



Australian Government

TRANSNATIONAL TERRORISM: THE THREAT TO AUSTRALIA





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FOREWORD



Much is on the public record on the Australian Government's response to the grave threat now posed to Australia by international terrorism. The government's commitments on domestic protection were recently set out in the national security publication *Protecting Australia against terrorism*. The government's national and international security postures were more broadly explored in two 2003 publications: the foreign and trade policy White Paper *Advancing the national interest* and the defence White Paper update *Australia's National Security*.

There has been less public discussion about the nature of the contemporary terrorist threat posed to Australia and Australia's interests. The purpose of this White Paper is to assist readers with a deeper understanding and awareness of the nature of this threat, its international dimensions, how it affects Australia, and the basis of the government's sustained commitment to combat it at the international level.

Terrorism is a broad and complex subject that has figured throughout the history of civilisation. It remains a widely debated element of international affairs. The world's nations remain unable even to agree on its definition. And terrorism has many forms. This paper is not intended to grapple with the gamut of these complex and much considered issues. It does not attempt to explore the forms of terrorism best known to the world during the past century—and against which Australia was able to protect itself. While these forms of terrorism still exist, they form a minor part of the current threat to Australia.

The threat Australia now faces—and most directly experienced through the tragedy of the 2002 Bali bombings—is transnational. It is terrorism of a previously unknown scale. It is a different kind of conflict, perpetrated in the name of a Muslim extremist cause. We must understand it if we are to defeat it.

In developing this understanding we must be clear that the terrorism now threatening us does not represent Islam. Nor is Islam the focus of Australia's response. This is a message we continuously emphasise within our country and in our international dealings with Muslim nations.

In putting forward the government's understanding of this, even in the choice of terminology, it is perhaps inevitable that the paper will touch on beliefs deeply and personally held. The government intends no disrespect to these views nor any over-simplification of the important issues involved.

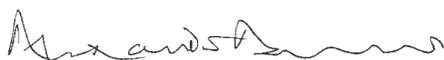
The government recognises the complexity of the relationship between the perpetrators of this new form of terrorism and the extremist cause they purport to advance. This paper neither claims absolute insight nor draws absolute conclusions. While we can state the facts, explore the methods and consider the reasons, we cannot claim to understand fully what goes on in the mind of the individual terrorist.

We can, however, be absolute in our commitment to defend ourselves and in our determination not to be cowed by terror. The government is responding through a sustained and strategic campaign. A key dimension of this is our international response: both within our region and on the global front. It is only through effective, well coordinated and enduring international cooperation that this threat can be defeated.

This White Paper presents the reader with a strategic and long-term picture, not a lasting account of changing threat levels. The government continually monitors and makes available information for Australians travelling overseas, and encourages them to consult its online travel advisory service: *smartraveller.gov.au*.

The international dimensions of the transnational terrorist threat mean that papers of this kind will have a broad readership, not just here in Australia but overseas. The government's first responsibility, however, is to the Australian people. It is primarily to this readership that the government has addressed this account of the contemporary terrorist threat and the way in which we are working with international partners to combat it.

The government remains committed to keeping the Australian people informed about these significant changes to our security environment. As this paper shows, the threat Australia now faces is a dynamic and changing one. It requires a flexible, adaptive and long-term strategic response. And it must be national: combining the resources and commitment of government with the vigilance, support and resilience of the Australian people.



Alexander Downer
Minister for Foreign Affairs

OVERVIEW

A new threat

Australia's security environment has changed. We are now directly threatened by a new kind of terrorism. It is transnational and it is perpetrated in the name of a Muslim¹ extremist cause. It is epitomised by Al Qaida and, in our region, by Jemaah Islamiyah. But it is being adopted and adapted by other sympathisers. Australia is a target.

This new threat challenges us in ways which demand new and innovative forms of response. The many other manifestations of terrorism and its extremist drivers—while often better known and more easily understood—are peripheral to our changed strategic environment. They no longer shape our main counter-terrorism response. Our focus is now on a more audacious and fundamental challenge to Australia's security.

Facing the change

The first challenge Australians face is to understand the changing threat we confront.

- This is essential to our security and the development of a strategic and sustained national response.
- It is also important for a clearer and better articulated appreciation of tolerant, peaceful and law-abiding Muslims within Australia and to our international relations with Muslim nations.

