as 'the acquisition, analysis and *appreciation* of relevant data'¹⁹ – a definition which is more or less replicated in most accounts.

1.21 Even a quite superficial dip into the literature about 'intelligence' is sufficient to become acquainted with its basic characteristics as an arena of activity in which ambiguity and ambivalence, information and disinformation, operational and policy requirements, blind spots and flashes of insight, all jostle with one another as analysts seek to extract coherence out of chaos.

1.22 One witness spoke of 'the great lottery that is the intelligence business'.²⁰ As analysts gave evidence to the Committee, that sense of its chancy, challenging essence was never far away, and the painstaking nature of the tasks they described conveyed to the Committee the complexity which is the daily grind of an analyst's work.

1.23 Intelligence is a business in which a host of facts and factors – credible and doubtful, contextual and specific, probable and improbable – are gathered together and winnowed, pulled apart and re-assembled, played with and argued over until a final 'product' or piece of advice emerges.

1.24 As Mr Richardson himself insisted to the Committee: 'It cannot be a game of lowest common denominator or lazy consensus and, as far as possible, should not seek to say all things to all people.'²¹ It is, in the words of another analyst, ONA's David Farmer: 'a considered analysis of all the information available...not speculation.'²²

1.25 Another noteworthy perspective was delivered to the Committee by ASIO's Dennis Richardson during a discussion about what counts as proper standards of the 'objectivity' of evidence in making intelligence assessments.

I have a personal view in respect of the word 'objective'. I do not know where objective is. We are human beings and I do not think it is possible for humans, given the human condition, to do anything outside their own minds, and if it is inside your mind and you are making a judgement then by definition it is subjective. One and one is two. That is an objective statement, mathematically shown, but where you are coming into

19 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) p.61.

20 *Transcript of Evidence*, 27 November 2003, pp. 316-317 (Mr H White, ASPI).

21 *Transcript of Evidence*, 19 June 2003, p. 3 (Richardson, ASIO).

22 *Transcript of Evidence*, 20 June 2003, pp. 81-85 (Farmer, ONA).

judgements I think this word 'objective' is difficult. I just have a pet view on that.²³

1.26 The Committee believes that it is important to keep these considerations in mind as one examines the pre-Bali intelligence picture. They are considerations which apply not only in the Bali context. They have been identified more generally as applicable to any intelligence activity.

1.27 The following statements about intelligence from authoritative writers on these matters also resonate with the Bali experience:

In the real world, intelligence is invariably ambiguous. Information about enemy intentions tends to be short on detail. And information that's rich in detail tends to be short on intentions.²⁴

Intelligence failures are not only inevitable, they are natural.²⁵

Unambiguous threat is not an intelligence problem; rather the challenge lies in the response to fragmentary, contradictory and dubious indicators. Most such indicators turn out to be false alarms.²⁶

1.28 Another important consideration is the relationship between intelligence and policy formulation. This, too, is a problematic relationship not adequately captured by the simple assertion that 'intelligence' and 'policy formulation' are discrete functions, or that 'intelligence agencies do not give policy advice' – however desirable that latter state of affairs may seem to be.

1.29 The problematic nature of the intelligence-policy relationship is pointed to by Betts's observation that 'perfecting intelligence production does not necessarily lead to perfecting intelligence consumption.'²⁷ He goes on to discuss the difficulties for intelligence agencies when a decision-maker or leader is strongly committed to a policy position; the decision-maker 'tends to resent or dismiss critical [strategic estimates]... and to cling to the data that support continued commitment.'²⁸

1.30 The separation of intelligence and policy-making is a traditional conundrum for governments and their bureaucracies, as there are both costs and benefits to

23 *Transcript of Evidence*, 24 September 2003, p. 157 (Richardson, ASIO).

24 Malcolm Gladwell, 'Connecting the Dots; The paradoxes of intelligence reform' in *The New Yorker* March 2003, available at www.newyorker.com/printable/?critics/030310crat_atlarge

25 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) p. 88.

26 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) p. 75.

27 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) p. 63.

28 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) p. 64.

'minimising the intimacy between intelligence professionals and operational authorities.'

But, although the personnel can be segregated, the functions cannot, unless intelligence is defined narrowly as the collection of data, and analytic responsibility is reserved to the decision makers. Analysis and decision are interactive rather than sequential processes...

The ultimate causes of error in most cases have been wishful thinking, cavalier disregard of professional analysts, and, above all, the premises and preconceptions of the policy makers. 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 culprits less often than consumers. Policy perspectives tend to constrain objectivity, and authorities often fail to use intelligence properly.²⁹

1.31 In the Committee's view, any examination of the pre-Bali intelligence picture, fraught as it is with both the benefit and the impediment of hindsight, must proceed in the full awareness of the above listed quirks and qualities of both the production and consumption of intelligence.

The state of intelligence pre-Bali

The central challenge of intelligence gathering has always been the problem of "noise": the fact that useless information is vastly more plentiful than useful information.³⁰

1.32 ASIO's Director-General (Dennis Richardson) explained to the Committee how ASIO collected its intelligence on regional security issues from a wide variety of sources, both open and secret.

Our information relating to threats to Australian interests in Indonesia—and that is the focus of our interest—comes from publicly available information, diplomatic reporting, the reporting of other members of the Australian intelligence community and from information shared with us by the agencies of other countries. It also comes from information shared with us by the Indonesians themselves.³¹

1.33 The Committee accepts Mr Richardson's view that the failure of intelligence agencies (across the region, not just Australia) to adequately appreciate in a timely way the transition of Jemaah Islamiyah from extremist group to terrorist organisation was a key factor in Australia being unable to at least better anticipate, let alone prevent, the Bali atrocity.

29 Richard K Betts 'Analysis, War and Decision: Why Intelligence Failures are Inevitable' in *World Politics* Princeton University Press (1978) pp. 66-67.

30 Galdwell, M 'Connecting the dots: The paradoxes of intelligence reform' in *The New Yorker* 10 March 2003 available at http://www.newyorker.com/printable/?critics/030310crat_atlarge.

31 *Transcript of Evidence*, 24 September 2003, p. 153 (Richardson, ASIO).

The period between JI becoming known in a terrorist context in late 2001 and October 2002 was spent seeking to find out as much as possible about JI and identifying and mapping JI as closely as possible. Names certainly became available. However, detailed connections between names, detailed identification of cell structures, detailed identification of intent and plans was not available. When names did become available, yes, work was done, but—in respect of these people or individuals that were identified—unfortunately we had not reached a point where we could have prevented Bali.³²

There was simply not a pattern of information... Unfortunately, there was not a lot of intelligence available on JI between December of 2001, when it was identified as a terrorist entity, and the attack in Bali in October 2002. There was not a lot of intelligence.³³

1.34 Mr Clive Williams, a leading terrorism expert, explained further the kinds of difficulties under which Australian agencies were labouring during this period.

After October 2001 and the December 2001 arrests in Singapore, the Singaporeans produced a white paper, which put a lot of information in the public domain. At the same time, they also passed a lot of information to Indonesia in particular. But Indonesia and Thailand were in denial about the existence of JI. They tended to see JI more in the light of Laskar Jundullah, Laskar Jihad and those sorts of organisations, despite the fact that they had been involved in this bombing planning for Singapore. I think that was a fundamental weakness in the regional systems. It is not so much a weakness in our system; it was a weakness in the systems of the regional countries, because we were ultimately going to be reliant on them for producing the [human intelligence] that would have given us the information that Dennis Richardson was talking about. That just did not happen.³⁴

1.35 But from the testimony provided to the Committee it seems clear that in the two or three years before Bali, Australian intelligence agencies had become increasingly concerned about the threats posed by regional extremists and a burgeoning international terrorism, and some extra effort had been made to apply more resources to addressing it. This represented something of a shift from the Cold War focus of earlier years.

If you went back five years [to 1997-98] and you looked at all of these organisations, but particularly ONA and DIO, the primary assessment organisations, you would find their involvement and focus on intelligence relating to terrorism was really rather modest, I would suggest. This was a product, quite frankly, of the international security situation and the

32 *Transcript of Evidence*, 24 September 2003, p. 161 (Richardson, ASIO).

33 *Transcript of Evidence*, 28 May 2004, p. 457 (Richardson, ASIO).

34 *Transcript of Evidence*, 20 November 2003, p. 305 (Mr Clive Williams).

intelligence priorities that had been set right through the Cold War. Then after the Cold War, of course, there were significant modifications.³⁵

1.36 Intelligence relevant to the threats in SE Asia began to be assembled and communicated to government at regular intervals. The Committee is aware that debate has ensued, especially within the community of intelligence observers and academics, about the adequacy of that intelligence, and the assessments derived from it.

1.37 Notwithstanding that debate, it seems that government agencies were in little doubt about the regional terrorist threat emerging over the last few years. Whether, prior to 11 September 2001, it had received sufficient attention in terms of the priorities being set by the government's peak intelligence committees is a different question.

1.38 As early as April 1999 ONA had co-ordinated a National Assessment dealing with transnational Islamic terrorism and Osama bin Laden and their implications for Southeast Asia. A conclusion of the assessment was that the main danger to Australian interests remains collateral damage from attacks on US or UK targets, including in the Asia-Pacific region where bin Laden had some capacity.³⁶

1.39 ASIO made a major contribution to that assessment, noting that 'while there was little doubt bin Laden had followers and contacts in many countries, including in Southeast Asia, in early 1999 the nature of these relationships is not clear.'

The possibility of such links continued to be explored particularly with the formation of groups such as Laskar Jihad and the Islamic Defenders Front in Indonesia and the activities of the Abu Sayyaf Group and Moro Islamic Liberation Front in the Philippines. Hizballah activities in the region were also being investigated.³⁷

1.40 In the Department of Defence, the then Joint Intelligence Organisation had created, in 1989, a counter-terrorism cell with three military staff, growing to six staff prior to September 11.

Their principal tasks were to analyse the *modus operandi*, the capabilities and the operational links of terrorist groups and individuals, to analyse regional counter-terrorism capabilities and also to analyse terrorist incidents to help inform Special Forces training. So we did have a well-established counter-terrorism capability through the 1990s.³⁸

1.41 During 2000, several other reports were produced by the relevant agencies, with ONA advising, for example, that 'the security apparatus that had held militant Islam in check has been gradually dismantled and Islamic jihad groups, such as those

35 *Transcript of Evidence*, 20 November 2003, p. 293 (Prof Ross Babbage).

36 *Submission 3*, pp. 1-2 (ONA).

37 *Submission 2*, p. 3 (ASIO).

38 *Transcript of Evidence*, 28 November 2003, p. 342 (Lewincamp, DIO).

now operating in Maluku, could become a permanent threat to communal harmony elsewhere in Indonesia and a menace to elected civil authority'.³⁹

1.42 In August 2000, DIO noted the extent of al-Qaeda's reach into the region, reporting that it 'does have the potential to influence terrorist action elsewhere in the world through its support and encouragement of proxy terrorist organisations'.

1.43 At the close of 2000, an ONA Research Report noted that:

...As a consequence of Indonesia's weak condition and rising lawlessness, militant groups are becoming more assertive; they could increasingly turn to terrorism... [The] risk is growing that international Islamic terrorists could use local militants to set up in Indonesia networks through which to extend their influence.⁴⁰

1.44 On Indonesia in particular, ONA convened in early 2001 a meeting to inform collectors of the higher priority ONA was giving to the assessment of radical Islam in Indonesia and its external links. A number of further meetings with collectors on this subject were held. In response, collection agencies made a concerted effort to increase coverage of Islamic extremists in the region.⁴¹

1.45 ONA had also embarked with its US counterparts on a joint research project exploring in greater depth the nature and evolution of radical Islam in Southeast Asia, leading to a report which was issued just before the 11 September 2001 attacks.

Work on the project substantially enhanced ONA's understanding of the external influences on Islam in Southeast Asia and in particular of the influence on Indonesian extremists of fundamentalist religious ideologies and concepts, such as the global Islamic jihad, emanating from the Middle East. ... Specifically in relation to Indonesia the project concluded that, while there was not a prospect of the emergence of an Islamic state in the near or medium term, of more immediate concern is the potential for growth of Islamic militancy and international Islamic terrorism, especially given the difficulties Jakarta is likely to face in restoring law and order and in engineering an economic recovery.⁴²

1.46 DIO's Frank Lewincamp was quite emphatic before the Committee about the degree of effort being applied to counter-terrorism issues in the region.

[We] did report extensively on the growth of radical and extremist Islam in the region consistently and well before September 2001. For example, in May 2001 we indicated that Indonesia provided fertile ground for extremist groups with diverse motivations and international connections. Certainly there was some debate about al-Qaeda and the extent of its influence and

39 *Submission 3*, (ONA)

40 *Submission 3*, p. 2 (ONA).

41 *Submission 3*, p. 4 (ONA).

42 *Submission 3*, pp. 2-3 (ONA).

presence in the region, but there was clear agreement across the community about extremism and the capacity for terrorist attacks within South-East Asia.⁴³

1.47 The attack on the World Trade Centre's twin towers in New York on 11 September 2001 galvanised an even more intense effort by Western intelligence agencies, including Australia's, to tackle terrorism as a transnational, global phenomenon and to acknowledge that non-state players had established themselves as a major threat to national and regional security.

1.48 During September 2001, intelligence reports tended to highlight threats of demonstrations and civil unrest directed at US and other Western interests. This was also the tone of DIO reports until the end of 2001, while ASIO reports seemed to focus more on the risks of terrorist activity. At this stage, JI was still not known to Australian agencies as a terrorist group, whereas the extremist group Laskar Jihad had been receiving not a little attention.

1.49 On 27 September 2001 ONA issued a report which came to be much cited during the course of this inquiry – and is discussed in some detail later in this Report. It included such statements as:

...The threats by Muslim extremists of violence against the citizens and assets of the US and its close allies must be taken seriously. At the very least, increasingly hostile anti-Western protests and harassment of Westerners are likely.

...The extremists' threat to respond violently to US retaliation against al-Qaeda must be taken seriously; they have a history of resorting to terrorist methods.

...Militants may target Australian citizens and interests, using as a rallying point alleged anti-Islamic sentiment in Australia

...No sign that Laskar Jihad plans to target tourist hotels on Lombok or Bali, though extremists see them as havens of Western decadence.

...Even so, a tourist hotel in Bali would be an important symbolic target, damaging Indonesia's standing and its debilitated economy.⁴⁴

1.50 In the aftermath of September 11, Australia's intelligence collection agencies refined and redoubled their efforts. In its coordinating role, ONA convened special meetings of collectors to provide guidance on terrorism collection priorities. Those requirements were discussed and refined at 13 meetings of the National Intelligence Collection Requirements Committee between the 11 September 2001 attacks and the Bali bombing on 12 October 2002.⁴⁵

43 *Transcript of Evidence*, 28 November 2003, p. 342 (Lewincamp, DIO).

44 *Submission 3*, p. 3 (ONA).

45 *Submission 3*, p. 4 (ONA).

From late 2001 [the collection agencies] successfully developed a range of new sources which provided assessment agencies with a better picture of the extent and nature of extremist networks in Southeast Asia. Despite this enhanced effort, significant gaps in our understanding remained.

During visits to regional posts by ONA analysts, embassy staff were informed of the higher priority being accorded by ONA to reporting on Islamic militancy and extremism in Southeast Asia.⁴⁶

1.51 Following September 11, ASIO made what it called 'dramatic resource reallocations':

We devoted our resources overwhelmingly to counter-terrorism, and there was some work that we simply ceased doing in order to do that. That is where our focus remains to this day.

1.52 On 28 September 2001 ASIO raised the assessed threat level for Australian interests in Indonesia to HIGH. The decision to raise the threat level to HIGH was based on:

- publicity in Indonesia about the arson attacks on mosques and other Islamic institutions in Australia following 11 September 2001
- reporting indicating that a number of Islamic groups in Indonesia were taking a unified approach against US-led actions directed at al-Qaeda
- these groups regarded Australia as a 'soft target' alternative to the US and had begun a campaign to portray Australia as anti-Islamic.⁴⁷

1.53 The announcement of the deployment of Australian forces to Afghanistan on 17 October 2001 was deemed by ASIO to have raised Australia's profile as a terrorist target, but in the absence of specific information indicating a threat, the announcement itself did not, in ASIO's view, change the threat of terrorist attack in Australia or against Australian interests abroad.⁴⁸

1.54 Of greater concern to ASIO was Osama Bin Laden's 3 November broadcast referring to 'crusader' forces and mentioning Australia by name. ASIO considered the statement to be of 'particular significance' and issued a Threat Assessment on 9 November 2001 which noted that:

-the statement must be seen within the context of UBL statements since 1996, which consistently have laid down general markers for subsequent terrorist action.
- ...apart from sporadic references to the United Kingdom, previous statements have referred to the US and its allies. UBL's specific

46 *Submission 3*, pp. 4-5 (ONA).

47 *Submission 2*, p. 3 (ASIO).

48 *Submission 2*, p. 4 (ASIO).

reference to “crusader Australian Forces” thus represents a significant upgrading of Australia’s profile. Looked at against UBL’s track record, ASIO considers this statement will have force, and significance, for at least the next 18 months.

- ...the statement will be seen as particular encouragement for individuals or groups in Indonesia who are followers of UBL, and who may have the capability to commit violent acts. More importantly however, UBL’s al-Qa’ida network does have the capability and means to carry out an act of terrorism in Indonesia. The only question in respect of Australian interests there, is one of intent. In this context, since at least 1998, UBL has been explicit in stating there is no distinction between military personnel and civilians; both Australian Official representation in Jakarta and other identifiable Australian interests certainly would be seen as extensions of the Australian “crusader” forces.”⁴⁹

1.55 In early November 2001 a grenade was thrown into the grounds of the Australian International School in Jakarta.⁵⁰ The Committee does not know who was responsible, but it represented a clear indication that the threat to Australian interests in Indonesia had increased.

1.56 ONA informed the Committee that over this period, United States agencies had become quite rapidly convinced that there were significant links between al-Qaeda and regional and domestic radical Islamic groups in Southeast Asian countries. Amongst the factors that led them to such a conclusion was evidence given in a trial in Spain of al-Qaeda operatives to the effect that there was an al-Qaeda training camp in Poso on Sulawesi. ONA was unsure, and set out to try and verify the US’s conclusions.

With no convincing corroborative evidence available to Australian agencies of the involvement of international terrorist organisations in training camps in eastern Indonesia, ONA tasked Australian collection agencies to explore this issue thoroughly. Despite this effort, significant evidence was not uncovered, and ONA observed in a report of 29 November 2001 that claims that international terrorist camps existed in Indonesia are yet to be substantiated.⁵¹

1.57 On 29 November 2001, an ONA report included a reference to Bali in the context of intelligence about the activities of Laskar Jihad.

This...dealt with communal conflict in eastern Indonesia and...noted that Laskar Jihad ‘says it will establish a presence in Lombok as a platform for ridding Bali and nearby islands of non-Muslim communities’. This was a reference to Laskar Jihad targeting mainly Indonesian Christian

49 *Submission 2*, p. 4 (ASIO).

50 Dennis Richardson, (ASIO) *Address to 'Globalising Terror' Conference* Hobart, 8 May 2002.

51 *Submission 3*, p. 5 (ONA).

communities rather than tourist hotels or other Western targets, and of course Laskar Jihad was not responsible for the Bali bombing.⁵²

1.58 By mid-December 2001, a significant new factor had entered the scene with the receipt by Australian agencies of information emerging from investigations into the Singapore bombings and what they revealed about Jemaah Islamiyah.

1.59 The JI factor stimulated a new surge of intelligence activity.

[F]rom December 2001 we and others worked very hard to get on top of JI and a lot of progress was made. Also, ASIO's judgements, as detailed in our submission to the committee, were well founded.⁵³

1.60 As part of this renewed effort, ONA finalised a substantial, 89-page, report:

...reviewing what was known of 146 different organisations. In its introductory section, the report observed that if the ideology of Islamic radicalism in Indonesia has been remarkably consistent over the past half century or more, external influences have increasingly inspired and shaped the radicals' behaviour. Many younger Indonesian Muslims have been attracted to the ideas of Osama bin Laden and like-minded theologians who have preached the legitimacy of engaging in jihad or violent struggle for international causes. These external influences have also inculcated a belief that it is legitimate for Indonesian Muslims to engage in jihad anywhere within Indonesia's borders⁵⁴

1.61 DIO's relatively more benign earlier assessments of the risk of terrorist attacks became less so from the beginning of 2002. A 6 January report declared that SE Asia offered 'a range of soft and symbolic targets for anti-Western Islamic terrorists' and that the most 'vulnerable and numerous of Western interests in the region are tourists and expatriate business people'.⁵⁵

1.62 An interesting contextual perspective was provided to the Committee by a leading expert on terrorism, Mr Clive Williams.

I think in 2002 there was perhaps a failure to pick up on the growing anger among Indonesian Muslim extremists about the US-led war on terror and the Israeli occupation of the West Bank and Gaza. I think people are becoming more aware of the latter point because of the Arabic media that is being beamed into the region from the Middle East. People are much more aware now of the situation of the Palestinians, and it is being presented in a way which is, of course, sympathetic to the Palestinians.⁵⁶

52 *Transcript of Evidence*, 28 May 2004, p. 431 (Varghese, ONA)

53 *Transcript of Evidence*, 19 June 2003, p. 3 (Richardson, ASIO).

54 *Submission 3*, p. 4 (ONA).

55 DIO Answers to Questions on Notice, p. 6.

56 *Transcript of Evidence*, 20 November 2003, p. 292 (Mr Clive Williams).

1.63 On 16 January 2002, ONA and ASIO published a joint report based on information flowing from the Singapore arrests. This report said that:

- Southeast Asian Islamic extremists have established cells in the region and, with al-Qaeda involvement, planned terrorist attacks against Western targets in Singapore.
- [I]t isn't known when before 1999 the JI first made contact with outside terrorists, but this contact appears to have marked the group's transition from militant organisation into terrorist group.
- A good deal of information on the nature of the regional operations of Jemaah Islamiyah and its historical evolution was contained in this report.⁵⁷

1.64 Notwithstanding the al-Qaeda connection identified from the Singapore investigation, DIO doubted in February 2002 that al-Qaeda had active operation cells beyond the Singapore-Malaysia-Philippines footprint.

[T]he evidence from the Philippines, Singapore and Malaysia shows that while the JI cells probably received technical assistance from al Qaeda, and were inspired by UBL, they were not in themselves al Qaeda-controlled cells. However, there must be individual associations between JI members and al Qaeda.⁵⁸

1.65 However, DIO's 21 February report did state that:

...we cannot discount the possibility [of operational terrorist cells] 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...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.⁵⁹

1.66 In April 2002, ONA analysts participated in a US-sponsored seminar focused on the likely future of al-Qaeda after the fall of the Taliban. The consensus that emerged was that terrorist activities were likely to be dispersed, with al-Qaeda contributing to operations in various parts of the world.

57 *Submission 3*, p. 6 (ONA).

58 DIO Answers to Questions on Notice, p. 3.

59 DIO Answers to Questions on Notice, p. 4.

1.67 One of a number of scenarios canvassed in the final stages of the seminar on the range of al-Qaeda capabilities some years hence included the possibility of a terrorist attack on tourist facilities in Bali; this was not based on specific intelligence indicating such an attack was being planned or contemplated.⁶⁰

As part of that seminar we had a scenario planning exercise to try and identify where al-Qaeda would be in the future. We broke up into a range of groups to investigate certain aspects based on the scenarios of al-Qaeda being successful or unsuccessful and centralised or decentralised...The group I was involved in had the decentralised and successful scenario. To build a case for our argument, we actually used the scenario of al-Qaeda elements linking up with terrorists in South-East Asia and attacking Bali as a means to describe that particular scenario.⁶¹

1.68 Over this first half of 2002, the agencies became more confident that al-Qaeda had links into Indonesia, with ONA saying that al-Qaeda had:

...a presence in Indonesia which gives it the capability to conduct terrorist acts in and from Indonesia. But the extent and nature of al-Qaeda's presence are unclear and hard evidence remains elusive.⁶²

1.69 It is clear to the Committee that during the first half of 2002, the agencies were putting considerable efforts into clarifying and understanding the nature of JI's modus operandi, and in trying to properly assess the danger that JI and other extremist groups posed for Australian interests in Indonesia. Information was invariably incomplete; there were different understandings feeding into the agencies about the nature of radical Islam and how it might manifest itself, particularly in Indonesia. Anxieties fuelled by worse case scenarios were juxtaposed against reassuring assessments from other respected sources. The agencies' efforts necessarily involved considerable debate, as analysts wrestled with what was becoming a flood of information to be interpreted, contextualised and assessed.

1.70 ONA conveyed to the Committee the intensity that infused these debates and discussions in the first few months of 2002.

[We, ONA] were concerned...that [our clients] understood the grounds on which we were shifting our judgement, in which the question of local capability in Indonesia was terribly important. The real shift that occurred in our thinking was that up until March or April of that year we were uncertain in our own minds as to the distinction to be drawn between the two things—al-Qaeda operating in Indonesia with some local assistance as distinct from a local capability. That issue was never entirely resolved, but...we were concerned there was a local capability in Indonesia that was

60 *Submission 3*, p. 6 (ONA).

61 *Transcript of Evidence*, 20 June 2003, p. 74 (Farmer, ONA).

62 *Submission 3*, p. 6 (ONA).

not necessarily reliant on al-Qaeda. Our concern was to try to untangle the issue and separate the two things out.⁶³

I think one of the great discoveries for us [ONA] was the extent to which in South-East Asia we were in fact dealing with a home-grown movement—one that certainly had links with al-Qaeda but was not necessarily an implant, as we had originally thought. We were very concerned to get those sorts of perspectives across, to the point, in fact, of being accused on occasion of being a bit zealous about it....The suggestion was that we were losing perspective a bit and seeing communists under beds or whatever—you know, reds under the beds or whatever the usual jargon you get on these sorts of occasions is....This was a pretty hard message to sell at the time, because...it flew in the face of conventional wisdom about Islam in South-East Asia and in Indonesia in particular.⁶⁴

1.71 In early May 2002, the Standing Advisory Committee on Commonwealth/State Cooperation for Protection against Violence [SAC-PAV] sponsored a conference at the University of Tasmania entitled *Globalising Terror: Political Violence in the New Millennium*. It was attended by government officials, academics and visiting international experts on terrorism.

1.72 Australian intelligence agencies were keen to enhance their understanding of the regional terrorist threat, and this peak level conference provided a rare opportunity to hear from internationally recognised experts. Presenters delivered a range of perspectives on, and in some cases considerable detail about, the rise of international terror, and the threat posed by al-Qaeda in particular. Some of the advice delivered at that Conference proved quite prescient in terms of the Bali atrocity.

The modern world...provides terrorist groups with a plethora of potential targets. These include commercial...diplomatic and military [targets]...and the vast array of people and facilities associated with the burgeoning tourism industry...

Another important dimension of targets is the ongoing historical importance of psychology and symbolism. The sociologist Clifford Geertz has coined the term 'cultural centres' to describe those elements of societies that are viewed as of symbolic importance (consciously or not)...[A]ttacks on these may have repercussions far beyond the mere physical destruction caused...

In terms of bombing targets there is a well discernable trend for attacking the softer vulnerabilities of liberal democratic states, primarily those of a social and economic nature.⁶⁵

63 *Transcript of Evidence*, 23 June 2004, p. 508 (Gordon, ONA).

64 *Transcript of Evidence*, 23 June 2004, p. 520 (Gordon, Farmer ONA).

65 Muir, *A Trends in the Development of Terrorist Bombing* Paper delivered at May 2002 conference at the University of Tasmania entitled *Globalising Terror: Political Violence in the New Millennium*, p. 3 & p. 7.

1.73 The May 2002 Conference also provided the occasion for Dr Rohan Gunaratna to speak to a major report he had prepared about al-Qaeda. Entitled *The Bomb and Terror: trends and possibilities*, Dr Gunaratna's report delivered a detailed account of al-Qaeda's jihad-inspired terrorism, the 'uncompromisingly distinctive' characteristics of the group, and the reach of its worldwide network.

1.74 Gunaratna's report provided some information about JI's leadership in SE Asia, noting that the January 2002 testimony of captured al-Qaeda operative (Javanese born Fathur Rohman al-Ghozi) 'revealed in far greater detail than had ever been imagined before a huge network of trained al-Qaeda operatives and sympathisers at work in South East Asia, about which more will doubtless be learned in the months and years ahead'.⁶⁶ Gunaratna also described JI's spiritual leader (Abu Bakr Bashiyar) as the cleric who was 'most vocal, always exhorting the people to join the jihad...and utterly opposed to compromise'.

1.75 By June 2002, ONA had reached a point where the agency 'felt it desirable to draw to the Government's attention by means other than written reports its conclusions on the existence of a regional extremist network with connections to al-Qaeda'.⁶⁷

1.76 To that end, ONA officials sought a meeting with Foreign Minister Downer.

This briefing took place in two sections on 18 and 19 June 2002. At the briefing, ONA set out the intelligence on the nature of the domestic, regional and international radical Islamic movements and its conclusions on their interconnections and the potential for terrorist activity. The discussions focussed broadly on the terrorist threat in the region and that from JI in particular.⁶⁸

1.77 The Committee explored at some length in its hearings the details of the meeting with Minister Downer, and these appear elsewhere in this report. Of relevance here is ONA's description of the threat that they sought to convey to the Minister.

We were trying to make the impact on the minister of our knowledge up until then and explain the danger of the organisations and explain our developing concepts of the way in which these organisations were planning and were capable of carrying out operations....We did not know exactly what they were doing but we knew that there was no shortage of explosives available to them in Indonesia and, indeed, elsewhere in South-East Asia. Much, but not all, of the briefing was confined to Indonesia. ...In South-East Asia we knew there was no shortage of explosives and no shortage of weapons. We made these points clear. We said that basically they had the

66 Gunaratna, R. *The Bomb and Terror: trends and possibilities* Paper delivered at May 2002 conference at the University of Tasmania entitled Globalising Terror: Political Violence in the New Millennium.

67 *Submission 3*, p. 7 (ONA).

68 *Submission 3*, p. 7 (ONA).

intention, they had the capability, and getting access to the kinds of equipment they needed would be no problem.⁶⁹

1.78 In the Committee's view, the minister would have been left in no doubt, after the 18-19 June 2002 briefing, about the seriousness of the risks to Australian interests in Indonesia posed by JI. The group had the intention, the capability and importantly the ready access to explosives that would enable them to conduct an attack with potentially devastating consequences.

1.79 By the end of June, with more information progressively available from detainees, ONA had developed 'a better understanding of the relationship between al-Qaeda and like-minded or sympathetic groups in Southeast Asia'. For ONA it confirmed that 'al-Qaeda has a longstanding presence in Indonesia.'⁷⁰

1.80 In its 27 June 2002 report, ONA said that 'al-Qaeda is actively supporting extremists who are prepared to conduct terrorist acts in support of global jihad while advancing their own agendas; in particular, al-Qaeda has been active in fostering a relationship with Jemaah Islamiyah (JI).'⁷¹

1.81 A week later, ASIO issued a statement in relation to QANTAS operations in Jakarta and Denpasar. It stated the following:

The general threat to Qantas interests in Indonesia cannot sensibly be differentiated from the general threat to Australian interests in Indonesia; currently assessed as HIGH.

- Australia's profile as a potential target of terrorist attack by Islamic extremists has been raised by our involvement in the War on Terrorism
- Islamic extremists in the region have shown a capability and intent to conduct terrorist attacks, including against aviation interests
- They have also shown great flexibility in regard to location, method of attack and type of target

ASIO is unable to specifically comment on the areas around Denpasar and Jakarta airports other than to note that Islamic extremists associated with Jemaah Islamiyah (JI)) and/or al-Qaeda are known to have transited both airports in the past.

Senior Indonesian JI figure, Riduan bin Isamuddin, also known as Hambali, was involved in Oplan Bojinka. He is still at large in Indonesia. Another senior JI member, Mas Selamat bin Kestari, who threatened to hijack an aircraft and crash it into Changi airport fled Singapore after escaping arrest and is likely to be in Indonesia with other JI members. Given the JI

69 *Transcript of Evidence*, 28 May 2004, p. 435 (O'Malley, ONA).

70 *Submission 3*, pp. 6-7 (ONA).

71 *Submission 3*, p. 7 (ONA).

presence in Indonesia, neither Jakarta nor Bali could be considered exempt from attack.⁷²

1.82 At the same time, DIO issued an assessment focussing not on JI and terrorist attacks, but on Laskar Jihad (LJ) and Laskar Jundullah (LJL). The assessment pointed out that these groups' primary focus was on domestic issues and that they had not generally targeted Western interests.⁷³

1.83 The intelligence agencies seemed clear in their understanding of the different kinds of threat posed by the various extremist groups.

I would repeat: we had the threat level to Australian interests in Indonesia at 'high'. That was all of Indonesia.We could not separate out Bali from the rest of Indonesia. We were very conscious of the terrorist threat posed by JI and we were very conscious that it could pose a threat quite differently to Laskar Jihad.⁷⁴

1.84 On 26 July 2002, ONA issued two separate reports. The first included advice that 'reports of planned terrorist violence in Southeast Asia are coming more frequently'; that 'no good estimate yet exists of al-Qaeda's strength in Southeast Asia. But it is likely to grow'; and that 'suicide attacks have not been part of militants' modus operandi in Southeast Asia. But that may be changing.'⁷⁵

1.85 In the second report, ONA said that 'we have no collateral for but cannot dismiss reports that Indonesian Islamic extremists intend to launch attacks in Indonesia in August and in Southeast Asia in September.'

1.86 The report went on to say that 'protests in support of Islamic law, attacks on Christians, raids on brothels and nightclubs, bomb attacks, or terrorist attacks on US or other Western targets are all possible.'⁷⁶

1.87 The increasingly frequent reports of planned terrorist violence, and threats to target Western embassies obtained from the custodial interviews of al-Qaeda operative Umar Faruq, 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.

1.88 DIO's report on 5 August 2002 drew attention to JI, advising that there was ...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

72 *Submission 2*, p. 6 (ASIO).

73 DIO Answers to Questions on Notice, p. 6.

74 *Transcript of Evidence*, 28 May 2004, p. 461 (Richardson, ASIO).

75 *Submission 3*, p. 8 (ONA).

76 *Submission 3*, p. 8 (ONA).

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.⁷⁷

1.89 Similar advice was also issued four days later by ASIO, warning that Indonesian-based Islamic extremists may be planning a series of coordinated 'actions' across Indonesia in the August/September period.

The nature of the action was not well defined but appeared likely to range from demonstrations to terrorist attacks. ASIO assessed the threat of terrorist attack against Australian interests in Indonesia remained HIGH and noted the following:

- The reports suggested Western interests, principally US, but also British and Australian, were among the intended targets.
- The information was fragmentary, uncorroborated and of unknown credibility. Some aspects possibly reflected circular reporting of earlier discredited threats.
- The number and nature of the reports, however, taken in the context of the raised threat in Indonesia, collectively warranted updated threat advice⁷⁸

1.90 The de-briefing of al-Qaeda operative Umar Faruq had clearly delivered valuable information into the hands of the intelligence agencies. According to ONA's 13 September 2002 report, Faruq's disclosures 'reinforced earlier reporting that al-Qaeda has access to the extensive Jemaah Islamiyah (JI) network criss-crossing Southeast Asia.'

1.91 The disclosures also added to 'the persuasive evidence that has accumulated in recent months that al-Qaeda has a longstanding presence in Indonesia and close relations with local extremists.'⁷⁹

1.92 DIO reports at this time retained their focus on JI, but spoke of DIO's doubts about JI's organisational robustness and capability, and suggested that JI was reliant upon external assistance to execute anti-Western attacks. DIO noted, however, JI's 'connections with regional extremists', its 'flexibility' and its capacity to 'draw on...regional connections and transnational associations to al Qaeda to pursue anti-Western attacks in future'.⁸⁰

77 DIO Answers to Questions on Notice, p. 4.

78 *Submission 2*, p. 5 (ASIO).

79 *Submission 3*, pp. 8-9 (ONA).

80 DIO Answers to Questions on Notice, p. 5.

1.93 In what subsequently proved to be a prescient assessment of 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.⁸¹

1.94 With the advent of October, intelligence reports and security assessments continued to assert a high level of generic threat - to speak of JI, the possibility of attacks, and of the risks to Australian interests – but not of any definitive or *specific* threat. It remains the case, though, that ASIO had first assessed the threat to Australian interests in Indonesia at HIGH almost a year earlier, in December 2001. Thereafter, the intelligence services delivered intensified reporting on terrorism and JI in particular, and the collective effect was a constant updating of threat advice, and increasingly robust assessments of risk.

1.95 The final reports to emerge before the Bali bombing were issued by ONA and ASIO on 10 October 2002.

1.96 The ONA report said that despite some recent arrests, substantial numbers of terrorists remain free in Southeast Asia, capable of and intent on further attacks. The report noted recent arrests but observed that terrorists in the region were proving they could stage small attacks, listing some recent incidents.

1.97 The report went on to say that further similar attacks are on the cards including against US targets in Indonesia. It noted that weapons and explosives are still easily available in Southeast Asia, and that many potential attackers with the requisite skills remain active. The report also said key JI leaders, who have even bigger plans, including those who plotted the Singapore operation, are still free.⁸²

1.98 On 10 October 2002 ASIO issued a Threat Assessment against the background of statements by Osama bin Laden on 6 October 2002 and by Ayman al-Zawahiri on 8 October 2002. The assessment advised that the statements suggested that somewhere 'another large scale attack or attacks by al-Qaeda are being prepared'

1.99 The ASIO assessment noted that:

- The attacks may be imminent
- Both bin Laden and al-Zawahiri talked of targeting key sectors of the US economy but attacks may not be limited to traditional financial or economic interests

81 DIO Answers to Questions on Notice, p. 5.

82 *Submission 3*, p. 9 (ONA).

- The planned attacks may not necessarily be in the US and could be against US interests abroad, including against US allies
- No information on the timing, location or method of the attacks was available
- No information specifically related to Australian interests but Australia's profile as a potential terrorist target had increased since 11 September 2001.⁸³

1.100 ASIO stated in its submission to the Committee: 'We do not know whether the statements by bin Laden and al-Zawahiri foreshadowed the Bali attacks'.

1.101 In any event, the Bali attacks dramatically changed the dynamics and perspective of many in the Australian intelligence community. In the words of ASIO's Dennis Richardson:

I can assure you...the threat tolerance threshold for collectors and assessors and decision makers has lowered. What that means is that collectors are more sensitive to material which at another time they might not have given as much credence to: assessors are and decision makers are. That compression of the threat tolerance threshold—or the risk tolerance threshold, however you want to put it—has led to a real dynamic change in the way things work and the speed at which things work and just the amount of information pushed into the system and what that has meant for people.⁸⁴

Concluding remarks

1.102 In the Committee's view, since the year 2000 and certainly during the 10 months immediately preceding the Bali bombing, Australian intelligence agencies had, by the middle of 2002, developed a reasonably sound appreciation of:

- (a) The growth of Islamic extremism in SE Asia and the movement into and across the region of people associated with terrorist groups, or with experience in the conflict in Afghanistan.
- (b) The extent to which extremists in the region, including in Indonesia, were becoming increasingly influenced by, or had links with, al-Qaeda.
- (c) The reluctance and/or incapacity of the Indonesian government to crack down on extremists or to acknowledge the presence of international terrorists and the potential for networks to develop.
- (d) The high level of generic threat that existed to Westerners and Western interests, and that Australians were clearly not immune.

83 *Submission 2*, pp. 5-6 (ASIO).

84 *Transcript of Evidence*, 24 September 2003, p. 172 (Richardson, ASIO).

- (e) The threat was directed not only at Western economic infrastructure and diplomatic interests, but also at so-called 'soft' targets, and that this threat was posed by groups with both the capability and intent to mount attacks against such interests and targets.

1.103 The evidence to the Committee indicates a regular sharing of information between the main collection and assessment agencies, and DFAT officials, and some significant joint ventures in terms of trying to develop a common understanding of the rise of regional extremism and the terrorist threat.

1.104 The analyses and assessments produced by the individual agencies showed some variation from each other – as is to be expected, and as is consistent with the notion of contestability of advice and the independent exercise, by each agency, of its own judgements about the material before it.