This form of transnational terrorism presents Australia with a challenge previously unknown. Its aims are global and uncompromising: to fight its enemies wherever it is able, and ultimately to establish a pan-Muslim super-state. Its battlefield is also global. And it strives, where it can, for large scale, maximum casualty impact. We saw this on 11 September 2001. We felt it a year later in Bali.

Australia must also now face the threats of ambiguity and the unknown. This is part of the 'asymmetric' nature of terror. This transnational terrorism works through loose networks rather than through hierarchy or within borders. It is neither dependent on nation-state sponsors, nor responsive to conventional deterrents. To defeat one is not to defeat all. It is constantly evolving, with a capacity to regenerate and adapt where its forces are degraded. There will be new individuals, groups and networks that we simply do not know about.

Australia can draw little from its historical experience with terror to understand and meet the current challenge. Unlike many European and Asian countries, twentieth century Australia lived relatively free of the scourge of terror. Our limited in-country experiences were centred on other nationalities and ethno-national causes. Incidents involving Australians abroad

¹ The adjective 'Islamic' refers to the faith of Islam, representing an ideal that Muslims strive to achieve. In this paper, we use 'Muslim' adjectivally to describe Muslims' deeds and actions, which can fall short of the Islamic ideal. So, where necessary and appropriate, we refer in the text to 'extremist-Muslim terrorism'. While it is perpetrated by Muslims, we do not argue it is Islamic.

were largely cases of mistaken identity or accident. And the terrorism we understood and managed to keep mainly beyond our borders was different. These forms of terrorism still exist. But, kept within their normally specific confines and objectives, they form only a small part of the security challenge Australia now confronts.

Globalisation has put Australia well within the transnational terrorists' reach. Borders and geographic distance do not present the same barriers they used to. And our interests are no longer just focused at home. We are international traders. We travel extensively. We engage internationally as peace-keepers and peace-makers.

We must develop our response within a changed strategic environment. The post-Cold War period has opened up opportunities for new—including non-state—international players. The United States' unequivocal international response to the September 11 attacks has further changed the strategic landscape.

The prospect of chemical, biological or radiological terrorism presents a real and growing menace—including to Australia. Other non-conventional forms of warfare are also now at play. We face the challenge of making our defence and security posture more adaptable to the asymmetric nature of terrorism. Yet we must also maintain an appropriate conventional capability.

The scale of this asymmetric threat demands a dimension of government and national response to terrorism previously unknown to Australia. So does its enduring nature. The protection of our freedoms and security has brought changes to our living environment. Further adaptation may be required. But it will not be at the expense of our fundamental social values or civil liberties.

Understanding the threat ...

Neither terrorism nor its driver—extremist ideology—is new. Over history both have taken on many forms. This new manifestation is highly threatening. Its extremist goals are global and its application transnational.

The demands of these terrorists are absolute. Unlike other known forms of terror, they are not contained by geography, political dispute or particular historical grievance. Their rhetoric often seeks to exploit local populist concerns to their own ends. They do not allow for remedy or compromise.

Their views on means and ends differ from previously known forms of terrorism. They know their goals cannot be achieved through persuasion. Their violence is not designed to get a seat at a negotiating table. It signals a committed path to their final ends. Operations aim for mass civilian casualties where possible. We saw this in the 1998 East Africa bombings, on September 11, in Bali and, most recently, in Madrid. And it remains a feature of plots that have been disrupted and defeated.

Non-adherents to the transnational extremist-Muslim terrorist cause are deemed legitimate targets. This includes other Muslims. Many of their terrorist operations are perpetrated in predominantly Muslim-populated countries.

These terrorists have international reach. They achieve this through a loose link of clandestine networks. They are constantly shifting and changing in form. Some operate individually, only looking to 'leaders' for inspiration and example.

And they use modern tools. Many of their known leaders and adherents are highly educated, well funded, and well versed in technology. They use all forms of information technology for operational planning and communications, to study targets, to transfer funds and to convey their message of threat.

They have learned to fly aircraft to use them as instruments of terror. They have accessed and used military weapons ranging from 'low-tech' to 'high-tech'. We know some have tried to develop chemical, biological and radiological capability. And we have every reason to believe they would use it.