1.105 In hindsight, the Committee considers that, of the assessments produced by ASIO, ONA and DIO, those of ASIO and ONA seem to have been more congruent with what eventually happened in Bali on 12 October 2002. It seems that DIO's reports generally conveyed a somewhat more benign view of the direct threat to Westerners in Indonesia, and of JI's capacities, if not its purposes and intent. However, as noted above, a DIO report of September 2002 commented on the potential for mass casualties from improvised bombs if 'timing and location' came together.

1.106 In essence, the Committee considers that in the months leading up to Bali, the intelligence landscape was far from barren. On the basis of what they had discovered in December 2001, and what they learned rapidly thereafter, agencies were in no doubt that a high terrorist risk had emerged in the region.

1.107 While there was no specific intelligence warning of the attack on Paddy's Bar and the Sari Club (or indeed anywhere) in Bali at that time, Australian agencies were possessed of enough intelligence, and had undertaken sufficient analysis, to warrant their making reports to government assessing the threat to Australian interests in Indonesia as high.

1.108 This was also the level of threat conveyed to QANTAS when the airline sought advice from ASIO in mid-2002. As noted earlier, ASIO told QANTAS that neither Jakarta nor Bali could be considered exempt from attack.

1.109 On the basis of all that has been set down above, the Committee reiterates its view that the statement 'There was no specific intelligence warning of an attack on Bali' does not exhaust the account of the pre-Bali intelligence story. It is important to elaborate that account by reflecting on what was known, and what was feared, about the capabilities and intentions of extremists and of groups like JI that had mutated from extremist to terrorist organisation some time before 2001.

1.110 There seem to be two main tasks for the Committee in reviewing events leading up to Bali. One is to determine whether the reports of the intelligence agencies were commensurate with the actual level of threat that existed, and how, if at all, it

might have been possible to better anticipate JI's attack on Bali. The second is to determine whether actions or decisions taken by government in response to agencies' advice were commensurate with the level of threat conveyed in the reports from ASIO and others.

1.111 In making such determinations the Committee is acutely aware of the fact that it is making its determinations in hindsight. In the case of task one; it is all too easy to conflate the limitations of intelligence with the limitations of intelligence agencies. In task two it is all too easy to examine decisions and actions through the prism of the Bali atrocity, shaped as it is by grief, anger, frustration, despair and loss.

1.112 There is a crude argument to the effect that, because the Bali bombing was successfully carried out by JI, the Australian intelligence agencies' assessments were self-evidently not commensurate with the level of threat that actually existed. It seems to the Committee, however, that the intelligence agencies *were* carrying out analyses and delivering assessments that were optimal within the bounds of the information and evidence available to them.

1.113 Recall that the Indonesian government had persistently refused to crack down on extremists, or to admit the presence of terrorists on their soil. Indonesia had demonstrated considerable reluctance to co-operate with Western agencies desperate to assess and disrupt the growing network of international terrorism, especially that inspired by Osama bin Laden and al-Qaeda, and fuelled by a diaspora of fighters after the fall of the Taliban.

1.114 Before the Bali bombings, agencies such as ASIO had nowhere near the analytical resources that subsequently have been made available to them. Much of the intelligence collection relied on electronic forms of eavesdropping, with effectively no human intelligence opportunities available on the ground. The cell-based and dispersed nature of terrorist groups made it virtually impossible to winkle out information about their activities and plans.

1.115 Despite the practical and jurisdictional limitations under which agencies were working, the Committee is of the view that the intelligence picture, while more sketch than completed canvas, nevertheless conveyed an appreciable image of the high threat that was increasingly menacing Australian interests not only in Indonesia but elsewhere in the region.

1.116 The Committee acknowledges that there had been debate within and between agencies about the nature and severity of the threat posed by Islamic extremist groups and their becoming a vehicle for international terror in the mode of al-Qaeda. But the Committee does not regard such debate as detrimental to intelligence assessment. Indeed one might expect better illumination on such issues by the light of sparks being struck than by the warm glow of consensus.

1.117 There have also been claims that Australian agencies were not as assiduous as, nor shared the sense of urgency of, their American counterparts in attending to the

terrorist threat to Westerners in Indonesia. The Committee is not satisfied that such claims are justified.

1.118 In any event, the assessments and reports coming out of ONA, ASIO and DIO in the months leading up to Bali should have left no-one in any doubt that the risks to Australian interests in Indonesia posed by groups with an avowed intention to attack Westerners, including Australians, were high. This is precisely the threat assessment that was extant from September 2001 onwards, and throughout 2002 was constantly reinforced and elaborated upon by intelligence reporting.

1.119 For example, the persistent assessment by ASIO, set at HIGH from 28 September 2001, was set according to the criterion 'Current intent and capability to attack Australia's interests are established circumstantially, but not confirmed by reliable intelligence.'

1.120 This assessment was the highest setting available to the agency short of it assessing that there was 'Current intention to attack Australia's interests...confirmed by reliable intelligence.'⁸⁵

1.121 Moreover, the raising of the level to HIGH came *before* other important factors began to further elevate Australia's profile as a terrorist target, notably the announcement of Australia's deployment of troops to Afghanistan, and the speech by Osama bin Laden which referred to 'crusader Australian forces.' It also came *before* the revelations about JI's transformation into a terrorist organisation, and *before* information extracted from the custodial examination of al-Qaeda operative Umar Faruq that confirmed al-Qaeda's substantial and long-standing links with JI.

1.122 In short, from the time that ASIO initially raised the threat level to Australians in Indonesia to HIGH in September 2001, there was:

- (a) A recurring elevation of Australia's profile as an ally in the War on Terror, and
- (b) A consistent expansion of the range, depth and credibility of evidence that Australians in Indonesia were at increasing risk of being terrorist targets.

1.123 In the Committee's view, in the year or so leading up to Bali, the production of intelligence and associated threat assessments constituted a flow of sufficient frequency, volume and intensity of warning, that consumers of that intelligence, and in particular DFAT with its heightened focus on terrorism, should have been in little doubt that an explicitly anti-Western terrorist attack of some kind would eventuate and that Australian interests, including soft targets such as tourists, could not be considered immune from that risk.

85 This is the highest level threat assessment on ASIO's six level scale of threat assessment that operated at the time.

1.124 Whether the risks to Australians in Bali itself, as distinct from other Indonesian locations, were sufficiently appreciated in threat assessments and articulated in travel warnings is a matter that the Committee addresses elsewhere in this report.

The Blick Report

1.125 Although the Committee did not have access to the classified material that informed the Australian intelligence agencies' assessments at the time, the Committee is in no doubt that there was no specific, actionable intelligence related to the bombings of 12 October 2002. This was consistent evidence of the intelligence agencies and was the conclusion reached by the statutorily independent Inspector-General of Intelligence and Security, who *did* have access to all the relevant material.

1.126 The Committee questioned Mr Blick in detail both about his findings and the nature and methodology of his investigation. The very first question asked of Mr Blick was whether he detected 'any direct, circumstantial or conjectural evidence that could have given the Australian government and the authorities any inclination of what happened in Bali'.⁸⁶ He replied:

The answer to that is no. I said in my report that there was no intelligence that could, either then or with the benefit of hindsight, have been shown to point to the likelihood of an attack of that kind.⁸⁷

1.127 Mr Blick told the Committee that in compiling his report he surveyed 'many thousands' of intelligence reports.⁸⁸ He explained his methodology in the following terms:

[W]hat we did was to, first of all, examine what ONA had done in the aftermath of the attack, which was to make inquiries of the other agencies about whether they had any intelligence of this kind, and then in effect decide what extra inquiry needed to be done to ensure that each agency was working from the same brief. We convened a meeting of members of the agencies who would have expertise in their systems. We agreed on, firstly, a time frame that we would look back to and we decided that there was no point looking back beyond 11 September 2001 and, secondly, we agreed a common series of search terms for their computerised systems. That meant that of the order of 170 search terms were, over the period of the inquiry, put into the various systems....We used words such as the obvious ones—'Bali', 'terrorism' and so on—and then the various names of possible terrorist culprits. You would appreciate that at that stage there were not quite so many identified as there have been now, but there were a lot of them. They were all put into the systems as well.

86 *Transcript of Evidence*, 24 September 2003, p. 95 (Senator Santoro).

87 *Transcript of Evidence*, 24 September 2003, p. 95 (Blick, IGIS).

88 *Transcript of Evidence*, 24 September 2003, p. 95 (Blick, IGIS).

Then what happened was that in each of the agencies a team was set up consisting of officials of the agencies with expertise in their systems, and they interrogated their databases and came up with lists of documents of possible interest. We then surveyed those lists and decided which ones out of those were of significant possible interest and needed to be looked at further. That was complemented by work within the agencies themselves to, in effect, do their own searching of that kind and suggest documents to us that might be worth looking at.

Obviously, in some agencies there were far more documents than there would have been in others. There was a lot of duplication because, for example, ONA and DIO basically get most of the documents that are available to some of the other agencies because they feed into their own assessments...Indeed; the agencies were assiduous in attempting to identify anything that might possibly be relevant.⁸⁹

1.128 The Committee asked Mr Blick whether there was any possibility that an agency may have come across some information that they perhaps did not wish to reveal, and whether the audit process used by the investigation team would have picked that up. Mr Blick replied:

I am certain it would. One of the fail-safes, if I can put it this way, is that a large amount of this information would not be restricted to one agency, so any agency which chose to deliberately conceal something would always be at risk that it would turn up somewhere else, and then obviously we would want to know why. I am sure I can be absolutely confident that, had there been that sort of material, it would have been found. As I alluded to in an answer to a previous question, if you take ASIO for an example, ASIO had an interest in establishing whether there was any of that kind of information that went way beyond my inquiry because it wanted to catch the people who had done this and assist in the investigation into the incident.⁹⁰

1.129 The Committee explored with Mr Blick the question of whether there was anything the intelligence agencies *might* have done that they did not do in the period before Bali that might have lessened the risk of an intelligence failure.

That certainly goes way beyond the terms of reference that I was asked to work under and, if I can say so, would go to the whole issue of how intelligence agencies collect material, what their capacity is—in this case, in South-East Asia—and a range of issues about competence and professionalism that I would not see myself as qualified to either inquire into or comment on. I would not have seen myself as having that kind of brief and, indeed, I would not have seen myself as being able to carry that kind of brief.

...I was not asked to do an efficiency audit of the agencies.

89 *Transcript of Evidence*, 24 September 2003, p. 96 (Blick, IGIS).

90 *Transcript of Evidence*, 24 September 2003, p. 100 (Blick, IGIS).

...I was not asked to examine the efficiency of the agencies in collecting and utilising intelligence. I could obviously, if I were so inclined, give you an answer about whether I think they are good at it, but that was not something that was within my terms of reference.⁹¹

1.130 In any event, Mr Blick indicated that he would not be well placed to conduct an efficiency audit.

So if the government wanted an efficiency audit done and it thought that the Inspector-General of Intelligence and Security was an appropriate person to do it then it could be asked of the inspector-general. If the government asked me to do that, I would probably say to the government, 'Why don't you get somebody who knows something about efficiency audits?'⁹²

1.131 Under questioning, Mr Blick affirmed that, in his view, there was no 'systemic failure' and that there were no issues of significance related to the 'structure' of the intelligence agencies. He observed:

I would hesitate to ever suggest that structures are always right at any particular point in time, but that comment should not imply that I think there is anything that I could point to that is wrong. I think it would be a brave person who would say we have the structure right and that is the way it should be, without far more study of a deliberately focused kind into that issue....I think the only thing that contributed to a failure to alert the government to the possibility of an attack in Bali was the absence of intelligence pointing to it....So the structures were, in a sense, irrelevant to that, if I can say so.⁹³

1.132 The published summary of the Inspector-General's report stated that ASIO's threat assessments during the period appropriately reflected the risks suggested by the available intelligence, and that assessments by other agencies also contained realistic appreciations of the risks to Australian interests from actions by extremists. The Committee agrees with this assessment.

1.133 The Blick report was silent on the commensurability between DFAT Travel Advice and ASIO threat assessments. Mr Blick explained that 'DFAT travel advisories were not within my terms of reference. Therefore I have not made a study of them, so therefore I do not have a view'.⁹⁴

1.134 The Committee regards it as unfortunate that Mr Blick's terms of reference did not include the requirement to assess the commensurability of travel advisories with threat assessments, as this is precisely the point at which the quality and utility of travel advisories is most forcefully tested.

91 *Transcript of Evidence*, 24 September 2003, p. 103-104 (Blick, IGIS).

92 *Transcript of Evidence*, 24 September 2003, p. 112 (Blick, IGIS).

93 *Transcript of Evidence*, 24 September 2003, p. 97 (Blick, IGIS).

94 *Transcript of Evidence*, 24 September 2003, p. 101 (Blick, IGIS).

1.135 Mr Blick also pointed out that, as Inspector-General of Intelligence and Security :

I do not have the statutory capacity to look at what DFAT does; whereas I do have the statutory capacity to look at what the other agencies do...I guess what I am saying is that the government could ask me to do something in relation to any agency, but I could not do it under the Inspector-General of Intelligence and Security Act.⁹⁵

1.136 As explained by Mr Blick himself, the terms of reference under which the Inspector-General operated did not require him to examine areas such as the formulation and accuracy of threat assessments, and their relationship to, and commensurability with, the travel advisories issued over that period. The Committee does not doubt in any way the professionalism and efficiency of the officials carrying out these duties within their respective agencies.

1.137 Because the Senate Committee has not had access to the original intelligence, it has not been able to assess for itself whether the published threat assessments were congruent with the intelligence available. As well, given that such an assessment was also outside the terms of reference of the Blick inquiry, there is little the Committee can do to prevail against public criticism that this aspect of ASIO's work has not been subject to independent scrutiny.

1.138 This difficulty has not been overcome by the July 2004 report of the Flood inquiry which, by its own account, 'did not inquire into ASIO per se because that would not have been justified by the terms of reference. For this reason, domestic security and intelligence arrangements are not the focus of this [Flood] report'.

1.139 Again, the Committee can only assess the commensurability of Travel Advice against what were the published threat assessments or what was otherwise revealed publicly to the Committee by the agencies. Nor was the Inspector-General required to make such a judgement. The Committee concedes that, under these circumstances, whatever the Committee might say is unlikely to be enough to satisfy those who insist that such assessments are impeded by lack of access to the detail of the intelligence reporting.

1.140 In the UK, the statutory Intelligence and Security Committee conducted an inquiry into the Bali bombings which covered all key issues, including:

- Whether terrorism in Indonesia was a sufficiently high intelligence collection priority;
- Whether any intelligence was overlooked;
- Whether the Security Service made the correct threat assessment on the available intelligence;

95 *Transcript of Evidence*, 24 September 2003, p. 102 (Blick, IGIS).

- Whether Travel Advice accurately reflect the Security Service assessment; and
- Whether Travel Advice was effectively communicated to the public and the travel industry.

1.141 The British government instructed the Intelligence Co-ordinator in its Cabinet Office to ensure that all intelligence was made available to the statutory Committee.

1.142 The Senate Committee has endeavoured to discharge its terms of reference thoroughly, and believes that it has done so to the full extent of the evidence presented to it. The Committee has made every effort to ensure that the relevant government agencies were given every opportunity to place their views and judgements on the public record, and to respond to the array of questions, concerns and allegations that have animated the public debate since Bali.

1.143 However the Committee is mindful of the fact that it has been unable to have access to the underlying intelligence assessments which gave rise to the threat assessments and travel advisories constructed by DFAT on that basis.

1.144 Further, the Committee is also mindful of the fact that the only previous inquiry conducted into these matters by the Inspector General of Intelligence and Security (IGIS) did not have any terms of reference empowering IGIS to examine the correlation between underlying intelligence assessments, threat assessments, and travel advisories

1.145 For these reasons the Committee is of the view that the country's future arrangements in these areas may be advantaged by an independent commission of inquiry with specific terms of reference to address these and related matters.

Recommendation 1

1.146 The Committee recommends that, with a view to ensuring the country's future arrangements between intelligence assessments, threat assessments and travel advisories are optimal, consideration should be given to the establishment of an independent commission of inquiry with specific terms of reference to address these and related matters.

Misleading commentary about intelligence

1.147 During this inquiry the Committee's attention was drawn to reports in the media and elsewhere claiming that certain information was available to the Australian authorities that should have alerted them to the Bali attacks. It is important that these claims are addressed and resolved as far as possible, and to that end the Committee provides the following advice.

1.148 The *Asian Pacific Post* out of Richmond, British Columbia, on 26 June 2003 reported:

American spies identified two Bali resorts as terrorist targets months before Islamic radicals bombed two neighbouring night spots and killed over 200 people...A partial list of the Indonesian targets provided...identified the Sahid Bali seaside resort on Kuta Beach and Hardrock Hotel in Bali as targets. One of those is less than 500 metres from the actual targets and was damaged by the bombing....The American report called *Combined Analysis of Potential Foreign Strike Zones* was completed in September 2002 and the executive overview of the report warns against any public release of the document as it would create 'misdirected liability, public hostility and mass anxiety'. The report is meant to be shared with allies by the US liaison officers.

1.149 According to the Inspector-General of Intelligence and Security (Bill Blick) the so-called *Combined Analysis* report 'was a forgery. It seems to be clearly established that there was no such report emanating from any official source'.

I obviously took a pretty significant interest in this because it came some time after my report and appeared to disclose material that I had not been aware of. So, in common with a number of other people who were also taken by this new information, I instituted inquiries. The last thing I remember seeing about that was an official statement... saying that detailed investigations had confirmed that there was no such document. I would just add that, had there been such a document, it is inconceivable that it would not have been available to Australian agencies and it would have therefore been available to me in the course of my inquiries....I myself have not been able to establish it [was a forgery] in the sense of one being a police officer, for example; but I have no doubt whatever that that document did not emanate from an official source.⁹⁶

1.150 Mr Blick's testimony was supported by a letter to the Committee from the Director-General of ASIO (Mr Richardson). In that letter Mr Richardson advised that:

All relevant Australian agencies have searched their records and can find no evidence that any such document was ever received; and

The United States Department of State advised the Australian Ambassador in Washington on 27 June that the claim was 'thoroughly researched' and that there was 'no evidence to suggest that such a document was produced by the US Government.'⁹⁷

1.151 Mr Richardson provided to the Committee a copy of the 27 June 2003 letter from the US Assistant Secretary of State (James A Kelly) to HE Michael Thawley (Ambassador of Australia). As well as confirming that the US Government had not produced the alleged document, the letter from Mr Kelly also stated that 'it has consistently been our policy to share information relating to possible terrorist threats to Australian citizens. I reaffirm...we had nothing to indicate a specific threat of attack or danger of attack in Bali'.

96 *Transcript of Evidence*, 24 September 2003, p. 109 (Blick, IGIS).

97 Letter from ASIO's Mr Richardson to the Committee dated 3 July 2003.

1.152 Mr Richardson elaborated his views about the US State Department response in the following terms:

In my view, the letter is stating quite clearly that the state department has researched the claim, including with other US government departments...I can confirm that we found no evidence to suggest that such a document was produced by the US government. I can say no more than that. I did not see those words as weasel words; I saw it as a straight statement. Just for the committee's information, as to my understanding of what was in the *Asian Pacific Post* of 26 June 2003, I am advised that there was, some months before that, a very similar report in the Canadian press. The Canadian authorities checked that out with the United States at the time and got the same answer, and also the Canadian authorities could find no evidence in their system of any such document.⁹⁸

1.153 A related press report was one that appeared in the *Sydney Morning Herald* of 15 July 2003 claiming that in March 2002 Jabarah, who was a Canadian student and a senior JI lieutenant, was captured in Oman and turned over to US custody. The *Herald* report says:

Within two months he was telling all he knew about JI and al-Qaeda's operations in the region....As a result, Washington put intense pressure on the Indonesian government to crack down on JI. This climaxed in early June with the US persuading President Megawati Soekarnoputri to agree to arrest a senior al-Qaeda operative, Omar al-Faruq...

By July last year Australian intelligence had received briefings on Jabarah's interrogation. His reference to JI's planned attacks on Westerners in bars and nightclubs, especially in Indonesia, could not have been overlooked.⁹⁹

1.154 Inspector-General of Intelligence and Security (Bill Blick) told the Committee that 'to the extent that there was reporting arising from interrogations and to the extent that that reporting related to threats to Australian interests and Western interests generally in Indonesia, I saw it'.¹⁰⁰

1.155 The key assumption made by the authors of the *Herald* report was that any briefings received by Australia in July about Jabarah's interrogation did in fact include a statement about 'planned attacks on bars and nightclubs'. The *Herald* report was wrong in that respect.

1.156 The Committee investigated the *Herald* claim in an in camera hearing with the relevant intelligence agency.

1.157 Australia asked for and received in May-June 2002 a report from the Canadian Security Intelligence Service which provided background on Jabarah's

98 *Transcript of Evidence*, 24 September 2003, p. 163 (Richardson, ASIO).

99 Quoted in *Transcript of Evidence*, 24 September 2003, p. 105-106.

100 *Transcript of Evidence*, 24 September 2003, p. 105-106 (Blick, IGIS)

involvement with al-Qaeda. That report made no reference whatsoever to planned attacks on bars and nightclubs.¹⁰¹

1.158 Australia continued to seek access to Jabarah, who had passed from Canadian to US custody. Neither access to, nor further information about, Jabarah was available to Australian authorities - at least part of the reason being legal procedural difficulties related to his prosecution. Eventually, Australia received a number of reports detailing interviews with Jabarah, most having been conducted in May 2002.

1.159 These reports were received by Australia several weeks after the Bali bombing.¹⁰² It was in one of these reports that the comment about the plan to attack nightclubs was made. The relevant section of the report read as follows:

The last contact the source [Jabarah] had with Hambali was in mid-January 2002 in Thailand. At that time Hambali discussed carrying out attacks with his group. His plan was to conduct small bombings in bars, cafes and nightclubs frequented by westerners in Thailand, Malaysia, Singapore, Philippines and Indonesia. Hambali also stated that he had one ton of PETN explosives in Indonesia. The source [Jabarah] did not know who would carry out the bombings or when.

1.160 The Committee considers that if such information had been available to Australian agencies in the middle of 2002 it may well have led to a more explicit warning to Australian travellers about the dangers of congregating in clubs and bars. It may also have led Australia's intelligence agencies to strengthen their reporting about the vulnerability to attack of tourist spots such as Bali. It remains the fact, however, that this information simply was not available to Australia in the lead-up to the attacks on Bali.

1.161 The information that emerged from the Jabarah interrogation did not produce specific details about the timing and location of attacks on clubs and bars, and to that extent delivered no specific intelligence about Bali. However, knowledge of such a declaration of intent to attack bars and nightclubs would have added considerable weight to Australia agencies' assessment that soft targets were likely to be included on JI's 'hit list'. This in turn would most likely have prompted agencies to re-evaluate the risks to Bali and other tourist sites, and to strengthen travel warnings.

1.162 Towards the end of its inquiry, the Committee was confronted with another controversy arising out of comments in a report published by America's Rand Corporation. Entitled *Confronting the "Enemy Within"*, the report examined the domestic intelligence bureaus in the UK, France, Canada and Australia with a view to informing the debate in America on the advisability of creating 'a dedicated

101 In camera evidence provided to the Committee by ASIO

102 In camera evidence provided to the Committee by ASIO

information collection and surveillance body that operates outside the existing structure of the FBI'.¹⁰³

1.163 Page 49 of that report included the following paragraph:

In the United Kingdom, MI5 has been accused of ignoring the threat posed by al Qaeda... Equally in Australia, regional analysts following the movements of JI charge ASIO blatantly disregarded threat assessments that, if followed, could have prevented the October 2002 Bali tragedy.

1.164 The footnote to the last sentence referred to interviews with people in 'The Intelligence Corps, AFP', the 'Institute of Defence and Strategic Studies, Singapore' and an article in *The Age* of 8 January 2003. The Committee wrote to Dr Chalk, one of the RAND Report authors, asking for further details. The Committee's letter included the following:

You will appreciate that such a criticism of ASIO is a serious one, and the Committee assumes that you are satisfied that there are solid grounds upon which to base it. It is certainly not a report that this Committee takes lightly.

On checking the footnote that references your statement, you cite interviews with 'The Intelligence Corps, AFP, Sydney' and the 'Institute of Defence and Strategic Studies, Singapore'. The Committee is unclear about the first citation. The Committee is not aware of an AFP 'Intelligence Corps' in Sydney. Could you clarify the reference? Could you have meant the ADF?

The Committee will, in any event, contact the AFP Sydney office to see whether it can shed any light on this matter. If indeed AFP officers have grounds for claiming that ASIO blatantly disregarded relevant intelligence concerning threats to Bali the Committee would like to hear from them.

You also cite a report in *The Age* of January 8, 2003. It relies heavily on, and quotes extensively from, an article in the January 2003 issue of *The World Today* – the magazine of the Royal Institute of International Affairs. The Committee is aware of the kinds of issues and arguments canvassed in that article. The article is clearly a legitimate contribution, at a fairly general level, to the debate about the rise of international terrorism and the new challenges posed for national and regional security and counter-terrorism strategies in SE Asia and Australia.

The Committee notes from its website that *The World Today* declares itself to be a carrier of "stimulating argument from policy-makers, journalists and academics" and advises its contributors that "[t]he challenge is to make ideas attractive to a broad range of readers - from schools and businesses through the diplomatic and political worlds to academia."

This is a perfectly proper endeavour for a magazine, but in the Committee's view, any serious critique of the intelligence efforts of Australian agencies would need to delve considerably deeper into the matters canvassed in *The*

103 Chalk P & Rosenau W *Confronting the "Enemy Within": Security intelligence, the police and counterterrorism in four democracies* RAND Corporation (California) 2004, p(iii).

World Today, and discern what hard evidence was being relied upon to support the judgements being made by the authors.

1.165 Dr Chalk responded promptly to the Committee's letter saying that the reference to the AFP was incorrect (it should have been the ADF), that he would not reveal his sources, and that he considered *The World Today* as a reputable and suitable publication upon which to draw. Dr Chalk also pointed out that he was not making allegations against ASIO, he was simply reporting what others had said to him.

1.166 The Committee regards the allegations that ASIO 'blatantly disregarded' warnings that 'could have prevented' the Bali bombing to be totally without foundation. The Committee is not aware of any approaches made by Dr Chalk to either the AFP or ASIO to seek a response from those agencies to the allegations, either prior to or since the publication of the RAND report. The Committee considers that these allegations, especially given the prominent media coverage of the RAND report that resulted from their inclusion, may have caused unnecessary grief to the families of Bali victims, and undermined public confidence in ASIO.

1.167 The RAND authors are perfectly entitled to publish their views, and to report the views of others. However, it cannot have escaped their notice that allegations of the type they were reporting were not inconsequential. Their failure to balance those allegations, for example by making reference to the findings of the widely-publicised Blick report - which examined all the pre-Bali intelligence material and concluded that there was no specific intelligence warning of the attack - was an omission that does not reflect well on the authors.

Meeting with Minister Downer, June 2002

1.168 The content and outcomes of a meeting between ONA officials and the Minister for Foreign Affairs (Mr Downer) in June 2002 were examined in some detail during the Committee's inquiry.

This [ministerial] briefing took place in two sections on 18 and 19 June 2002. At the briefing, ONA set out the intelligence on the nature of the domestic, regional and international radical Islamic movements and its conclusions on their interconnections and the potential for terrorist activity. The discussions focussed broadly on the terrorist threat in the region and that from JI in particular.¹⁰⁴

1.169 Over the first half of 2002, Australia's intelligence agencies had become more confident that al-Qaeda had links into Indonesia, with ONA saying that al-Qaeda had:

...A presence in Indonesia which gives it the capability to conduct terrorist acts in and from Indonesia. But the extent and nature of al-Qaeda's presence are unclear and hard evidence remains elusive.¹⁰⁵

104 *Submission 3*, p. 7 (ONA).

105 *Submission 3*, p. 6 (ONA).

1.170 ONA had reached a point where the agency 'felt it desirable to draw to the Government's attention by means other than written reports its conclusions on the existence of a regional extremist network with connections to al-Qaeda'.¹⁰⁶

1.171 According Dr Bill O'Malley, one of the ONA officials conducting the briefing:

We were trying to make the impact on the minister of our knowledge up until then and explain the danger of the organisations and explain our developing concepts of the way in which these organisations were planning and were capable of carrying out operations....We did not know exactly what they were doing but we knew that there was no shortage of explosives available to them in Indonesia and, indeed, elsewhere in South-East Asia. Much, but not all, of the briefing was confined to Indonesia... In South-East Asia we knew there was no shortage of explosives and no shortage of weapons. We made these points clear. We said that basically they had the intention, they had the capability, and getting access to the kinds of equipment they needed would be no problem.¹⁰⁷

1.172 When asked by the Committee how the minister reacted to this advice, the DFAT note-taker who was present (Mr Paterson) replied:

The minister was quite concerned by this advice and that led him to ask a question.... He asked, 'What were their objectives in South-East Asia?' The answer he got specifically, according to my notes, was: 'To destabilise local governments to allow Islam to gain more hard-line adherents.' He then asked, 'What are the targets?' The ONA analyst responded, 'Principally Indonesian Christian targets,' and made the judgment that local rather than Western targets were possibly more likely, but then went on to say... that Western targets were also possible. That was when the illustrative examples were given of the US or Australian aircraft in Indonesia, in Bali, Singapore and Riau.¹⁰⁸

1.173 Another ONA official present at the briefing told the Committee that:

Within the brief itself we covered a range of possible targets. Hotels, nightclubs, airlines and the airport in Denpasar were all covered. We did not do those specifically because there were Australians there; it was because they were seen to be very viable targets for Jemaah Islamiah.¹⁰⁹

1.174 ONA's written submission to the Committee described how the briefing unfolded.

Towards the end of the briefing session, in response to a question from Mr Downer about possible targets, Bali, Riau and Singapore were assessed to

106 *Submission 3*, p. 7 (ONA).

107 *Transcript of Evidence*, 28 May 2004, p. 435 (O'Malley, ONA).

108 *Transcript of Evidence*, 5 August 2004, p563 (Paterson, DFAT)

109 *Transcript of Evidence*, 28 May 2004, p. 434 (Farmer, ONA).

be attractive targets for Jemaah Islamiyah—which was identified as the primary regional terrorist threat. This judgement was not made on the basis of any specific intelligence but was the result of analysis of terrorists' probable capabilities and likely intentions. International hotels, nightclubs and airlines/airports were assessed as being high on terrorists' target lists.

Notes taken at the meeting by a DFAT officer indicate that Mr Downer then asked whether consular advice should be changed. According to the notes ONA responded that there was no specific intelligence.¹¹⁰

1.175 Mr Bill Paterson, the DFAT official who was present at the meeting, confirmed to the Committee that he took notes of the conversation and described the relevant part of the meeting in the following terms:

The conversation went on, with the ONA analyst pointing out that Western targets such as in Singapore were also possible. Expanding on that, the ONA analyst said that the possibility of attacks on US or Australian aircraft in Indonesia could not be ruled out, or Bali or Singapore....At that point, Mr Downer, in a general way to those present, in effect said, 'Well, I wonder whether that means we should be changing the consular advice,' to which the ONA analyst replied that there was no specific intelligence to warrant that.¹¹¹

1.176 Mr Paterson's actions following the meeting are discussed below.

1.177 One of the ONA officials present at the meeting (Mr Farmer) told the Committee:

I do not recall anyone actually saying that there was no evidence. But the focus, for my part, was on briefing the minister on the information and my views at the time. The rest of the discussion I listened to and participated in to a degree, but I have no reason, as I said, to discount what was written in the [DFAT officer's] notes—that there was no evidence. If that was the note taken from the meeting, then I have no reason to question it.¹¹²

1.178 ONA insisted to the Committee that ONA officials would not have ventured an opinion as to whether travel advisories should be changed. ONA's then Director General, Mr Kim Jones, told the Committee:

No. I would like to say that I do not think we would have expressed a view on the desirability of changing the travel advisory or not because we are not experts in that field and we are not across the factors that are fed into such a judgement. It is quite possible that that question was addressed not to us but to others in the room. Certainly it was the case that there was no specific

110 *Submission 3*, p. 7 (ONA).

111 *Transcript of Evidence*, 28 May 2004, p. 487 (Mr Paterson); p. 488 (Mr Paterson)

112 *Transcript of Evidence*, 28 May 2004, p. 451 (Farmer, ONA).

intelligence. I have no reason to doubt that we would have said there was no specific intelligence.¹¹³

We would not make a suggestion on travel advisories, because we simply are not competent to make those sorts of judgements. All we could say is that we had no specific intelligence.¹¹⁴

1.179 Another ONA analyst, Dr Bill O'Malley was also at the briefing. He stated to the Committee:

These are notes of [DFAT's] Mr Paterson. I think they say simply that there was no specific information. As I recall—and this is a recollection; we are talking almost two years after the event—someone in ONA said, 'That's not really our business'; that is to say, 'We don't do travel advisories.' My understanding is that someone would have said, 'We don't do travel advisories,' and someone else would have said, 'We have no specific information.' Who said that, either among our contingent or among other people in the room, I simply cannot recall. I know that I did not.¹¹⁵

1.180 While the two ONA officials, Mr Farmer and Dr O'Malley, claim not to have made the remarks, nor remember who did, DFAT's Mr Paterson seemed more certain about the details of what was said and by whom. He was also the only official who had taken notes of the meeting.

My recollection of that meeting is that [Minister Downer] asked the room as a whole, 'Should we be thinking of changing the consular travel advice?' He did so in an illustrative way and to no-one in particular. That is my recollection. At that point, my recollection is that Mr Farmer—and I am pretty sure it was Mr Farmer—said, 'There is nothing specific in intelligence which would warrant that.' He did not say, 'No, we shouldn't be changing the travel advice.' He simply said, 'There is nothing specific in intelligence which would warrant that.'¹¹⁶

1.181 The Committee accepts that the accounts rendered by all officials present at the meeting were presented to the Committee as being to the best of their recollections, and in Mr Paterson's case, as also reflected in his notes. Mr Paterson's evidence, because of the contemporaneous record he made of the briefing, must be regarded as the most reliable.

1.182 Mr Paterson's evidence is that the minister addressed the question about changes in consular advice 'to the room as a whole'. It was not appropriate for the Minister to seek policy advice from ONA, nor for ONA to have given it, if indeed it did. (The written notes simply say 'ONA: nothing specific' and it is disputed whether ONA proceeded to indicate whether that fact did or did not warrant a change to the

113 *Transcript of Evidence*, 20 June 2003, p. 84 (Jones, ONA).

114 *Transcript of Evidence*, 20 June 2003, p. 85 (Jones, ONA).

115 *Transcript of Evidence*, 28 May 2004, p. 453 (O'Malley, ONA).

116 *Transcript of Evidence*, 28 May 2004, pp. 480-481 (Paterson, DFAT).

consular advice.) Particularly with respect to travel advice, ONA has no expertise in that area, and DFAT has made it abundantly clear to the Committee that ASIO, not ONA, is the agency upon which it relies to provide security threat assessments for input into Travel Advice.

1.183 Also, the minister did not specifically direct the DFAT official present to seek further advice from the Department as to whether the consular advice should be changed. Mr Paterson properly discharged his duty as note-taker by reporting the details of the briefing back to the relevant DFAT division on the following morning.

I was at that meeting...to follow up any issues that need following up and to convey back to the department the general sense of ONA's advice. That is in fact what I did.

My recollection is that it was quite late that evening and other officers had gone home...

I briefed the South and South-East Asia division the following morning in some detail about the nature of the discussion.¹¹⁷

1.184 Given that the ministerial briefing was sought by ONA, the country's peak assessment agency, to bring to the Minister's attention the regional terrorist threat and the threat posed by JI in Indonesia, it should not be regarded as a briefing of little consequence. Mr Paterson told the Committee that 'it certainly struck me as worth reporting back to my department and taking further'.¹¹⁸

1.185 Mr Paterson was asked by the Committee whether, during the ministerial briefing, Bali, Singapore and Riau were being identified as targets in respect of which there was specific information about potential terrorist activity, or whether those places were being referred to in an illustrative way as being the sorts of places in the region that terrorists might attack if they were to mount a terrorist operation.

1.186 Mr Patterson, relying both on his recollections, and the detail of his notes (which attached 'e.g.' to the Bali and Singapore references) replied:

It was clear to me that it was absolutely in the latter [illustrative] context....

I am absolutely adamant on this point. It was clearly just illustrative examples given by ONA analysts.

1.187 The Committee explored the nature of these examples of potential targets with the ONA officials who gave the briefing. The following exchange conveys ONA's characterisation of them:

Senator BRANDIS—It is just as if I were to ask you right now, Mr Jones, which building would be targeted if there were to be a catastrophic attack on a major public building in Australia, and you would probably tell me

117 *Transcript of Evidence*, 28 November 2003, p. 405 (Mr Paterson); p. 409 (Mr Paterson)

118 *Transcript of Evidence* 5 August 2004, p538 (Paterson, DFAT)

that it could be the Sydney Opera House, Parliament House or another well-known public building.

Mr Jones—I think it was more focused than that. Those judgements were based on an analysis of the factors at play in the region.

Senator BRANDIS—But, as you said in both your submission and your opening statement this afternoon, ONA was possessed of no intelligence on which to build a judgement that there was a particular threat to Bali. Is that correct?

Mr Jones—That is correct. It was an analytical judgement; it was not based on intelligence.

Senator BRANDIS—To use the dichotomy I adopted before, it was a speculative possibility rather than a predictive statement?

Mr Farmer—No, it was a considered analysis of all the information available. That is not speculation.

Senator BRANDIS—I am sorry, I do not mean speculation in a pejorative sense; I thought I made that clear. It is enough to say that you were not making a prediction that something was going to happen in Bali, were you?

Mr Farmer—We were answering a specific question as to what might be the targets in South-East Asia. We described Bali and the reasons why Bali might be a target. Then we went on and explained what potential targets there would be in Bali. At the end of that, we expressed the view that Riau and Singapore, for similar reasons, could also be seen as likely targets.¹¹⁹

1.188 The reference to Bali as an example of a target that would be attractive to JI did not go unremarked by the minister, who was prompted to ask the question as to whether the consular advice should be changed. As previously discussed, to that question the minister received the answer – evidently from an ONA official - that there was 'no specific intelligence' of an attack.

1.189 As well, it seems from the evidence that ONA's views struck home with the DFAT officials present. ONA's Dr Bill O'Malley described it as 'an eye-opener for the DFAT people'.

I would like to think that the minister left the room more concerned about the terrorist threat than had been the case before. That was our intention, and I think that was the result of the meeting with him. People left the room saying, 'Further consultation between ONA and DFAT has to occur on this issue,' because I think it was an eye-opener for the DFAT people who were in the room as well.¹²⁰

1.190 Mr Farmer's account painted a similar picture :

He [DFAT's Bill Paterson] came out of our brief—after listening to the brief to the foreign minister—and said that a lot of this was new to him and

119 *Transcript of Evidence*, 20 June 2003, p. 83 (Jones, Farmer, ONA).

120 *Transcript of Evidence*, 28 May 2004, p. 453 (O'Malley, ONA).

he was concerned that we were so agitated about the issue, and he asked if we could come and brief members of his division....This was immediately following our briefing to the foreign minister. In the anteroom of the foreign minister's suite we had this discussion, and Mr Paterson asked us to come and brief members of his division.¹²¹

1.191 The Committee asked Mr Paterson whether the briefing was the 'eye opener' that ONA claimed.

I think it is possibly overstating it to call the testimony 'eye-opening' for us, but it certainly represented a progression in our understanding of Jemaah Islamiah and its networks in South-East Asia. That had been a progressive thing since the foiled attempt by Jemaah Islamiah to undertake attacks in Singapore in December 2001. From that point on, our attention to the target, both in DFAT and I think it is fair to say in the Australian intelligence community, increased markedly and our understanding grew progressively. ...