... and where it comes from

The doctrine advanced by these terrorists is far removed from the tolerance towards other faiths that has been so important in Islamic tradition.

Islam has a rich history, which has embraced diverse theological perspectives. It provides some of the earliest examples of pluralist tradition and some of the earliest codes of human rights. It has played an important role in shaping and nurturing human civilisation. The Quran explicitly endorses the notion of diversity, compassion, forgiveness and restraint. Islam forbids murder. The terrorists' advocacy of violence is at odds with mainstream Islam and the concept of jihad (struggle).

Al Qaida is the best known example of this extremist ideology. It is therefore our most helpful route to understanding it. Al Qaida, under the leadership of Usama Bin Laden, has played an organising and catalytic role in the development of this extremist militant terror in the years since the Soviet–Afghan war.

But Al Qaida's domain is not exclusive. It is better studied as part of an evolutionary process. It has built links among Muslim extremist groups, spreading its influence and radicalising other loosely connected affiliates. Many act alone, inspired only by example. This is a movement that is amorphous, widely dispersed and constantly regenerating and evolving. And it is succeeding in embracing more localised groups into its fold. As Al Qaida loses its Afghanistan-veteran leaders, its influence may cede to other lesser known forces.

Al Qaida's development stems from its successful exploitation of the Soviet–Afghan war as a rallying cry for militant recruits around the globe. The victory of the mujahideen over the Soviet Union was a powerful stimulant to Muslim extremists. Al Qaida's network spread rapidly as its trained and indoctrinated fighters returned to their home countries, with

fanatical zeal, military expertise and global connections. In Sudan and then the Taliban's Afghanistan, Bin Laden accelerated Al Qaida's operations and intensified its focus against the West.

But, beyond this, Al Qaida has extended its influence as an extremist movement, winning support for its powerfully simplistic world view. It has continued to prey on popular frustrations and grievances to validate its goals and rationalise its actions. It invokes the war against the Taliban in Afghanistan and the toppling of Saddam's regime in Iraq as evidence of a conspiracy to conquer the Muslim world. It exploits the Israeli–Palestinian conflict to similar effect.

Al Qaida's goals are uncompromising. It wants to recover all 'lost' Muslim lands, expelling all Jews, 'Crusaders' and 'idolaters of democracy'. It sees the West as its adversary. It has directly threatened Australia. And, despite being damaged, Al Qaida remains operational, well-funded and ambitious.

Whether or not it survives the assault upon it, Al Qaida has built a legacy designed to be self-perpetuating. It already functions as much through influence and inspiration as through direct links. Its shadow—if not its direct hand—is now cast throughout the world. We have seen this in the terror of Jemaah Islamiyah and many others. And, increasingly, we see it in the activities of previously localised groups in South Asia, South-East Asia and North Africa.

Al Qaida has set the model for transnational terrorism. Whatever causes might choose to adopt its methods in the future, it has ushered us into a new era of conflict.

Our South-East Asian neighbourhood

South-East Asia is now a key focus in the international counter-terrorism effort. Transnational extremist-Muslim terrorism seeks to advance a purist, intolerant and violent form of extremism that is foreign to the region. It threatens the predominantly mainstream and tolerant Islam of South-East Asia and Islam's important place there. It threatens regional political and economic stability. And it threatens the extensive Australian interests which reside there.

The nature of Muslim militancy in South-East Asia has transformed over the past decade. Terrorism has become more frequent, widespread and lethal—and more focused on targeting the interests of the West. Most significantly, Muslim militancy has become more transnational in nature. Local groups with local grievances are increasingly forming international alliances in pursuit of their goals and in assisting each other with financing and training.

Al Qaida has been a key influence. This dates back to the return of South-East Asian veterans of the Soviet–Afghan war—and to Al Qaida's early efforts to operate beyond the Middle East. Al Qaida capitalised on the relatively open economic, political and legal systems of South-East Asia to establish business and support activities.

Jemaah Islamiyah is the principal terrorist threat in South-East Asia. It preaches the goal of a unified South-East Asian Islamic state. Its roots stem back to 1950s Indonesia and the separatist Darul Islam movement—later spreading its influence to Malaysia and developing links with Muslim separatists in the southern Philippines. Links with Al Qaida followed the Soviet–Afghan war. Like Al Qaida, Jemaah Islamiyah has developed a pervasive system of networks and influence.