I think 'agitated' is overstating the case, again. Yes, indeed, the briefing did provide material that was new to me. By way of background, I should add that I was very familiar with terrorism issues in the immediate period after 11 September 2001, when I headed up the an Anti-Terrorism Task Force... Some of this was distinctly new to me. I think it also represented an evolution in the assessment of ONA as well. So, yes, if not an eye-opener, if not dramatic, it certainly struck me as worth reporting back to my department and taking further.¹²²

1.192 DFAT's Ian Kemish explained to the Committee the subsequent actions of the Department.

As a result of...the debrief from Mr Paterson, on 28 June 2002, officers of the department emailed to ONA several questions going to ONA's assessment of the terrorism threat in South-East Asia and Indonesia in particular....One question we put to ONA among a range of others was: what evidence or theory is behind the idea that terrorists might target Western interests in Bali? We never received a response to this or any other of our questions. We were not particularly expecting a direct response. As I said, the idea was to provide some guidance on the issues of interest to us as a client...The lack of response to our specific questions and the lack of references to Bali in subsequent watch reports led DFAT to conclude...that ONA had no evidence to support its idea about Bali and that this idea was speculative rather than an assessment of hard evidence...

The purpose of the email was not to elicit a direct response but to provide input for ONA analysts to take into account in framing subsequent watch reports. In a way, you can see the subsequent watch reports as the response...

121 *Transcript of Evidence*, 23 June 2004, p. 514 (Farmer, ONA).

122 *Transcript of Evidence* 5 August 2004, p537-538 (Paterson)

Officials of the two organisations talk all the time....I refute absolutely any suggestion that the department was being anything other than very conscientious in following up on every little reference that was made in this broad area.¹²³

1.193 That the purpose of the email was 'not to elicit a direct response' but simply to provide 'feedback' or 'guidance' to ONA was reiterated to the Committee by DFAT during the hearings. But the actual request that went to ONA appears to be quite direct, and deliberately seeking a response.

1.194 The email had in its subject heading: 'Terrorism Questions'. The text of the email read:

'Given the recent developments in terrorism issues in Indonesia and the desire to bring our briefing closer in line with these developments, we (SED [South East Asia Division] and ISD [International Security Division]) have completed a list of questions which would help us update our briefing. When you have the opportunity, we would be very grateful for your response to these questions.'

1.195 One of these 6 questions was: 'What evidence/theory is behind the idea that terrorists would most likely target western interests in Bali?'

1.196 To the Committee, this question – and the email as a whole - looks like a fairly direct request to ONA for some answers to particular questions that would enable DFAT to prepare accurate and timely briefings about terrorist threats - and presumably to inform, among other things, the travel advisory process. In neither tone, subject heading nor content does the email appear to convey that DFAT was merely giving 'feedback' or 'guidance' to ONA.

1.197 Notwithstanding Mr Paterson's evidence that he was assiduous in following up the matter with the relevant divisional officers in DFAT the morning after the Downer briefing, it was nine or ten days later that the email was despatched to ONA by DFAT.

1.198 On the face of it, it would be of some concern if ONA – as claimed in DFAT's evidence - did not respond directly to an email headed 'Terrorism Questions', especially in mid-2002 when militant Indonesian extremism and the activities of JI were a hot regional security issue –especially when ONA had itself explicitly sought to bring such threats to the Foreign Minister's attention via a personal briefing.

1.199 DFAT's Mr Kemish told the Committee that 'In a way, you can see the subsequent [ONA] watch reports as the response.' The Committee nevertheless would regard such a response by ONA as inadequate under the circumstances of a direct request going to them seeking 'evidence/theory' behind the idea that terrorists would target Bali. Moreover, watch reports do not deliver accounts of 'evidence/theory' that

123 *Transcript of Evidence*, 28 November 2003, pp. 409-410 (Mr Kemish)

lies behind an assessment – they are the assessment itself, the product of ONA's analysis

1.200 According to ONA's current Director-General (Mr Peter Varghese), the email of the 28 June 2002 did *not* go unresponded to. He told the Committee that the response took the form of a follow-up meeting with DFAT officials to address the questions contained in it:

There was not a written response provided by ONA, but there was a subsequent meeting with DFAT which covered essentially the ground that was covered in the Downer briefing and would have addressed the questions raised in the email that was sent from DFAT to ONA...

[Present at the meeting]...was Dick Gordon—who was then head of our South-East Asia branch, the position that Dr O'Malley currently occupies—and Mr Farmer. I am advised that there were four officers from DFAT at the meeting.¹²⁴

1.201 Mr Varghese's account was elaborated by Mr David Farmer, one of the ONA analysts present at the alleged (post-email) meeting between ONA and DFAT officials.

We gave to the officers present essentially the same brief we gave to the Minister for Foreign Affairs. We then followed up with questions that they had. The issue of Bali was raised in the same way the minister had raised it in our briefing to him. We answered the question pretty much in the same way by addressing why we thought those sorts of targets would be high on JI's list.¹²⁵

1.202 DFAT officials, however, deny that any such meeting took place.

As far as DFAT is concerned this meeting did not happen. None of the four DFAT officers who supposedly attended the meeting has any recollection or record of such a meeting taking place...Nor does a comprehensive search of records...support that it took place...

The only possibility we can think of is that in their recollection there is some confusion with a meeting that took place on 7 June, prior to the meeting with Mr Downer. Coincidentally, all four officers supposedly in the subsequent meeting were in that meeting. We have a record of it in diaries and Mr Paterson has a very clear record of it in his notes. The suggestion that there was a meeting in response to the email that we sent is interesting, to say the least... It does not add up. I am basing my comments on investigations done by others in the department and discussions with those who were supposedly involved in the meeting...I base my comments on the firm records that we have been able to unearth.¹²⁶

124 *Transcript of Evidence*, 28 May 2004, p. 438 (Varghese, ONA).

125 *Transcript of Evidence*, 28 May 2004, p. 439 (Farmer, ONA).

126 *Transcript of Evidence*, 28 May 2004, pp. 473-474 (Kemish, DFAT).

1.203 According to Mr Varghese, no notes were taken by ONA officials in the course of this meeting.¹²⁷ DFAT officials also have no notes of such a meeting – but for them, that simply reinforces their view that the meeting did not take place.

1.204 The Committee took the relevant DFAT official carefully through his testimony about the meeting *not* having taken place. The official was Mr Bill Paterson.

It is conceivable that I would not have [taken notes]—I would not want to overstate the thoroughness of my personal records—but, given the likely content of such a meeting, I think it highly unlikely that I would not have taken some record. I have an abbreviated record of a meeting with ONA dated 7 June that was very much on these topics and broadly conforms, I think, to the nature of the meeting that was outlined...by Mr Farmer from ONA.

...I keep a notebook in which I record notes of substantive meetings...My practice is to keep a single chronological book...and there are no notes which are relevant to this subject matter.

...I recall no such meeting. When asked, I checked my electronic diary records, which are retained on the department's computer system, and there was no record of my having attended a meeting on that date...If the meeting were lacking in significant substance there is the possibility I would have taken no record. In this case, I think that unlikely.¹²⁸

1.205 According to DFAT officials' records, the only possible time for such a meeting - at which all the relevant officers could have been present and which was within the week or so timeframe following the email - would have been the afternoon of 28 June 2002. The email had been sent that morning at 11:33am. DFAT told the Committee that there were no records of ONA officers entering the RG Casey building on that afternoon.¹²⁹

1.206 The Committee followed up this discrepancy between the evidence given by the two agencies – firstly with ONA. At this hearing with ONA, the Committee had the benefit of evidence from Mr Richard Gordon, who had not yet appeared before the Committee, but who – prior to his retirement – had been Head of the SE Asia Branch in ONA. He told the Committee:

Yes. There were two meetings. There was one before we saw Mr Downer and, to my recollection, one subsequent to that. It was arranged in fact as we were coming out of Mr Downer's office. That is my recollection.¹³⁰

One reason that I personally recollect the second meeting is that [ONA Senior Analyst David Farmer] used, when talking to the DFAT officers, the

127 *Transcript of Evidence*, 28 May 2004, p. 438-439 (Varghese, ONA).

128 *Transcript of Evidence*, 28 May 2004, p. 476-477 (Paterson, DFAT).

129 *Transcript of Evidence*, 28 May 2004, p. 474 (Kemish, DFAT).

130 *Transcript of Evidence*, 23 June 2004, p. 508 (Gordon, ONA).

briefing notes that he had prepared for Mr Downer. I remember them particularly because on both occasions the question of the use of powder and the amount of explosive material required to create an explosion was discussed. He cited the experience of the Oklahoma bombing...¹³¹

1.207 The ONA officials who stated that they had attended the disputed meeting gave the Committee some details as to who attended and where the meeting was held:

Mr Paterson, Mr Nethery, Mr Engel and Ms Millington [from DFAT were all there]. This is how I can recall that there were two meetings, because the attendance at the first meeting before the minister's brief was actually different. It was more made up of members of the South-East Asia Branch, whereas the subsequent meeting was mostly made up of officers from the international security area.¹³²

In an upstairs office with windows, looking out the courtyard toward Parliament House, in the mid-to late afternoon, but I could not tell you on what date....

[A]t that stage there would be no record of ONA people in the building....ONA had a number of courier passes. ONA officers...would use the courier passes and they would not be registered. Our actual presence would not be on any of their records were they to search for them. In the same way, I think DFAT have identified that they agree there was a meeting on 7 June; I am sure that if they did a search they would not find our presence on their records for that meeting either.¹³³

1.208 The Committee sought to determine whether there were any records whatsoever that ONA had that pertained to the meeting – notes, diary notes (electronic or otherwise). No such documentation is available. When pressed on this absence of any such written evidence, ONA spoke about its work practices at the time.

We were in transmission mode. We were actually giving the brief rather than receiving the brief. We would not normally be taking notes in those circumstances.¹³⁴

[C]an I say this about the whole process of recording what is said and what is not said. ONA produces formal written product which is its authoritative view on the nature of the issues that we address, and we stand by our written product. In the course of our daily working life, we have lots of conversations with lots of people who are interested in ONA's perspective and they always remain informal. They remain informal because we have a very clear process of writing down our judgements so that people can read them and make what they will of them. The idea that, every time in our day-to-day contact that we were offering perspectives on issues, we would record what we say is simply not part of our work practice and would be

131 *Transcript of Evidence*, 23 June 2004, p. 509 (Gordon, ONA).

132 *Transcript of Evidence*, 23 June 2004, p. 508 (Farmer, ONA).

133 *Transcript of Evidence*, 23 June 2004, p. 511 (Farmer, Gordon ONA).

134 *Transcript of Evidence*, 23 June 2004, p. 510 (Farmer, ONA).

quite inconsistent with the way in which the office operates. I would not want the committee to have the impression that ONA is engaged in a whole lot of formal oral advice to policy makers or decision makers that goes unrecorded, because our advice is always written and is always circulated in that form. So, while it may appear somewhat surprising that we attend meetings and do not record it, it is actually not all that surprising when you look at the way in which national assessments and current assessments are actually formulated.¹³⁵

1.209 In the Committee's view, *if* the meeting had taken place and *if* DFAT officials were advised by Mr Farmer at that meeting that Bali 'would fit the profile as a target for terrorists' ¹³⁶ then weight might be added to the contention that DFAT's travel advisories during much of 2002 were not reflecting adequately the level of threat to Australian tourists in Indonesia.

1.210 According to ONA, no officials from DFAT's consular division were present at any of the meetings or briefings under discussion.

As for travel advisories, at neither the 7 June meeting, the briefing to the minister nor the subsequent meeting that we held with DFAT were any members of the consular branch present.

...Nor were they meetings about consular warning, advice or travel. That was not a subject of discussion. ...The question of Bali did arise, including from the DFAT question, because that was a natural question to ask. But at both meetings, as I recall, we specifically said that we had no information or intelligence on possible or specific targets, beyond the general concerns we had that Western targets of opportunity would be an issue.¹³⁷

1.211 The Committee received further detailed documentation from DFAT – including email and diary records and photos of the views from the office where the meeting was alleged to have taken place. DFAT also reiterated its evidence before the Committee at its final hearing.

As you are aware from written testimony we have provided to the committee, we have conducted quite a thorough examination of that record. Those records stand up well on these issues on two counts. One is that those records indicate clearly that the four officers whom ONA recalled participated in a meeting after the Downer meeting were in fact together at a meeting on 7 June. That is actually contrary to the ONA recollection. I should also say that those electronic records indicate very clearly that none of those officers had an arrangement for a meeting together with ONA subsequent to the Downer meeting...

But, not only that, there is a record of them all meeting prior to the Downer meeting, which is what we recall. The second point I would make is that it

135 *Transcript of Evidence*, 23 June 2004, p. 517 (Varghese, ONA).

136 *Transcript of Evidence*, 23 June 2004, p. 516 (Farmer, Gordon, ONA).

137 *Transcript of Evidence*, 23 June 2004, p. 518 (Gordon, Farmer, ONA).

is one of the skills that is instilled in our officers and encouraged through training from the time that they are graduate recruits to keep proper records of the conversations in which they are involved. Of course, officers do not have formal records done up of every conversation in which they are involved. But certainly a skilled DFAT officer—and the ones that have been named are all skilled DFAT officers—will take personal notes of such meetings. We have already made it clear to the committee that Mr Paterson has notes of a 7 June meeting but not of a subsequent meeting. That is also true of other officers. In addition to that, one of the other officers kept—it was part of his personal habit—a detailed set of entries in a PalmPilot. Again, that indicates that he was present for a 7 June meeting but not for a subsequent meeting.¹³⁸

1.212 On the basis of the evidence before it, the balance falls strongly in favour of DFAT's account that the disputed meeting between ONA and DFAT took place before, not after, the ONA briefing with Mr Downer.. If, as seems almost certain, the alleged post-Downer meeting *did not* take place, ONA warrants criticism for failing to respond adequately to the DFAT's direct and unambiguous questions about a highly significant issue for Australians and Australian interests abroad – namely, terrorism.

1.213 Although DFAT's email did not elicit a specific response from ONA, the evidence from ONA officials suggests that, on the matter of regional terrorism generally, ONA was at pains to ensure DFAT was well-informed about its thinking, and that, in turn, DFAT was keen to know more.

There was an extraordinary range of contacts with them [DFAT] during this whole period. We were in fact particularly keen, especially as our own thinking evolved, to keep DFAT abreast of it and not to rely on the impression that our written word only would have conveyed. We were quite active throughout this whole period in seeking to ensure that DFAT understood our perspectives.¹³⁹

DFAT itself was changing. Indeed, with our [ONA's] own role in this, it was a very difficult issue for us, our not being terrorist experts but really political security analysts, in the broad old-fashioned sense of that word. Our past dealings had been more or less exclusively with the South-East Asia Branch. But DFAT was changing its arrangements for the handling of these issues and it then transferred to Bill Paterson's division. I had many conversations with Bill over the phone about these issues and otherwise.¹⁴⁰

We had had conversations with Mr Paterson going back some time on this issue. He is a very sensitive, very professional officer...I think he was concerned in this case over some time that we were on the same wavelength—that they [DFAT] fully understood the basis on which we were shifting our analysis of the nature of the threat. That was a process, as you would recall from our initial statement that went over a period of three

138 *Transcript of Evidence* 5 August 2004, p541 (Kemish, DFAT)

139 *Transcript of Evidence*, 23 June 2004, p. 509 (Gordon, ONA).

140 *Transcript of Evidence*, 23 June 2004, p. 510 (Gordon, ONA).

to four months even. I think it was in about April [2002] that we became more definitive, as my recollection goes...¹⁴¹

1.214 Mr Paterson provided to the Committee his own account of the communications between him and ONA:

I had continuing contact with officers in ONA over the rest of the year, but it was principally on other subjects. There could have been some incidental discussion on terrorism because the work I subsequently moved on to as head of the Iraq task force later in the year meant that terrorism issues were relevant to my work. In addition, at the time of the Bali bombing I had some peripheral contact with the Bali task force headed by Mr Kemish. But it was not central to my responsibilities and I had no specific discussions with ONA directed at this topic...

I would feel free to pick up the phone and ring analysts in ONA at any time. I know most of them personally and would pick up the phone and speak to them if there was an issue that I wanted to explore further, seek an additional briefing on or suggest that they might even take on as an analytic subject.¹⁴²

1.215 While the Committee is somewhat disturbed that ONA provided to the Committee information about an alleged meeting that it could not support with suitable documentary evidence, and also insisted upon a version of events that the Committee considers to have been effectively repudiated by DFAT, it is not a core matter upon which this Committee has deliberated or wishes to pursue further.

1.216 The Committee is satisfied that ONA and DFAT appear to have developed an increasingly close relationship as the new paradigm of international security, focused on terrorism, has demanded ever greater cooperation between government agencies. The Committee also agrees that, prior to Bali, the views of ONA and DFAT were evolving in tandem, and both are in no doubt that there was no actionable intelligence that gave warning of the Bali attacks on 12 October 2002.

141 *Transcript of Evidence*, 23 June 2004, p. 514 (Gordon, ONA).

142 *Transcript of Evidence* 5 August 2004, p539-540 (Paterson, DFAT)

Chapter Two

DFAT Travel Advice

Travel advice in the light of Bali

2.1 Of the Bali survivors and their families who gave evidence to the Committee, all indicated they did not know Travel Advice existed.¹

No-one that we know knew to look for anything. We have never done it for a holiday before and we did not even know where to start to look for any warnings or anything like that....The travel agent never warned us when we booked, paid or picked up the tickets or anything like that. We picked our tickets up a month before we left. We left on 7 October and nothing was said....No-one that we have spoken to was aware of any sort of travel warning, web sites or anything like that.²

2.2 This, along with other indications of poor awareness of their existence,³ has led to several improvements being made by DFAT. Travel Advice can now be accessed in Australia or overseas in a number of ways, including:

- electronic email subscription;
- phoning or visiting DFAT or an Australian mission;
- a fax-back system; and
- using the newly installed touch-screen kiosks in some Australian international airports.⁴

2.3 More sophisticated systems for dissemination are still being developed, including alerts via mobile phone SMS. The Minister for Foreign Affairs (Mr

1 *Transcript of Evidence*, p. 10, 25 September 2003 (David Marshall); *Transcript of Evidence*, p. 17, 25 September 2003 (David Bonython-Wright); *Transcript of Evidence*, pp. 35, 39, 25 September 2003 (Julian Burton and Andrew Whiteman, Players, Sturt Football Club); *Transcript of Evidence*, pp. 23, 25 September 2003 (Leanne and Samantha Woodgate); *Transcript of Evidence*, pp. 50, 25 September 2003 (Brian Deegan).

2 *Transcript of Evidence* 25 September 2003, p215 (Ms L and Ms S Woodgate – Bali survivors)

3 For example, DFAT initiated a survey-based research project which indicated a lot more needed to be done: DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

4 There are already kiosks in Sydney and Adelaide International Airports. They will be rolled out in other Australian airports over the coming months: The Hon Alexander Downer MP, 'Campaign to Promote Travel Advisories', Media Release, 7 August 2003.

Downer) also launched a new public information campaign on 7 August 2003: ‘**smartraveller.gov.au**—it’s a must see destination’.⁵

2.4 In addition, a joint initiative between DFAT and the travel industry, the *Charter for Safe Travel*, is encouraging travel agents, airlines and tour operators to promote and disseminate DFAT’s Advice.⁶

2.5 The Committee regards this as an area in which DFAT should continue to concentrate its efforts. It was particularly clear from evidence to the Committee by Bali survivors that the travel agent was regarded as the key source of advice by tourists. It seems that it was simply assumed by the travellers that their agent would alert them if there were any threats or risks associated with their destination.

2.6 While the Committee commends the various initiatives by DFAT and the travel industry to work in partnership to encourage best practice, the Committee believes that steps could be taken to further strengthen the quality of advice and service to would-be travellers. Such steps could be congruent with initiatives being taken with respect to, say, financial advisers.

Recommendation 2

2.7 The Committee recommends that the government, in consultation with the travel industry further develop and oversee a code of practice which would, among other things, make it mandatory for travel agents/advisers to provide to overseas travellers, at the time a booking is made, a copy of both DFAT’s Travel Advice for the destination concerned and ASIO’s threat assessment for the country itself. Travellers must be advised to consult the DFAT Travel Advice 24 hours prior to their departure.

2.8 DFAT officials told the Committee that feedback from market surveys was taken into account as the Department sought to improve both the development and dissemination of travel advisories:

We have done quite a bit of market survey work... to gauge the clarity of advice. ... It is very important that the language of the advice and what it means is as clear as is humanly possible to the reader. We take professional advice on that but we also gauge the results of market survey work. The market survey work is actually pretty encouraging. The feedback we are getting about travel advice is surprisingly positive, in one sense. I have always judged this area of work as being an area where it is difficult to please just about anybody, because the judgments are difficult and there are

5 DFAT has been allocated \$10 million over the next four years for this purpose: DFAT, ‘Transcript of Briefing conducted by Assistant Secretary, Consular Branch’ (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

6 The Hon Alexander Downer MP, ‘Charter for Safe Travel Keeps Australian Travellers Informed’, *Media Release*, 11 June 2003.

critics of the travel advice from both ends of the spectrum. But, in fact, I have been quite heartened by the level of feedback we have received about travel advice and Australians' awareness of and understanding of the issues. It is an ongoing process. ... [and] we are again looking at some additional things we can do to make even clearer what our advice means.

In the end, there is one complex issue that needs to be managed in this dialogue we have with the public about risks, and that is that risks are difficult to gauge and that the way our society works is that Australians need, in the end, to make their own judgment about risks and their applicability to them as individuals on the basis of the best advice that the government can provide. There can be an expectation on the part of Australians that we will make decisions for them. That question often arises: 'You are saying, "Defer non-essential travel." What does that mean? Is my travel essential?' Of course, our response has to be: 'In the end, you have to make a judgment about that on the basis of a range of factors. This is what we know. This is what we are telling you as clearly as we can. You need to think about whether, in all of that context, you need to travel now.' This comes up in our dialogue with the public from time to time. It is reasonably well understood, but it is an ongoing process.⁷

General background about travel advisories

2.9 The Consular Branch of DFAT issues travel advisories for over 200 countries worldwide. Prior to 1997, DFAT produced its 'Travel Advice' only on an *ad hoc* basis to address a significant deterioration in security in an overseas location. The only dissemination mechanism employed was departmental media release.⁸

2.10 Since then, the travel advisory systems of Australia and its consular partners alike have developed considerably. Their rapid development was driven by a number of factors, including an increasing interest in travel⁹ and the emergence of the internet which provided a highly effective mechanism for dissemination.¹⁰

2.11 The greater uncertainty in the international travel environment caused by the September 11 terrorist attacks resulted in a greater demand for advice about the risks travellers might face overseas.¹¹ The number of hits on DFAT's website rose by 60 per cent from June 2001 to June 2002, a demand which continues to rise.

7 *Transcript of Evidence*, 5 August 2004, p560 (Kemish, DFAT)

8 *Submission 4*, p. 3 (DFAT).

9 Australians are frequent travellers, recently averaging about 3.5 million overseas visits per year: DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

10 *Submission 4*, p. 3 (DFAT).

11 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

2.12 In recent times, DFAT's Travel Advice has taken on a different character and a new level of importance to the Australian travelling public. The public expectations of DFAT concerning the production of timely, relevant, accurate and credible advice to travellers on safety and security have increased significantly.

2.13 DFAT has deliberately sought to make a distinction between 'travel advisories' and 'travel warnings'. While Travel Advice does contain information about safety and security issues and seeks to alert Australians to the sorts of risks they may face, Travel Advice is more than just a 'warning' about possible dangers.¹²

2.14 Rather, it is an 'advisory' addressing a number of other practical issues that Australians need to be aware of when travelling. DFAT seeks to encourage Australians to see Travel Advice as a source that should be consulted even when travelling to a country that is not considered 'dangerous'.¹³

2.15 DFAT insists that their Travel Advice is only guidance. DFAT does not, and cannot, make decisions for Australians about when, where and whether or not to travel. DFAT's responsibility goes only so far as to assist Australians in making their own informed decisions, regardless of whether they are first-time holiday makers, seasoned business travellers, expatriate Australians, or government officials.¹⁴

2.16 A typical DFAT Travel Advice runs for two to three pages. It states when it was last updated, and briefly how the Advice has changed.¹⁵ It then contains a summary of the Advice (in bold text and contained within a box) which details the main safety and security issues, and the overall warning level. The body of the Advice is divided into sections, which may include Safety and Security, General, Health Issues, Insurance, Local Laws and Customs, and Consular Assistance and Registration.

2.17 DFAT follows the same methodology employed by its consular partners (the US, UK, Canada and NZ) in drawing on a range of sources to prepare Travel Advice.¹⁶

12 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

13 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

14 DFAT, 'Travel Advice Explained: Frequently Asked Questions' <<http://www.dfat.gov.au/travel/faq.html>> at 24 October 2003.

15 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

16 *Submission 4*, p. 5 (DFAT).

The department's travel advice is a composite judgement based on the following factors:

- Input from our overseas posts on security conditions.
- Our experience, in the consular field, of the difficulties experienced by Australians overseas and issues of concern to them as reflected in the questions we are asked, on our free call lines, by the general public.
- Intelligence, with particular weight given to ASIO threat assessments. Unless the raw intelligence suggests a specific and imminent threat that requires immediate action, we will test the credibility of the information by seeking an assessment from ASIO.
- The consular settings of marker governments—the United States, United Kingdom, Canada and New Zealand—are also useful to our considerations. It is important to note that, for the large part, marker governments are dealing with a broadly similar information base for intelligence. Nevertheless, our travel advice settings can—and do—vary.¹⁷

2.18 The Department gives particular weight to ASIO's Threat Assessments. Where ASIO assesses the threat of politically motivated violence against Australian interests to be HIGH, this will

As a matter of course lead to a clear and prominent reference to the risk of terrorism in the travel advisory, and a recommendation (at a minimum) that Australians exercise a high degree of caution. Our concern about the risk of terrorism will be reflected both in the summary section as well as the body of the advisory.¹⁸

2.19 DFAT will not advise against travel to a country on the basis of an ASIO Threat Assessment of HIGH alone.¹⁹ There must be a 'clear, specific and credible threat' to Australians before advice to defer travel is given.²⁰

2.20 There have been allegations that Travel Advice might be tempered by DFAT according to diplomatic requirements that might be in play between Australia and the country concerned. This was articulated by one witness—a former ONA analyst—as follows:

[B]ased on my experience I think that the Department of Foreign Affairs and Trade did have a tendency to perhaps...apply the precautionary principle...particularly when dealing with Indonesia because of the sensitivity of the diplomatic relationship. ...Once again, I emphasise that I

17 *Submission 4*, p. 5 (DFAT).

18 *Submission 4*, p. 5 (DFAT).

19 *Submission 4*, p. 5 (DFAT).

20 *Submission 4*, p. 5 (DFAT).

had been out of the loop for more than six months by the time the Bali bombings occurred, so whether there had been a change in that environment over that time I cannot say.²¹

Up until early 2002 the information that was coming through was certainly at odds with established orthodoxies on the nature of Islam and the nature of militant Islamic groups in south-east Asia. A debate ensued between those who were saying we need to revise the way we are thinking about militant Islam and potential terrorist groups in the region and those who are saying, 'No, the old model still applies.' The ambiguity generated by that debate perhaps created a window of opportunity for some within DFAT to continue a line that was perhaps sensitive to Indonesian concerns. By the same token, I do not believe that DFAT, had there been absolute information, would have downplayed the threat to protect that relationship. I believe that, had the information been more absolute and had the debates amongst the analysts been closer to resolution, then perhaps the warnings would have been a little more rigid.²²

2.21 DFAT emphasised to the Committee that it will not consider the impact negative Travel Advice has on the tourist industry and will not temper its Advice to accommodate diplomatic niceties.

Our travel advisories are not influenced by bilateral sensitivities, or the often strong representations we receive from foreign governments. In the face of pressure over the years from many governments, including in the Southeast Asian region, Ministers have taken a firm position that the safety of Australians overseas is of paramount importance.²³

2.22 The Committee accepts DFAT's evidence on this point and is satisfied that DFAT did not in this particular instance, nor generally, engage in the practice of tempering Travel Advice according to diplomatic considerations.

2.23 Nor does DFAT feel bound to ensure that its Travel Advices necessarily always align with those of its consular partners.

We are fully prepared to vary from our consular partner governments in the nature of the advice we provide, and do so from time to time. All governments make their own assessments on the basis of their own circumstances. But given that all governments are working off a broadly similar information base, we will naturally want to check the situation very carefully if a wide gap begins to develop between our travel advisory setting and those of other governments.²⁴

21 *Transcript of Evidence*, 20 November 2003, pp. 256–257 (Dr D Wright–Neville).

22 *Transcript of Evidence*, 20 November 2003, p. 257 (Dr D Wright–Neville).

23 *Submission 4*, p. 6 (DFAT). See also Senate Foreign Affairs, Defence and Trade Committee, *Helping Australians Abroad: A Review of the Australian Government's Consular Services* (1997) p. 62.

24 *Submission 4*, p. 6 (DFAT).

2.24 DFAT has made a conscious decision not to use a strict rating system involving the colour-coding or ranking of threat. The basis for this decision is that DFAT wishes to encourage the public to read the content of the Travel Advice and make an individual informed decision on whether to travel.²⁵

2.25 A rating system would firstly mean that DFAT would be making that decision, regardless of the circumstances of the individual person. In addition, the public would be less likely to read the remainder of the document and therefore would not gain a true understanding of the threat. This general approach is also taken by Australia's consular partners.²⁶

2.26 DFAT does, however, have an informal rating system using language. Travel Advice may fall into one of seven broad categories, each of which is represented by a particular phrase. That phrase will appear in the summary and content of the Advice to give an indication of the overall assessment of the security situation. Generally, the categories will be applied in the following ways:

- (a) Where DFAT has compelling information suggesting it is not safe to travel to a country or area, DFAT will advise Australians to 'defer all travel'.
- (b) Where the threat is lower, or the information less specific, the Travel Advice may only advise Australians to 'defer non-essential travel'. Whether travel is essential or not is a matter for personal judgement. DFAT maintains that it cannot weigh those factors for the individual.
- (c) The lowest category, 'exercise good personal security awareness' involves people doing what they would normally do in Australia.²⁷

2.27 Travel Advices are updated promptly in response to developments reported to their overseas missions and Consular Emergency Centre, which are open 24 hours a day, all year round.²⁸

2.28 When new information emerges, for example an ASIO Threat Assessment, DFAT will consult with the relevant overseas mission and consider the settings of consular partners in order to determine how to interpret and translate that new

25 *Submission 4*, p. 6 (DFAT). See also DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

26 *Submission 4*, p. 7 (DFAT).

27 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

28 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

information into a format that can be used in Travel Advice.²⁹ As a general rule, even where no new information has become available which necessitates an update, Travel Advice is reviewed on a quarterly basis and revised where appropriate.³⁰

2.29 DFAT stated that it operates on a strict principle of no double standards and therefore produces only one form of travel advisory: Travel Advice. This is the Advice provided to DFAT's own staff, other Government agencies and the private sector.³¹

2.30 DFAT officials described to the Committee how Travel Advice was formulated in the period before the Bali attacks. Since Bali, ASIO has been more formally integrated into the process outlined hereunder.

Within the department, there is a triangle, if you like, that is involved in preparing the travel advice prior to it going to the minister for clearance. The first point of the triangle is the Consular Branch, which is the part of the department that in the end physically passes the draft advisory to the minister for clearance. As the manager of the process of travel advice, it ensures consistency of format across travel advisories. Clearly the consular area can value add to the process, because the consular area has direct experience of the kinds of real difficulties that Australians experience on a daily basis across the world—because we are also managing and supporting people who are involved in those difficulties.

The second point of the triangle is the geographic division. In this case, that was the South and South-East Asia Division. In the way we structure these things in the department, we do rest to some considerable extent on the expertise and specialisation that a geographic division has in its own area of responsibility. So the responsibility for tracking developments, watching threat information and making suggestions about travel advice is shared with that area. The opportunity is certainly available—within the south and south-east Asia division in this case—to suggest a change in a travel advisory. They along with others are monitoring threat information. The third part of the triangle is the relevant embassy, in this case the embassy in Jakarta. Of course, the consul-general in Bali is also involved in these processes over time.

We need to be very clear that every time a draft travel advisory goes to the minister it has passed a clearance process involving all three elements of that triangle. The practice will vary a little from place to place but often the wording is suggested by the relevant embassy. The consular area will look at that, review it, consider its consistency and conduct a quick liaison. That

29 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

30 *Submission 4*, p. 8 (DFAT).

31 *Submission 4*, p. 7 (DFAT); See also DFAT, 'Travel Advice Explained: Frequently Asked Questions' <<http://www.dfat.gov.au/travel/faq.html>> at 24 October 2003.

liaison is usually conducted quite quickly, but 24 hours or so would be normal unless there was some very urgent development that required immediate action.³²

2.31 Although there is only one form of Travel Advice, DFAT does provide other forms of information:

- (a) *General Advice to Australian Travellers* provides general advice, wherever one may be travelling, on how to avoid difficulties. The General Advice currently includes warnings about terrorism.
- (b) *Travel Bulletins* are used to address specific issues in a particular country to supplement a Travel Advice. For instance, these were issued after the Bali bombing.
- (c) *Embassy Bulletins* are issued by Australian missions overseas for expatriate Australians. They may adopt a slightly different emphasis and provide more detail to Travel Advice, but their overall content and warning level must be wholly consistent with that Advice.³³

Travel advice by Australia and its consular partners

2.32 The Committee sets out hereunder the sequence of Travel Advices in the 18 months leading up to the Bali bombings. Given the relevance to the discussion of the consular settings and advice prepared by Australia's consular partners, the Committee refers to these where appropriate. Some contextual remarks are also provided in order to locate those advices within the sequence of notable events of the period.

2.33 In its submission to the Committee, DFAT stated that:

Our travel advisories for the Philippines and Indonesia had given clear focus to the risk of terrorism well before the 11 September 2001 attacks in the United States. Australia's travel advice for Indonesia has referred to the risk of bomb attacks since July 2001. Our consular partners maintained very similar travel advice settings.³⁴

2.34 DFAT's Travel Advice for Indonesia was already referring to the risk of bomb attacks prior to 11 September 2001. The 'Safety and Security' section of the Travel Advice of 27 August 2001 contained the following warning, which was repeated in similar form in the body of all but one of the subsequent travel advisories:

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

32 *Transcript of Evidence* 5 August 2004, p543 (Kemish, DFAT)

33 *Submission* 4, pp. 4, 12 (DFAT); see also *Transcript of Evidence*, p. 92 (Ian Kemish, DFAT).

34 *Submission* 4, p. 9 (DFAT).

2.35 That Travel Advice also informed the public that:

The American and British governments have issued warnings to their citizens of a heightened terrorist threat to US and UK interests in Indonesia. While we are not aware of any specific threat to Australian interests, Australians should nevertheless exercise sensible precautions.

2.36 The bolded and boxed **headline** advice was that Australians should ‘monitor carefully developments that might affect their security’ and to defer travel to West Timor and Aceh. The body of the Advice also contained references to the risk of ‘public disturbances’ and Australian travellers were warned to avoid large public gatherings and areas where demonstrations might occur.

2.37 In relation to Bali in particular, the following statements appeared in the ‘General’ section of the August 2001 Travel Advice:

Tourist services are operating normally on Bali and Lombok. Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

2.38 DFAT told the Committee that the reference to Bali was included as a response to the numerous phone calls that DFAT was receiving from the public about the tourist situation in Bali. DFAT told the Committee it was a ‘statement of fact’.³⁵

The Australian Jakarta Embassy's *Bulletin to Australia Citizens Living in Indonesia*, issued a couple of weeks earlier on 15 August 2001, contained a similar statement—that ‘Bali is calm and tourist services are operating normally’ and added the following sentence by way of extra advice. Australian tourists on Bali should observe the same prudence as tourists in other parts of the country.

2.39 The Committee considers that there is a risk that the 27 August 2001 DFAT Travel Advice could be read as making a distinction between the situation in ‘Bali and Lombok’ on the one hand and the situation in those ‘other regions in Indonesia’ where travellers are encouraged to ‘maintain a high level of personal security awareness’. The point made in the 15 August Embassy *Bulletin*—namely that ‘Australian tourists on Bali should observe the same prudence as tourists in other parts of the country’—mitigates that risk

2.40 In the Committee's view, the embassy's warning that tourists in Bali should maintain the same prudence as tourists elsewhere was appropriate, and indicated that there was an appreciation amongst Embassy staff that most Australian tourists thought—innocently or misguidedly—that Bali was a distinctively safe and hospitable place set apart from the rest of Indonesia.

35 *Transcript of Evidence*, 20 June 2003, p. 91 (Kemish, DFAT).

2.41 The Committee notes that this additional point that 'Australian tourists on Bali should observe the same prudence as tourists in other parts of the country' was contained in virtually every Australian Embassy Bulletin issued from August 2001 through to October 2002. The Committee questioned DFAT about the non-inclusion of this reminder in the 27 August advisory and subsequent Travel Advices, especially given that DFAT had told the Committee that it relied heavily on the Australian embassy for accurate and up-to-date advice about the security situation 'on the ground'.

DFAT Consular Branch did not omit the text. Draft travel advice is prepared with the Embassy and cleared with the Embassy. The role of Consular Branch is to manage a process involving direct input from the embassy and geographic division. The Embassy did not recommend that this particular reference should be included in this case.³⁶

We [Consular Branch] also had many exchanges across the year with our embassy in Jakarta about advisories. At no point was their advice ignored.³⁷

2.42 As noted earlier, DFAT informed the Committee that Australia's consular partners had maintained similar advice settings.³⁸

2.43 While the Australian, New Zealand, Canadian and UK advisories were similar in tone and content at this time, the US Travel Warning of 10 August 2001 conveyed a stronger sense of threat. The US warning opened with the statement:

The Department of State urges American citizens to defer nonessential travel to Indonesia....Those who must travel to Indonesia, or who are resident there, should exercise extreme caution.

The US Embassy in Jakarta has received information that indicates extremist elements may be planning to target US interests in Indonesia, particularly US Government facilities, and could also extend to US tourists and tour groups.

2.44 The US warning stressed that all Americans, 'including tourists and hotel guests', should take precautions to 'ensure their safety...and reduce their vulnerability.' It mentioned the locations of recent bombings, and noted that on past occasions of 'intimidation and violence...Indonesian security officials have sometimes been unwilling or unable to respond.' There was no specific reference to Bali in this 10 August 2001 US Travel Warning.

2.45 The Committee accepts that in these (August 2001) advices of consular partners there may have been perfectly good grounds to distinguish the risk to Americans and US interests in Indonesia from the risk to Australians and Australian interests.

36 DFAT *Answers to Questions on Notice* 28 May 2004

37 *Transcript of Evidence*, 20 June 2003, p. 91 (Kemish, DFAT).

38 *Submission 4*, p. 9 (DFAT); *Submission 3*, p. 5 (ONA).

The Canadian advice of 16 August 2001 was very similar to the Australian advice. In addition to their comments about Bali being calm and with tourist services operating normally the Canadians added the phrase that had been included in the 10 August Australian Embassy bulletin. Nevertheless, the same prudence should be observed as in other parts of the country.

2.46 The UK advice a couple of weeks later was similar in tone and content to, and possibly even softer than, the Australian Travel Advice. It included mention of attacks by extremists on Jakarta nightclubs with expatriates sometimes being the targets, advising British nationals 'visiting clubs and bars...[to] remain alert and be ready leave at the first sign of trouble.' The Committee understands that this warning related to harassment, sweeping or physical violence.

Travel advice after September 11 and before the Afghanistan action

2.47 The first DFAT Travel Advice after the terrorist attacks on the World Trade Centre was issued on 20 September 2001. It stated that the Advice 'contains new information or advice but the overall warning level has not changed'.

2.48 The headline advice remained identical to that of 27 August, and the body of the advice was almost so—including the reference to 'explosive devices...detonated recently in Jakarta... [so] take seriously any bomb threats'. To the body of the advice was added the sentence:

In view of the heightened tension associated with the recent terrorist attacks in the United States of America, Australian travellers are advised to be especially alert to their own security at this time.

2.49 The general advice about Bali was repeated:

Tourist services are operating normally on Bali and Lombok.

Travellers to other regions...are advised to...maintain a high level of personal security awareness.

2.50 UK and Canadian advices in September 2001 were similar in content to the Australian advice—including with respect to Bali. When referring to the September 11 attacks, their nationals were warned to 'keep a low profile [and] maintain a high level of vigilance' (UK) and to be 'especially vigilant' (Canada) because of the 'possibility of increased dangers for Canadians abroad'.

2.51 The Committee regards the language of these warnings—'keep a low profile', 'maintain a high level of vigilance', etc—to be direct and succinct. Prof. Ross Babbage told the Committee that, when it comes to travel advice:

I do not think it needs to be in a particular vernacular; I think it just needs to be very plain English. I think the Australian public is well enough educated to follow [travel advisories] if...the language is simple.³⁹

39 *Transcript of Evidence* 20 November 2003, p. 308 (Prof Ross Babbage).

2.52 The phrase 'Australians are advised to be especially alert to their own security' corresponds to level two of DFAT's seven graded advisory settings. The phrase 'exercise caution and monitor developments' is a level three advice.⁴⁰

2.53 The US Travel Warning of 20 September 2001 is stronger than the Australian, UK, NZ or Canadian advices. Its language corresponded to a DFAT level five advisory, with the US State Department warning its nationals to 'defer nonessential travel to Indonesia'. The US warning added:

Those who must travel to Indonesia, or who are resident there, should exercise extreme caution.

2.54 On 26 September 2001 DFAT issued a new Travel Advice containing 'new information or advice but the overall warning level has not changed'. However, the headline advice was strengthened by the addition that Australians should 'exercise great caution at this time'. (This is a level 4 advice and is the standard setting when ASIO advises a high threat assessment.)

2.55 The body of the Advice also mentioned the US government's warning to its citizens of a heightened terrorist threat and for US citizens to defer non-essential travel. The Australian advice went on to say:

In this environment Australians should exercise sensible precautions and monitor carefully developments that might affect their safety.

2.56 Australians were also 'urged to avoid large public gatherings and areas where demonstrations might occur'. The remainder of the advice repeated the paragraphs that had been present since the 27 August 2001 advice, including the reference to explosive devices in Jakarta, and to take bomb threats seriously.

2.57 In its submission to the Committee, DFAT drew attention to the way Travel Advice is formulated whenever ASIO produces a high threat assessment:

An ASIO assessment of a high threat of politically-motivated violence against Australian interests will as a matter of course lead to a clear and prominent reference to the risk of terrorism in the travel advisory, and a recommendation (at a minimum) that Australians exercise a high degree of caution. Our concern about the risk of terrorism will be reflected both in the summary section as well as the body of the advisory. Where circumstances warrant, travel advisories will on occasions move to higher warning levels (defer non-essential travel/consider leaving; defer all travel/leave) because of terrorist threats, civil disorder or war.⁴¹

2.58 The US Travel Warning of 24 September 2001 added Central Java and Yogyakarta to its 'defer all travel' list, but on 26 September the State Department

40 *Submission 4*, pp. 6–7 (DFAT).

41 *Submission 4*, p. 5 (DFAT).

issued another warning which raised the warning from 'defer nonessential travel to Indonesia' to 'defer travel to Indonesia'.

2.59 The 26 September 2001 US warning also urged 'all American citizens...to take those measures they deem appropriate...including consideration of departure from the country'. The warning was expressly issued 'to alert Americans to increased security concerns in Indonesia, and it supplements the Travel Warning...of September 24'.

2.60 The UK Travel Advice of 25 September 2001 remained largely as it had been a week earlier, but the Canadian advice was significantly strengthened. On 27 September the Canadian advice read:

Canadians should not travel to Indonesia and those in the country should consider leaving while commercial means are still available. Those who choose to remain in Indonesia are advised to be especially vigilant and avoid situations where political violence and demonstrations may occur. The recent events in the United States have raised the possibility of increased dangers for Canadians.

2.61 The NZ advice of 27 September 2001 spoke of 'increased risk to foreigners' and that situations 'could change rapidly'. New Zealanders were 'urged to take extreme care' and it was recommended that 'New Zealanders consider carefully their need to travel to Indonesia'.

2.62 By this time, it was apparent that US-led military activity against Afghanistan was in the offing. Canada reissued on 28 September its 'do not travel and consider leaving' advice, and did so again on 4 October 2001. However, Canada modified its comments on Bali in its 4 October advice, saying:

The security situation in Bali and Lombok is calm, and tourist services are operating normally, however, this could change and we are advising Canadians not to travel there.

2.63 The UK Travel Advice of 2 October remained largely unchanged, but with two variations worth mentioning. References were made to reports of attacks on Jakarta nightclubs, which were 'quite likely to recur' with the approach of Ramadan and the generally heightened level of tension. As well, the paragraph that 'there is no strong anti-foreign sentiment at present' was removed after having been present in all previous advices. Reference to bomb attacks in Jakarta and violence and explosions in several Indonesian provinces was common to all consular partners' advisories.

2.64 In summary, during the time after the September 11 terrorist attacks in the US and before the US-led invasion of Afghanistan, Australia and its consular partners had all strengthened their Indonesian travel warnings, but to varying degrees.

2.65 America and Canada had gone as far as to warn their citizens to defer travel (or nonessential travel) to Indonesia and to consider leaving the country. During the period under consideration (after 9/11, before Afghanistan) the US had so warned

consistently, and Canada had so warned from 27 September 2001. Between 9/11 and the commencement of hostilities in Afghanistan, neither Australia nor the UK had so advised their nationals. New Zealand had recommended that its nationals 'consider carefully their need to travel to Indonesia'.

2.66 Australia's Travel Advices had stated consistently—in response to consistent inquiries to DFAT from travellers—that 'Tourist services are operating normally on Bali'. The UK elaborated that Bali had low crime but residents and tourists should take precautions. Canada added that, while Bali was calm and tourist services normal: 'Nevertheless, the same prudence should be observed as in other parts of the country'.

2.67 Advice about Bali being 'calm' and with 'tourist services operating normally' had been given consistently by Australia, Canada and the UK. But Canada was the only one during this period—9/11 to Afghanistan - to advise (in its October 4 Advice) specifically against travel to Bali.

2.68 US Travel Warnings never mentioned Bali—the general tenor of the US advice was: 'Avoid going to Indonesia, and if you're there, leave.'

2.69 DFAT officials reminded the Committee on a number of occasions that the explicit advice about Bali being 'calm' with tourist services 'normal' was:

...A simple statement of fact. It was included against the backdrop of widespread civil unrest in other parts of Indonesia over previous months.The travelling Australian public was naturally interested in whether such unrest would spread to tourist locations such as Bali. It was a very common question...We were responding to that question with a statement of fact through the travel advisory.⁴²

2.70 DFAT also pointed out, by way of illustrating its congruence with its consular partners that:

The governments of the United Kingdom and Canada also stated this fact. The government of the United Kingdom said for a period that Bali was safe.⁴³

2.71 The Canadians reminded their nationals that while Bali was 'calm' and 'normal', the 'same prudence should be observed as elsewhere' and that 'however, this [the security situation] could change'. Such caveats were not linked as directly and immediately to the Bali advice in any of the Australian versions.

2.72 The settings of consular partners 'can, and do, vary'⁴⁴ because:

42 *Transcript of Evidence*, 20 June 2003, p. 91 (Kemish, DFAT).

43 *Transcript of Evidence*, 20 June 2003, pp. 90-91 (Kemish, DFAT)

44 *Submission 4*, p. 6 (DFAT).

- (a) Governments may come to different conclusions based on the same information; and
- (b) Assessments are specific to a country's own circumstances and the risks that may confront its citizens.⁴⁵

2.73 It is standard practice that each individual country articulates its advice in a way which highlights those aspects that the relevant authorities think are of most use or significance to its citizens.

2.74 But given the 'consular partner' nature of the relationship between the countries considered above, and given the 'very intimate intelligence sharing between the United States, Australia and the United Kingdom in particular',⁴⁶ it is to be expected that there would be considerable similarity in the travel advisories of Australia and its consular partners. And there was. This is supported by the fact that DFAT itself has stressed its constant engagement with its consular partners on these matters, including as part of DFAT's efforts to ensure that it was operating at world's best practice.

2.75 The bulk of the Committee's examination, however, must remain focused closer to home, on the relationship between the intelligence and threat assessments provided by ASIO, (and other reports from ONA and DIO) and the Travel Advises produced by DFAT which presumably relied significantly, although not exclusively, on those assessments.

2.76 This task is undertaken in the last section of this chapter, once the Committee has completed its consideration of all the Travel Advises leading up to 12 October 2002.

Travel advice from 8 October 2001

2.77 The commencement of the US-led action against the Taliban in Afghanistan prompted the issuing of fresh travel advisories by Australia and its consular partners. The DFAT advice included in its headlined section:

Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali. Australians in Indonesia are advised to monitor carefully developments that might affect their security and exercise great caution at this time.

2.78 The advice specifically *excluded* Bali from the warning to defer travel. (The body of the advice included the standard statement that 'Tourist services are operating normally on Bali'.) The exclusion was made on the basis that the concern about

45 DFAT, 'Transcript of Briefing conducted by Assistant Secretary, Consular Branch' (13 June 2003) <http://www.dfat.gov.au/media/transcripts/2003/030613_travel.html> at 24 October 2003.

46 Hon J Howard (Prime Minister) *House of Representatives Hansard*, 24 March 2003, p. 13105.

violence to foreigners related to protests and demonstrations in Jakarta and big cities. This, in DFAT's judgement, did not apply in Bali, which was calm.

2.79 The Committee explores this exclusion more thoroughly later in this chapter with reference to the Australian intelligence and threat assessments available at the time, and to DFAT's use of these in formulating travel advisories.

2.80 The 8 October DFAT Advice went on to refer to the commencement of hostilities in Afghanistan, saying 'It is highly likely that there will be further demonstrations in a number of cities in Indonesia which could have anti-Western overtones'. Australians were also advised to take 'special care' and 'exercise sensible precautions'. The reference to explosive devices and bomb threats was again included.

2.81 The UK's 8 October Advice was only marginally different from Australia's. It advised 'against all holiday and other non-essential travel to Indonesia, except for Bali'. It expanded upon the Bali situation in the following terms:

Bali remains safe. At present we are not advising tourists there to leave. Nor, at the moment, are we advising those who have planned to holiday in Bali to defer their travel.

2.82 The New Zealand advice, while overall very similar to Australia's, expanded its Bali-specific advice in the same manner as the UK, and reminded its nationals that, with respect to Bali, they 'should monitor developments closely'.

2.83 The Canadian 8 October Advice retained its warning not to travel to, and to leave, Indonesia. This advice removed completely its previous references to Bali. (Recall that Canada's 4 October Advice said that the 'calm' and 'normal' situation in Bali 'could change' and advised Canadians 'not to travel there'.)

2.84 The DFAT Travel Advice of 15 October 2001 repeated in its headline summary the 'defer holiday and business travel' advice of 8 October, but as well as excluding Bali from the warning, now also excluded Bintan and Batam. The body of the advice remained largely unchanged.

2.85 The UK Advices of 12 and 17 October persisted with warning 'against holiday and non-essential travel, except for Bali'—the same exception as contained in the DFAT Advice. The UK Advices also reiterated that 'Bali remains trouble free' and retained the earlier "watch this space" advice.

2.86 Canada's 22 & 23 October 2001 Travel Reports continued to 'defer tourist travel to Indonesia until further notice' but now excluded Bali from that recommendation. It also reinstated its standard paragraph about Bali (calm/services normal/nevertheless observe same prudence as elsewhere.)

2.87 On 23 October 2001 DFAT issued a Travel Advice that removed the 'defer travel' warning, but advised tourists to 'consider their destinations carefully'. The headline summary advised:

The Government no longer judges it necessary to advise Australians to consider deferring normal business or holiday travel to most parts of Indonesia, although continued vigilance is recommended.

2.88 The DFAT Advice also reported 'the attempted placement of a small bomb in an Australian company office'. This was the first time during this period that a DFAT Travel Advice had referred specifically to a threat directed at an Australian interest. The body of the advice retained the usual warnings about explosive devices in Jakarta and elsewhere.

2.89 On 24 October, the UK Travel Advice—and the NZ advisory—no longer warned 'against holiday and non-essential travel', but in the light of Afghanistan-related protest activity urged care, and retained references to the forthcoming Ramadan, and the associated risks of attacks on bars and nightclubs.

2.90 Throughout this period the American State Department had retained its warning to its citizens to 'defer travel to Indonesia'. Eventually, on 23 November 2001, this was softened slightly to 'defer non-essential travel'. This was the travel warning that remained throughout 2002, until the Bali bombing.

2.91 In December 2001 Australia, NZ and the UK maintained their Travel Advice at the lower levels of late-October advisories. Canada removed its 'defer tourist travel' warning.

Travel advice in 2002 leading up to the Bali attacks on 12 October

2.92 DFAT's 7 December 2001 Travel Advice was reissued unchanged on 8 March 2002 but on 28 March 2002, the DFAT Travel Advice contained 'new information or advice', including that Australian travellers should register with the Australian embassy in Jakarta or Consulate-General in Bali. The advice specifically warned of dangers in Aceh, Ambon and Irian Jaya and the risk of kidnapping in North Sulawesi. These warnings were based on specific intelligence.

2.93 The standard reference to Bali in the body of the advisory changed its form of words for the first time. It now read: 'Tourist services elsewhere in Indonesia are operating normally, including Bali'. This was included in all subsequent advisories.. The reference to explosions in Jakarta and elsewhere was omitted from this particular advice. It reappeared in subsequent advisories with the addition that such explosions had been detonated at sites 'including areas frequented by tourists'.

2.94 Throughout 2002, UK, NZ and Canadian travel advisories remained essentially unchanged from the close of 2001. There was no significant reference to Bali in these advisories.

2.95 DFAT told the Committee that there were two issues that were of principal concern leading into 2002—the 'risk of civil unrest, demonstrations and harassment directed at Westerners' and 'a non-specific risk of terrorism in the region'.⁴⁷

2.96 According to DFAT, the focus of the advisories on terrorism:

Sharpened further at different periods since then up to 12 October 2002—in particular, from the middle of 2002 as intelligence agencies came to understand this phenomenon better. In particular, ASIO threat assessments and our advisories gave a much stronger focus to terrorist threats generally from mid-2002 onwards. That is a matter of public record, and it was at the time a matter of very considerable media coverage.⁴⁸

2.97 The Committee has examined those advisories from the middle of 2002. DFAT issued Travel Advices on 12 July, 13 August and 10, 13 and 20 September. While there was sometimes new information added, DFAT had written at the head of every advisory that the 'overall level of advice [was] not changed'. Closer examination, however, reveals that the content of the advisories had changed and that actually the warnings in the mid-2002 advisories had been strengthened from what they were earlier in the year.

2.98 The bolded and boxed summary or 'headline' section in the 2002 July and August Travel Advices opened with the statement that Australians in Indonesia should 'monitor carefully developments that might affect their safety' and that they should 'maintain a high level of personal security awareness'. (These are the key phrases used by DFAT at advisory levels 3-4.)

2.99 The body of these two advices, in the *Safety and Security* section, included the advice:

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted.

2.100 This was the first reference to bombs exploding 'in areas frequented by tourists' and warning of the risk of future bombings in tourist areas.

2.101 The summaries in the September 2002 advisories were further strengthened by the explicit reference to the 'risk of terrorist activity in the region', and these risks were repeated in the *Safety and Security* section, which also contained the above reference to explosions etc.

2.102 Reference to 'bombs' and 'violence' had been contained in the *Safety and Security* section of all DFAT's 2002 Travel Advices, and the summary 'headline' of all Travel Advices of this period finished with the statement: 'Tourist services elsewhere

47 *Transcript of Evidence*, 20 June 2003, p. 90 (Kemish, DFAT).

48 *Transcript of Evidence*, 20 June 2003, p. 90–91 (Kemish, DFAT).

in Indonesia are operating normally, including Bali'. This statement was repeated in the *Safety and Security* section of each Travel Advice.

2.103 The Committee appreciates the distinction between the description of a existing situation and the conveying of warnings of possible risks. The statement 'tourist services operating normally' was objectively true, and was in no way inconsistent with the warning of the risk of bombings in areas frequented by tourists.

2.104 By the same token, the Committee has argued elsewhere that this 'objectively true' statement was reassuring to Bali travellers at a time when risks to them were unprecedentedly high.

2.105 The Committee notes that, in addition to the Travel Advice, DFAT also issued a Travel Bulletin around the time of the September 11 anniversary. It was headlined: 'Possible terrorist activity in Southeast Asia' It highlighted a generic threat to Australian and UN interests in East Timor, then went on to say:

Australians in Southeast Asia should note the ongoing threat of terrorism in the region and maintain a high level of personal security awareness at all times, both during the anniversary of the 11 September 2001 terrorist attacks and afterwards.

The US Government has also reminded its citizens to be extremely cautious during the coming days and to maintain a high level of vigilance, a low profile, and avoid facilities associated with the US Embassy.

2.106 The Travel Advice of 20 September was the advisory extant at the time of the Bali attacks. That Advice, as discussed above, opened its headline summary statement with the sentence 'In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness' and concluded with the sentence 'Tourist services elsewhere in Indonesia are operating normally, including Bali'.

2.107 The *Safety and Security* section in the body of the advisory also contained the paragraph:

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

Later in the section the advice was repeated about tourist services 'elsewhere in Indonesia...operating normally, including Bali.'

2.108 While the 20 September 2002 Travel Advice was the one extant at the time of the Bali bombings, the Australian Embassy in Jakarta had, on 3 October 2002, issued a *Bulletin to Australian Citizens Living in Indonesia*. It contained much of the advice and warnings that it had issued in previous *Bulletins*, but in the second paragraph of the 3 October 2002 issue there was a warning that made reference to clubs and bars:

As in the past around religious holidays, militant groups may conduct intimidatory activity against night clubs, bars and other places where expatriates are known to gather. Australians are advised to take particular care in this period prior to religious holidays, and during Ramadan.

2.109 The Committee mentions this Embassy Bulletin, as there was some speculation in the press and elsewhere that warnings about clubs and bars at this time related to information about terrorist attacks. The above makes it clear that the warnings related to harassment and sweeping associated with religious holidays.

2.110 The Committee also notes that on the day before the Bali attacks, DFAT issued a worldwide Travel Bulletin in which it set out the details of an FBI release warning of potential terrorist attacks against US economic interests. This was a universal alert, and not specific to Indonesia. The release said that 'US authorities are unable to provide further information on specific targets, timing or method of attack'. The DFAT Travel Bulletin closed with the lines:

In light of the warnings by the United States Government, Australian travellers and residents overseas are advised to remain alert to their own security. They should monitor local developments and news broadcasts carefully and follow the advice of local authorities.

2.111 In this context, DFAT officials expressed to the Committee their frustration at claims that the US had provided some kind of special warning just prior to the Bali attacks that had not been matched by Australia.

Finally, we have noted in the media—and I would really like to make this clear—suggestions that the United States came up with some kind of statement immediately prior to the Bali bombings and that this was not matched by Australia. This frustrates those of us who actually know the truth of the matter and recall quite clearly the public attention that was given to the matter. In fact, the Australian and United States governments issued statements about these issues at the same time. These were global warnings and they were not informed by knowledge about Bali and about bars. These statements, issued at almost exactly the same time, advised our respective travellers overseas generally to remain alert to their own security. We took the additional caution on 11 October 2002 to relay to Australians—in the form of a bulletin—the full text of a statement issued by the United States government.⁴⁹

Concluding remarks

2.112 At the time of this Report going to print in August 2004, the official ASIO threat assessment for Indonesia remained at high, and the official DFAT Travel Advice was that Australians should defer non-essential travel to Indonesia as a whole, including Bali. Despite this persistent advice, Australians have continued to flock to Bali in their thousands—around 15,000 per month since mid-2003.

49 *Transcript of Evidence* 5 August 2004, p554 (Kemish, DFAT)

2.113 The Committee makes this observation by way of affirming that official advice can only ever be that; Australians will continue to make their own decisions about how that advice impacts upon their personal choices and circumstances. This does not, of course, diminish the absolute requirement that our intelligence agencies and DFAT must always ensure that the advice they give is as accurate, meaningful, relevant, accessible and intelligible as possible.

2.114 During the year before the Bali bombings, DFAT Travel Advice contained generic threat advice, with particular attention being paid to those areas of Indonesia where domestic ethnic and religious political violence posed serious risks to travellers. They included reference to explosions and bomb threats in Jakarta and elsewhere, and (from July 2002) including areas frequented by tourists.

2.115 For the first half of 2002 there was no notable warning about the deliberately anti-Western terrorist threat of the kind being discerned by the intelligence agencies during that period. The advisories tended to highlight the risks to foreigners arising from demonstrations and protests, and from harassment and opportunistic physical assault by militants. They did, however, warn that Australians should take seriously any bomb threats made against them or the premises they occupied. The advisories also stated, in response to persistent questions from travellers, that Bali was 'calm' and that tourist services were 'normal'.

2.116 In July 2002, however, the Travel Advices were changed to convey to travellers the need to 'monitor carefully developments' and to 'maintain a high level of personal security awareness'. The Advice also now warned that bombs had been exploded 'including in areas frequented by tourists' and that 'further explosions may be attempted'.

2.117 From 10 September 2002, each Travel Advice headline summary began with the words: 'In view of the ongoing risk of terrorist activity in the region ...' and concluded with the words: 'Tourism services elsewhere in Indonesia are operating normally, including Bali.'

2.118 In the Committee's view, the information and warnings contained in the travel advisories for Indonesia during the month or so before the Bali attacks, while warning of an increased generic terrorist risk, nonetheless did not adequately reflect the content of the threat assessments that were available by that time that specifically warned that Australians in their own right were now seen as terrorist targets in Indonesia. ASIO's threat assessments had made plain that Australians were potential terrorist targets not just because they were 'westerners', but because Australia itself had become a focus of al-Qa'ida / Jemaah Islamiah terrorist attention. In the Committee's view it would have been better for this additional piece of information to have been provided through DFAT's travel advisories so that potential Australian travellers would have been aware that Australians in their own right were now the objects of specific terrorist interest in Indonesia.

2.119 Furthermore, while DFAT's travel advisories warned of a generic terrorist threat 'in the region', the ASIO threat assessments had referred to Australians becoming potential terrorist targets specifically within Indonesia (as well as elsewhere in the region). Again, it is the Committee's view that it would have been better to tell the Australian travelling public that Australians in Indonesia (rather than simply westerners within the region) were of potential interest to al-Qa'ida / JI terrorist organisations.

2.120 It would be reasonable, however, to assume that anyone reading the Travel Advice for Indonesia – even just the headline summary and *Safety and Security* section - would understand that there was a generic terrorist risk, that bombs had exploded in the past, including where tourists gathered, and that further explosions may be attempted.

2.121 What the Travel Advice reader may *not* have appreciated, however, was that Bali was no safer than any other part of Indonesia in terms of the terrorist risk or the likelihood of a bomb going off. The Committee explores this key issue in detail in a separate chapter of this Report.

Chapter Three

Intelligence reports, threat assessments and travel advice

My son, Scott, was killed in that tragedy. I would like you to know that neither I nor any member of my family consider that the Government's travel warnings were in any way inadequate. We do not feel there was any lack of advice that contributed to Scott's death. Furthermore, Scott was employed by international SOS Pty Ltd in Jakarta, a company involved in, amongst other things, international security. Through his company, he was acutely aware of security risks and had commented prior to his trip that Bali was considered one of the safe havens in Indonesia.

(Extract from letter to DFAT tabled during the inquiry.)

3.1 The Committee has discussed elsewhere in this Report the inherent problems that arise when reinterpreting intelligence after the fact—the hindsight phenomenon labelled ‘connecting the dots’.¹ If one looks back at the intelligence applying to Indonesia, with the knowledge of the Bali bombing as the vantage point, the events of 12 October may look probable or even inevitable.²

3.2 In hindsight, one can home in on and extract the *relevant* pieces of intelligence, while ignoring the background ‘noise’ of the time that was created by *irrelevant* intelligence (i.e. intelligence relating to threats that were either false, or did not come to fruition).³ With the luxury of hindsight all uncertainty is swept away, the pieces of the puzzle fit perfectly together, and a clear picture of threat surfaces.⁴

3.3 Similar cautions must be observed in the analysis and description of links between threat assessments and the development and formulation of Travel Advises. ASIO's Dennis Richardson alerted the Committee to the difficulties associated with looking back at travel advisories in the light of what is now known about Bali.

I can only repeat that I think it is very difficult to make that retrospective judgement. It would be very easy for a person in my job to say, ‘Yes, it [the travel advisory] should have been this or it should have been that,’ but I cannot say that, and I think it would be an unreasonable and unfair thing to do. What I can say, as I have said previously—and I have sought to be as

1 For a detailed discussion of this issue, see Malcolm Gladwell, ‘Connecting the Dots—The paradoxes of intelligence reform’, *The New Yorker*, 10 March 2003, pp. 84–88.

2 See, e.g. *Transcript of Evidence*, 19 June 2003, p. 2 (Dennis Richardson, Director-General, ASIO).

3 See, e.g. Malcolm Gladwell, ‘Connecting the Dots—The paradoxes of intelligence reform’, *The New Yorker*, 10 March 2003, p. 86.

4 *Transcript of Evidence*, 20 June 2003, p. 66, (Kim Jones, Director-General, ONA).

frank as I can with the committee—is that I believe the threat assessment process and the travel advisory process were too compartmented prior to Bali. While there was close interaction, and while it was effective in one sense, the mere fact that we have reviewed it and the mere fact that we have changed it highlights the fact that we did not have those two processes interacting to the best effect.⁵

3.4 The Committee is nevertheless obliged to consider what lay behind the Travel Advices prepared by DFAT, and there is an inevitable juxtaposition of those advices with the threat assessments that informed them.

3.5 DFAT addressed the issue of the relationship between travel advisories and threat assessments on several occasions before the Committee.

In drafting advisories for Indonesia or any other country, the only proper source of advice under the arrangements established at this stage regarding terrorism is ASIO, as the organisation charged with, and equipped to assess threats. No proper advisory process can be based on untested raw intelligence. No proper advisory process can be based on speculative comment from individual analysts. There are many hundreds and hundreds of intelligence reports each month suggestive of some threat or another in some location around the world, each of which is subject to proper testing by ASIO...If we broadcast every untested thought through the advisory process, the process would be unmanageable....We can only respond to considered analysis or intelligence that has been tested. No considered analysis, no intelligence, was ever made available to DFAT by any agency suggesting a terrorist attack in Bali...We wish, as individuals who have had daily contact with the victims' families, that we had prior warning of the Bali attack. We did not.⁶

3.6 It is worth noting here also the remarks made by British Foreign Secretary Jack Straw in his statement to the House of Commons concerning the UK parliamentary report on intelligence and travel advisories prior to Bali.

The purpose of Travel Advice is to provide reliable information to British travellers and residents overseas. It is vital that our advice is based on the assessments made by the Security Service. The intelligence agencies are best placed to evaluate the terrorist threat to British nationals both at home and overseas. That often involves difficult judgements, where we have to ensure that travellers are warned of threats which we assess to be credible, whilst not causing panic by over-reacting to unsubstantiated pieces of information.

It is worth underlining that this often requires very difficult judgements. The safety and wellbeing of our nationals abroad is our prime concern. But as my RHF the Prime Minister said last month, we must aim 'to take preventive measures without destroying normal life'. If rather than properly

5 *Transcript of Evidence*, 28 May 2004, pp. 461–462 (Richardson, ASIO).

6 *Transcript of Evidence*, 24 September 2003, p. 180 (Kemish, DFAT).

seeking to separate truth from fiction the Government treated every terrorist threat as accurate, then on many occasions in recent months we would have had to shut down roads, shopping centres, airports, factories and military installations. This would serve only to cause panic—precisely the circumstances which the terrorists are striving to create.⁷

3.7 The intelligence gathered and reports produced by the Australian intelligence community are one of the important sources upon which DFAT draws when preparing its Travel Advice, along with 'on the ground' advice from its overseas posts and input from its Consular Branch.

DFAT gives particular weight to the threat assessments issued by ASIO in considering the implications of intelligence for our advisories.⁸

3.8 This weighting of advice in favour of ASIO was confirmed by ONA, who told the Committee that:

DFAT do not seek our views on their travel advisories and we do not, as a normal practice, seek to monitor them. They make their judgements on the bases they make them on. The interaction is much closer between ASIO and DFAT on travel advisories, because ASIO does the threat assessments and the threat assessments feed into the travel advisories. So they have the discussion about those issues; it is more remote from our activities.⁹

3.9 ASIO's Director-General (Mr Richardson) described to the Committee how he saw the relationship, pre-Bali, between ASIO threat assessments and DFAT travel advisories:

I said in our submission to the committee and...in my opening comments to the committee on 19 June...that before Bali the threat assessment process and travel advisories were more compartmentalised. We prepared the former and DFAT the latter. While we discussed and explained our threat assessments to DFAT, we were not involved in the preparation of the travel advisories. We did not seek input into the travel advisories and DFAT did not seek comment from us. I think this was a weakness in the system that operated before Bali and it has now been rectified.¹⁰

3.10 DFAT initially expressed to the Committee a somewhat different assessment of DFAT's arrangements with ASIO pre-Bali.

We do not believe these arrangements were inadequate prior to Bali; and we certainly do not think that improved arrangements would have made a

7 Rt Hon Jack Straw MP, Secretary of State for Foreign Affairs
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391629&a=KArticle&aid=1039607481110>

8 *Submission 4*, pp. 3–4 (DFAT).

9 *Transcript of Evidence*, 24 September 2003, p. 143 (Jones, ONA).

10 *Transcript of Evidence*, 24 September 2003, p. 151 (Richardson, ASIO).

difference to the overall approach taken in our travel advice. Having looked closely at our processes following the Bali attacks, however, we have taken a range of steps to strengthen them further to ensure we stay at the leading edge of international practice and to provide additional assurance to Government and the public about these important processes.¹¹

3.11 Improvements in the arrangements for ensuring that threat assessments and travel advice are in harmony are welcomed by the Committee, which notes also the following remarks by DFAT's Ian Kemish towards the end of the Committee's inquiry.

[I]t is now almost two years since, in the context of an emerging threat, we were making difficult judgements about travel advice for Indonesia and other countries in South-East Asia and we were moving to highlight the risks to Australians in our public statements and travel advisories. When we look back at that period and discuss in constructive spirit the management of these complex issues by the government...I would like to join [ASIO's] Mr Richardson in calling for greater rigour in the examination of these issues, particularly in public statements and media coverage, and greater honesty and accuracy and higher standards of research in supportive work relating to public statements. The committee itself, I know, has a serious responsibility in this regard as well.¹²

3.12 DFAT's submission to the Committee stated that its Travel Advice was at all times commensurate with the threat assessments and related product delivered by Australia's intelligence community:

We can see no point where the settings in our South-East Asian advisories were inconsistent with those threat assessments. We have also undertaken comprehensive searches of the assessments and reports provided during the period under review by other agencies, including particularly ONA. While this material was helpful to us in ensuring appropriate references to the regional risk of terrorism in the travel advisories, we can see no analysis among these many reports indicating signs of a potential attack in Bali.¹³

3.13 In oral evidence, DFAT officials repeated their insistence about the appropriateness and commensurability of their travel advisories:

Our comprehensive examination of ASIO threat assessments and other analytical reports provided by assessment agencies, including particularly the Office of National Assessments, given the level of public attention in recent days, has led to the firm conclusion that at no point did the government miss any information or considered analysis pointing to signs of a potential attack in Bali. We did not fail to put such information or analysis into the public domain because there was no such information or

11 *Transcript of Evidence*, 20 June 2003, p. 93 (Kemish, DFAT).

12 *Transcript of Evidence*, 28 May 2004, p. 472 (Kemish, DFAT).

13 *Submission 4*, pp. 3–4 (DFAT).

analysis available to us. What we did have was advice, information and assessment from intelligence agencies and our mission in Jakarta about two issues. Firstly, there was—and I need to emphasise this—the risk of civil unrest, demonstrations and harassment directed at Westerners and Western interests in Indonesia. Secondly, there was a non-specific risk of terrorism in the region. Our record in putting information into the public domain about both issues is clear and consistent.¹⁴

3.14 The Bali tragedy, however, galvanised a new approach to regional security advice, and with it came changes to the procedures and relationships that shaped DFAT's Travel Advice activity. It was desirable that, in view of such a calamitous event, the procedures concerning the preparation of Travel Advice would be reviewed and tightened. One would be concerned had they not been.

We [DFAT] have...concluded that in the security environment following the Bali tragedy, there was scope to strengthen further the consultative arrangements between DFAT and ASIO on these issues. This has been reflected in new rules of procedure governing the...and in the institution of a fortnightly meeting between the two agencies to review how these arrangements are working.¹⁵

3.15 The Committee has earlier set out in some detail the pattern of pre-Bali intelligence about the nature and extent of regional security threats, as well as a comprehensive and comparative account of travel advisories—Australia's and those of its consular partners. The task now is to bring these together and, with special regard for the risks of a hindsight perspective, assess their commensurability.

3.16 The Committee went to considerable lengths during hearings and via questions on notice, to explore with DFAT officials the relationship between threat assessment inputs and travel advice outputs. The following analysis and review of that relationship seeks to reflect faithfully all the relevant considerations.

3.17 The Committee has already opined that at least from 1999 and possibly earlier, the Australian intelligence community had on its radar screen the threat of transnational, bin Laden-inspired terrorism and its implications for South-East Asia.

3.18 There was not a lot of detail available, links between regional and international groups were not clear, and the domestic Indonesian political environment was not receptive to foreign pleas and criticisms about the transplantation of international terrorism onto Indonesian soil—especially when its Islamic dimensions were emphasised.

3.19 Tension between Indonesia and Australia—especially over East Timor—was also not conducive to the collection, by Australian agencies, of information about the various extremist groups that had been identified. This was a particular problem given

14 *Transcript of Evidence*, 20 June 2003, p. 90 (Kemish, DFAT).

15 *Submission 4*, p. 4 (DFAT).

the fragmented, cell-based structure of many of these groups, made worse by the porous regional borders through which individuals could transit either undetected or ignored by local authorities.

3.20 By 2000 the Australian intelligence community seemed to be in no doubt that there was a rise, essentially unchecked, of militant Islamic groups in Indonesia, that the influence of al-Qaeda on these groups was becoming apparent, and that the prospect of these groups conducting terrorist attacks could not be denied. By early 2001, for example, ONA had convened a meeting of collection agencies to seek a more concentrated intelligence effort on Indonesian militants and their international terrorist links.

3.21 The position around this time was summarised by the head of one intelligence agency as 'clear agreement across the [intelligence] community about extremism and the capacity for terrorist attacks within South East Asia'.¹⁶

3.22 DFAT's Travel Advice by mid-2001 was employing the language of a level 3 Advice. (There are 7 levels or categories of advice, each of which tends to use certain key phrases and terminology.) Level 3 advices often have some reference to the risk of terrorism. For example, the 'headline' summary of DFAT's 27 August 2001 Advice used fairly standard level 3 phraseology. The *Safety and Security* section drew attention to US and UK warnings about heightened terrorist threats, referred to explosions in Jakarta, and warned Australians to take bomb threats seriously. The *General* section gave the standard advice about tourist services 'operating normally in Bali'.

3.23 Because of the inclusion in all DFAT's Travel Advices of a statement about the 'normal' operation of tourist services in Bali (and elsewhere), and because it was mentioned frequently during the course of the inquiry, the Committee has paid particular attention to all such references.

3.24 DFAT told the Committee that the constant inclusion of advice that Bali tourist services were 'normal' was a response to the numerous phone calls that DFAT was receiving from the public about the tourist situation in Bali. DFAT told the Committee it was a 'statement of fact'.¹⁷

3.25 The Committee remains concerned, however, that the regular and prominent assurance that tourist services were operating normally in Bali may have inadvertently conveyed to those inquirers, including those who had heard about violence in Indonesia, a sense that Bali was somehow insulated from the high level of threat that existed across the entire country. Bald facts, while being true, may nevertheless mislead through being inadequately contextualised or caveated. This is discussed further by the Committee later in this report.

16 *Transcript of Evidence*, 28 November 2003, p. 342 (Lewincamp, DIO).

17 *Transcript of Evidence*, 20 June 2003, p. 91 (Kemish, DFAT).

3.26 The Australian Jakarta Embassy Bulletin of 15 August and dates thereafter, with respect to advice specifically about Bali added to the basic information that Bali was calm and normal:

Bali is calm and tourist services are operating normally. Australian tourists on Bali should observe the same prudence as tourists in other parts of the country.

3.27 The terrorist attacks in America on 11 September 2001 were clearly a watershed event in reframing Western countries' approaches to both international and regional security issues. From what was to prove to be about a year before the Bali bombings of 12 October 2002, there seems to have been a distinctive shift in the intensity of the security intelligence and threat assessments emanating from Australia agencies.

3.28 As noted earlier, the first DFAT Travel Advice after the terrorist attacks on the World Trade Centre was issued on 20 September 2001. It stated that the Advice 'contains new information or advice but the overall warning level has not changed.' The headline advice remained identical to that of 27 August, and the body of the advice was almost so—including the reference to 'explosive devices...detonated recently in Jakarta... [so] take seriously any bomb threats'. To the body of the advice was added the sentence:

In view of the heightened tension associated with the recent terrorist attacks in the United States of America, Australian travellers are advised to be especially alert to their own security at this time

3.29 The general advice about Bali was repeated:

Tourist services are operating normally on Bali and Lombok.

Travellers to other regions...are advised to...maintain a high level of personal security awareness

3.30 DFAT issued a Travel Advice on 26 September 2001:

...in light of protest activity in Indonesia, to note existing US advice to its citizens to defer non-essential travel, and to convey a warning of a heightened threat to US interests in Indonesia. The key concern at this time was the threat of demonstrations and civil unrest directed at US and other western interests. ASIO also responded to a similar set of concerns...¹⁸

3.31 The 26 September Travel Advice had the leader: 'This advice has been reviewed. It contains new information or advice but the overall warning level has not changed'. It seems, however, that DFAT nevertheless *did* change the warning level from previous advices. The warning was upgraded, because the boxed, 'headline' summary introduced the additional phrase 'and exercise great caution at this time'. This is typical of level 4 terminology. Level 4 terminology in a Travel Advice is

18 Submission 4, pp. 9–10 (DFAT).

DFAT's standard setting if ASIO's threat assessment for politically motivated violence against Australians is HIGH.

3.32 The *Safety and Security* section advised about explosive devices being detonated in Jakarta, and told Australians to take any bomb threats seriously. This advice, or warnings very similar, appeared in the body of all later Travel Advices. The only explicit mention of Bali in the 26 September Advice was in the *General* section—the standard remark about tourist services operating normally on Bali.

3.33 An important reference point is the decision by ASIO, on 28 September 2001, to raise the assessed threat level for Australian interests in Indonesia to HIGH. This was a significant move, predicated on publicity in Indonesia about arson attacks on mosques in Australia, reports that extremist groups were taking a unified approach against US-led actions directed at al-Qaeda, and that these groups regarded Australia as anti-Islamic and a 'soft target' alternative to the US.

We did not just put it up to high on 28 September 2001 and then leave it at that. A lot of information was put out following that, and we regularly updated the threat assessments to the best of our ability...¹⁹

Because that was raising it to high, we [ASIO] certainly would have drawn DFAT's attention to the threat assessment in addition to sending it to them.²⁰

3.34 At the same time, ONA issued a report warning that extremists' threats 'against the citizens and assets of the US and its close allies must be taken seriously'. DFAT told the Committee that the department 'would have been in receipt of an ONA assessment. There is certainly no doubt about that'.²¹

3.35 This 27 September 2001 ONA report also contained the subsequently much remarked upon reference to tourist hotels in Bali. The ONA report said that while there were no signs of plans by Laskar Jihad 'to target tourist hotels on Lombok or Bali...extremists see them as havens of Western decadence' and that 'a tourist hotel in Bali would be an important symbolic target, damaging Indonesia's standing and its debilitated economy'.

3.36 This report was discussed on several occasions during the Committee's hearings. The intelligence agencies stressed that Laskar Jihad had a domestic, rather than an overtly anti-Western, focus, and that at that time JI was yet to be recognised as a terrorist organisation. For example, DIO had stated in a 19 September 2001 report that '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'.