Jemaah Islamiyah was responsible for the horrific bombings in Bali which took the lives of 88 Australians, three Australian residents, and 111 people from 18 other countries.

This was a tragedy we shared with our neighbours. It put our vulnerabilities in sharp relief, challenging all regional governments to recognise the gravity and proximity of the threat. And it showed us that our collective security is the sum of the collective response. Transnational terror—be it regional or global—must be met with a transnational, coordinated and strategic response.

It also showed that we must recognise our weaknesses. In our region, different levels of resources, different experiences, different political and security cultures and circumstances continue to pose challenges—and opportunities for terror. And the long-term nature of the threat demands a long-term collective commitment.

Jemaah Islamiyah remains dynamic and focused on the long term. Where regional cooperation has succeeded in disrupting or degrading, Jemaah Islamiyah has responded by adjusting its methods and diverting its targeting. It maintains the capability and intent to strike again.

And it is not a lone threat. There are signs that its links and influence with other groups within and beyond the region are increasing.

The threat to Australia and our interests

Australia and Australians are directly threatened by transnational extremist-Muslim terrorism. We have been named as a target. This has been verified by our policing and intelligence work and through our cooperation with our regional and international partners.

We know some of the reasons. We are now well familiar with the uncompromising rhetoric of Al Qaida, Jemaah Islamiyah and the like. Those who do not support their cause are deemed obstacles to their objectives and legitimate targets. They extend their contempt for moderate, tolerant Muslim society to their hostility towards the West.

They feel threatened by our values and the place we take in the world. Our international alliances and our robust foreign policy are opportunistically invoked in the name of their ‘war’. Our conspicuous example of economic and social prosperity is deemed a threat to their cause. We hear our values and social fabric attacked.

Australia’s substantial overseas presence means the threat is not simply directed at our own soil. We are a global stakeholder in the fight against transnational terror. Indeed, the threat to

our interests overseas is higher than at home. There we are within easier reach—and often less well protected. Wherever Western interests are targeted, we are at risk.

Our overseas interests extend beyond the physical. Transnational terrorism challenges core tenets of international alliances and geopolitical balance. Its sheer scale means it can influence the global economy. It has already shown it can damage the confidence of the marketplace. And it has diverted significant government resources in many countries to the campaign against it. Australia has to adapt and respond to these global economic and strategic shifts to protect its own interests.

Our interests within our region are extensive. And we have a high profile there. South-East Asia is an important economic partner. Our expatriate community in the region is large. Many Australians have family there. We have a strong and high-profile regional diplomatic presence. The economic and security well-being of the region can impact directly on Australia.

The extent of the transnational terrorist threat to Australian interests abroad is only mitigated by the level of international cooperation to fight it. Complacency, denial or delusions of immunity do not only reduce international cooperation to a dangerously low common denominator: they draw the danger to the areas where resistance is weakest.

Australia assumes direct control over its security at its borders. We have a proud history of protecting our soil from previously known forms of terrorism. But we know the terrorist threat to our nation is now higher than it has ever been. Our security authorities have disrupted activities by terrorist group members and supporters in Australia. We know that some transnational extremist-Muslim terrorists have shown interest in conducting attacks in Australia.

These terrorists know no boundaries either in target selection or in means of attack. Australia is not immune. This understanding is a key underpinning of Australia's National Counter-Terrorism Plan to prepare for, prevent and respond to the transnational terrorist threat.

Our nation's values and social fabric are also a potential casualty. They cannot be protected by physical barriers. Our democratic values and our open, pluralistic society are anathema to the transnational extremist-Muslim terrorist. Fear, division and intolerance are their means to weaken us.

Countering the threat

The Australian Government is committed to the robust defence of its people and its interests—wherever they may be. This must be underpinned with pride and conviction in what Australia is and what it represents. We must stand our ground.

To do so, we must draw from the depth and breadth of our substantial national resources. Such is the scale of the threat—and such are the stakes.

While we have had some wins, the threat and the campaign are enduring. There will be no early, decisive defeat of this threat. This is a long-term challenge that can only be overcome with a strategic response.

For Australia, this has meant coordinating, planning and operating strategically—at the global, regional and domestic levels. It has meant both integrating and widening existing counter-terrorism and security strategies. It has meant developing existing international cooperation arrangements—and initiating new ones. It has meant addressing the short term while planning for the long term. It has also meant publicly declaring and explaining our commitment, both in Australia and abroad.