19 *Transcript of Evidence*, 19 June 2003, p. 12 (Richardson, ASIO).

20 *Transcript of Evidence*, 19 June 2003, p. 15 (Richardson, ASIO).

21 *Transcript of Evidence*, 28 May 2004, p. 481 (Kemish, DFAT).

3.37 A subsequent DIO report did, however, include the alert that 'Any form of anti-US demonstrations involving large crowds has the potential for violence to be directed at Westerners...The possibility of Australian nationals being targeted cannot be discounted'.

3.38 The Committee heard no evidence that, and is not in a position to conclude that there were links between Laskar Jihad and JI at that time. Certainly Australian intelligence agencies appear to have had no contemporaneous knowledge of the existence of any such links.

3.39 With regard to this particular report (ONA 27 September 2001), DFAT supported the views of the intelligence agencies in the following terms:

First of all, you are referring to a report that had to do with Laskar Jihad and, as we all know, Laskar Jihad did not perpetrate the Bali bombings. Second, I have today reviewed again what that report said and I have found the reference towards the bottom of the last page of the document in question. It is about a range of other issues. The operative point is this: ONA had seen 'no sign that Laskar Jihad plans to target tourist hotels in Lombok or Bali'. There is a subsidiary dash point below that and it says, 'even so, a tourist hotel in Bali would be an important symbolic target, damaging Indonesia's standing and its debilitated economy'.²²

...I rang, in the lead-up to this appearance, the individual who was in my position at the time of this statement coming out... He has absolutely no recollection of seeing this reference in the report and, frankly, I am not surprised, given the thousands of reports and the fact that the reference is very deep in the document and is preceded by 'no sign that Laskar Jihad plans to target tourist hotels in Lombok or Bali'. He says, when asked about it, that it would not occur to him that that was sufficient to change the basis of the travel advice. He said: 'What's this about? Our reference point for these issues is the threat assessments produced by ASIO anyway'.²³

3.40 This response is consistent with DFAT's earlier insistence that it relies primarily on ASIO's threat assessments for its Travel Advice, and to a far lesser extent the general reporting of other agencies.

3.41 The Committee considers that ONA's warning that extremists' threats 'against the citizens and assets of the US and its close allies must be taken seriously' would have been taken into account by ASIO in the preparation of its own threat assessment advice. It is consistent with the dramatically heightened awareness of the seriousness of security threats to the US and its allies ushered in by the September 11 attacks.

3.42 It is worth reiterating at this point that DFAT always regarded ASIO as the prime source of advice on security issues and threat assessments when it comes to the

22 *Transcript of Evidence*, 28 May 2003, pp. 481-482 (Mr Kemish)

23 *Transcript of Evidence*, 28 May 2003, p. 485 (Mr Kemish)

preparation of DFAT Travel Advice. Reports distributed from other agencies fulfilled a subsidiary purpose.

The main reference point for DFAT is the body which assesses threat [ASIO]. We do not go looking for raw intelligence or raw comment ourselves....ONA might be a useful, very much secondary reference point but the process can only make sense if we rely and focus on the body in the Australian system [ASIO] that is responsible for formal threat assessment.²⁴

When we say that our key reference point for these issues is the ASIO threat assessment it means something quite significant. There is an organisation in the Australian government system which is responsible for assessing threat. There is a great deal of information—literally thousands and thousands of reports, some of it utterly bogus—which is available in the broad to the Australian government. There needs to be an organisation which considers all that material and does its best professional job in assessing that information to assist us. We do not have the expertise to judge what is real and what is not. ASIO does that, and it does it exceptionally well. I hope that helps you understand the way we would have treated the ONA reports.²⁵

3.43 Notwithstanding these remarks, which tended to relegate ONA's advice to a fairly low order of significance, the Committee notes that in other evidence much was made of how DFAT and ONA were working very closely as each strove to come to grips with the terrorist threat in SE Asia.

There was an extraordinary range of contacts with them [DFAT] during this whole period. We [ONA] were in fact particularly keen, especially as our own thinking evolved, to keep DFAT abreast of it and not to rely on the impression that our written word only would have conveyed. We were quite active throughout this whole period in seeking to ensure that DFAT understood our perspectives.²⁶

I think he [Mr Paterson] was concerned in this case over some time that we were on the same wavelength—that they [DFAT] fully understood the basis on which we were shifting our analysis of the nature of the threat. That was a process, as you would recall from our initial statement that went over a period of three to four months even. I think it was in about April [2002] that we became more definitive, as my recollection goes...²⁷

3.44 The next event of significance was the commencement of US-led military activity in Afghanistan on 8 October, prompting new DFAT Travel Advice headlined:

Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali. Australians in Indonesia are advised to

24 *Transcript of Evidence*, 28 May 2004, p. 479 (Kemish, DFAT).

25 *Transcript of Evidence*, 28 May 2004, pp. 482–483 (Kemish, DFAT).

26 *Transcript of Evidence*, 23 June 2004, p. 509 (Gordon, ONA).

27 *Transcript of Evidence*, 23 June 2004, p. 514 (Gordon, ONA).

monitor carefully developments that might affect their security and exercise great caution at this time.

3.45 The 8 October DFAT Advice also said 'It is highly likely that there will be further demonstrations in a number of cities in Indonesia which could have anti-Western overtones' and that Australians were advised to take 'special care' and 'exercise sensible precautions'.

3.46 Given DFAT's insistence that its travel advisories were always commensurate with ASIO's threat assessments, and that the Committee had been advised repeatedly that Bali could not be separated from the overall 'high' threat applying to Indonesia as a whole, the Committee sought an explanation as to why the 8 October advice to 'defer travel' *excluded* Bali.

As to the upgrade, it is sometimes hard to convey this: yes, these travel advisories reflect the threat assessments but they also draw on what is actually happening on the ground. In particular they rely on input from the relevant embassy and our knowledge of the experience that Australians are having in these countries through consular work. The key focus in the period you are talking about—and actually it is the key focus for the ASIO threat assessment as well—was the possibility of protest action, civil disorder and in particular protests outside our embassy in Jakarta in the context of the coalition attacks in Afghanistan. That is what the advice was about. The situation in Bali was calm. That was the fact of the matter...²⁸

3.47 The focus of DFAT on protest-related violence is consistent with DIO and ONA reports at that time which highlighted the threats of opportunistic street attacks on foreign nationals and 'sweeping' activities by militant groups.

3.48 DFAT also issued a global Travellers Bulletin on 11 October 2001. This was explained by Minister Downer in the following terms:

...[On] 10 October the Americans issued a worldwide caution which was focused on a specific threat made against American interests as contained within the then most recent Osama bin Laden tape—which members will recall, I am sure, because it was substantially in the media. The bin Laden threat was reflected in the US caution of 10 October and a US FBI alert of 9 October, and these were then reflected in a DFAT travel bulletin [global Travellers Bulletin], which is the equivalent of the US worldwide caution, issued on 11 October Australian time. It was entitled, 'Terrorist threat to United States interests in United States and overseas'. That bulletin was, as these bulletins are, posted on the DFAT web site. It said: In light of the warnings by the United States Government, Australian travellers and residents overseas are advised to remain alert to their own security.²⁹

28 *Transcript of Evidence*, 28 May 2004, p. 496 (Kemish, DFAT).

29 Minister for Foreign Affairs, 17 October 2001, Answer to Question without Notice, House of Representatives, *Hansard*, p. 7961.

3.49 The announcement of the deployment of Australian forces to Afghanistan on 17 October 2001 was deemed by ASIO to have raised Australia's profile as a terrorist target, but in the absence of specific information indicating a threat, the announcement itself did not, in ASIO's view, change the threat of terrorist attack in Australia or against Australian interests abroad.³⁰

3.50 DFAT's subsequent Travel Advice (23 October 2001) did not explicitly mention the proposed deployment of Australian troops, and continued to focus on the risks to Australians arising from protest activity—which it saw as diminishing—to the extent that 'the Government no longer judge[d] it necessary to advise Australians to consider deferring normal business or holiday travel to most parts of Indonesia, although continued vigilance is recommended'. The body of the advice continued to refer to explosive devices and the need to take bomb threats seriously.

3.51 The logic pursuant to an ASIO report advising that Australia's profile as a terrorist target had been raised might make it seem strange that the Travel Advice should have been somewhat softened. The Committee notes, however, that ASIO expressly advised that the situation had not changed the threat of terrorist attacks against Australian interests abroad.³¹

3.52 The Committee is less comfortable with the Travel Advice that was issued after Osama Bin Laden's 3 November broadcast referring to 'crusader' forces and mentioning Australia by name.

3.53 ASIO considered the statement to be of 'particular significance' and issued a Threat Assessment on 9 November 2001 which noted that:

- the statement must be seen within the context of UBL statements since 1996, which consistently have laid down general markers for subsequent terrorist action.
- ...apart from sporadic references to the United Kingdom, previous statements have referred to the US and its allies. UBL's specific reference to "crusader Australian Forces" thus represents a significant upgrading of Australia's profile. Looked at against UBL's track record, ASIO considers this statement will have force, and significance, for at least the next 18 months.
- ...the statement will be seen as particular encouragement for individuals or groups in Indonesia who are followers of UBL, and who may have the capability to commit violent acts. More importantly however, UBL's al-Qaeda network does have the capability and means to carry out an act of terrorism in Indonesia. The only question in respect of Australian

30 *Submission 2*, p. 4 (ASIO).

31 *Submission 2*, p. 4 (ASIO).

interests there, is one of intent. In this context, since at least 1998, UBL has been explicit in stating there is no distinction between military personnel and civilians; both Australian Official representation in Jakarta and other identifiable Australian interests certainly would be seen as extensions of the Australian “crusader” forces.³²

3.54 The Committee was advised by ASIO that there was 'no specific one-on-one meeting between ASIO and DFAT to discuss the threat assessment issued on 9 November 2001.'

The statement made by Bin Laden...which was the subject of the 9 November Threat Assessment, however, was discussed at meetings of the Special Incident Task Force which were held daily at that time. Both ASIO and DFAT were represented at the Task Force meetings at which ASIO provided briefings on the Bin Laden statement'.³³

3.55 ASIO told the Committee that they 'certainly drew [DFAT's] attention to [the bin Laden statement] and spoke to it'. In ASIO's view:

The word ‘crusader’ is very deliberately used. It is a very definite throwback to earlier times...It was the first occasion on which Australia was specifically mentioned by Osama bin Laden and he was signalling us out and clearly making a play in terms of individuals, groups et cetera in South-East Asia...He is using a code word which paints us as a definite enemy.³⁴

3.56 In its written submission, DFAT stated that it had reviewed the travel advisory following the bin Laden 'crusader forces' speech, and 'determined that the advisories did not need further strengthening'.³⁵ The Department did not, in that submission, elaborate upon its reasons for not strengthening the advisory. The Committee therefore sought further information from DFAT about that decision.

Our [DFAT's] travel advice of 7 December 2001 for Indonesia urged heightened vigilance and personal security awareness, relating this advice to the possibility of further protest activity against the War on Terror and civil unrest, and a range of serious threats across Indonesia. The 9 November ASIO threat assessment did not raise the threat level for Indonesia, nor did it identify any specific threat in that country.

UBL's 3 November statement was widely reported and common public knowledge. Travel advisories do not perform the function of a running media commentary on developments that, in the view of the threat

32 *Submission 2*, p. 4 (ASIO).

33 Answers from ASIO to *Questions on Notice* 25 August 2003.

34 *Transcript of Evidence*, 19 June 2003, pp. 16–17 (Richardson, ASIO).

35 *Submission 4*, p. 10 (DFAT).

assessment agency (ASIO), do not change the threat level for a particular country.³⁶

3.57 After 7 December 2001, DFAT Travel Advice remained the same until 28 March 2002. Intelligence agencies, meanwhile, continued to report on developments.

3.58 For example, ONA stated that United States agencies had become quite rapidly convinced that there were significant links between al-Qaeda and regional and domestic radical Islamic groups in Southeast Asian countries. Amongst the factors that led them to such a conclusion was evidence given in a trial in Spain of al-Qa'ida operatives to the effect that there was an al-Qaeda training camp in Poso on Sulawesi—something that ONA was unable to substantiate.³⁷

3.59 The activity of Australian intelligence agencies was stimulated significantly by the receipt by Australian agencies in mid-December 2001 of information emerging from investigations into the Singapore bombings and what they revealed about Jemaah Islamiyah.

[F]rom December 2001 we [ASIO] and others worked very hard to get on top of JI and a lot of progress was made.³⁸

3.60 ONA finalised a substantial report reviewing what was known of 146 different organisations. It included such judgements as external influences having increasingly inspired and shaped Indonesian radicals' behaviour; and that many younger Indonesian Muslims have been attracted to the ideas of Osama bin Laden about the legitimacy of engaging in jihad or violent struggle for international causes, including within Indonesia's borders.³⁹

3.61 A 6 January 2002 report by DIO declared that SE Asia offered 'a range of soft and symbolic targets for anti-Western Islamic terrorists' and that the most 'vulnerable and numerous of Western interests in the region are tourists and expatriate business people'.⁴⁰

3.62 On 16 January 2002, ONA and ASIO published a joint report based on information flowing from the Singapore arrests. This report revealed that it was not known when before 1999 the JI first made contact with outside terrorists, but this contact appears to have marked the group's transition from militant organisation into terrorist group.⁴¹

36 DFAT *Answers to Questions on Notice* 28 May 2004

37 *Submission 3*, p. 5 (ONA).

38 *Transcript of Evidence*, 19 June 2003, p. 3 (Richardson, ASIO).

39 *Submission 3*, p. 4 (ONA).

40 DIO *Answers to Questions on Notice*, p. 6.

41 *Submission 3*, p. 6 (ONA).

3.63 Notwithstanding the al-Qaeda connection identified from the Singapore investigation, DIO doubted in February 2002 that al-Qaeda had active operation cells beyond the Singapore-Malaysia-Philippines footprint.⁴²

3.64 What was clear to the intelligence agencies by the time the next DFAT Travel Advice was issued in March was that the terrorist threat in SE Asia had been rather starkly confirmed by the outcomes of the interrogations of operatives in Singapore, especially the evidence revealing JI as an active terrorist group.

3.65 Indeed it was this December 2001 discovery in relation to JI—namely that it had transitioned from extremist to terrorist group some years earlier—that ASIO's Mr Richardson identified as a most significant one.

The intelligence failure in Bali was the failure to identify the transition of Jemaah Islamiah into a terrorist organisation some time after 1996. It was not on our radar screen as a terrorist organisation before December 2001. And, combined with the differences within Indonesia about JI, there was insufficient time before Bali to do what might have been able to have been done if JI had been identified as a terrorist threat a year or two earlier. We will never know if earlier identification would have made a difference.⁴³

3.66 The first DFAT Travel Advice of 2002, issued on 8 March, was virtually identical to the December 2001 Advice, which had been issued a week before the receipt by Australia of the information about JI. In the 8 March Advice there was no reference to the new information and intelligence reporting about increased security risks arising from the Singapore investigations and the discovery of JI's terrorist credentials.

3.67 ASIO, as well as reporting jointly with ONA in January 2002 a 'good deal of information on the nature of the regional operations of Jemaah Islamiyah and its historical evolution'⁴⁴, issued 'a number of threat assessments which covered Indonesia' between December 2001 and December 2002. None had 'any specific information relating to Bali.'⁴⁵

3.68 DFAT's written submission to the Committee included a section discussing the Travel Advisory settings for SE Asia between 11 September 2001 and 12 October 2002. That discussion, however, did not convey any description or explanation by DFAT of the travel advisories it issued during the nine months from December 2001 to the end of August 2002.

3.69 The Travel Advice of 28 March 2002 was a substantially re-written advisory, and drew attention to the fact that the advice had been 'reviewed ..[and]..contains new

42 DIO Answers to Questions on Notice, p. 3.

43 *Transcript of Evidence*, 19 June 2003, p. 3 (Richardson, ASIO).

44 *Submission 3*, p. 6 (ONA).

45 *Transcript of Evidence*, 19 June 2003, p. 34 (Richardson, ASIO).

information or advice'. Its headline opened with advice to Australian's travelling to, or resident in, Indonesia to register with the Jakarta Embassy or Bali Consulate, and concluded with advice against travel to certain regions, and a caution about travel in Irian Jaya and North Sulawesi.

3.70 The body of the advice elaborated on the hot spots of ethnic and separatist violence, and discussed the risks to foreigners in the light of kidnappings conducted by the Abu Sayyaf terrorist group in locations near Indonesia. No other terrorist or extremist group was specified.

3.71 This particular advice did not refer to explosions and bomb threats, although it repeated the warning to 'maintain a high level of personal security awareness'. This advice remained extant until 12 July 2002.

3.72 Between March and July 2002, intelligence agencies' activities and reports dealing with terrorist threats in Indonesia and the region took various forms.

3.73 The agencies became more confident that al-Qaeda had links into Indonesia, with ONA saying that al-Qaeda had:

...a presence in Indonesia which gives it the capability to conduct terrorist acts in and from Indonesia. But the extent and nature of al-Qaeda's presence are unclear and hard evidence remains elusive.⁴⁶

3.74 By June 2002, ONA had reached a point where the agency 'felt it desirable to draw to the Government's attention by means other than written reports its conclusions on the existence of a regional extremist network with connections to al-Qaeda'.⁴⁷

3.75 To that end, ONA officials sought a meeting with Foreign Minister Downer to 'set out the intelligence on...radical Islamic movements and...conclusions on their interconnections and the potential for terrorist activity. The discussions focussed broadly on the terrorist threat in the region and that from JI in particular'.⁴⁸

We were trying to make the impact on the minister of our knowledge up until then and explain the danger of the organisations and explain our developing concepts of the way in which these organisations were planning and were capable of carrying out operations...Much, but not all, of the briefing was confined to Indonesia...We said that basically they had the intention, they had the capability, and getting access to the kinds of equipment they needed would be no problem.⁴⁹

This meeting and its consequences are addressed in some detail elsewhere in this Report.

46 *Submission 3*, p. 6 (ONA).

47 *Submission 3*, p. 7 (ONA).

48 *Submission 3*, p. 7 (ONA).

49 *Transcript of Evidence*, 28 May 2004, p. 435 (O'Malley, ONA).

3.76 By the end of June 2002, information progressively available from detainees confirmed for ONA that 'al-Qaeda has a longstanding presence in Indonesia'.⁵⁰ It reported that 'al-Qaeda is actively supporting extremists who are prepared to conduct terrorist acts in support of global jihad while advancing their own agendas; in particular, al-Qaeda has been active in fostering a relationship with Jemaah Islamiyah (JI)'.⁵¹

3.77 A week later, on July 3, ASIO issued a statement in relation to QANTAS operations in Jakarta and Denpasar. It stated the following:

The general threat to Qantas interests in Indonesia cannot sensibly be differentiated from the general threat to Australian interests in Indonesia; currently assessed as HIGH.

- Australia's profile as a potential target of terrorist attack by Islamic extremists has been raised by our involvement in the War on Terrorism
- Islamic extremists in the region have shown a capability and intent to conduct terrorist attacks, including against aviation interests
- They have also shown great flexibility in regard to location, method of attack and type of target.

ASIO is unable to specifically comment on the areas around Denpasar and Jakarta airports other than to note that Islamic extremists associated with Jemaah Islamiyah (JI) and/or al-Qaeda are known to have transited both airports in the past.

Senior Indonesian JI figure, Riduan bin Isamuddin, also known as Hambali, was involved in Oplan Bojinka. He is still at large in Indonesia. Another senior JI member, Mas Selamat bin Kestari, who threatened to hijack an aircraft and crash it into Changi airport fled Singapore after escaping arrest and is likely to be in Indonesia with other JI members. Given the JI presence in Indonesia, neither Jakarta nor Bali could be considered exempt from attack.⁵²

3.78 The DFAT Travel Advice of 12 July 2002 (updated last on 28 March 2002) was, according to its introductory line, 'reviewed and reissued with no substantive change to the information or advice provided'—that is, apparently no substantive change to the advice disseminated three months previously.

3.79 On the face of it, it would seem that the intelligence agencies' actions and reports during the intervening three months outlined in the paragraphs above would have warranted a 'substantive change' in the travel advisory—especially given that DFAT stressed the commensurability of its travel advisories with ASIO's threat assessments, and ASIO told the Committee that its assessments during this period

50 *Submission 3*, pp. 6–7 (ONA).

51 *Submission 3*, p. 7 (ONA).

52 *Submission 2*, p. 6 (ASIO).

were 'well founded'.⁵³ Yet, according to the advisory's introductory line, there was no 'substantive change' made to the reissued advice of 12 July 2002.

3.80 The introductory line, however, was misleading, and did not indicate that there had actually been a change in the Travel Advice. The Travel Advice was in fact noticeably strengthened, opening its headline summary with the warning that:

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness.

3.81 This message was repeated in the first paragraph of the main body of the advice. Bali was mentioned in the context of tourist services operating normally. There was no warning equivalent to ASIO's 3 July statement that 'Given the JI presence in Indonesia, neither Jakarta nor Bali could be considered exempt from attack'. There was, however, an extra warning that expanded on the standard reference to bombs having exploded in areas frequented by tourists: 'Further explosions may be attempted'.

3.82 From mid-July, the intelligence agencies continued to assess and report on the terrorist threat in Indonesia and elsewhere, paying particular attention to JI and the extent to which al-Qaeda may have established links with local extremists.

3.83 ONA advised, among other things, that:

- (a) reports of planned terrorist violence in Southeast Asia are coming more frequently;
- (b) that no good estimate yet exists of al-Qaeda's strength in Southeast Asia, but that it was likely to grow; and
- (c) that suicide attacks have not been part of militants' modus operandi in Southeast Asia, but that may be changing.⁵⁴

3.84 In a second report, ONA said that 'we have no collateral for but cannot dismiss reports that Indonesian Islamic extremists intend to launch attacks in Indonesia in August and in Southeast Asia in September' and included warnings that 'raids on brothels and nightclubs, bomb attacks, or terrorist attacks on US or other Western targets are all possible'.⁵⁵

3.85 These increasingly frequent reports of planned terrorist violence, and outcomes from interrogation of al-Qaeda operative Umar Faruq, triggered DIO also to publish a number of products warning of increasing evidence of capability and intent to mount terrorist attacks against Western interests in Indonesia.

53 *Transcript of Evidence*, 19 June 2003, p. 3 (Richardson, ASIO).

54 *Submission 3*, p. 8 (ONA).

55 *Submission 3*, p. 8 (ONA).

3.86 DIO's report on 5 August 2002 drew attention to JI, advising, for example, that:

- (a) there was increased threat of a terrorist attack against Western targets;
- (b) that despite unreliable or contradictory information, the remnants of JI continued to possess the capability and intent to undertake future attacks; and
- (c) that groups like JI posed a greater threat to foreigners in Indonesia than domestic extremist groups.⁵⁶

3.87 Similar advice was also issued four days later by ASIO, warning that Indonesian-based Islamic extremists may be planning a series of coordinated 'actions' across Indonesia in the August/September period.

The nature of the action was not well defined but appeared likely to range from demonstrations to terrorist attacks. ASIO assessed the threat of terrorist attack against Australian interests in Indonesia remained HIGH and noted the following:

- the reports suggested Western interests, principally US, but also British and Australian, were among the intended targets.
- the information was fragmentary, uncorroborated and of unknown credibility. Some aspects possibly reflected circular reporting of earlier discredited threats.
- the number and nature of the reports, however, taken in the context of the raised threat in Indonesia, collectively warranted updated threat advice.⁵⁷

3.88 DFAT issued a further Travel Advice on 13 August which was prefaced by the statement that, while there was new information added, the 'overall level of advice has not been changed'.

3.89 The bolded and boxed summary or 'headline' section opened with the warning that Australians in Indonesia should 'monitor carefully developments that might affect their safety' and that they should 'maintain a high level of personal security awareness'. It concluded with the statement: 'Tourist services elsewhere in Indonesia are operating normally, including Bali.' This statement was repeated in the *Safety and Security* section of the Travel Advice.

3.90 The *Safety and Security* section retained the July warning that bombs had exploded, including in areas frequented by tourists, and that further explosions may be attempted.

56 DIO Answers to Questions on Notice, p. 4.

57 *Submission 2*, p. 5 (ASIO).

3.91 Apart from an additional warning against bus travel in Central Sulawesi, the 13 August advice remained essentially unchanged from its 12 July predecessor—its 'overall level of advice [had] not been changed'. Given that DFAT stressed the commensurability of its Travel Advice with the threat assessments of ASIO, the 13 August advisory does not seem to square with ASIO's advice four days previously that 'the number and nature of the reports...collectively warranted updated threat advice'.⁵⁸

3.92 DFAT, pressing its belief that at all times its travel advisories were commensurable with the corresponding threat assessments, told the Committee that:

The focus of the advisories on terrorism sharpened further...—in particular, from the middle of 2002 as intelligence agencies came to understand this phenomenon better. In particular, ASIO threat assessments and our advisories gave a much stronger focus to terrorist threats generally from mid-2002 onwards. That is a matter of public record, and it was at the time a matter of very considerable media coverage.⁵⁹

3.93 The next Travel Advice, issued on 10 September 2002, was noticeably strengthened, even though it was still prefaced by the statement that 'the overall level of advice has not been changed' and to that extent was again misleading. The headline boxed summary now opened with the statement: 'In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness.'

3.94 The advisories of 13 and 20 September were essentially the same as the 10 September Travel Advice, also retaining, in the *Safety and Security* section, the reference to bombs exploding 'periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted'.

3.95 The Travel Advice of 20 September was the advisory extant at the time of the Bali attacks. That Advice, as discussed above, opened its headline summary statement with the sentence 'In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness' and concluded with the sentence 'Tourist services elsewhere in Indonesia are operating normally, including Bali'.

3.96 The *Safety and Security* section in the body of the advisory also contained the paragraph:

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

58 *Submission 2*, p. 5 (ASIO).

59 *Transcript of Evidence*, 20 June 2003, pp. 90–91 (Kemish, DFAT).

3.97 While the 20 September 2002 Travel Advice was the one extant at the time of the Bali bombings, the Australian Embassy in Jakarta had, on 3 October 2002, issued a *Bulletin to Australian Citizens Living in Indonesia*. It contained much of the advice and warnings that it had issued in previous *Bulletins*, but in the second paragraph of the 3 October 2002 issue there was a warning that made reference to clubs and bars:

As in the past around religious holidays, militant groups may conduct intimidatory activity against night clubs, bars and other places where expatriates are known to gather. Australians are advised to take particular care in this period prior to religious holidays, and during Ramadan.

3.98 As discussed earlier, the de-briefing of al-Qaeda operative Umar Faruq reinforced that al-Qaeda had access to the extensive JI network criss-crossing Southeast Asia and that al-Qa'ida had a longstanding presence in Indonesia and close relations with local extremists.⁶⁰

3.99 DIO still had doubts about JI's organisational robustness and capability to execute anti-Western attacks without external help, but in what subsequently proved to be a prescient assessment of 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.⁶¹

3.100 The final reports to emerge before the Bali bombing were issued by ONA and ASIO on 10 October 2002—barely two days before the event itself.

3.101 ONA reported that despite some recent arrests, substantial numbers of terrorists remain free in Southeast Asia, capable of and intent on further attacks. The report went on to say that further similar attacks are on the cards including against US targets in Indonesia. It noted that weapons and explosives are still easily available in Southeast Asia, and that many potential attackers with the requisite skills remain active. The report also said key JI leaders, who have even bigger plans, including those who plotted the Singapore operation, are still free.⁶²

3.102 On 10 October 2002 ASIO issued a Threat Assessment against the background of statements by Osama bin Laden on 6 October 2002 and by Ayman al-Zawahiri on 8 October 2002. The assessment advised that the statements suggested that somewhere 'another large scale attack or attacks by al-Qaeda are being prepared'

3.103 The ASIO assessment noted that:

60 *Submission 3*, pp. 8–9 (ONA).

61 DIO Answers to Questions on Notice, p. 5.

62 *Submission 3*, p. 9 (ONA).

- the attacks may be imminent
- both bin Laden and al-Zawahiri talked of targeting key sectors of the US economy but attacks may not be limited to traditional financial or economic interests
- the planned attacks may not necessarily be in the US and could be against US interests abroad, including against US allies
- no information on the timing, location or method of the attacks was available
- no information specifically related to Australian interests but Australia's profile as a potential terrorist target had increased since 11 September 2001.⁶³

3.104 In a speech to the Australian Homeland Security Conference on 31 October 2002, ASIO's Dennis Richardson included the statement that: al Qaeda's intent was unambiguous in bin Laden's statement of 6 October and in al-Zawahiri's interview of 8 October'. He also stated to the conference, and in ASIO's subsequent submission to the Committee: 'We do not know whether the statements by bin Laden and al-Zawahiri foreshadowed the Bali attacks'.

3.105 The Committee notes that on the day before the Bali attacks, DFAT issued a worldwide Travel Bulletin in which it set out the details of an FBI release warning of potential terrorist attacks against US economic interests. This was a universal alert, and not specific to Indonesia. The release said that 'US authorities are unable to provide further information on specific targets, timing or method of attack'. The DFAT Travel Bulletin closed with the lines:

In light of the warnings by the United States Government, Australian travellers and residents overseas are advised to remain alert to their own security. They should monitor local developments and news broadcasts carefully and follow the advice of local authorities.

Concluding remarks

3.106 The Committee agrees with DFAT that travel advisories are not solely about security risks and terrorism, although it is imperative that Travel Advice is commensurate with threat assessments. Travel advisories must deliver an account which is faithful to the known conditions in, and risks associated with, a particular travel destination in language which is clear and accessible.

3.107 It will necessarily be a summary account, but must be rendered in a way that highlights the important considerations, and has as its sole focus and intent the well-being and safety of the Australian traveller.

63 *Submission 2*, pp. 5–6 (ASIO).

3.108 It is not simply a list of unadorned facts. Those facts are expertly appraised, interpreted and meaningfully conveyed. Advice is, in the Committee's view, best described as a series of statements that have been judiciously assembled, supported by the assessments and judgements of those who are best placed to make them, and expressed in a manner which conveys those judgements as unambiguously as possible. The authors of such advice must also be mindful of the characteristics of the audience to whom the advice is directed.

3.109 DFAT travel advisories, particularly from July 2002 advised people to 'maintain a high level of personal security awareness' and included references to the risks to tourists arising from protests and civil disturbance, from bombs, and from violent clashes between ethnic and religious antagonists. From that period, too, the body of the advisories always warned about bombs exploding periodically, including in areas frequented by tourists, and warned that further explosions may be attempted. By September 2002, the advisories consistently opened their headline summary with reference to the ongoing risk of terrorist activity. This advice concerned a generic terrorist threat, and did not specifically advise that Australians themselves were, for JI, alternative soft targets to Americans.

3.110 The Committee agrees that, in its travel advisories DFAT employed the relevant level of warning and language that corresponded to the threat being conveyed by the intelligence agencies. Whether particular phrases that were used were optimal in conveying to the average reader what they sought to convey is not a matter to which the Committee has turned its mind. It is obvious that Travel Advice must be written in plain, comprehensible English and must not be too long, particularly given the objective of conveying an appropriate caution to members of the public who are unlikely to be affected by nuanced language. It is, however, an important consideration, and one which the Committee urges DFAT to examine thoroughly.

Recommendation 3

3.111 The Committee recommends that DFAT subject a representative selection of its Travel Advice to examination by an independent assessor with qualifications and experience in linguistics, literacy and communication. The assessor shall report to the minister on the intelligibility and accessibility of the language in which information is conveyed in travel advisories.

3.112 In the Committee's view, the information and warnings contained in the travel advisories for Indonesia during the month or so before the Bali attacks, while warning of an increased generic terrorist risk, nonetheless did not adequately reflect the content of the threat assessments that were available by that time that specifically warned that Australians in their own right were now seen as terrorist targets in Indonesia. ASIO's threat assessments had made plain that Australians were potential terrorist targets not just because they were 'westerners', but because Australia itself had become a focus of al-Qa'ida / Jemaah Islamiah terrorist attention.

3.113 In the Committee's view it would have been better for this additional piece of information to have been provided through DFAT's travel advisories so that potential

Australian travellers would have been aware that Australians in their own right were now the objects of specific terrorist interest in Indonesia.

3.114 Furthermore, while DFAT's travel advisories warned of a generic terrorist threat 'in the region', the ASIO threat assessments had referred to Australians becoming potential terrorist targets specifically within Indonesia (as well as elsewhere in the region). Again, it is the Committee's view that it would have been better to tell the Australian travelling public that Australians in Indonesia (rather than simply westerners within the region) were of potential interest to al-Qa'ida / JI terrorist organisations.

3.115 It would be reasonable to assume that anyone reading the Indonesian Travel Advice – even just the headline summary and *Safety and Security* section - would understand that there was a generic terrorist risk, that bombs had exploded in the past, including where tourists gathered, and that further explosions may be attempted.

3.116 However, the Committee is of the view is that there was one significant fact that did not find its way into the Travel Advice which it would have been very important for tourists to know. This fact was insisted upon by almost all the government officials who appeared before the Committee, and apparently a fact understood by all the relevant agencies in the period leading up to the Bali attacks. This fact was that Bali was no less vulnerable to terrorism, at no less at risk of attack, than anywhere else in Indonesia.

3.117 The Travel Advices made no attempt to counter the widespread belief of Australian tourists to Indonesia that Bali was somehow a safe haven, a 'place apart' from Indonesia in terms of the risk that pervaded the rest of the country. And this when ASIO was not only holding its threat assessment at HIGH for all of Indonesia, but was becoming increasingly alarmed by JI; had specifically reported in July 2002 that Jakarta and Bali could not be considered exempt from terrorist attack; had warned that extremists planned coordinated actions, that targets could include Australians, and that the number and nature of the reports warranted updated threat advice.

3.118 The Committee has already expressed its views on the vulnerability of Bali elsewhere in this Report. Given the special place that Bali held in the Australian psyche—that of a safe haven somehow set apart from the rest of Indonesia, advice about its being 'calm' and with tourism 'normal', while being literally correct, reinforced the benign (and erroneous) view at precisely the time when the security threats to Westerners from terrorists were unprecedentedly high. What tourists really needed was to have their pervasively inappropriate views challenged—which does not mean being alarmist.

3.119 In the Committee's view, the explicit reference to Bali's normality, coming as it invariably did, hard on the heels of a list of places to be avoided, gave comforting signals about Bali precisely when efforts were needed to jolt Australians out of their 'Bali comfort zone'.

3.120 The failure to make explicit to unwitting—some would say naïve and ignorant—Australian travellers that Bali was no less at risk than the rest of Indonesia, combined with unadorned facts about 'normal' tourist services, reinforced the prejudice of the entrenched view that 'Australians, as a whole, thought of Bali as the safest place on earth to be'.⁶⁴

They went to Bali, which was a safe haven,⁶⁵

But for this [Senate] inquiry, I would never have known the following: the airline upon which my son flew to Bali, Qantas, had, prior to taking my son to Bali, asked a specific question of ASIO: 'How safe are our fleets and our equipment in Bali?' Nor would I have ever known the answer: 'No safer in Bali than in any other part of Indonesia.' I would never have known that.⁶⁶

3.121 A suitable piece of advice during 2002 could have taken the form: "Bali has long been considered a safe haven, but the risks of terrorism are as high there as elsewhere in Indonesia". This is not necessarily the wisdom of hindsight. It is a properly contextualised, relevant and measured piece of factual advice, entirely consistent with ASIO's perspective and its uniformly high threat assessments, and with the general intelligence picture. Importantly, it takes into account the mindset of those travellers to whom it is directed.

3.122 In making these remarks, the Committee is not saying that if DFAT had written differently during this period then the tens of thousands of Australians going to Bali would have cancelled their trips. But the Committee's task is to examine the performance of agencies during this period, not to assess the responsiveness of Australian tourists to government warnings.

3.123 In short, in the months immediately preceding the Bali attacks, DFAT's Travel Advice for Indonesia was not adequately commensurate with the level of threat that existed there. In its specific references to Bali, moreover, the advice reinforced rather than challenged erroneous beliefs about Bali's security status.

64 *Transcript of Evidence*, 25 September 2003, p. 199 (Mr David Marshall).

65 *Transcript of Evidence*, 25 September 2003, p. 237 (Mr Brian Deegan).

66 *Transcript of Evidence*, 25 September 2003, p. 243 (Mr Brian Deegan).

Chapter Four

Bali—an attractive soft target?

I think Australians, as a whole, thought of Bali as the safest place on earth to be.¹

It remains the case, though, that the intelligence agencies did not collect intelligence that pointed specifically to Bali as a venue, or to the fact of an attack at the time and place when it occurred. Based on this intelligence, the government did warn Australians, through its travel advisory process, of a somewhat increased level of risk in travelling in Indonesia but did not specifically identify Bali as a particular point of risk.²

4.1 On numerous occasions, the Committee sought to explore the extent to which the mere fact of there being a concentration of Westerners in Bali—particularly Australians—should have been taken into account by the intelligence agencies in making their assessments of the risks to Australians in Indonesia.

4.2 The consistent view put to the Committee by the agencies was that the presence of large numbers of Australians in Bali did not make Bali more vulnerable to terrorist attack than other places in Indonesia that tourists might frequent—such as Jakarta and Yogyakarta. The reply was usually accompanied by the statement that the agencies did not have any information specifically related to Bali that would justify singling Bali out.

4.3 The majority of the Committee has some difficulty accepting the first element of this response. The second element is accepted and understood by the Committee.

4.4 On the matter of 'singling out' one location from another, it is obvious that the possession of threat information specific to a location would warrant its 'singling out'. But the Committee also considers that it is not only the possession of 'specific information' that might justify a differentiation between locations. Such differentiation or 'singling out' may well occur because the overall intelligence assessment (or what ONA called 'analytical judgement') justifies it.

4.5 If one only differentiated threats according to *specific* information becoming available about the realisation of that threat at place 'A' as opposed to place 'B', differentiation of threats might be a rare event. While only specific information could be used to identify a particular location as a definite target and thus prompt the issuing of the highest level of threat alert, it is perfectly proper that agencies' analytical

1 *Transcript of Evidence*, 25 September 2003, p199 (David Marshall, son of Bali victim)

2 *Transcript of Evidence*, 27 November 2003, pp. 313–314 (White, ASPI).

judgements about the vulnerability of, and risk attached to, a particular place might prompt a warning to be issued in respect of that place.

4.6 The Committee appreciates that ASIO had a threat assessment of HIGH across all Indonesia (and hence Bali as well), from December 2001, and that this meant that there was 'Current intent and capability to attack Australia's interests...established circumstantially, but not confirmed by reliable intelligence'. The Committee also knows that ASIO's next (and highest) level corresponds to 'Current intention to attack Australia's interests is confirmed by reliable intelligence'—and that such confirmation was *never* available to Australian agencies.

I would like to say very clearly that no-one—not DFAT, not ONA and not anybody else—is suggesting that there was at any time in any discussion either with the minister or with DFAT any suggestion that there was any specific actionable information that related to the possibility of a bomb in Bali. It is very important that we all understand that.³

4.7 There nevertheless remains a considerable spectrum of risk between the threat 'established circumstantially but not confirmed' and the threat 'confirmed by reliable intelligence'. The parameters of 'established circumstantially' are relatively broad—the parameters of 'reliably confirmed' are very tight.

4.8 In the Committee's view, the boundaries of the penultimate threat category are fairly flexible, and the existence of carefully defined categories should not limit an agency's capacity, nor dilute its obligation, to be as illuminating as possible about a threat, and to give optimal guidance and information, within the envelope of that particular threat assessment level.

4.9 This is not to invite analysts into the realm of pure conjecture or the drawing of excessively long bows. It is merely to remind agencies—and the consumers of the intelligence that agencies deliver—that intelligence is not just about assembling specific information about things that are (more or less) known. It is about analysing, contextualising and interpreting that information in order to deliver to decision-makers a balanced account about the way an enemy might act or a threat unfold.

4.10 No less an authority on these matters than the CIA, in an *Analytic Workbook for Intelligence* observes: 'The classical function of intelligence is to make predictions about the future'.⁴ This is not 'crystal ball' nonsense. It is about drawing (usually very limited) pieces of information out of the noise of data and misinformation, and relying largely on the skill, knowledge, experience and the in-the-shoes-of-the-terrorist imagination of the analyst to fashion sound advice about what might play out in any situation. This advice becomes a key consideration for the policy makers or the

3 *Transcript of Evidence*, 23 June 2004, p. 528 (Gordon, ONA).

4 T G Belden, *Analytic Workbook for Intelligence* Produced by the Analysis Training Branch (OTE-IT-ATB), p. 98.

operational commanders who have to make the decisions about effective responses to possible events.

4.11 So what does this mean for the way a threat assessment might have been developed for Bali, and not just for Indonesia as a whole?

4.12 Jemaah Islamiah had managed to remain very much in the shadows for several years. The Australian agencies had been very surprised at what they learned in December 2001 from the Singapore investigations. They stressed to the Committee the near impossibility of extracting information about (let alone from) tightly knit, cell-based groups of carefully recruited militants, who combined modern telephony and internet with traditional, direct word-of-mouth communications.

4.13 Analysts would therefore have been very much reliant on what they were able to glean more generally about how these groups operated; what they knew specifically from the groups' declared intentions; what they understood to be their links with international terrorists; what was appreciated about the phenomenon of bin Laden-inspired 'global jihad'; what was known about the ready availability of weapons and explosives, the porousness of borders, and the limited domestic constraints on extremist activity.

4.14 And so throughout 2002, Australia's intelligence agencies spent much of their time focused on the rise and rise of regional extremism, and assessing the terrorist threat to Australians and Australian interests. What they discerned was undoubted danger – but specific details about how that danger would be made manifest were simply not available and could not readily be unearthed.

4.15 Australia's growing profile as an ally of the United States, and the ardent portrayal of Australia by extremists as an anti-Islamic, 'crusader' country, no doubt drew both the ire and attention of terrorist cells seeking soft targets among the US-led group of Western nations. In Indonesia this was compounded by what was widely-regarded in that country as an Australian betrayal with respect to its intervention in East Timor.

4.16 As well, it seems self-evident —given JI's previous history of avoiding detection and its almost family-like cell-based structure—that it would have been extremely unlikely that agencies would find themselves suddenly in possession of specific information about a JI terrorist attack in any particular place in Indonesia.

4.17 The Committee has noted earlier how Osama bin Laden's fatwah-like declarations, international developments in the War on Terror and Australia's burgeoning anti-terrorist profile combined to prompt ASIO to issue updated threat advice. Under these conditions it also seems inescapable that there would sooner or later be a significant terrorist attack somewhere in the archipelago. It was also increasingly likely— given the tightening of physical security around diplomatic and military installations—that the attack would be against a 'soft target'.

4.18 Thus armed with an array of what the CIA's *Analytic Workbook* calls 'combinations and hierarchies of descriptive and inferential evidence' the Australian agencies' intelligence officers would have set about their job of analysing, weighing up, hypothesising, comparing, challenging, testing, checking, linking—in short, carrying out all the myriad tasks of intelligence assessment.

These requirements all involve inference based upon an often enormous amount of data. Our essential message...is that the analyst, attempting to bring order out of chaos in such inferences, must apply both deductive and inductive reasoning in the generation and use of the principal ingredients of such inferences: hypotheses, evidence and assumptions.⁵

4.19 The Committee was struck by the following account, by ONA's David Farmer, of how intelligence analysts go about their business. He offered it in response to a question about the way he assessed localities and institutions to be potential targets.

The way that I developed my trade craft—I was formerly in the Army Intelligence Corps—is that we would identify what we believed would be the most likely courses of action of our enemy. We would try and put ourselves in the shoes of our enemy, and it was through that trade craft that Bali and those sorts of targets were foremost in my mind.⁶

4.20 To some extent it seems to the Committee self-evident that an analyst—especially when they were involved with assessing threats to their country's nationals or their country's interests—would 'try and put [themselves] in the shoes of [the] enemy'. It is from precisely this type of analytical strategy that clubs and bars patronised by Westerners emerged - along with airports, schools and expatriates' businesses - as the 'attractive', 'high on terrorists' lists', 'very viable' targets that they were variously labelled in Australian and foreign intelligence reports, briefings and in evidence from analysts appearing before the Committee.

4.21 Applying the intelligence 'trade craft' to the circumstances and dynamics of regional terrorism, and to the 'combinations and hierarchies of descriptive and inferential evidence' that was increasingly available to Australian analysts from December 2001, the majority of the Committee believes that a case can reasonably be made for assessing Bali's vulnerability as differentiable from other possible targets in Indonesia—including other soft targets. This case can be further supported by the fact that, in Bali, there was a distinctively large concentration of Australians and other Westerners in a place of symbolic and economic significance. Bali was, in the words of one witness familiar with security issues, 'the biggest soft target around if you were after Australians'.⁷

5 David Schum (adapted) , *Analytic Workbook for Intelligence* Produced by the Analysis Training Branch (OTE-IT-ATB), p. 14.

6 *Transcript of Evidence*, 28 May 2004, p. 444 (Farmer, ONA).

7 *Transcript of Evidence*, 27 November 2003, p. 316 (White, ASPI).

4.22 Before pressing such a case, however, the views of the intelligence agencies about the vulnerability of Bali should be clearly set out.

With regard to...the likelihood of looking at soft targets, yes, there was a likelihood, but all the information we [DIO] had up until that stage...related to other targets, such as Western embassies and targets of that type, which you would not categorise as soft targets. So, whilst [one] can speculate about the likelihood of soft targets, there was no firm information about that...[T]hroughout Indonesia and in fact throughout South–East Asia there are many locations where Westerners gather at what you might call soft targets...You would think of Bali but you would not only think of Bali.⁸

No, we [DIO] did not discuss [Bali's] particular attractiveness as you say. There were a range of indicators from the intelligence which suggested that there were a range of attractive targets across South–East Asia, including locations such as embassies, a number of facilities and industrial complexes which were owned by Western companies, and Western businesses in some of the major cities in Indonesia. There were things like Western schools and nightclubs on that list as well. I suppose I would disagree slightly with the implication in your question that there was a particularly attractive target in Bali that stood out amongst all the others. It was one of a range of attractive targets.⁹

Within the [ministerial] brief itself we [ONA] covered a range of possible targets. Hotels, nightclubs, airlines and the airport in Denpasar were all covered. We did not do those specifically because there were Australians there; it was because they were seen to be very viable targets for Jemaah Islamiah.¹⁰

We [ONA] gave to the officers present essentially the same brief we gave to the Minister for Foreign Affairs....We answered the question pretty much in the same way by addressing why we thought those sorts of targets would be high on JI's list.¹¹

[T]here were Australians elsewhere in Indonesia too. There was nothing specific about Bali in the intelligence that we had...There was no basis for us [ONA] to point at Bali as a more likely target than anywhere else.¹²

I still think that would have been giving an artificial precision to the intelligence, which did not point specifically at Bali. The issue of where Australians were is more in the field of threat assessment and travel advisory activity. Our [ONA's] role is to give a reading of the intelligence as we see it.

I [ASIO] draw attention to the fact that...there are a whole range of Western interests in South–East Asia which terrorists could have targeted if

8 *Transcript of Evidence*, 28 May 2004, p. 422 (Lewincamp, DIO).

9 *Transcript of Evidence*, 28 May 2004, p. 427 (Lewincamp, DIO).

10 *Transcript of Evidence*, 28 May 2004, p. 434 (Farmer, ONA).

11 *Transcript of Evidence*, 28 May 2004, p. 439 (Farmer, ONA).

12 *Transcript of Evidence*, 24 September 2003, p. 122 (Jones, ONA).

they had so wished. It was by no means self-evident that they would attack in Bali above other places. They could have, for instance, targeted certain Western interests in Thailand...in Malaysia...American clubs. They could have targeted other clubs... (and).. businesses. So, looking at the facts, I have some difficulty in reaching the conclusion that Bali should have been singled out above other targets.¹³

We [ASIO] could not separate out Bali from the rest of Indonesia. We were very conscious of the terrorist threat posed by JI and we were very conscious that it could pose a threat quite differently to Laskar Jihad.¹⁴

As I said, from a threat assessment perspective we did not believe there was a basis for any part of Indonesia to be less or more [at risk], and indeed we were only asked specifically about Bali on one occasion in the lead-up to Bali. We were asked quite specifically by Qantas whether there was a basis for treating Bali separately to the rest of Indonesia—and having a lower threat level—and the answer to that was no.¹⁵

We [ASIO] made the broad judgment in respect of Indonesia. We felt confident in making that judgment on the basis of the material we had available. We had no material over and above that which would have enabled us sensibly to distinguish Bali from the rest of Indonesia.¹⁶

I think I would today be answering different questions from you and others if we had taken it upon ourselves to make a judgment on Bali. If, as a result of that, a plane load of Australians had gone off to Jakarta and had been staying at the Marriott hotel when it was blown up, I would now be being asked on what basis we took it upon ourselves to make judgments on Bali when we did not have any information to base them on—and as a result of which Australians changed their holiday plans and were killed. There was no basis for us to separate out Bali from the rest of Indonesia. The fact is that 30,000 to 40,000 Australians went to Bali a year. It did not automatically follow from that fact alone that it was a more likely target for an attack than another city or another area in Indonesia frequented by westerners, including Australians.¹⁷

I have heard a lot of figures bandied around about Australians in Bali at the time. The actual figures are that an estimated 10,000 Australians were registered in Indonesia. Of those, about 5,000 were in Jakarta alone. In addition to that estimated number of residents, there were at certain peak periods about 10,000 Australian visitors to Bali prior to the attacks. It varied, depending on the season. ... Let us be very clear about what we actually said about Bali in the advisories. It gets misrendered a lot. We said:

13 *Transcript of Evidence*, 28 May 2004, p. 460 (Richardson, ASIO).

14 *Transcript of Evidence*, 28 May 2004, p. 461 (Richardson, ASIO).

15 *Transcript of Evidence*, 24 September 2003, p. 160 (Richardson, ASIO).

16 *Transcript of Evidence*, 24 September 2003, p. 160 (Richardson, ASIO).

17 *Transcript of Evidence*, 24 September 2003, p. 167 (Richardson, ASIO).

Tourist services elsewhere in Indonesia—and I will come to what that means in a moment—are operating normally, including Bali.

This followed a paragraph which divided Indonesia into certain regions which were regarded on the basis not of terrorism but of more overt, direct threat as being particularly dangerous. This was on the basis of the information we had. The information we had suggested that certain regions should be off limits as far as Australians were concerned. We gave our best possible advice on those regions. Subregional variation had nothing to do with terrorism.¹⁸

4.23 The Committee notes that, according to the Bali Tourism Authority, the numbers of Australian tourists in Bali are much greater than the numbers conveyed above. Over 183,000 Australians visited Bali in 2002. In 2001 it was nearly 239,000 Australians. In the six months before the Bali bombing the average number of Australians visiting Bali each month was in excess of 20,000.¹⁹

4.24 In the Committee's view, the fact that around 200,000 Australians visited Bali each year is of itself sufficient reason to pay particular attention to Bali in the promulgation of both threat assessments and travel advisories, and not to simply blend Bali in with the rest of Indonesia. In the case of travel advice, high numbers of tourists travelling to Bali requiring information justified the inclusion by DFAT of facts about the 'normal' state of tourist services there.

4.25 In the Committee's view, these high numbers also justified the inclusion in information for tourists of facts about Bali not being exempt from terrorist attack nor being any less at risk than other places in Indonesia—especially given the widely-held (and clearly inappropriate) view of Australians that Bali *was* safe and different from other places in Indonesia.

4.26 The Committee is not here pressing the case for being more alarmist. It is rather a matter of attempting to convey the most informed and balanced advice consistent with the prime responsibility to safeguard Australians and Australian interests.

Intelligence and security agencies have been aware of the potential to easily panic portions of the community and also the diplomatic consequences that can often stem from raising threat levels in those countries with which we might sometimes have a delicate diplomatic relationship. I certainly think in the past that was the case, but the events of September 11 made it clear to everybody that we can no longer have that luxury and that we should err on the side of caution whenever the need might arise—whenever there is any

18 *Transcript of Evidence*, 24 September 2003, p. 181 (Kemish, DFAT).

19 Bali Tourism Authority *Direct Foreign Tourists to Bali by Nationality by Month* at http://www.balitourismauthority.net/news/Statistic_Nationality.xls

credible information that suggests that there is an extant threat to Australian civilians either here or overseas.²⁰

4.27 If the task of a good intelligence analyst is to:

- 'put oneself into the shoes of the enemy'
- 'bring order out of chaos... [through] deductive and inductive reasoning in the generation and use of the principal ingredients of...hypotheses, evidence and assumptions'
- develop plausible, defensible narratives about the way an enemy might act or a threat unfold
- 'look at a historical development;...where a situation has evolved from and...to try and anticipate where it is going'

then it seems reasonable to the Committee to apply itself to such tasks in the case of Bali—much as ONA analysts did in their April 2002 seminar exercise in America, or as any intelligence unit might do as they go about exploring scenarios and testing hypotheses.

4.28 The Committee has already rehearsed at length elsewhere in this report the sequence of intelligence reporting relating to the terrorist threat in Indonesia in the twelve months leading up to the Bali bombing. In short, the threat was high—officially so from September 2001; Australia's profile as a supporter of US action was growing, and Australia was being increasingly portrayed as anti-Islamic; it was increasingly clear that JI had the intention, capability and resources to mount terrorist attacks including against soft targets and including Australians.

4.29 One witness, whose son died in the Bali bombings, stressed to the Committee the broader international context of Australia's involvement in US-led actions and what he saw as the inevitable consequences.

Where my anger came from was the fact that I knew something had to occur at some time. We had lit the flame and the pot was certainly going to boil over somewhere at some time.²¹

4.30 Other factors were also at play. It was apparent that JI had links with al-Qaeda, and that Osama bin-Laden-inspired jihadism was energising Indonesian militants. The Indonesian authorities were either unable or unwilling to act against them. Indeed, the secular Muslim government was held in almost as much contempt by the radicals as their nemesis the West.

4.31 Osama bin-Laden had identified Australia as a crusader force—a declaration of almost fatwah dimensions that, as ASIO noted, had traditionally preceded actual

20 *Transcript of Evidence*, 20 November 2003, p. 253 (Dr D Wright–Neville).

21 *Transcript of Evidence* 25 September 2003, p245 (Brian Deegan, father of Bali victim)

attacks. And within Indonesia there had been increasing physical violence against Westerners and their activities—especially tourist and recreational activities—that had long been regarded as decadent and offensive by many Muslims.

4.32 To the militants nursing their potent grievances, and looking for suitable soft targets against which to exact their revenge, it is likely that Bali (along with other sites) would have been drawn into their strategic landscape.

4.33 It is worth noting at this point that at the time of the 2000 National Census there were 214,598 non-Balinese living in Bali. They accounted for 6.8% of the total population in Bali.²² These figures also show that in the previous 5 years over 50,000 people had migrated to Bali from East and Central Java and Yogyakarta. Muslim extremists entering Bali would therefore probably not have had much trouble blending in with their compatriots, or finding support and assistance.

4.34 Bali also enjoyed some qualities that distinguished it from other tourist destinations. It was internationally renowned as the tourist destination of choice in Indonesia for Westerners who wanted to let their hair down. It held a special place, in the Australian psyche at least, as a safe holiday destination, with a Balinese (largely Hindu) population that seemed more tolerant or indulgent of Western tourists' mores and behaviour than their Javanese Muslim counterparts.

The fact that there was an explosion—the fact that young Australian children were killed, maimed, their lives destroyed—was not a surprise to me at all. What was a surprise to me is that it occurred in Bali.

Joshua would never have gone—would never have left these shores—had I known for one moment that Bali was a possible haven for terrorism...

You can rest assured that he would not have gone. Bali is a Hindu island, removed from the balance of Indonesia, which is Muslim. Bali is a fun-loving haven for Australian children.²³

I think it needs to be understood that, in the mind of the travelling public and in the mind of the industry, whilst Bali is legally a part of Indonesia, Bali was never ever considered to be part of Indonesia. It was always out there on its own.²⁴

4.35 Westerners gathered in large numbers in the clubs and bars that were concentrated in the centre of Bali, and there was virtually no security presence. The relatively small number of Muslims inhabiting Bali reduced the likelihood of collateral Muslim casualties should a strike be mounted, and in any event there was a

22 From Background Paper prepared for the Committee by the Parliamentary Library Research Service.

23 *Transcript of Evidence* 25 September 2003, p238 (Brian Deegan, father of Bali victim)

24 *Transcript of Evidence* 20 November 2003, p271 (Hatton, Australian Federation of Travel Agents)

strong sentiment amongst Indonesian radicals, notably Laskar Jihad, that non-Muslim communities should be cleared out of the region.

4.36 In the light of all these considerations, the Committee finds it difficult to agree with assessments that Bali was not 'any more vulnerable than any other part of Indonesia'.²⁵ It was, in the Committee's view, *more* vulnerable than many if not most parts—especially given the fiercely anti-Western, jihad-inspired and self-righteous anger of Indonesia's Islamic extremists.

4.37 Accepting completely that there was no *specific* threat confirmed by reliable intelligence that would identify Bali as a target, there was nevertheless sufficient circumstantial evidence and analytical judgements that would identify it as distinctly attractive to terrorists. Indeed, this seems to have been precisely what motivated ONA analysts Farmer and Gordon to come to their conclusions about Bali being an attractive symbolic target that would have an impact on Westerners, and damage Indonesia's fragile economy and its secular government.

4.38 The Committee *agrees* that there was no specific intelligence about an attack on Bali that would have enabled countervailing measures to be taken. It *agrees* that Bali was not the only soft target in Indonesia. It *agrees* that it was not inevitable that Bali would be attacked. The Committee contends, however, that the available intelligence—the 'considered analysis of all the information available...not speculation'²⁶—was sufficient to merit a differentiation of Bali from other parts of Indonesia on the grounds of its vulnerability and attractiveness.

4.39 Such a differentiation may have been able to have been reflected, even if minimally, in the Travel Advisories issued by DFAT. The Committee has already suggested elsewhere in this report the suggested inclusion: "Bali has long been considered a safe haven, but the risks of terrorism are as high there as elsewhere in Indonesia". This would have balanced to some extent the benign projection conveyed by the specific and headlined factually-correct advice that 'tourism services were operating normally including Bali'.

4.40 Whether that would have made any difference to the decisions individual travellers might have made is not the focus of concern here. The point of this discussion is to focus on the performance of agencies and to judge that performance against the information that was available to agencies that would have informed their decision-making.

4.41 The Committee notes that on two occasions ASIO's Dennis Richardson put the following argument to the Committee.

Indeed, I would have had a problem in saying that in Bali there was a greater threat than elsewhere, because we would have been doing it on the

25 *Transcript of Evidence*, 19 June 2003, p. 41 (Richardson, ASIO).

26 *Transcript of Evidence*, 20 June 2003, pp. 81–85 (Farmer, ONA).

seat of our pants, and my concern in such circumstances would be that you could unintentionally shepherd people into an attack. My own view is that prior to Bali there was no basis to suggest that any area of Indonesia was less at threat than others; equally there was no basis to judge that any area of Indonesia was at higher threat. If we had said, 'Look, there's Bali, it is an obvious area and we should single Bali out,' what questions would I now be answering if Australians had changed their travel plans and gone to Jogjakarta or elsewhere and terrorists who were planning things, having seen the travel advisories, also went off to Jogjakarta or wherever and attacked there? I would be answering a different set of questions...

What is in the public domain is the travel advisories in this context. I am talking about the threat assessments and the threat assessments must have a certain logical and rational rigour around them, as frustrating as that might be.²⁷

4.42 The Committee agrees that threat assessments have 'a certain logical and rational rigour around them' and in doing so disagrees with Mr Richardson that to say Bali was at greater risk would have been a 'seat of the pants' assessment.

4.43 Logic and reason are intellectual processes that analysts apply to the plethora of data they are confronted with in order to come up with considered judgements. The Committee has consistently affirmed those processes, and believes that it is precisely those processes that justify Bali being identified as being particularly vulnerable. The Committee concurs entirely with the view that rejects intelligence work as simple empiricism and defends intelligence as a work of analysis and judgement:

Frankly, perhaps there is not a more fundamental point I should emphasise than this: there is a real difference between data, or pure information if you like, and intelligence. Intelligence is analysed and has judgement. It draws on professional expertise to make judgements. That is the difference...A quality, high-grade intelligence organisation has the best analysts and also manages those analysts. The data streams are very important, of course, but if you do not have the quality analysts you are not really in the game.²⁸

4.44 Turning to the argument that to single out Bali as a risk could have prompted tourists to go elsewhere and risk being blown up at the other location, the Committee makes several points:

- (i) If the argument is applicable here, it is equally applicable to any threat assessment including one which highlights, on the basis of specific information, a risk at location "A". To highlight a (genuine) risk at "A" always contains the possibility that people will go elsewhere—and in a generally high threat environment, going elsewhere may indeed also prove fatal. This is an

27 *Transcript of Evidence*, 24 September 2003, p158 (Richardson, ASIO)

28 *Transcript of Evidence* 20 November 2003, p296 (Prof Ross Babbage)

inescapable feature of any warning, and to that extent the argument is not as strong as it might first appear.

- (ii) Tourists choose Bali for very particular reasons, for a special kind of holiday—for a "Bali experience". Should they be 'warned off' Bali, it seems unlikely that they would simply opt for another Indonesian destination. In any event, if having been 'warned off' Bali, tourists *did* choose to go to another place in Indonesia, according to the prevailing assessment they would have been at no less (or more) a risk in that other place anyway—which makes the argument redundant.

4.45 The Committee understands and acknowledges that threat assessments are not travel advisories. But the Committee reiterates two basic points:

- (i) The threat assessment that labelled Indonesia as HIGH, and said in the report to QANTAS that Bali could not be considered 'exempt from attack', was correct. It could, however, have gone further to state that Bali, because of the concentration of Westerners there, would be a distinctly attractive soft target, with its clubs and bars likely to be high on JI's list of targets.
- (ii) The travel advisories, along with the general warning about the risks of terrorism, could justifiably have gone further to highlight the fact that Bali, although traditionally regarded as safe, would be an attractive soft target and was at no less a risk (perhaps even more at risk) than other places in Indonesia. This fact would have given appropriate balance to the consistently stated fact that tourist services were 'normal', which conveyed a benign message about Bali's risk status. Given that Bali *was* and always has been clearly distinguished from the rest of Indonesia in the mind of the ordinary Australian tourist, it is entirely appropriate for travel advisories to similarly distinguish Bali from the rest of Indonesia and to tailor the advice to take the confident (but misguided) disposition of the ordinary Australian tourist into account.

Compensation for victims of the Bali bombings

4.46 One difficult issue raised before this Committee was the unequal access to compensation or financial assistance for victims, survivors and relatives of those killed in the Bali bombings. Although this issue is outside the inquiry's terms of reference, it nevertheless warrants recognition in this report. The Committee has been deeply moved by the grief and suffering of those who were injured or lost loved ones in the bombings, and would like their situation dealt with in the best possible way.

4.47 The Commonwealth government has provided assistance in kind to victims of the Bali bombing, including medical costs, counselling and certain travel costs. Yet it has ruled out providing compensation to victims or their families in the form of a

lump sum. The Prime Minister stated as reasoning for this stance that the Bali bombings, while horrific, occurred overseas, and that there is no link to the direct responsibility of the Australian government.²⁹

4.48 Some victims and their families see the lack of official compensation as an ongoing injustice. Had their injuries been sustained in criminal attack on Australian territory, they would have been entitled to compensation under a state 'victims of crime' compensation scheme. In paying compensation, state governments are not admitting to liability for crimes, but providing some recompense to crime victims for their loss or suffering. Yet because the Bali bombings occurred overseas, most state schemes will not provide compensation. While compensation would obviously not bring back a loved one or heal injuries sustained in the bombings, it could at least give some relief to those who have suffered most from this tragedy.

4.49 It has been pointed out to this Committee that there is an inequity in treatment across state boundaries. South Australian victims of the Bali bombing received compensation under South Australia's victims of crime compensation scheme, which can compensate for crimes committed outside the state. This was not available to Bali bombing victims in other states that do not compensate for crimes committed outside state boundaries. Mr Brian Deegan told the committee that this is not fair, saying that:

There have been a number of victims who have given evidence here today. I challenge you to tell me which ones are entitled to compensation and which ones are not, which ones should be and which ones should not. Should my son receive it but two beautiful girls that were burnt, their lives almost destroyed, not receive it? No.³⁰

4.50 On a later occasion, Mr Deegan added:

It is just unfair, and it is unfair that the kids of Australia are being denied the compensation that they are entitled to. In South Australia we have 55 people who have been awarded compensation, but that stops on the imaginary border. In Victoria we have a girl who has lost an arm. In Queensland we have a boy who has lost his legs. That boy, Ben, wanted to be here today. Where is he? He is in hospital undergoing his 14th operation

These people are entitled to justice. There is no doubt about that. You might think they could go to Indonesia. The problem is they cannot, because under international law they need the imprimatur of the Australian government to do that, and the Australian government are not going to provide that. The Australian government are obliged to look after Australian children and they are obliged to give me justice.³¹

29 Transcript of the Prime Minister, Interview with Paul Bongiorno, 17 August 2003, found at <http://www.pm.gov.au/news/interviews/Interview441.html>, accessed 9 August 2004

30 *Transcript of Evidence*, 25 September 2003, p.245 (Deegan)

31 *Transcript of Evidence*, 20 November 2003, p.287 (Deegan)

4.51 The fall-out from the Bali bombings has highlighted the inconsistencies in the compensation available to victims of crime across Australia. While this is clearly outside the terms of reference of this inquiry, it is a matter that could be considered by Commonwealth and State Attorneys-General.

4.52 A related issue is whether the Commonwealth should establish a national compensation scheme for victims of Commonwealth crimes, which would include terrorist attacks. In 1980 the Australian Law Reform Commission commented on the lack of a federal criminal injuries compensation scheme for victims of Commonwealth offences.³² In 1985, Australia endorsed a UN resolution on basic principles of justice for victims of crime and abuse of power. This resolution encourages 'the establishment, strengthening and expansion of national funds for compensation to victims'.³³ Yet to date there is no national scheme in place in Australia. Although the Committee does not take a view on this issue, it does suggest that it warrants further consideration by the Commonwealth government.

Recommendation 4

4.53 The Committee recommends that

- **the Commonwealth government prepare a green paper on the establishment of a national compensation scheme for victims of terrorism related crimes that fall within the Commonwealth jurisdiction; and**
- **the national council of Attorneys-General develop a proposal for the harmonisation of state laws dealing with compensation for victims of crimes so as to provide for circumstances such as terrorist attack.**

32 Australian Law Reform Commission, Report no. 15, *Sentencing of Federal Offenders* (interim), 1980

33 UN General Assembly Resolution A/RES/40/34 of 29 November 1985, "Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power"

Chapter Five

Remarks by Government Senators

1. Government Senators' response to recommendations

1.1 The majority report makes 4 recommendations. Government Senators support Recommendations 2, 3 and 4.

1.2 We do not support Recommendation 1. We see little utility in a yet further inquiry, when the issue has been extensively reviewed not only by this Committee (albeit with restrictions on access to some sensitive intelligence), but also by the Blick Inquiry, which enjoyed unlimited access. The integrity and thoroughness of the Blick Inquiry is not called into question in the majority report. As well, the Joint Standing Committee on ASIO, ASIS and DSD has an increasing oversight role in relation to our intelligence services.

1.3 There are two other reasons why Government Senators do not support a further inquiry. In the first place, nowhere does the majority report point to any important gap, missing piece of evidence, or unpursued line of inquiry, which might suggest that further examination of the events leading to the Bali atrocity on October 12, 2002 would yield any new insights. There may be a case to be made for further inquiry where there is an identified or identifiable gap in existing inquiries. If there is none, it is difficult to see what benefit there would be in further canvassing of the same facts and issues.

1.4 The second reason is a compassionate one. Almost two years have now passed since the Bali bombing. Many of the survivors and the families of the deceased have spoken of their desire for "closure". Government Senators understand and respect that wish. Were there any strong reason to believe that a further inquiry would shed important new light on the events, it may be that the desire of the survivors and families for closure should be secondary to the importance of eliciting that further information. But if there is no particular reason to believe that further important information would be revealed, Government Senators doubt the wisdom of continuing to expose the survivors and families to the continued distress which yet further agitation of the same issues would inevitably bring.

2. The core issues

2.1 There are three core issues considered by the Majority Report. They are:

- (a) The nature, development and extent of Australian intelligence in relation to Islamic extremist movements in south-east Asia, and specifically Indonesia, in the period leading up to the Bali bombing on 12 October 2002. This is the central topic of the Chapter One of the Majority

Report. The central question here is whether there was a culpable failure on the part of any Australian agency or official in failing to anticipate the Bali bombing. Stripped to its essentials, the Majority Report answers that question in the negative. Government Senators agree.

- (b) The content and reach of the Travel Advisories issued by DFAT in the period prior to the Bali bombing. This is essentially a matter of chronicling the Travel Advisories, and is the principal topic of Chapter Two. Selective quotation from, paraphrase or glossing of the Travel Advisories is, in Government Senators' view, of relatively little value: the documents in each case speak for themselves. Accordingly, the sequence of relevant Travel Advisories is compiled in Appendix 4.
- (c) The issue of "commensurability"—in other words, whether each of the Travel Advisories were commensurable with the state of intelligence available at the time they were prepared, in the sense that they sufficiently alerted Australian travellers to Indonesia, and in particular Bali, to the relevant threat level, and whether they did so in the appropriate words. This is the topic of Chapter Three (which compares the threat level as assessed by the agencies with the relevant Travel Advisory operative at the time) and Chapter Four (which treats of the specific case of Bali, and whether, because of its supposedly unique features, it warranted special and different treatment). The Majority Report concludes that the critical Travel Advisories were *not* commensurable with the assessed threat level at critical times. Government Senators disagree.

2.2 The Majority Report is a mixture of fact (both descriptive and historical), discussion, observation, conjecture and conclusions. For the purposes of this Inquiry, the most important feature of the Majority Report is a series of findings which it makes in relation to (sometimes disputed) facts. Although the "findings" are not identified or labelled as such, it is reasonably clear what they are. Subject to our reservations in relation to the matters discussed in section 5, and without adopting the language of the Majority Report, Government Senators agree with the critical findings, which we summarize in sections 3 and 4, in relation to the first two issues, and disagree with what is said in relation to the third, with which we deal in section 5.

3. Findings concerning intelligence on terrorism in Indonesia and the region

3.1 Government Senators agree with the following propositions, which we consider to be the key findings of the Majority Report concerning the nature, development and extent of Australian intelligence in relation to Islamic extremism in south-east Asia, and specifically Indonesia, in the period leading up to the Bali bombing:

- (a) No Australian agency had any foreknowledge of the Bali bombing.¹
- (b) To the extent that there was an intelligence "failure", that failure was the failure to pick up specific intelligence which might have led Australia to anticipate the bombing. It was not a systemic failure in the way in which our intelligence agencies operated, nor a failure to analyse the specific intelligence which they had. As Dr. Hugh White said, in the quote which introduces Chapter 1 of the Majority Report, "there was no Pearl Harbour here—that is, there was no clear warning which, if identified and acted upon, would have provided an opportunity to prevent the Bali bombing".²
- (c) There was a growing awareness and appreciation within the Australian intelligence community, in particular from about early 1999, of the rising significance and militancy within the south-east Asian region of extremist Islamic groups, of their propensity to engage in terrorism, and of the potential threat they posed to Westerners (including Australians).³
- (d) After the terrorist attacks in the United States on September 11 2001, Australian agencies redoubled their intelligence-gathering efforts in respect of Islamic militants in south-east Asia.⁴
- (e) On 28 September 2001 ASIO raised its threat assessment level to Australian interests in Indonesia to "HIGH", reflecting a benchmark intelligence judgement of "current intent and capability to attack Australia's interests are established circumstantially, but not confirmed by reliable intelligence", at which level it stayed at all times up to and including time of the Bali bombing.⁵
- (f) In mid-December 2001, following information received in the investigation of terrorist bombings in Singapore, Australian agencies for the first time identified Jemaah Islamiyah ("JI") as a terrorist organisation.⁶
- (g) There is no evidence for or basis to conclude that there were links between JI and another militant group, Laskar Jihad, at the time of the bombing.⁷
- (h) The assessments made by Australian agencies of the terrorist threat posed by JI were always of a generic character; at no time was any Australian

1 Paragraphs 1.5, 1.7

2 Heading quotation to Chapter 1; Paragraphs 1.18, 1.19

3 Paragraphs 1.35, 1.36

4 Paragraph 1.50

5 Paragraph 1.52, 1.118, 1.119

6 Paragraph 1.58

7 Paragraph 3.38

- agency aware of a threat posed by JI specifically in Bali (or any other particular locality in Indonesia).⁸
- (i) During the first half of 2002, the agencies became more confident that al-Qaeda had links in Indonesia, and during this time were increasingly focussed on assessing the nature and extent of the threat posed by JI and other militant groups in the region.⁹
 - (j) On 18-19 June 2002, at a meeting also attended by officers of DFAT, ONA briefed the Minister for Foreign Affairs, Mr. Downer, on their emerging appreciation of the threat posed by JI and other militant groups in the region, and of the presence in the region of al-Qaeda.¹⁰
 - (k) While all of the officials who attended the meeting presented the Committee with the best of their recollections, the evidence of Mr. Bill Patterson, a DFAT officer who was the only person at the meeting to take contemporaneous notes of the meeting, must be regarded as the most reliable.¹¹ Government Senators set out in Appendix 5 the transcript of Mr Paterson's evidence and explanation of his contemporaneous notes. Government Senators note that the Majority Report makes no criticism of Mr. Downer, either specifically in relation to the June 2002 meeting, or generally in relation to his handling of the matter.
 - (l) In the dispute between witnesses from DFAT and ONA described at Paragraphs 1.189—1.212 as to whether a meeting between officials from those agencies took place *before* or *after* the meeting with Mr. Downer, the balance of evidence falls strongly in favour of the DFAT account (i.e., that the meeting took place *before*, not after the meeting with Mr. Downer), and that the post-Downer meeting alleged by ONA almost certainly did not take place.¹²
 - (m) ONA warrants criticism for failing to respond adequately to DFAT's direct and unambiguous questions about a highly significant issue for Australians and Australian interests abroad—namely terrorism.¹³
 - (n) Nevertheless, DFAT and ONA developed an increasingly close relationship as the new paradigm of international security, focused on terrorism, demanded ever greater cooperation between government agencies.¹⁴

8 Paragraphs 1.69, 1.83, 1.94, 1.107

9 Paragraphs 1.68, 1.106, 1.115

10 Paragraphs 1.168, 1.78

11 Paragraph 1.181

12 Paragraph 1.212

13 Paragraph 1.212

14 Paragraph 1.216

- (o) At the most critical time (in the months immediately preceding the Bali bombing), the agencies were carrying out analysis and delivering assessments that were optimal within the bounds of the information and evidence available to them.¹⁵
- (p) Prior to the Bali bombing, neither DFAT nor ONA were possessed of any actionable intelligence that gave warning of an attack.¹⁶ Government Senators observe that, as ONA itself conceded, of some 20 reports by ONA concerning regional terrorism between the time of the Downer meeting and the Bali bombing, not one mentioned Bali as a possible terrorist target.¹⁷
- (q) There is no basis for any suggestion that the Australian agencies were not as assiduous as, nor that they lacked the sense of urgency, of their American counterparts in assessing the terrorist threat in Indonesia.¹⁸

4. Findings concerning Travel Advisories

4.1 Government Senators agree with the following key findings in relation to Travel

Advisories prepared by DFAT:

- (a) DFAT did not in this particular instance, and does not as a matter of practice, temper Travel Advice according to diplomatic considerations.¹⁹
- (b) Travel Advisories issued by DFAT during the period from September 11 2001 until the Bali bombing reflected an increasing concern with the risks posed by the rise of militant Islamists.²⁰
- (c) The travel advice for Indonesia was changed on 12 July 2002 in a way which noticeably strengthened it, to warn travellers of the need to "maintain a high level of personal security awareness", and to warn that bomb had been exploded "including in areas frequented by tourists" and that "further explosions may be attempted".²¹

15 Paragraph 1.112

16 Paragraph 1.216

17 *Transcript of evidence*, 20 June 2003, p. 86 (evidence of Mr. Jones, ONA analyst); see also *Transcript of evidence*, 5 August 2003, p. 544, (evidence of Mr. Paterson & Mr Kemish, DFAT officers).

18 Paragraph 1.117

19 Paragraph 2.22

20 Paragraphs 2.54, 2.80, 2.102

21 Paragraphs 2.99, 2.116, 3.80

- (d) The travel advice was strengthened again on 10 September 2002, by the inclusion in the headline boxed summary of the words "In view of the ongoing risk of terrorist activity in the region, Australian in Indonesia should maintain a high level of personal security awareness".²²
- (e) The travel advice which was in force at the time of the Bali attack, i.e. that issued on 20 September 2002, contained the words "Bombs have been exploding periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times".²³
- (f) In its travel advisories DFAT employed the relevant level of warning and language that corresponded to the threat being conveyed by the intelligence agencies.²⁴

5. The issue of "commensurability"

5.1 The principal point of difference between Government Senators and the Majority Report is on the related issues of the sufficiency of the DFAT travel advisories in conveying to the traveller a level of caution commensurate with the agencies' (and particularly ASIO's) threat assessments at the relevant time; and whether—even assuming the level of caution to have been generally appropriate—whether sufficient was contained to convey to intended travellers to Bali the message that Bali was no safer than anywhere else in Indonesia (and indeed, as a so-called "soft target" known to be frequented by Westerners, was arguably for that reason more at risk than elsewhere).

5.2 In the view of Government Senators, the ultimate test of the sufficiency of the Travel Advisories is whether they were accurate. The central point here is that *at no time* was there any intelligence suggesting a particular threat to Bali as distinct from other tourist destinations. The generic nature of the Travel Advisories at all times reflected the generic nature of the threat assessments. There was, in Government Senators' view of the evidence, simply no proper basis known to the Australian authorities upon which to assert that Bali was any *more* dangerous than any other tourist destination. In such circumstances, pitching the Travel Advisories at the level of generic risk of bombings, but specifying likely targets by *type but not locality*, was not only correct; there was no basis to localize the advisories in the absence of any assessed threat to any particular locality. How can a Travel Advisory which warns of the risk of terrorist bombing of tourist facilities in generic terms not be commensurate with the threat assessment, when the threat assessment was itself generic? How can a

22 Paragraphs 2.117, 3.93

23 Paragraphs 3.95, 3.96

24 Paragraph 3.110

locality be identified in the Advisory which was not identified in the threat assessment?

5.3 Criticism is also made of the fact that the Travel Advisories contained a statement that Bali was "calm" and "tourist services were operating normally". That was objectively true. The statement, as DFAT witnesses explained, was included merely because of the high frequency of inquiries concerning Bali from Australian travellers; not to suggest that, for any other reason, Bali was a special case. There is no inconsistency between that observation, which was descriptive and accurate, and the warning that tourist facilities (which necessarily included Bali) were at risk of terrorist bombings. Would an Australian traveller to Bali, reading that warning, think that Bali was *not* at risk, given that it was the very destination in which he or she was interested, and the purpose of the travel was tourism? We think not.

5.4 We proceed to deal with the sequence of Travel Advisories in detail. We also draw to the attention of readers the sequence of actual Advisories, in the format they were issued—as they "strike the eye"—in Appendix 4.

5.5 Chapter 3 of this Report opens with a quotation from the parent of a young man who was killed in Bali.

My son, Scott, was killed in that tragedy. I would like you to know that neither I nor any member of my family consider that the Government's travel warnings were in any way inadequate. We do not feel there was any lack of advice that contributed to Scott's death.

5.6 The rest of the Chapter provides a detailed account of the travel advisories produced by DFAT, and the intelligence reports and threat assessments that underpinned them. On the basis of this evidence, which is elaborated with considerable attention to detail, it is abundantly clear that DFAT's Travel Advice in the months leading up to Bali—and especially from September 2002—was wholly commensurate with the level of threat being conveyed by the intelligence agencies.