Australia's security alliance with the United States is a vital dimension to our counter-terrorism strategy. The United States brings vast resources and commitment to the global campaign against transnational terrorism. Its intelligence capability surpasses by a long way that of any other country. Our alliance enables us to draw on these strengths for the protection of all Australians. Our common values and our shared outlook are a target. It is for this reason Australia invoked the ANZUS Treaty in response to September 11.

Australia has other important bilateral security partnerships that are dedicating increasing resources to our collective counter-terrorism efforts. These are also key components of our own strategic defence. Intelligence is a vital element of this. The Australian Government is devoting increasing resources to intelligence capability, building our national capability and contributing to a more comprehensive international network. This not only aids stronger national defence, but benefits the broader international intelligence effort against terror.

Responding as a global player

Transnational terrorism must be defeated on a global basis. Strong international coordination and cooperation are essential to success. This understanding forms a basic element of Australia's counter-terrorism strategy. We are working on a variety of international and multilateral platforms.

We are prepared to engage militarily. In 2001 we joined the coalition against the Taliban in Afghanistan, breaking up Al Qaida's haven for coordination and training. And Australian forces remain part of a high-stakes contest with terrorism in Iraq.

Australia strongly supports the counter-terrorism activities of the United Nations, including its valuable work on capacity-building and prevention of the financing of terrorism. We played a lead role in listing Jemaah Islamiyah as a terrorist organisation with the UN.

We are also tackling transnational terrorism through a comprehensive approach to the non-proliferation of weapons of mass destruction. This includes through chairmanship of the Australia Group and support for its outreach activities in the Asia-Pacific region.

Australia's regional commitment

But it is in our own region where Australia has its greatest commitment and contribution to make. It is here where we can best deploy our own substantial resources to contribute to awareness raising, information exchange, capacity-building, and regional coordination and cooperation. It is here where we have to explain and advocate our own security concerns to protect our collective interests. We do this both bilaterally and through regional forums, including through the advocacy of Australia's Ambassador for Counter-Terrorism.

Our regional cooperation agenda is activist. Australia has established nine bilateral counter-terrorism arrangements that underpin practical, operational-level cooperation between Australian agencies and their overseas counterparts. They also help us raise awareness in the region.

Our bilateral capacity-building programs draw on a wide range of Australian government expertise. The variance of national capacities among the countries of the region presents a serious collective weakness. But progress is being made—and can serve as an example to others.

Bilateral cooperation between Australia and Indonesia is an encouraging example. We have drawn on the shared experience of Bali to strengthen collective resolve and cooperation. Effective cooperation between our police forces contributed to the detection and capture of perpetrators of the bombings. Improved capacity saw Indonesia successfully prosecute, convict and sentence the Bali killers. This was a significant and symbolic victory in the regional war against terror.

The establishment of the Jakarta Centre for Law Enforcement Cooperation, under Indonesian leadership, is another important step forward in regional cooperation and capability development. The Australian Government is committed to the further development of such initiatives, recognising the extent of the work that remains ahead.

The regional ministerial counter-terrorism meeting in Bali in February 2004 showed regional recognition of the seriousness of the threat and the need for a collective response. The Australian Government will work to ensure that this momentum is maintained and developed.

Australia has also successfully encouraged greater prominence of security and counter-terrorism issues on the agendas of established forums such as APEC, the ASEAN Regional Forum and, in the Pacific, through the Pacific Islands Forum.

Protecting our nation

Australia's domestic response to the terrorist threat is comprehensive. It includes the development of stronger intelligence, law enforcement and military counter-terrorism capabilities; new anti-terrorism laws; improved measures to protect critical infrastructure; and tighter financial, transport and border protection measures. This is complemented by the support and resolve of the Australian people.

An enduring campaign

The ambiguities of the longer term pose the greatest challenge to Australia's counter-terrorism strategy. The self-perpetuating nature of the threat makes it an enduring one. But its changing and amorphous form makes it difficult to know from where or how the next strike will come. This demands a strong defensive posture.

But there are also ways we are taking the offensive. One is by arguing back. We must not let these terrorists set the agenda. We must fight the battle of ideas. They should not be allowed the final word. Those who might be swayed by their rallying cries must hear voices of reason.

We must also show that we are resolute in our determination and confident in our values—especially our social values. We must show tolerance, respect, appreciation and understanding to the peaceful, law-abiding Muslim members of the Australian community, ensuring that all Australians can live without fear or prejudice. We must make it clear that we take no issue with Islam.

We must advance the same values in the conduct of our relations abroad—building, where we can, bridges of understanding. Our message must be heard and understood clearly, strongly and widely. And we must also listen. We achieve this through both institutional and people-to-people contacts.

Australia must also, where it can, help address the problems often invoked and exploited in the rallying cries of transnational extremist-Muslim terrorists. These concerns are important in their own right. This involves contributing to international peace-keeping and peace-making. It means assisting developing countries in the building of governance structures that will enable them to participate more fully in the international economy and reap the consequent economic, social and political benefits.

Stronger measures are required in the case of failed or failing states. They are vulnerable to exploitation by terrorists. We have seen how Afghanistan's Taliban emerged from a failed state to provide a haven for Al Qaida and other terrorist groups. We joined the campaign to defeat it and rebuild from its legacy of social, political and economic devastation. Iraq must not go the same way. The government will contribute to international efforts to ensure that Iraq does not become another failed state and haven for crime and terror.

These are risks that we also face closer to home. The South Pacific is an important security front whose well-being is threatened by poor governance and institutional weakness. The government has recognised and responded to this. We are committed to working especially closely with the governments of Solomon Islands and Papua New Guinea to strengthen governance and institutions, thereby reducing opportunities for exploitation by foreign criminal or terrorist elements.

An investment in our future

Our campaign is resource-intensive. This is because of the complex, multifaceted and enduring nature of the threat. Our national and international commitments are wide-ranging and strategic. And they are predicated on a rapidly changing security environment. We must continue to plan for a range of contingencies. And we must be prepared to react to the unforeseen.

The government is committed to dedicating the resources necessary to defend Australia and its global interests. We cannot—as a nation or a member of the international community—afford failure. The price is too high, whether it be through further loss of Australian lives or through a future living in fear.

Australia is well equipped to meet these demands. We have a wide range of national resources we can draw upon. We have economic, social and intellectual wealth. Our arms of government are adaptable and flexible. We can draw on strong international relationships. We derive both strength and resilience from our rich and pluralist society. Over and over, these assets have served us well in times of adversity.

All these resources are most effectively deployed when the government and the people of Australia work together as a nation. This is essential to our own protection and the ultimate defeat of transnational terror. And it is why the government is committed to an ongoing process of informing, consulting and working with Australians to ensure a truly national response to this fundamental threat to Australia's national and international interests.



CHAPTER I

FACING THE CHANGING NATURE OF
MODERN TERRORISM

FACING THE CHANGING NATURE OF MODERN TERRORISM

Australians are confronted as never before by terrorism. Our sense of vulnerability to attack is new. So are the force, global reach and ambition of the distinctive threat from transnational terrorism now perpetrated in the name of a Muslim extremist cause.

Understanding these changes is the first challenge. That is not easy for a nation neither expecting nor used to being targeted like this. But it is essential to maintaining an effective national response.

Open and pluralist societies like ours are now confronted in fundamental ways. These terrorists seek to undermine our security and prosperity. They feel threatened by the values and aspirations that make us an open, tolerant and creative country with a confident future.

Australians know that preserving these qualities is vital to our health as a community in all its diversity. It is central to our resilience in the face of this threat. It is the key to our appreciation of the many Muslims who are part of us and to the continuing strength of our links with Muslim-populated countries overseas.

But, naturally enough, we struggle to come to grips with the dimensions of contemporary terrorism. It is not easily understood as a nationalist or political campaign such as Irish, Basque or Tamil separatist terrorism. It bears little resemblance to familiar examples in the public memory when Australians were occasionally incidental victims. While these previously known forms of terror continue, they are peripheral to the nature and scale of the security challenge Australia now confronts.

We find it hard to comprehend the rhetoric of these terrorists, who condemn anyone who does not agree with their approach to Islam. For us, the terrorists' assertions of an international conspiracy to repress and defeat Islam makes no sense. It has no connection to everyday reality, however much we understand and sympathise with the plight of Muslim and other communities in distress. We cannot easily relate their assertions to a territorial dispute, political ideology or historical injustice.