5.7 The Government Senators simply cannot fathom how, given the extensive evidence canvassed in the Report, it can be asserted that the DFAT Travel Advice was somehow inadequate.

5.8 During the first half of 2002, while intelligence agencies were trying to come to grips with the security and threat implications for Australia of the discovery of JI as a terrorist group, DFAT's Travel Advice was conveying information about the dangers from extremists in Indonesia. The advisories had been doing so even earlier than that.

5.9 DFAT's Travel Advice by mid-2001 was employing the language of a level 3 Advice. (There are 7 levels or categories of advice, each of which tends to use certain key phrases and terminology.) Level 3 advices often have some reference to the risk of terrorism.

5.10 The 'headline' summary of DFAT's 27 August 2001 Advice used fairly standard level 3 phraseology. The *Safety and Security* section drew attention to US

and UK warnings about heightened terrorist threats, referred to explosions in Jakarta, and warned Australians to take bomb threats seriously.

5.11 The first DFAT Travel Advice after the September 11 terrorist attacks on the World Trade Centre was issued on 20 September 2001. The headline advice remained identical to that of 27 August, and the body of the advice was almost so—including the reference to 'explosive devices...detonated recently in Jakarta... [so] take seriously any bomb threats'. To the body of the advice was added the sentence:

In view of the heightened tension associated with the recent terrorist attacks in the United States of America, Australian travellers are advised to be especially alert to their own security at this time.

5.12 The next advisory, six days late on 26 September further upgraded the warning level from previous advices. The boxed, 'headline' summary introduced the additional phrase 'and exercise great caution at this time'. This is typical of level 4 terminology. Level 4 terminology in a Travel Advice is DFAT's standard setting if ASIO's threat assessment for politically motivated violence (PMV) against Australians is HIGH.

5.13 The *Safety and Security* section advised about explosive devices being detonated in Jakarta, and telling Australians to take any bomb threats seriously. This advice, or warnings very similar, appeared in the body of all later Travel Advices.

5.14 The next event of significance was the commencement of US-led military activity in Afghanistan on 8 October, prompting new DFAT Travel Advice headlined:

Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali. Australians in Indonesia are advised to monitor carefully developments that might affect their security and exercise great caution at this time.

5.15 The 8 October DFAT Advice also said 'It is highly likely that there will be further demonstrations in a number of cities in Indonesia which could have anti-Western overtones' and that Australians were advised to take 'special care' and 'exercise sensible precautions'.

5.16 The Bali exclusion was made on the basis that the concerns were related to violence associated with protests, and Bali did not pose that risk. As DFAT explained:

The key focus in the period you are talking about—and actually it is the key focus for the ASIO threat assessment as well—was the possibility of protest action, civil disorder and in particular protests outside our embassy in Jakarta in the context of the coalition attacks in Afghanistan. That is what the advice was about. The situation in Bali was calm. That was the fact of the matter...²⁵

25 *Transcript of evidence*, 28 May 2004, p. 496 (Kemish, DFAT).

5.17 DFAT's travel advice of 7 December 2001 for Indonesia urged heightened vigilance and personal security awareness, relating this advice to the possibility of further protest activity against the War on Terror and civil unrest, and a range of serious threats across Indonesia.

5.18 The first DFAT Travel Advice of 2002, issued on 8 March, was virtually identical to the December 2001 Advice. The Travel Advice of 28 March 2002 was a substantially re-written advisory, and drew attention to the fact that the advice had been 'reviewed ... [and]... contains new information or advice'.

5.19 Its headline opened with advice to Australian's travelling to, or resident in, Indonesia to register with the Jakarta Embassy or Bali Consulate, and concluded with advice against travel to certain regions, and a caution about travel in Irian Jaya and North Sulawesi.

5.20 The body of the advice elaborated on the hot spots of ethnic and separatist violence, and discussed the risks to foreigners in the light of kidnappings conducted by the Abu Sayyaf terrorist group in locations near Indonesia.

5.21 The advice also repeated the warning to 'maintain a high level of personal security awareness'. This advice remained extant until 12 July 2002.

5.22 The DFAT Travel Advice of 12 July 2002 was noticeably strengthened, opening its headline summary with the warning that :

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness.

5.23 This message was repeated in the first paragraph of the main body of the advice.

5.24 DFAT issued a further Travel Advice on 13 August. The bolded and boxed summary or 'headline' section opened with the warning that Australians in Indonesia should 'monitor carefully developments that might affect their safety' and that they should 'maintain a high level of personal security awareness'. It concluded with the statement: 'Tourist services elsewhere in Indonesia are operating normally, including Bali.'

5.25 This statement was repeated in the *Safety and Security* section of the Travel Advice. The *Safety and Security* section retained the July warning that bombs had exploded, including in areas frequented by tourists, and that further explosions may be attempted.

5.26 The next Travel Advice, issued on 10 September 2002, was noticeably strengthened, even though it was still prefaced by the statement that 'the overall level of advice has not been changed' and to that extent was again misleading. The headline boxed summary now opened with the statement: 'In view of the ongoing risk of

terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness.'

5.27 The advisories of 13 and 20 September were essentially the same as the 10 September Travel Advice, also retaining, in the *Safety and Security* section, the reference to bombs exploding 'periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted'.

5.28 The Travel Advice of 20 September was the advisory extant at the time of the Bali attacks. That Advice, as discussed above, opened its headline summary statement with the sentence 'In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness'.

5.29 The *Safety and Security* section in the body of the advisory also contained the paragraph:

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

5.30 In the view of the Government Senators, any fair-minded reading of these travel advisories could leave no one reading them in any doubt that they should be on high alert regarding risks of terrorism, and that this could well involve bombs, as had already happened in areas frequented by tourists and might be attempted again.

5.31 Given that Bali was a premier tourist destination, it is important to note that the Travel Advice was quite explicit—and had been so since July 2002—that bombs had exploded in areas frequented by tourists.

6. A concluding observation

6.1 We must never lose sight of the fact that the Bali atrocity was Australia's greatest peacetime disaster. It was a time of almost unparalleled grief and anguish, in which the whole nation vicariously participated, and was felt, in some measure, by every Australian.

6.2 Those at the very front line in dealing with the tragedy were DFAT consular officers. The overwhelming evidence of the survivors and the families of victims was one of appreciation for the extraordinary efforts of those men and women. As Mr. Ian Kemish, the DFAT officer with overall responsibility for consular support, summarized the response:

I am pleased to say that ... quite deep personal bonds have developed between some of those who lost their families in Bali and some of our officers. It is an extraordinary thing and I find it amazing every time I see it. Certainly, there is ongoing support. You will, of course, recall the very high level of support that consular officers were involved in immediately after the bombing—including undertaking activities

which, frankly, no public servant should be asked to undertake, such as the management of remains and work in the morgue in Bali. It also included very active work in ensuring that they had answers to questions about disaster victim identification and so on. We moved beyond that. We had a very strong role in organising the Bali commemorating last October and were in very strong contact with many of the family members after that. If I may, Chair, on previous occasions in response to questions I have asked leave to table correspondence from families. I know it is not core to the focus of the Committee, but it does go to the professionalism of the department and our relationship with families.²⁶

The understandable, very human desire of some to seek to point the finger of blame must never diminish our appreciation of the real valour of those officers who confronted this terrible tragedy, and rose to the occasion in a magnificent spirit of public service.

Senator Sandy Macdonald

Deputy Chair

Senator David Johnston

26 *Transcript of evidence*, 28 May 2004 p. 495

Chapter Six

DISSENTING REPORT

Senator Bob Brown, Australian Greens

Senator Natasha Stott Despoja, Australian Democrats

‘Militants may target Australian citizens and interests ... extremists see [tourist hotels] as havens of Western decadence... a tourist hotel in Bali would be an important symbolic target.’ (*ONA Report 27 September 2001*)

Intelligence

6.1 The September 11 attack on the Twin Towers in New York in 2001 was a shocking event, warning the world of the reach, intent and capability of extremist Islamic terrorism.

6.2 Australia's intelligence agencies quickly gathered a considerable amount of information about terrorism in South East Asia and Indonesia itself.

6.3 Within 6 months of the realisation by ASIO in December 2001 that JI had converted to a terrorist organisation, the agencies knew:

- that terrorists were transiting various parts of Indonesia¹ through its very porous borders;
- that they almost certainly had links with international terror networks including al-Qaeda, and links with Hambali, Imam Samudra² and possibly Amrosi and other terrorists who plotted the Bali bombings;
- that there was an abundance of explosives and other material readily available;³
- that terrorist groups had the intention and capability to conduct attacks against Western targets, including soft targets and including Australian interests.⁴

6.4 Australia's intelligence agencies had been in constant communication with their counterparts in the US and elsewhere, and DFAT officials had been monitoring the advice of allied foreign affairs agencies.

1 *Committee Hansard*, 24 September 2003, p. 167 (Richardson, ASIO)

2 *Committee Hansard*, 20 June 2003, p. 71 (O'Malley, ONA)

3 *Committee Hansard*, 28 November 2003, p. 378 (Wardlaw, AFP) and 28 May 2004, p. 435 (O'Malley, ONA)

4 *Submission 2*, p. 3 (ASIO) and *Committee Hansard*, 24 September 2003, p. 148 (O'Malley, ONA) and 27 November 2003, p. 316 (White, ASPI)

6.5 In December 2001, Indonesia was assessed by ASIO as being at high risk of terrorist attack. Thereafter, as every month went by, more and more information emerged about the intensity of that threat and the capacity of the terrorists to realise it. Osama bin Laden and others issued unequivocal warnings to the West, even identifying Australia as a 'crusader' country. The Indonesian government was reluctant to take the necessary action to address it. It is not clear that the Australian Government made any representations to Indonesia to address the increasing threat within its borders.

6.6 In April 2002, the Committee has been told, Australian and US intelligence analysts carried out simulations which canvassed scenarios about possible al-Qaeda action arising out of the dispersment of terrorists from Afghanistan.⁵ The Australian agents were part of group which built a scenario in which Bali became identified as an attractive al-Qaeda target.

6.7 Meanwhile, tens of thousands of Australian tourists—roughly 20,000 per month - continued to flock to Bali, the vast majority of them ignorant of the assessed level of threat, with very few of them apparently having consulted the DFAT Travel Advice pertaining to Indonesia, and probably not one of them aware of ASIO's view that the level of threat across Indonesia, including Bali, was 'HIGH'.

6.8 In June 2002, ONA had become so concerned about the terrorist threat in the region that it sought a face-to-face briefing with the Foreign Minister, Mr Downer. The ONA officials laid out their understanding of JI in particular. In their list of examples of targets that would be attractive to JI was Bali. The minister was told that Islamic extremists had the intent and ability to attack such targets as hotels, bars and airports. The DFAT official who was taking notes at the meeting subsequently briefed other DFAT officers who in turn sought advice from ONA about 'what evidence or theory is behind the idea that terrorists might target western interests in Bali?'.⁶

6.9 In July ASIO reported to QANTAS that the threat across all Indonesia was high, and that Jakarta and Bali could not be considered exempt from attack.

6.10 Intelligence reports kept flowing to the government. These included advice that:

- 'reports of planned terrorist violence in Southeast Asia are coming more frequently';
- 'suicide attacks have not been part of militants' modus operandi in Southeast Asia. But that may be changing'.⁶

5 *Submission 3*, p. 6 (ONA)

6 *Submission 3*, p. 8 (ONA)

- 'we have no collateral for but cannot dismiss reports that Indonesian Islamic extremists intend to launch attacks in Indonesia in August and in Southeast Asia in September'.
- 'protests in support of Islamic law, attacks on Christians, raids on brothels and nightclubs, bomb attacks, or terrorist attacks on US or other Western targets are all possible'.⁷

6.11 The increasingly frequent reports of planned terrorist violence, and the threats to target Western embassies obtained from the custodial interviews of al-Qaeda operative Umar Faruq, triggered DIO to warn of increasing evidence of capability and intent to mount terrorist attacks against Western interests in Indonesia.

6.12 Similar advice was issued on 9 August by ASIO, warning that Indonesian-based Islamic extremists may be planning a series of coordinated 'actions' across Indonesia in the August/September period.

The nature of the action was not well defined but appeared likely to range from demonstrations to terrorist attacks. ASIO assessed the threat of terrorist attack against Australian interests in Indonesia remained HIGH and noted the following:

- The reports suggested Western interests, principally US, but also British and Australian, were among the intended targets.
- The information was fragmentary, uncorroborated and of unknown credibility. Some aspects possibly reflected circular reporting of earlier discredited threats.
- The number and nature of the reports, however, taken in the context of the raised threat in Indonesia, collectively warranted updated threat advice⁸

6.13 However, the Travel Advice to tourists remained unchanged from 2001, at HIGH.

6.14 The de-briefing of al-Qaeda operative Umar Faruq had delivered valuable information into the hands of the intelligence agencies. According to ONA's 13 September 2002 report, Faruq's disclosures 'reinforced earlier reporting that al-Qaeda has access to the extensive Jemaah Islamiyah (JI) network criss-crossing Southeast Asia.'

6.15 DIO reported on 26 September 2002, 16 days before the Bali blasts, that:

We assess that local JI capability will restrict any attack to small arms or improvised explosive devices. Although this might obviate mass-casualties,

⁷ Submission 3, p. 8 (ONA)

⁸ Submission 2, p. 5 (ASIO)

if timing and location come together a large number of casualties could result.⁹

6.16 In the post-September 11 2001 context, the regional intelligence picture—if still seeming somewhat surreal—was well fleshed out. In the case of Indonesia, it was a frightening picture, and it was staring Australian government decision-makers in the face.

6.17 Unlike most other Indonesian islands, Bali did not have a Muslim majority but did have a great concentration of nightclubs, bars and hotels seen as 'soft targets'. Bali was a highly predictable target, attracting some 1.4 million tourists each year. Kuta, with its nightclubs, bars and other congregating points, had a population of perhaps 7,000 Westerners, principally Australians, on 12 October 2002. Three of every four Australians visiting Indonesia were in Bali. It was a prime target and the government had been alerted.

Travel advice

6.18 During the first half of 2002, while intelligence agencies were becoming increasingly agitated about the terrorist threat in Indonesia, DFAT's Indonesian Travel Advice was not commensurate with that agitation. It was not until July 2002 that the Travel Advice began to pick up on the dangers.

6.19 Even so, the warnings in the Travel Advice, to the extent that they did refer to terrorist activity, were hardly likely to raise much concern in the mind of the would-be Bali tourist. While there were references to bombs having exploded, including in areas frequented by tourists, the headline in each Travel Advice concluded with the words: 'Tourism services elsewhere in Indonesia are operating normally, including Bali'.

6.20 While "operating normally" in the sense that there had been no disruptions to tourism services in Bali, those services were nevertheless operating under a significant threat of terrorism. For this reason, the reference in the travel advice to tourism services operating normally was misleading. Not only did it fail to counter the average tourist's false perception that Bali was especially safe, but it fostered the misconception that Bali was exempted from HIGH risk.

6.21 The public advice regarding tourism services in Bali 'operating normally' did not accurately reflect the intelligence available to the Government. Bali was a predictable target. It was mentioned as a possible target to the Minister for Foreign Affairs in June 2002 and it had been the location of a fictional attack in a training scenario involving Australian intelligence officers.

9 DIO Answers to Questions on Notice, p. 5.

6.22 Given the thousands of Australians in Bali at any given time, coupled with the evidence concerning soft targets and the fact that Bali had been mentioned as a predictable terrorist target, the travel advice should not only have sought to counter the prevalent view that Bali was a safe haven, but should have specifically warned that tourist areas including Bali were highly threatened.

Findings

6.23 In terms of DFAT's Travel Advice, the main Committee report has argued cogently that it failed to contain the one factual piece of advice that was most relevant to tourists travelling to Bali was that Bali was just as much at risk of terrorist attack as anywhere else in Indonesia.

6.24 The DFAT Travel Advice failed to counter the flawed assumption embedded in the mind of the average Australian tourist—that Bali was a safe haven. It failed to convey adequate warning to travellers to Bali.

6.25 Australia had significant intelligence about the extent and imminence of the terrorist threat to Australian interests in South-east Asia more generally. It was clear that groups in Indonesia had the intent, capability and resources to mount terrorist attacks, and that Australian interests were not exempt from this high risk.

6.26 This risk was evolving in a context that included:

- calls by al-Qaeda for an international jihad against the West;
- Indonesia's domestic political situation which had become increasingly precarious and unstable;
- the invasion of Afghanistan (involving Australia), and events in Palestine, being regarded by many Muslims as an attack on Islam
- a diaspora of fighters in SE Asia after the fall of the Taliban;
- simmering resentment in Indonesia about Australia's actions in East Timor; and
- a statement by Osama bin Laden specifically condemning Australian 'crusader forces'.

6.27 The Australian government was receiving regular and more insistent reports that conveyed a consistent upgrading of the level of threat, not only in the regular written reports of the agencies, but in meetings and briefings at high levels of officials up to the Minister for Foreign Affairs.

6.28 When ONA briefed Minister Downer about JI in June 2002, the Minister inappropriately asked ONA officials for advice about whether consular advice should be changed. ONA is *not* a policy agency—its task is intelligence assessments. The Minister did *not* ask the DFAT official present to develop advice from the relevant sections of DFAT (namely SE Asia Division, Consular Branch and the Australian Embassy in Jakarta) and to report back to him.

6.29 It was a serious lapse. The minister, having been briefed personally about an issue considered to be of sufficient seriousness to warrant a face-to-face discussion with the head of Australia's peak intelligence agency and key officials, then failed to ask his Department to provide formal advice on the matter. Especially is this so when it was the minister himself who, as a result of the ONA briefing and the examples of Western targets they judged to be on JI's hit-list, immediately thought of the implications for consular advice.

6.30 The government was not alerted or, if it was, no commensurate public action ensued. Mr Downer could have taken the evidence of the danger of an attack to cabinet. He could have used his considerable influence to persuade the Indonesian authorities, who appeared unwilling to recognise the terrorist danger, to act. The minister's inaction contributed to Australia's unpreparedness for the attack in Bali.

6.31 More recently Mr Downer said of the FBI's failure to pass on to Canberra, from the Jabara interrogation in August 2002, the Bali bombing mastermind Hambali's intention to attack 'soft targets' in the region. "I am sure it was nothing more than an oversight, but it wouldn't have added to the sum total of the knowledge we had ...".

6.32 The Minister's comment is unsatisfactory and the Jabara episode warrants more scrutiny and analysis.

6.33 It is not possible for this committee to judge whether the destructive intent of the Bali bombers might have been interdicted.

6.34 The limitations on the committee, and the gravity of the issues which have not been resolved, warrant the recommendation of a judicial inquiry into the Bali bombings.

Recommendation

A Royal Commission should be set up to fully assess the performance of agencies and government in the lead up to the Bali bombings on 12 October 2002 and, more particularly, to help prevent any similar attack on Australians or Australian interests in the future.

Senator Bob Brown

Senator Natasha Stott-Despoja

Timeline to terror

Date	Event and source
<u>1998</u>	
	Osama bin Laden states that there is no difference between military personnel and civilians. ASIO, 1.54 ¹⁰
<u>1999</u>	
April 19	Terrorists bomb Istiqlal Mosque, Jakarta (?JI).
April	ONA co-ordinates National Assessment dealing with Islamic terrorism and Osama bin Laden (OBL). Conclusion: The main danger to Australian interests is collateral damage from attacks on US or UK targets, including in the Asia Pacific. ONA, 1.38
April	Possibility of OBL links with Indonesian terror groups such as Laskar Jihad being explored. ASIO, 1.39
1999--2000	Thousands slaughtered in Moluku in Islam extremist attacks on Christians and retaliation. JI involved.
<u>2000</u>	
During 2000	ONA advises: 'the security apparatus that has held militant Islam in check has been gradually dismantled and Islamic Jihad groups, such as those now operating in Maluku, could become a permanent threat to communal harmony elsewhere in Indonesia ...'. ONA, 1.41
August	DIO reports that Al-Qaeda has 'the potential to influence terrorist action elsewhere in the world through its support and encouragement of proxy terrorist organizations'. DIO, 1.42
August—September	Two embassies and the Indonesian Stock Exchange bombed in Jakarta.

10 References are to the paragraph numbers in the main report

Late 2000	ONA Research Report notes that in Indonesia ‘militant groups are becoming more assertive; they could increasingly turn to terrorism’. ONA, 1.43
December 24	Christmas Eve bombings of churches in four Indonesian cities (by Hambali, Imam Samudra and others, but this is not then evident).
December 28	Pekanburu church bombed. Singapore police later blame JI.
<u>2001</u>	
	JI runs 'dozens' of training camps throughout Indonesia.
Early 2001	ONA convened a meeting to inform intelligence collectors of the higher priority it was giving to radical Islam in Indonesia and its external links. ‘Collection agencies made a concerted effort to increase coverage of Islamic extremists....’. ONA, 1.44
May	DIO indicated that ‘Indonesia provide(s) fertile ground for extremist groups with diverse motivations and international connections’.
July 22	Gereja HKBP bombed in Jakarta (?JI). DIO, 1.46
August 1	Atrium Mall (Christian church) bombing in Jakarta by JI (Imam Samudra later found to be responsible).
August 15	Jakarta Embassy <i>Bulletin to Australian Citizens Living in Indonesia</i> : ‘Bali is calm and tourist services are operating normally. Australian tourists on Bali should observe the same prudence as tourists in other parts of the country’. DFAT, 2.38
August	DFAT Travel Advice: ‘Tourist services are operating normally on Bali and Lombok’. 2.36
September	Research project by ONA and its US counterparts reports that ‘of more immediate concern is the potential for growth of Islamic militancy and international Islamic terrorism, especially given the difficulties Jakarta is likely to face in restoring law and order’ ONA, 1.45

September	DIO reported 'extensively on the growth of radical and extremist Islam in the region consistently and well before September 2001'. There was 'clear agreement across the (intelligence) community about extremism and the capacity for terrorist attacks within South-East Asia'. DIO, 1.46
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SEPTEMBER 11 TERRORIST ATTACKS DESTROY NEW YORK'S TWIN TOWERS

September 23	Jakarta's Atrium Mall bombed again.
September 27	<p>ONA report states:</p> <ul style="list-style-type: none"> • '... The threats by Muslim extremists of violence against the citizens and assets of the US and its close allies must be taken seriously'; • 'Militants may target Australian citizens and interests'; • A tourist hotel in Bali would be an important symbolic target'. <p>(It also observed that there was: 'no sign that Laskar Jihad plans to target hotels on Lombok or Bali though extremists see them as havens of Western decadence'). ONA, 1.49</p>
September 28	<p>ASIO raised the threat level for Australian interests in Indonesia to HIGH, based on :</p> <ul style="list-style-type: none"> • 'reporting indicating that a number of Islamic groups in Indonesia were taking a unified approach against US-led actions directed at al-Qaeda'. • 'these groups regarded Australia as a 'soft target' alternative to the US ...'. ASIO, 1.52
2001—2002	<p>Between the New York bombings and Bali bombings, ONA hosts 13 meetings of the National Intelligence Collection Requirements Committee to provide guidance on terrorism collection priorities. ONA, 1.50</p> <p>ASIO made 'dramatic resource reallocations': 'We devoted our resources overwhelmingly to counter-terrorism'. ASIO, 1.51</p>

17 OCTOBER AUSTRALIA SENDS TROOPS TO AFGHANISTAN

October 17	ASIO considers the Afghanistan deployment to have raised Australia's profile as a terrorist target but that the announcement itself did not change the threat of terrorist attack in Australia or against Australian interests abroad. ASIO, 1.53
November 3	Osama bin Laden (OBL) broadcast names Australia and 'crusader Australian forces'. 1.54
November 9	Church bombed in north Jakarta.
November 9	<p>The OBL statement 'must be seen within the context of (O)BL statements since 1996, which consistently have laid down general markers for subsequent terrorist action'. ASIO, 1.54</p> <p>'Looked at against (Osama bin Laden)'s track record, ASIO considers this statement will have force, and significance, for at least the next 18 months.'</p> <p>'the statement will be seen as particular encouragement for individuals or groups in Indonesia who are followers of (O)BL, and who may have the capability to commit violent acts. More importantly however, (O)BL's al-Qaeda network does have the capability and means to carry out an act of terrorism in Indonesia. The only question in respect of Australian interests there, is one of intent. In this context, since at least 1998, (O)BL has been explicit in stating there is no distinction between military personnel and civilians; both Australian official representation in Jakarta and other identifiable Australian interests certainly would be seen as extensions of the Australian "crusader" forces.'</p>
November 9	DFAT 'determined that the (travel) advisories did not need further strengthening'. DFAT, 3.56
Early November	Grenade thrown into the grounds of the Australian International School in Jakarta, clearly showing the increased threat to Australians in Indonesia. 1.55
November	US agencies convinced of links between OBL and south-east Asian radical Islamic groups: eg al-Qaeda training camp in Sulawesi revealed. 1.56
November 29	ONA report notes 'unsubstantiated' claims of international terrorist camps in Indonesia. ONA, 1.56

November 29	Laskar Jihad 'says it will establish a presence in Lombok as a platform for ridding Bali and nearby island of non-Muslim communities'. ONA, 1.57
December 2	Riau church attack. Man paid by Imam Samudra arrested and jailed.
December	Jemaah Islamiyah conversion to a terrorist organisation recognised after the Singapore bombings plot and capture and interrogation of terrorists. ASIO, 1.58
December	Report on 146 organisations: 'Many younger Indonesian Muslims have been attracted to the ideas of Osama bin Laden These external influences have also inculcated a belief that it is legitimate for Indonesian Muslims to engage in jihad anywhere within Indonesian borders'. ONA, 1.60
<u>2002</u>	
	Clive Williams: 'In 2002 there was perhaps a failure to pick up on the growing anger among Indonesian Muslim extremists about the US-led war on terror and the Israeli occupation of the West Bank and Gaza.' 1.62
January	Dr Gunaratna: Al-Qaeda operative Fathur Rohman al-Ghozi's testimony revealed: 'a huge network of trained al-Qaeda operatives and sympathisers at work in South East Asia, about which more will doubtless be learned in the months and years ahead'. 1.74
January 6	SE Asia offers 'a range of soft and symbolic targets for anti-Western Islamic terrorists' and the most 'vulnerable and numerous of Western interests in the region are tourists and expatriate business people'. DIO, 1.61
January 16	ONA and ASIO: Joint report outlines 'planned terrorist attacks against Western targets in Singapore' and the evolution of Jemaah Islamiyah into a terrorist organisation. 1.63
February 21	DIO report notes <ul style="list-style-type: none"> • 'there must be individual associations between JI members and al Qaeda'. • 'We cannot discount the possibility [of operational terrorist cells] as detection of cells is likely to be difficult ...' • 'Weapons and explosives expertise is freely available in the region, and high-interest individuals can be difficult to track

'. 1.64, 1.65
April	<p>ONA attends US-sponsored seminar where the consensus is that terrorist activities are likely to be dispersed, with al-Qaeda contributing to operations in various parts of the world.</p> <p>One scenario canvassed the possibility of terrorist attack on tourist facilities in Bali.</p> <p>"We actually used the scenario of al-Qaeda elements linking up with terrorists in South-East Asia and attacking Bali"1.66, 1.67</p>
Early 2002	Al-Qaeda has 'a presence in Indonesia which gives it the capability to conduct terrorist acts in and from Indonesia'. ONA, 1.68
Early 2002	We (ONA) 'were concerned that there was a local capability in Indonesia that was not necessarily reliant on al-Qaeda ... we were in fact dealing with a homegrown movement ... this was a pretty hard message to sell at the time...'. ONA, 1.70
May	<p>"Globalising Terror" seminar at University of Tasmania attended by experts on terrorism.</p> <p>A. Muir: 'The modern world ... provides terrorist groups with a plethora of potential targets (including) ... a vast array of people and facilities associated with the burgeoning tourism industry ... In terms of bombing targets there is a well discernable trend for attacking the softer vulnerabilities of liberal democratic states, primarily those of a social and economic nature.'</p> <p>Dr Rohan Gunaratna's report <i>'The Bomb and Terror: trends and possibilities'</i> notes the January 2002 al-Ghozi testimony and describes JI spiritual leader Abu Bakr Bashiyar as 'most vocal, always exhorting the people to join the jihad ... and utterly opposed to compromise'. 1.71, 1.72, 1.73, 1.74</p>
June	Al-Qaeda's Omar al-Faruq spirited out of Indonesia for interrogation.
June	ONA wanted to 'draw to the Government's attention by means other than written reports its conclusions on the existence of a regional extremist network with connections to al-Qaeda'. ONA, 1.75
June 18--19	<p>Foreign Minister Downer briefed on 'the domestic, regional and international radical Islamic movements ...and the potential for terrorist activity...from JI in particular'.</p> <p>'We were trying to make the impact on the minister ... and explain</p>

	<p>the danger ... we knew that there was no shortage of explosives available to them in Indonesia ...’.</p> <p>‘Much, but not all, of the briefing was confined to Indonesia.’</p> <p>‘In South-East Asia we knew there was no shortage of explosives and no shortage of weapons. We made these points clear. We said that basically they had the intention, they had the capability, and getting access to the kinds of equipment they needed would be no problem.’</p> <p>The briefing alluded to possible targets including hotels, nightclubs and the airport. ONA, 1.76. 1.77</p>
Late June	Writes to ONA: ‘What evidence/theory is behind the idea that terrorists might target Western interests in Bali?’. No reply. DFAT, 1.192
June 27	‘Al-Qaeda is actively supporting extremists’ in particular fostering ‘a relationship with Jemaah Islamiyah’. ONA, 1.80
July	<p>‘The general threat to Qantas (and) ... to Australian interests in Indonesia (is) currently assessed as HIGH.’</p> <p>‘Australia’s profile as a potential target of terrorist attack by Islamic extremists has been raised by our involvement in the War on Terrorism.’</p> <p>‘Islamic extremists in the region have shown a capability and intent to conduct terrorists attacks ...’</p> <p>‘Islamic extremists associated with both Jemaah Islamiyah (JI) and/or al Qa’ida are known to have transited both airports (Jakarta and Denpasar-Bali) in the past.’</p> <p>Hambali ... ‘is still at large in Indonesia.’</p> <p>‘Given the JI presence in Indonesia, neither Jakarta nor Bali could be considered exempt from attack’. ASIO, 1.80</p>
July	<p>Of this period, Mr Denis Richardson recalls ‘we had</p> <p>the threat level to Australian interests in Indonesia at ‘high’ ... We could not separate out Bali from the rest of Indonesia. We were very conscious of the terrorist threat posed by JI and we were very conscious that it could pose a threat quite differently to Laskar Jihad.’ ASIO, 1.83</p>

July 26	‘ ... reports of planned terrorist violence in Southeast Asia are coming more frequently ... suicide attacks have not been part of militants’ modus operandi in Southeast Asia. But that may be changing.’ ONA, 1.84
July 26	<p>‘We ... cannot dismiss reports that Indonesian Islamic extremists intend to launch attacks in Indonesia in August and Southeast Asia in September.’ (pre-Ramadan warning)</p> <p>‘...attacks on Christians, raids on brothels and nightclubs, bomb attacks, or terrorist attacks on US or other Western targets are all possible’. (pre-Ramadan warning) ONA, 1.85, 1.86</p>
July-- August	Warns of increasing evidence of capability and intent to mount terrorist attacks against Western interests in Indonesia (al-Qaeda operative Umar Faruq’s interrogation). DIO, 1.87
August 5	<p>Warns of ‘... increased threat of a terrorist attack against Western targets, possibly in August ... remnants of the regional extremist organization, Jemaah Islamiyah (JI), continue to possess the capability and intent to undertake future attacks ...’.</p> <p>JI poses 'a greater threat to foreigners in Indonesia than do domestic extremist groups'. DIO, 1.88</p>
August 9	<p>Warns: Indonesian-based Islamic extremists may be planning a series of coordinated ‘actions’ across Indonesia in the August/September period.</p> <p>The threat of terrorist attack against Australian interests in Indonesia remains HIGH.</p> <p>'Reports suggested Western interests, principally US, but also British and Australian, were among the intended targets. The number and nature of the reports ... collectively warranted updated threat advice.' ASIO, 1.89</p>
August	<p>FBI had interrogated Jabara in US: gained information that Jabara had met (Bali bombing mastermind) Hambali in January 2002: Hambali wanted to hit ‘soft targets’ like bars and nightclubs. FBI fails to tell Canberra. FBI Report</p> <p>Alexander Downer: ‘I am sure it was nothing more than an oversight’. ABC radio, 12.07.04</p>
August 22	Three associates of Imam Samudra (who supplied weapons) rob Banten goldsmith's shop. After October 12, it was alleged this

	robbery helped fund the Bali bombers.
September 13	Jakarta Stock Exchange bombed.
September 13	Interrogation of Umar (Omar) Faruq reinforced earlier reporting that 'al-Qaeda has access to the extensive Jemaah Islamiyah network ...'
September 23	Grenade explodes near US embassy, Jakarta. ONA,
September 23	Time Magazine cover story: Omar al-Faruq's interrogation. He planned to destroy US Jakarta Embassy with a large car bomb. Story says JI boasts a cadre of 20 suicide bombers waiting and ready to carry out attacks.
September 26	"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.' DIO, 1.93
September 26	Warning to 'all Westerners to avoid large gatherings and locations known to cater primarily to a Western clientele such as certain bars, restaurants and tourist areas' (ASIO did not monitor such State Department advice). US Jakarta Embassy
October 6--8	Statements by Osama bin Laden and Ayman al Zawahiri suggest 'another large scale attack or attacks by al-Qaeda are being prepared'. 1.98
October 10	<p>ONA reports that substantial numbers of terrorists remain free in Southeast Asia, capable of and intent on further attacks...including against US targets in Indonesia.</p> <p>Report states that weapons and explosives are still easily available in Southeast Asia, and that many potential attackers with the requisite skills remain active. Key JI leaders, who have even bigger plans, are still free. ONA, 1.96. 1.97</p>
October 10	<p>ASIO Threat Assessment issued after bin Laden and al-Zawahiri statements -- days earlier -- warning that attacks may be imminent.</p> <p>The assessment noted that: the attacks could be against US interests abroad, including against US allies and, while there is no information specifically related to Australian interests, Australia's profile as a potential terrorist target had increased since 11 September 2001. ASIO, 1.99</p>

OCTOBER 12**BALI BOMBINGS – 202 PEOPLE KILLED**

November 5		Amrozi arrested
November 21		Imam Samudra arrested
December 3		Muklas arrested
<u>2003</u>		
August		Hambali captured in Thailand

Abbreviations

ASIO	Australian Security and Intelligence Organisation
DFAT	Department of Foreign Affairs and Trade
DIO	Defence Intelligence Organisation
JI	Jemaah Islamiyah
ONA	Office of National Assessment

Appendix 1

Submissions received by the Committee

- 1 Australian Federal Police
- 2 Australian Security Intelligence Organisation
- 3 Office of National Assessment
- 4 Department of Foreign Affairs and Trade
- 4a Department of Foreign Affairs and Trade
- 5 CONFIDENTIAL
- 6 Mr Bruce Power
- 6a Mr Bruce Power
- 7 Gil J May
- 8 M Bray

Appendix 2

Witnesses who appeared before the Committee

Canberra, 19 June 2003

Australian Security Intelligence Organisation

Mr Dennis Richardson, Director-General.

Canberra, 20 June 2003

Department of Defence

Mr Ronald Bonighton, Deputy Secretary, Intelligence and Security

Mr Frank Lewincamp, Director, Defence Intelligence Organisation.

Department of Foreign Affairs and Trade

Mr Ian Kemish, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Jeff Roach, Director, Consular Information and Crisis Management Section

Mr Rod Smith, Assistant Secretary, Consular Branch.

Office of National Assessments

Dr Richard Gordon, Head, Pacific Branch

Dr William O'Malley, Senior Analyst, Asia Branch

Mr David Farmer, Senior Analyst, Indonesia/East Timor

Mr Kim Jones, Director-General.

Canberra, 24 September 2003

Australian Security Intelligence Organisation

Mr Dennis Richardson, Director-General.

Department of Foreign Affairs and Trade

Mr Ian Kemish, First Assistant Secretary, Public Diplomacy, Consular and Passport Division

Mr Jeff Roach, Director, Consular Information Section, Consular Branch.

Office of the Inspector-General of Intelligence and Security

Mr William Blick, Inspector-General of Intelligence and Security.

Office of National Assessments

Dr Bill O'Malley, Assistant Director-General

Mr Kim Jones, Director-General.

Adelaide, 25 September 2003**Private Capacity**

Miss Leanne Woodgate

Miss Samantha Woodgate

Mr Brian Deegan

Mr David Marshall

Mr David Bonython-Wright.

Sturt Football Club

Mr Andrew Whiteman, Player

Mr Julian Burton, Player.

Canberra, 20 November 2003**Australian Federation of Travel Agents**

Mr Michael Hatton, Chief Executive Officer.

Australian National University

Professor Ross Babbage, Head, Strategic and Defence Studies Centre.

Private Capacity

Dr David Wright-Neville

Mr Brian Deegan

Mr Clive Williams.

Canberra, 27 November 2003**Australian Strategic Policy Institute**

Mr Aldo Borgu, Program Director

Mr Hugh John White, Director

Canberra, 28 November 2003**Australian Federal Police**

Dr Grant Wardlaw, General Manager Intelligence

Mr Graham Ashton, General Manager Counter-Terrorism.

Department of Defence

Mr Frank Lewincamp, Director, Defence Intelligence Organisation

Mr Ronald Bonighton, Deputy Secretary, Intelligence and Security.

Department of Foreign Affairs and Trade

Mr Ian Kemish, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Jeff Roach, Director, Consular Information Section, Consular Branch

Mr Rod Smith, Assistant Secretary, Consular Branch

Mr William Paterson, First Assistant Secretary, South and South-East Asia Division.

Personal capacity

Mr Richard Smith, Former Australian Ambassador to Indonesia.

Canberra, 28 May 2004**Australian Security Intelligence Organisation**

Mr Dennis Richardson, Director-General.

Department of Defence

Mr Frank Lewincamp, Director, Defence Intelligence Organisation

Mr Ronald Bonighton, Deputy Secretary, Intelligence and Security.

Department of Foreign Affairs and Trade

Mr Bill Paterson, PSM, First Assistant Secretary, South and South-East Asia Division

Mr Ian Kemish, AM, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Jeff Roach, Former Director, Consular Information and Crisis Management Section.

Office of National Assessments

Dr William O'Malley, Assistant Director-General, South–East Asia Branch

Mr David Farmer, Senior Analyst, South–East Asia Branch

Mr Peter Varghese, Director–General.

Private Capacity

Mr Geoffrey Askew, Head of Group Security, Qantas Airways Ltd.

Canberra, 23 June 2004**Office of National Assessments**

Mr David Farmer, Senior Analyst, South–East Asia Branch

Mr Peter Varghese, Director–General

Mr Richard Gordon, Former Branch Head, Pacific Branch.

Canberra, 5 August 2004**Department of Foreign Affairs and Trade**

Mr Bill Paterson, PSM, First Assistant Secretary, South and South–East Asia Division

Mr Ian Kemish, AM, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Appendix 3

WHAT OUR INTELLIGENCE AGENCIES DO

(The following draws on material from the agencies' official web sites)

The Office of National Assessments (ONA) produces reports on international political, strategic and economic matters in order to assist the Prime Minister, Ministers and Departments in the formation of policy and plans. ONA bases its assessments on information available to the Australian Government from all sources, whether inside or outside the Government. It draws on information from intelligence, as well as diplomatic reporting and open source material including news media and other publications. ONA also advises the Government on the adequacy and coordination of Australia's foreign intelligence activities and maintains close consultation with the intelligence agencies of other countries.

The Defence Intelligence Organisation (DIO) provides all-source intelligence assessment at the national level to support Defence and Government decision-making and the planning and conduct of Australian Defence Force operations. DIO's assessments focus on the Asia-Pacific region and cover strategic, political, defence, military, economic, scientific and technical areas.

The Defence Signals Directorate (DSD) is Australia's national authority for signals intelligence and information security. DSD has two principal functions: one is to collect and disseminate foreign signals intelligence (known as Sigint); the other is to provide Information Security (Infosec) products and services to the Australian Government and its Defence Force.