For Australia, these are no longer issues of global distance—or ones that can be left for others to contemplate. The terrorists' challenge is now direct and immediate. Their goals confront us. They want to drive the West's presence and influence from Muslim lands. They want to replace governments there with regimes that reflect their extremist interpretation of Islam. Ultimately, they want to reshape the international order to accommodate a pan-Islamic super-state. Their objectives are inherently political regardless of their religious trappings. To achieve this they are set on intimidating those who do not support them—Muslim and non-Muslim alike.

For the first time, Australians are having to come to terms with a security threat neither constrained nor defined by national borders, traditional power structures or formed armies—one that is neither dependent on sponsoring nation states, nor responsive to traditional deterrence. Rather, it is driven by an ideology that is inaccessible to reason, and with objectives that cannot be negotiated.

DEFINITION OF AN ACT OF TERRORISM

There is no internationally accepted definition of terrorism. Not even the United Nations has been able to achieve consensus on this contentious issue. The old adage that ‘one man’s freedom fighter is another man’s terrorist’ goes to the root of the ongoing debate. Individual states, therefore, have been compelled to develop their own definitions for the purposes of enacting legislation to counter the threat.

In Australia, what constitutes an act of terrorism is defined in Commonwealth legislation. The *Criminal Code Act 1995* states that a terrorist act means an action or threat of action where the action causes certain defined forms of harm or interference and the action is done or the threat is made with the intention of advancing a political, religious or ideological cause. Further, the Act states that ‘the action is done or the threat is made with the intention of:

- i. coercing, or influencing by intimidation, the government of the Commonwealth or a State, Territory or foreign country, or part of a State, Territory or foreign country; or
- ii. intimidating the public or a section of the public;’

and where the action

- (a) causes serious harm that is physical harm to a person; or
- (b) causes serious damage to property; or
- (c) causes a person’s death; or
- (d) endangers a person’s life, other than the life of the person taking the action; or
- (e) creates a serious risk to the health or safety of the public or a section of the public; or
- (f) seriously interferes with, seriously disrupts, or destroys, an electronic system including, but not limited to:
 - (i) an information system; or (ii) a telecommunications system; or (iii) a financial system; or (iv) a system used for the delivery of essential government services; or (v) a system used for, or by, an essential public utility; or (vi) a system used for, or by, a transport system.

The Criminal Code makes it an offence if a person commits a terrorist act, provides or receives training connected with terrorist acts, possesses a thing connected with terrorist acts, collects or makes documents likely to facilitate terrorist acts, or does any act in preparation for or planning of terrorist acts.

The penalty for engaging in a terrorist act is life imprisonment. The penalty for other terrorism-related offences outlined above ranges from ten years to life imprisonment.

We have to adjust to a threat that is not only alien, but unconventional and unpredictable. Its presence is largely unseen and unknown. But it commands frequent headlines and commitment of our resources on a national scale. We seek to protect and defend ourselves in the knowledge that there can be no guarantees from successful attack in open societies like ours. This is an 'asymmetric' threat with disproportionate advantage to the smaller but determined aggressor operating beyond any accepted rules of behaviour.

Our exposure is magnified by globalisation. An interdependent world allows terror to be transmitted to remote victims. Borders and distance offer little protection to a terrorist enterprise proficient at using technology to recruit, communicate and operate transnationally.

With more extensive international interests than ever before, we must increasingly work with international partners to protect ourselves. Our economy is linked to global systems that are exposed to terrorist sabotage. The networks we rely on for transportation, energy, finance and communication can be protected, but not made immune. More so than in the past, Australia's people, its economic links and its contributions to international security and prosperity have spread to parts of the world where the terrorist danger is even more direct—and where we have less control over how we are protected.

We must adapt to living in a more dangerous world. These new terrorists have used aircraft as weapons. They have used public transport to kill indiscriminately. They have made bombs from materials used in farming and mining. They have experimented with chemical and biological weapons. They are limited only by imagination and opportunity.

And we must adapt to these harsh new realities in a changed strategic environment. These changes began with the end of the Cold War and the new strategic uncertainties that followed. The emergence of the United States as the pre-eminent military and economic power remains the overwhelmingly dominant factor in the global strategic balance today. The balance it struck with other big powers brought advantages and opportunities for countries like Australia, open and capable, and committed to the benefits of international cooperation in an increasingly globalised world.