The Defence Imagery and Geospatial Organisation (DIGO) provides geospatial intelligence, from imagery and other sources in support of Australia's defence and national interests. DIGO defines geospatial intelligence as the collection, exploitation and analysis of imagery and geospatial information to locate, describe, assess and visualise physical features, observable phenomena and geographically referenced activities over time and space.

The Australian Secret Intelligence Service (ASIS) is Australia's overseas intelligence collection agency. Its primary function is to obtain and distribute intelligence information, not readily available by other means, about the capabilities, intentions and activities of individuals or organisations outside Australia, which may impact on Australian interests, and the well-being of its citizens.

The Australian Security Intelligence Organisation (ASIO). ASIO's main role is to gather information and produce intelligence that will enable it to warn the government about activities or situations that might endanger Australia's national security. The ASIO Act defines 'security' as the protection of Australia and its people from espionage, sabotage, politically motivated violence, the promotion of communal violence, attacks on Australia's defence system, and acts of foreign interference.

Appendix 4

CONSULAR SERVICES – TRAVEL ADVICE INDONESIA

Period 27 August 2001 – 13 October 2002



CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall warning level has not changed.

Last updated: 27 August 2001

Previously updated: 23 July 2001

Australians in Indonesia are advised to monitor carefully developments that might affect their security. Australian citizens should defer all travel to West Timor until further notice. Australians should defer all holiday and normal business travel to Aceh until further notice and Australians travelling to Irian Jaya and East Java should exercise caution and seek current information from the Embassy prior to travel.

Safety and Security

The American and British governments have issued warnings to their citizens of a heightened terrorist threat to U.S. and U.K. interests in Indonesia. While we are not aware of any specific threat to Australian interests, Australians should nevertheless exercise sensible precautions.

Following the change of leadership in July, the political situation appears to be calm. However, Australians are advised to monitor carefully developments that might affect their security and to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

The security situation in Aceh has deteriorated. The Indonesian government has undertaken new security measures and the separatists have conducted further attacks. Australians should defer all holiday and normal business travel to Aceh.

Political tensions in Irian Jaya have eased somewhat but the potential for civil unrest remains. There have been recent incidents in the Manokwori regency and tensions remain

high in that region. Australians intending to travel to Irian Jaya should exercise caution and seek current information from the Embassy prior to travel.

The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali and Lombok.

Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:

<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

Consular Assistance

Further information plus developments in other areas of Indonesia may be found on the Australian Embassy's website under 'Embassy Bulletin' at address: <http://www.austembjak.or.id/news.htm> or by telephoning +62 21 2550 5678. Australians in Indonesia are encouraged to register their presence in the country with the Australian Embassy, which may be contacted by telephone (62-21) 2550 5555 or by fax on (62-21) 25505499. Australians resident in or visiting Bali may contact the Consulate on (62-361) 23 5092 or by fax (62-361) 23 1990. The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 6261 3305.

NB: While every care has been taken in preparing this Travel Advice, neither the Australian Government nor its agents or employees including any member of Australia's consular staff abroad, can accept liability for injury, loss or damage arising in respect of any statement contained herein.

Consular Services, including information for travellers and Travel Advices are also available from the Department's Homepage on the Internet, address:

<http://www.dfat.gov.au/consular>



CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall warning level has not changed.

Last updated: 20 September 2001

Previously updated: 27 August 2001

Australians in Indonesia are advised to monitor carefully developments that might affect their security. Australian citizens should defer all travel to West Timor until further notice. Australians should defer all holiday and normal business travel to Aceh until further notice and Australians travelling to Irian Jaya and East Java should exercise caution and seek current information from the Embassy prior to travel.

Safety and Security

In view of the heightened tension associated with the recent terrorist attacks in the United States of America, Australian travellers are advised to be especially alert to their own security at this time.

Following the change of leadership in July, the political situation appears to be calm. However, Australians are advised to monitor carefully developments that might affect their security and to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

The security situation in Aceh has deteriorated. The Indonesian government has undertaken new security measures and the separatists have conducted further attacks. Australians should defer all holiday and normal business travel to Aceh.

Political tensions in Irian Jaya have eased somewhat but the potential for civil unrest remains. There have been recent incidents in the Manokwori regency and tensions remain high in that region. Australians intending to travel to Irian Jaya should exercise caution and seek current information from the Embassy prior to travel.

The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali and Lombok.

Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:
<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

Consular Assistance

Further information plus developments in other areas of Indonesia may be found on the Australian Embassy's website under 'Embassy Bulletin' at address:
<http://www.austembjak.or.id/news.htm> or by telephoning +62 21 2550 5678. Australians in Indonesia are encouraged to register their presence in the country with the Australian Embassy, which may be contacted by telephone (62-21) 2550 5555 or by fax on (62-21) 25505499. Australians resident in or visiting Bali may contact the Consulate on (62-361) 23 5092 or by fax (62-361) 23 1990. The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 6261 3305.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall warning level has not changed.

Last updated: 26 September 2001

Previously updated: 20 September 2001

Australians in Indonesia are advised to monitor carefully developments that might affect their security and exercise great caution at this time. Australian citizens should defer all travel to West Timor until further notice. Australians should defer all holiday and normal business travel to Aceh until further notice. Australians travelling to Irian Jaya and Central Java should exercise caution and seek current information from the Embassy prior to travel.

Safety and Security

The American government has issued a warning to its citizens of a heightened terrorist threat to U.S. interests in Indonesia and has urged American citizens to defer non-essential travel to Indonesia. In this environment Australians should exercise sensible precautions and monitor carefully developments that might affect their safety.

The 11 September terrorist attacks in New York and Washington and the possibility of a response by the U.S. and its allies, including Australia, has resulted in some criticism and protest activity in Indonesia. Australians are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

The security situation in Aceh has deteriorated. The Indonesian government has undertaken new security measures and the separatists have conducted further attacks. Australians should defer all holiday and normal business travel to Aceh.

Political tensions in Irian Jaya have eased somewhat but the potential for civil unrest remains. There have been recent incidents in the Manokwori regency and tensions remain high in that region. Australians intending to travel to Irian Jaya should exercise caution and seek current information from the Embassy prior to travel.

The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali and Lombok.

Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:

<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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Further information plus developments in other areas of Indonesia may be found on the Australian Embassy's website under 'Embassy Bulletin' at address: <http://www.austembjak.or.id/news.htm> or by telephoning +62 21 2550 5678. Australians in Indonesia are encouraged to register their presence in the country with the Australian Embassy, which may be contacted by telephone (62-21) 2550 5555 or by fax on (62-21) 25505499. Australians resident in or visiting Bali may contact the Consulate on (62-361) 23 5092 or by fax (62-361) 23 1990. The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 6261 3305.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 8 October 2001

Previously updated: 26 September 2001

Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali. Australians in Indonesia are advised to monitor carefully developments that might affect their security and exercise great caution at this time. Australians should defer all travel to West Timor until further notice. Australians travelling to Indonesia should register with and seek current information from the Embassy.

Safety and Security

The 11 September terrorist attacks in New York and Washington and the possibility of a subsequent response by the U.S. and its allies, including Australia, resulted in some criticism and protest activity in Indonesia. Following the U.S. led military activity in Afghanistan today it is highly likely that there will be further demonstrations in a number of cities in Indonesia which could have anti-western overtones.

In this heightened security environment Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali.

Australians in Indonesia should take special care, exercise sensible precautions and monitor carefully developments that might affect their safety. They are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

The security situation in Aceh has deteriorated. The Indonesian government has undertaken new security measures and the separatists have conducted further attacks. Australians should defer all holiday and normal business travel to Aceh.

Political tensions in Irian Jaya have eased somewhat but the potential for civil unrest remains. There have been recent incidents in the Manokwori regency and tensions remain high in that region. The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali.

Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:
<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 15 October 2001

Previously updated: 8 October 2001

Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali, Bintan and Batam. Australians in Indonesia are advised to monitor carefully developments that might affect their security and exercise great caution at this time. Australians should defer all travel to West Timor until further notice. Australians travelling to Indonesia should register with and seek current information from the Embassy.

Safety and Security

The 11 September terrorist attacks in New York and Washington and the subsequent response by the international coalition, have resulted in some criticism and protest activity in Indonesia. It is highly likely that there will be further demonstrations in a number of cities in Indonesia which could have anti-western overtones.

In this heightened security environment Australians should consider deferring all holiday and normal business travel to Indonesia, excluding Bali, Bintan and Batam.

Australians in Indonesia should take special care, exercise sensible precautions and monitor carefully developments that might affect their safety. They are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

The security situation in Aceh has deteriorated. The Indonesian government has undertaken new security measures and the separatists have conducted further attacks. Australians should defer all holiday and normal business travel to Aceh.

Political tensions in Irian Jaya have eased somewhat but the potential for civil unrest remains. There have been recent incidents in the Manokwori regency and tensions remain high in that region. The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali.

Travellers to other regions in Indonesia, as well as resident Australians, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:
<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 23 October 2001

Previously updated: 15 October 2001

While demonstrations may continue in Indonesia in the coming weeks, at this time the intensity of protests has diminished. The Government no longer judges it necessary to advise Australians to consider deferring normal business or holiday travel to most parts of Indonesia, although continued vigilance is recommended. All travel to Aceh, West Timor and Maluku and North Maluku provinces should be deferred until further notice. Australians travelling to Irian Jaya, Central Java and Makassar should exercise caution and seek current information from the Embassy prior to travel. Australians travelling to Indonesia should register with and seek current information from the Embassy.

Safety and Security

The 11 September terrorist attacks in New York and Washington and the subsequent response by the international coalition have resulted in criticism and protest activity in Indonesia. While demonstrations are likely to continue in some of Indonesia's larger cities in the coming weeks, at this time the intensity of protests has diminished. It is no longer necessary for Australians to consider deferring normal business travel to Indonesia, although tourists should consider their destinations carefully.

Australians resident in Indonesia should remain vigilant, exercise sensible precautions and monitor carefully developments that might affect their safety. They are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

A number of explosive devices have been detonated recently in Jakarta and elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

In Makassar there have been recent demonstrations, a bomb blast at an American fast food outlet, the attempted placement of a small bomb in an Australian company office, and reports of bomb threats to other premises. Australians in the area should exercise increased caution as a result of these recent incidents.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

Violent incidents in Aceh continue. Australians should defer all travel to Aceh.

Political tensions in Irian Jaya have eased but the potential for unrest remains. There have been recent incidents in the Manokwori regency and tensions remain high in that region. The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali, Bintan, Batam and Lombok.

Travellers to other regions in Indonesia, as well as Australians resident in Indonesia, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:

<http://www.dfat.gov.au/consular/advice/health.html>

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

Consular Assistance

Further information plus developments in other areas of Indonesia may be found on the Australian Embassy's website under 'Embassy Bulletin' at address:

<http://www.austembjak.or.id/news.htm> or by telephoning +62 21 2550 5678. Australians in Indonesia are encouraged to register their presence in the country with and seek current information from the Australian Embassy, which may be contacted by telephone (62-21) 2550 5555 or by fax on (62-21) 25505499. Australians resident in or visiting Bali may contact the Consulate on (62-361) 23 5092 or by fax (62-361) 23 1990. The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 6261 3305.

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Consular Services, including information for travellers and Travel Advices are also available from the Department's Homepage on the Internet, address:
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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 7 December 2001

Previously updated: 23 October 2001

While the intensity of protest action against members of the international coalition against terrorism has diminished, Australians should continue to exercise vigilance. All travel to Aceh, West Timor and Maluku and North Maluku provinces should be deferred until further notice. Australians travelling to Irian Jaya, Makassar and Central Sulawesi should exercise caution and seek current information from the Embassy prior to travel. Australians travelling to Indonesia should register with and seek current information from the Embassy.

Safety and Security

Protests in Indonesia against countries involved in the international coalition against terrorism have subsided considerably though there is the possibility of further protest activity and civil unrest.

Australians in Indonesia should therefore remain vigilant, exercise sensible precautions and monitor carefully developments that might affect their safety. They are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

Over the past year there have been a number of explosive devices detonated in Jakarta as well as elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

In Makassar, South Sulawesi, there have been recent demonstrations, a bomb blast at an American fast food outlet, the attempted placement of a small bomb in an Australian company office, and reports of bomb threats to other premises. Serious communal violence has erupted in and around Poso, Central Sulawesi. Australians in these areas should exercise increased caution.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

Violent incidents in Aceh continue. Australians should defer all travel to Aceh.

Political tensions in Irian Jaya have increased following the death of a prominent pro-independent leader in early November. The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali, Bintan, Batam and Lombok.

Travellers to other regions in Indonesia, as well as Australians resident in Indonesia, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our Health Travel Advice on the Department's website at address:

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Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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Further information plus developments in other areas of Indonesia may be found on the Australian Embassy's website under 'Embassy Bulletin' at address: <http://www.austembjak.or.id/news.htm> or by telephoning +62 21 2550 5678. Australians in Indonesia are encouraged to register their presence in the country with and seek current information from the Australian Embassy, which may be contacted by telephone (62-21) 2550 5555 or by fax on (62-21) 25505499. Australians resident in or visiting Bali may contact the Consulate on (62-361) 23 5092 or by fax (62-361) 23 1990. The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 6261 3305.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed and reissued with no substantive change to the information or advice provided.

Last updated: 8 March 2002

Previously updated: 7 December 2001

While the intensity of protest action against members of the international coalition against terrorism has diminished, Australians should continue to exercise vigilance. All travel to Aceh, West Timor and Maluku and North Maluku provinces should be deferred until further notice. Australians travelling to Irian Jaya, Makassar and Central Sulawesi should exercise caution and seek current information from the Embassy prior to travel. Australians travelling to Indonesia should register with and seek current information from the Embassy.

Safety and Security

Protests in Indonesia against countries involved in the international coalition against terrorism have subsided considerably though there is the possibility of further protest activity and civil unrest.

Australians in Indonesia should therefore remain vigilant, exercise sensible precautions and monitor carefully developments that might affect their safety. They are urged to avoid large public gatherings and areas where demonstrations might occur. Should public disturbances eventuate, Australians are advised to remain indoors.

Over the past year there have been a number of explosive devices detonated in Jakarta as well as elsewhere. Australians are advised to take seriously any bomb threats that may be made against them or premises they occupy.

In Makassar, South Sulawesi, there have been recent demonstrations, a bomb blast at an American fast food outlet, the attempted placement of a small bomb in an Australian company office, and reports of bomb threats to other premises. Serious communal violence has erupted in and around Poso, Central Sulawesi. Australians in these areas should exercise increased caution.

Following attacks against United Nations personnel in Atambua (West Timor) in September 2000, the United Nations decided to temporarily relocate its personnel from West Timor. Australian citizens are advised to defer all travel to West Timor and those residing in West Timor are advised to relocate outside West Timor.

Violent incidents in Aceh continue. Australians should defer all travel to Aceh.

Political tensions in Irian Jaya have increased following the death of a prominent pro-independent leader in early November. The situation in the provinces of Maluku and North Maluku (in particular Ambon and northern Halmahera Island) continues to be serious. Australians should avoid travelling to Maluku and North Maluku provinces.

General

Tourist services are operating normally on Bali, Bintan, Batam and Lombok.

Travellers to other regions in Indonesia, as well as Australians resident in Indonesia, are advised to keep themselves well informed of developments that might affect their safety and to maintain a high level of personal security awareness.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our "Travelling Well" brochure available on the Department's website.

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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Consular Branch

CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 28 March 2002

Previously updated: 8 March 2002

Australians travelling to, or resident in, Indonesia should register with the Australian Embassy in Jakarta or the Australian Consulate-General in Bali. All travel to Aceh, west Timor and Maluku and North Maluku provinces should be avoided until further notice. Australians travelling to Irian Jaya, and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel.

Safety and Security

Australians should avoid all travel to Aceh, where violent incidents continue. The situation in the provinces of Maluku (in particular Ambon) also continues to be serious and that in North Maluku unsettled. Australians should also avoid all travel to these provinces. Sporadic clashes between security forces and Papuan separatists can lead to tensions in Irian Jaya. Australians intending to visit that province are advised to exercise caution and to consult the Australian Embassy in Jakarta in advance of any proposed visit. Australian citizens should avoid all travel to west Timor, the United Nations has maintained a high level of security alert for west Timor following the evacuation of its personnel in September 2000.

In light of recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in south western Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas closest to the Philippines, in particular North Sulawesi. Australians travelling to, or resident in, North Sulawesi should exercise caution and seek current information from the Embassy prior to travel to the province.

Elsewhere, tourist services in Indonesia are operating normally, including in Bali. Travellers in Indonesia, and Australians resident in Indonesia, should keep themselves aware of developments that might affect their safety and should maintain a high level of personal security awareness. Demonstrations occur from time to time, particularly in Jakarta, and Australians should avoid large public gatherings and areas where demonstrations might occur.

Australians travelling to, or intending to reside in, Indonesia should register with the Australian Embassy in Jakarta or the Australian Consulate-General in Bali.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our "Travelling Well" brochure available on the Department's website.

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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Consular Branch

CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed and reissued with no substantive change to the information or advice provided.

Last updated: 12 July 2002

Previously updated: 28 March 2002

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness. All travel to west Timor (outside of Kupang), Maluku and North Maluku provinces should be avoided until further notice. Australians should also avoid travel to Aceh: Australians travelling to Papua (Irian Jaya), and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel. Tourist services elsewhere in Indonesia are operating normally, including Bali.

Safety and Security

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness. Demonstrations occur from time to time, particularly in Jakarta. Australians should avoid large public gatherings and be alert to their surroundings. Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted.

All travel to west Timor (outside of Kupang), Maluku and North Maluku provinces should be avoided until further notice. In particular, a high level of security alert remains for west Timor, following attacks on United Nations personnel there. Foreign nationals are prevented from entering Maluku province (especially Ambon) under civil emergency law. The situation in North Maluku province is unsettled.

Violent incidents continue in Aceh. Australians should avoid travel to Aceh, but if undertaking essential travel, should exercise caution and seek information about local security circumstances.

Australians travelling to Papua (Irian Jaya) should exercise caution and seek current information from the Australian Embassy prior to travel. Sporadic clashes between security forces and Papuan separatists can lead to tensions in Papua (Irian Jaya).

Following recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in South Western

Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas closed to the Philippines, such as North Sulawesi and in particular the outlying islands. Australia's should exercise caution and seek current information from the Embassy prior to travel.

Tourists travelling to Mt Rinjani, in Lombok, have been the target of criminal activity. Australians should get advice from the local authorities and only use a registered guide.

Tourist services elsewhere in Indonesia are operating normally, including Bali. Further information on developments within Indonesia may be obtained from the Australian Embassy in Jakarta.

General

Australians in Indonesia are required to register with the local Rukun Tertangga (RT) Office, the local police and if staying more than 90 days, the local immigration office. Australians are also required to carry proper identification [Australian Passport or Kartu Ijin Tinggal Sementara (KITAS) or Residents Stay Permit] and ensure their visa remains current at all times.

There have been a number of incidents where Australians in and around Jakarta have been robbed after having their car tyre deliberately punctured. In these situations it is best to remain in the vehicle, with all doors locked, while the tyre is being changed. Australians should consider hiring taxis from reputable firms, either by phone or from stands at major hotels, following threat and assaults being committed in taxis.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our 'Travelling Well' brochure available on the Department's website.

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Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

Consular Assistance and Registration

Australians should register and may obtain consular assistance from:

Australian Embassy
Jalan H R Rasuna Said Kav C 15-16
Jakarta Selatan 12940 Indonesia
Telephone (62 21) 25505555 or (62 21) 25505678
Facsimile (62 21) 5261690
Website <http://www.austembjak.or.id/news>

Australian Consulate General
Jalan Prof Moh Yamin 4
Renon
Denpasar Bali Indonesia
Telephone (62 361) 235092
Facsimile (62 361) 231990

Limited consular assistance, which does not include the issue of Australian passports, may be obtained from:

Australian Consulate
Jalan R A Kartini 32
Medan 20152
North Sumatra Indonesia
Telephone (62 61) 4157810
Facsimile (62 61) 4156820

The Department also offers an on-line registration service, accessible via the internet at <http://www.orao.dfat.gov.au>

The Department of Foreign Affairs and Trade in Canberra may also be contacted on (02) 62613305.

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Consular Branch

CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall level of advice has not been changed.

Last updated: 13 August 2002

Previously updated: 12 July 2002

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness. All travel to west Timor (outside of Kupang), Maluku and North Maluku should be avoided until further notice. Australians should also avoid travel to Aceh: Australians travelling to Papua (Irian Jaya) and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel. Australians travelling to Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses. Tourist services elsewhere in Indonesia are operating normally, including Bali.

Safety and Security

Australians in Indonesia should monitor carefully developments that might affect their safety and should maintain a high level of personal security awareness. Demonstrations occur from time to time, particularly in Jakarta. Australians should avoid large public gatherings and be alert to their surroundings. Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted.

All travel to west Timor (outside of Kupang), Maluku and North Maluku should be avoided until further notice. In particular, a high level of security alert remains for west Timor, following attacks on United Nations personnel there. Foreign nationals are prevented from entering Maluku (especially Ambon) under civil emergency law. The situation in North Maluku is unsettled.

Violent incidents continue in Aceh. Australians should avoid travel to Aceh, but if undertaking essential travel, should exercise caution and seek information about local security circumstances.

Australians travelling to Papua (Irian Jaya) should exercise caution and seek current information from the Australian Embassy prior to travel. Sporadic clashes between security forces and Papuan separatists can lead to tensions in Papua (Irian Jaya).

The security situation in Central Sulawesi has deteriorated and sporadic clashes continue. Australians travelling to Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses.

Following recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in South Western Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas close to the Philippines, such as North Sulawesi and in particular the outlying islands. Australia's should exercise caution and seek current information from the Embassy prior to travel.

Tourists travelling to Mt Rinjani, in Lombok, have been the target of criminal activity. Australians should get advice from the local authorities and only use a registered guide.

Tourist services elsewhere in Indonesia are operating normally, including Bali. Further information on developments within Indonesia may be obtained from the Australian Embassy in Jakarta.

General

Australians in Indonesia are required to register with the local Rukun Tertangga (RT) Office, the local police and if staying more than 90 days, the local immigration office. Australians are also required to carry proper identification [Australian Passport or Kartu Ijin Tinggal Sementara (KITAS) or Residents Stay Permit] and ensure their visa remains current at all times.

There have been a number of incidents where Australians in and around Jakarta have been robbed after having their car tyre deliberately punctured. In these situations it is best to remain in the vehicle, with all doors locked, while the tyre is being changed. Australians should consider hiring taxis from reputable firms, either by phone or from stands at major hotels, following threat and assaults being committed in taxis.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our 'Travelling Well' brochure available on the department's website.

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Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

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Australian Consulate General
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Telephone (62 361) 235092
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Limited consular assistance, which does not include the issue of Australian passports, may be obtained from:

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Medan 20152
North Sumatra Indonesia
Telephone (62 61) 4157810
Facsimile (62 61) 4156820

The Department of Foreign Affairs and Trade also offers an on-line registration service, accessible via the internet, at <http://www.orao.dfat.gov.au>

The Department of Foreign Affairs and Trade in Canberra may be contacted on (02) 62613305.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall level of advice has not been changed.

Last updated: 10 September 2002

Previously updated: 13 August 2002

In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness. All travel to west Timor (outside of Kupang), Maluku and North Maluku should be avoided until further notice. Australians should also avoid travel to Aceh. Australians in Papua (Irian Jaya) and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel. In light of a recent attack on foreigners in the area of the Freeport Mine in Papua (Irian Jaya) Australians should also monitor local developments that might affect their safety. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses. Tourist services elsewhere in Indonesia are operating normally, including Bali.

Safety and Security

Australians in Indonesia should monitor carefully developments that might affect their safety. Demonstrations occur from time to time, particularly in Jakarta. Australians should avoid large public gatherings and be alert to their surroundings.

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

All travel to west Timor (outside of Kupang), Maluku and North Maluku should be avoided until further notice. In particular, a high level of security alert remains for west Timor, following attacks on United Nations personnel there. Foreign nationals are prevented from entering Maluku (especially Ambon) under civil emergency law. The situation in North Maluku is unsettled.

Violent incidents continue in Aceh. Australians should avoid travel to Aceh, but if undertaking essential travel, should exercise caution and seek information about local security circumstances.

In light of a recent attack on foreigners in the area of the Freeport Mine in Papua (Irian Jaya) Australians in Papua should exercise caution and monitor local developments that might

affect their safety. Prior to travel, Australians should seek current information from the Australian Embassy. Police permits are required for travel to Papua (except Jayapura and Biak) and should be sought well in advance of travel.

The security situation in Central Sulawesi has deteriorated and sporadic clashes continue. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses.

Following recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in South Western Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas close to the Philippines, such as North Sulawesi and in particular the outlying islands. Australia's should exercise caution and seek current information from the Embassy prior to travel.

Tourists travelling to Mt Rinjani, in Lombok, have been the target of criminal activity. Australians should get advice from the local authorities and only use a registered guide.

Tourist services elsewhere in Indonesia are operating normally, including Bali. Further information on developments within Indonesia may be obtained from the Australian Embassy in Jakarta.

General

Australians in Indonesia are required to register with the local Rukun Tertangga (RT) Office, the local police and if staying more than 90 days, the local immigration office. Australians are also required to carry proper identification [Australian Passport or Kartu Ijin Tinggal Sementara (KITAS) or Residents Stay Permit] and ensure their visa remains current at all times.

There have been a number of incidents where Australians in and around Jakarta have been robbed after having their car tyre deliberately punctured. In these situations it is best to remain in the vehicle, with all doors locked, while the tyre is being changed. Australians should consider hiring taxis from reputable firms, either by phone or from stands at major hotels, following threat and assaults being committed in taxis.

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CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall level of advice has not been changed.

Last updated: 13 September 2002

Previously updated: 10 September 2002

In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness. Australians should avoid travel to west Timor (outside of Kupang), Maluku and North Maluku, and Aceh. Australians in Papua (Irian Jaya) and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel. The recent attack on foreigners in the Freeport Mine area underlines the need for Australians in Papua to monitor developments that might affect their safety. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses. Tourist services elsewhere in Indonesia are operating normally, including Bali.

Safety and Security

Australians in Indonesia should monitor carefully developments that might affect their safety. Demonstrations occur from time to time, particularly in Jakarta. Australians should avoid large public gatherings and be alert to their surroundings.

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

All travel to west Timor (outside of Kupang), Maluku and North Maluku should be avoided until further notice. In particular, a high level of security alert remains for west Timor, following attacks on United Nations personnel there. Foreign nationals are prevented from entering Maluku (especially Ambon) under civil emergency law. The situation in North Maluku is unsettled. Violent incidents continue in Aceh and Australians should avoid travel to the province.

In light of a recent attack on foreigners in the area of the Freeport Mine in Papua (Irian Jaya), Australians in Papua should exercise caution and monitor local developments that might affect their safety. Prior to travel, Australians should seek current information from the Australian Embassy. Police permits are required for travel to Papua (except Jayapura and Biak) and should be sought well in advance of travel.

The security situation in Central Sulawesi has deteriorated and sporadic clashes continue. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses.

Following recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in South Western Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas close to the Philippines, such as North Sulawesi and in particular the outlying islands. Australians should exercise caution and seek current information from the Embassy prior to travel.

Tourists travelling to Mt Rinjani, in Lombok, have been the target of criminal activity. Australians should get advice from the local authorities and only use a registered guide.

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General

Australians in Indonesia are required to register with the local Rukun Tertangga (RT) Office, the local police and if staying more than 90 days, the local immigration office. Australians are also required to carry proper identification [Australian Passport or Kartu Ijin Tinggal Sementara (KITAS) or Residents Stay Permit] and ensure their visa remains current at all times.

There have been a number of incidents where Australians in and around Jakarta have been robbed after having their car tyre deliberately punctured. In these situations it is best to remain in the vehicle, with all doors locked, while the tyre is being changed. Australians should consider hiring taxis from reputable firms, either by phone or from stands at major hotels, following threat and assaults being committed in taxis.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our 'Travelling Well' brochure available on the department's website.

Travel and Health Insurance

Travel and medical insurance is strongly recommended for all overseas travel. Travellers should check with their insurer to make sure that their policy meets their needs. In particular, travellers should be aware that some insurance companies will not pay claims which arise when travellers have disregarded the Government's travel advice.

Consular Assistance and Registration

Australians should register and may obtain consular assistance from:

Australian Embassy
Jalan H R Rasuna Said Kav C 15-16

Jakarta Selatan 12940 Indonesia
Telephone (62 21) 25505555
Facsimile (62 21) 5261690
Website <http://www.austembjak.or.id/news>

Australian Consulate General
Jalan Prof Moh Yamin 4
Renon
Denpasar Bali Indonesia
Telephone (62 361) 235092
Facsimile (62 361) 231990

Limited consular assistance, which does not include the issue of Australian passports, may be obtained from:

Australian Consulate
Jalan R A Kartini 32
Medan 20152
North Sumatra Indonesia
Telephone (62 61) 4157810
Facsimile (62 61) 4156820

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Consular Branch

CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice but the overall level of advice has not been changed.

Last updated: 20 September 2002

Previously updated: 10 September 2002

In view of the ongoing risk of terrorist activity in the region, Australians in Indonesia should maintain a high level of personal security awareness. Australians should avoid travel to west Timor (outside of Kupang), Maluku, North Maluku and Aceh. Australians in Papua (Irian Jaya) and North Sulawesi should exercise caution and seek current information from the Australian Embassy prior to travel. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses. Tourist services elsewhere in Indonesia are operating normally, including Bali.

Safety and Security

Australians in Indonesia should monitor carefully developments that might affect their safety. Demonstrations occur from time to time, particularly in Jakarta. Australians should avoid large public gatherings and be alert to their surroundings.

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted. In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

Australians should avoid travel to west Timor (outside of Kupang), Maluku and North Maluku. In particular, a high level of security alert remains for west Timor following attacks on United Nations personnel there. Foreign nationals are prevented from entering Maluku (especially Ambon) under civil emergency law. The situation in North Maluku is unsettled.

Violent incidents continue in Aceh and Australians should avoid travel to the province.

Australians in Papua should exercise caution and monitor local developments that might affect their safety, especially in view of the heightened security situation, following the recent incidents in the Freeport Mine area of Papua. Prior to travel, Australians should seek current information from the Australian Embassy. Australians resident in Papua may also wish to seek regular information updates from their employer about the security situation in their area. Police permits are required for travel to Papua (except Jayapura and Biak) and should be sought well in advance of travel.

The security situation in Central Sulawesi has deteriorated and sporadic clashes continue. Australians in Poso, the middle of Central Sulawesi, should avoid inter-provincial and inter-city bus travel and exercise caution following recent attacks on passenger buses.

Following recent combat operations in the Southern Philippines, Australians are reminded of the Abu Sayyaf terrorist group's practice of kidnapping foreigners in South Western Philippines, near Indonesia. This practice poses a potential risk to foreigners in areas close to the Philippines, such as North Sulawesi and in particular the outlying islands. Australians should exercise caution and seek current information from the Embassy prior to travel.

Tourists travelling to Mt Rinjani, in Lombok, have been the target of criminal activity. Australians should get advice from the local authorities and only use a registered guide.

Tourist services elsewhere in Indonesia are operating normally, including Bali. Further information on developments within Indonesia may be obtained from the Australian Embassy in Jakarta.

There have been a number of incidents where Australians in and around Jakarta have been robbed after having their car tyre deliberately punctured. If travelling with a driver, passengers should remain in the vehicle, with all doors locked, while the tyre is being changed. Australians should be aware that threats and assaults have been committed in taxis. Australians should arrange their transport using only reputable taxi companies that maintain counters inside the airport, and can be booked by phone or from stands at major hotels.

General

Australians are reminded that when overseas, they are subject to local laws. A violation of local laws may result in a gaol sentence, served in a local prison.

Visa conditions are subject to change. For up-to-date visa information, Australians should contact the nearest Embassy or Consulate of the Republic of Indonesia, well in advance of travel.

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Australians in Indonesia should be aware that the smoke haze across much of the north-west part of the archipelago, usually from July to October, could impact on their health and travel plans. Kalimantan and Sumatra are generally the worse affected areas.

Health Issues

For information on prevalent diseases and inoculations, travellers should consult their doctor or a travel clinic. Contact details for travel clinics can be found in our 'Travelling Well' brochure available on the department's website.



CONSULAR SERVICES - TRAVEL ADVICE

INDONESIA

This advice has been reviewed. It contains new information or advice.

Last updated: 13 October 2002

Previously updated: 20 September 2002

Australians are advised to defer all travel to Bali. Australian visitors in Bali should consider advancing their departures on available flights. In the meantime they should remain in their hotels, avoid public places where possible and call home to advise families of their wellbeing.

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Appendix 5

EXTRACT FROM TRANSCRIPT OF EVIDENCE 28 NOVEMBER 2003

Mr Bill Paterson (DFAT) giving evidence concerning the ONA briefing with Foreign Minister Downer in June 2002 based on contemporaneous notes taken at that meeting

**MATERIAL REFERRED TO IN ADDITIONAL
REMARKS BY GOVERNMENT SENATORS**

*Extracts from transcript of evidence***28 November 2003**

Senator BRANDIS—Mr Paterson has prepared a note, which he has verified before us, as to what was said.

Mr Kemish—It is important to note here from the department's perspective that we have a situation where the Department of Foreign Affairs and Trade has a record; ONA has a recollection. We have very carefully examined our records of both the conversation and follow-up meetings surrounding this event and can speak about those issues. It may not necessarily be in quite the terms you have suggested.

ACTING CHAIR—Perhaps it would be helpful if you could provide us with a copy of those notes, and there would be no reason for us to be in any kind of confusion. Do you have them here today? Could they be tabled?

Mr Paterson—Yes, I do. I have to tell you that a very large part of that briefing involved highly classified information and obviously I cannot release that. In any event, that is not the case with the relevant part.

Senator BRANDIS—So you are able to table for us your note of the relevant portion of the conversation?

Mr Paterson—Yes, I am prepared to do that. This note is an abbreviation in my handwriting. If it were helpful to Hansard, I would be happy to provide any clarification which they need. It may not be immediately clear from the nature of what I have written down in abbreviated form what precisely was meant, but I would be happy to take you through it if need be.

Senator BRANDIS—Can we do that now?

Mr Paterson—It would not take me long to read it out.

Senator BRANDIS—Before you do, Mr Paterson, can I ask you this: presumably, you have refreshed your memory of the conversation by having referred to the note.

Mr Paterson—Yes.

Senator BRANDIS—Do you independently of the note have some recollection of the conversation?

Mr Paterson—In general terms, yes. But of course it is some time ago.

Senator BRANDIS—Of course. Are you able to tell us that you are satisfied that the note, albeit in summary form, is an accurate rendering of the conversation?

Mr Paterson—Absolutely, but with one very minor exception—the word 'Riau' does not appear in my notes. On reflection, I am inclined to think that that was just because my notes were in an abbreviated form and that the pace of the conversation was

simply so fast that I did not record that. That is not to suggest that the word ‘Riau’ was not said; it just does not appear in my notes. My notes speak of Bali and Singapore but not Riau.

Senator BRANDIS—On the basis of that—that being the state of your knowledge and your recollection of the conversation—and with reference to your note, can you tell us what was said?

Mr Paterson—Mr Downer asked the ONA analysts present if they could speak to him about what were the objectives of Jemaah Islamiah in South-East Asia. An analyst replied that it was to destabilise local governments to allow Islam to gain more hardline adherents. Mr Downer followed that up with a question about what targets they had. The ONA analyst said that they had principally Indonesian Christian targets; that Indonesia was a frontier of Islam on the defensive within the global jihad; that the terrorism was as much internationally inspired as it was locally sourced and Indonesian inspired, if you like; and that local rather than Western targets were most likely. There was then some reference to bin Laden’s public utterances in which he mentioned Australia in the context of East Timor, to the effect that Christians were stealing the lands of Islam. I cannot precisely recall the context as to how that came up.

The conversation went on, with the ONA analyst pointing out that Western targets such as in Singapore were also possible. Expanding on that, the ONA analyst said that the possibility of attacks on US or Australian aircraft in Indonesia could not be ruled out, or Bali or Singapore. And, as I have said to you, I think Riau was probably in there, but it does not appear in my notes. At that point, Mr Downer, in a general way to those present, in effect said, ‘Well, I wonder whether that means we should be changing the consular advice,’ to which the ONA analyst replied that there was no specific intelligence to warrant that.

Senator BRANDIS—Dealing with the suggestion of possible targets, was it your understanding of what was being said that Bali, Singapore and Riau—or localities in those places—were being identified as targets in respect of which there was information about potential terrorist activity, or was it your understanding that those places were being referred to in an illustrative way as being the sorts of places in the region that terrorists might attack if they were to mount a terrorist operation?

Mr Paterson—It was clear to me that it was absolutely in the latter context.

Senator BRANDIS—If terrorists were going to attack localities in Australia, what sorts of places do you think they might attack?

Mr Paterson—I think that is hypothetical—

Senator BRANDIS—Yes, it is.

Mr Paterson—but the Australian media has singled out places like airports, the Opera House and the Sydney Harbour Bridge. It is common parlance in the media.

Senator BRANDIS—Was the observation that you have just made in response to my last question of the same character as the observation in relation to Bali, Riau and Singapore recorded in this note?

Mr Paterson—I think that would be a fair characterisation of it. In the case of Singapore, of course, there had been earlier intelligence relating to possible action against the Australian, US and UK embassies. That was a slightly different case but that is certainly the gist of the discussion.

Senator BRANDIS—You know what I am getting at, don't you? It has been suggested by some that this note records the conveying to Mr Downer of intelligence about Bali, Singapore and Riau. What do you say about that?

Mr Paterson—No. I am absolutely adamant on this point. It was clearly just illustrative examples given by ONA analysts. They were precise about the fact that there was no specific intelligence information relating to a particular threat in any particular place in Indonesia—or Singapore, for that matter.

Senator BRANDIS—Thank you.

ACTING CHAIR—I have a couple more questions in relation to this. Over what period of time did this conversation take place? I see that you have about 10 lines of writing. Was it a two-minute conversation, or did this take place over an hour?

Mr Paterson—My recollection is that it was something like an hour.

ACTING CHAIR—These notes that you took were over a period of an hour?

Mr Paterson—Yes, the whole conversation—

ACTING CHAIR—The entire conversation.

Mr Paterson—which we had with Mr Downer, yes.

Senator BRANDIS—What about the bit of the conversation you have just taken us through—how long did that take?

Mr Paterson—Not very long, indeed—probably no longer, really, than my reading it out to you, I suspect.

ACTING CHAIR—So, at the conclusion of it, when Mr Downer asked whether or not consular advice should be changed, ONA mentioned, as you said, that there was nothing specific, and that was the end of the conversation? There was no further follow-up?

Mr Paterson—No, the conversation moved on from there, but to unrelated topics....

....

ACTING CHAIR—I want to ask about this other reference, which is something I had not been aware of before. Mr Paterson’s handwriting says, ‘US or Australian aircraft in Indonesia/Bali/Singapore,’ and ‘Bali’ is underlined.

Senator STOTT DESPOJA—I want to know why you underlined it.

ACTING CHAIR—Why did you underline Bali? That is one question but, perhaps even more interesting: what is this reference to US or Australian aircraft in Indonesia?

Mr Paterson—Let me deal with the Bali question first. Before there was any inquiry here, I simply went back over my notes after the events of 12 October, and I think I underlined it at that time. It was not underlined during the meeting. I did not envisage, at that time, that that element of my notes would be tabled in this committee. As to the reference to US or Australian aircraft in Indonesia, I think that is simply a general reference. In terrorist operations, there is a long history of hijacking of aircraft, and indeed of course in the World Trade Centre bombings aircraft were used in effect as a weapon. It is neither any more nor any less than that I think. In contemporary history, aircraft quite often have been used by hijackers—and most recently in the World Trade Centre—in a bombing capacity.

ACTING CHAIR—Indeed.

Senator BRANDIS—On that line that Senator Kirk has drawn to your attention, is the first expression ‘e.g.’?

Mr Paterson—Yes, that is correct: ‘for example’.

Senator BRANDIS—Thank you.