The deadly and unprovoked terrorism of 11 September 2001 has further recast these international settings—for the United States, Australia and the broader international community. Not only did a potent new enemy demonstrate strategic reach, but it wrought unprecedented damage on the homeland of the world's biggest power, exposing unimagined vulnerabilities. In doing so, it instantly created an adversary determined not only to remove terrorist enemies but to confront existing and potential security threats with great vigour and resolve.

The menace to Australia of weapons proliferation has also been compounded by this new form of terror. We must address the possibility that these transnational terrorists may acquire and use chemical, biological, radiological or even nuclear capability. This prospect presents us with dangers of grave proportions. These twin dangers remain key drivers of United States strategic policy, as they do for Australia and other key partners.

The asymmetric nature of the threat posed to Australia demands a disproportionate scale of response. National security is higher on the Australian Government's policy agenda than it has been for decades. The national resources deployed to counter the threat are major—and still growing.

The transnational terrorist capacity to inflict harm disproportionately, without restraint or warning, means Australia's response must be broad-spectrum. It has demanded adjustment to the conventional defence posture we maintain to fight conventional wars. And it has put a new cast on our broader security policies, including our approaches to other transnational issues, such as people smuggling, money laundering and organised crime. Good intelligence has become an even more vital element to our protection. So too has better law enforcement and improved counter-terrorist legislation.

Our counter-terrorism response has meant changes to the environment in which Australians lead their everyday lives. Protection against terrorism is essential to preserving the right of each Australian to security. This allows us to participate freely in a society based on shared values of freedom and respect for the dignity of human life. We need to recognise this—and to make sure the inevitable cost of our preparedness does not also tax our values, our tolerance and our fundamental way of life.

AUSTRALIA'S PAST EXPERIENCE OF TERRORISM

The extent to which Australia has been affected by terrorism significantly changed with the 11 September 2001 attacks in the United States and the Bali bombings of 12 October 2002, in which a combined total of 98 Australians were killed.

In the past, few Australians had been killed as a result of terrorism. Most of those few were killed overseas and not deliberately targeted as Australians. Two Australians killed by the Irish Republican Army (IRA) in the Netherlands in 1990 were the victims of mistaken identity, the terrorists believing them to be British.

In Australia, past acts of terrorism have generally involved attacks against foreign interests—including those of Turkey, Iran, India and Israel. Although Australians were killed in these attacks, Australia was not itself the target. Rather, Australia was the venue for the expression of extremist violence directed at other nations' governments in reaction to events overseas. The bombing of the Hilton Hotel in Sydney on 13 February 1978, in which three Australians died, was targeted at Indian officials attending a Commonwealth Heads of Government Meeting (CHOGM).

Australia is now a target of transnational extremist-Muslim terrorism and Australians are being targeted overseas.

The threat Australia faces is enduring. It requires a sustained national response. While we have already made many changes in order to better protect ourselves, we may need to make more. We can expect our national resilience to be put to future tests. The dynamic nature of the threat will continue to demand heightened awareness and vigilance of all Australians.



CHAPTER II

A NEW KIND OF FOE

A NEW KIND OF FOE

Transnational terrorism confronts us with a new kind of foe. It is diverse, complex, adaptable and continually evolving. It is uncompromising, global in reach, and its operations are highly networked. Its approach is asymmetric, using unconventional and unexpected means to wreak maximum damage. It is of a previously unknown scale.

It is being perpetrated in the name of an extremist Muslim cause but it is a type which, in a future world order, could be applied by others. It signals a new era of conflict.

ASYMMETRIC WARFARE

Terrorism is a form of asymmetric warfare: an approach that uses non-traditional methods to counter an opponent's conventional military superiority. It uses unconventional means to attack unexpected targets. It turns perceived strengths into weaknesses and exploits vulnerabilities to deadly effect. It may also involve the capability to attack an adversary with means for which they are unprepared or incapable of responding in kind.

The new transnational terrorists have adopted a strategy that responds to the unprecedented dominance of the United States and other highly developed Western countries in all aspects of conventional military power. The terrorists therefore seek means other than conventional warfare with which to confront the West.

Terrorism pits clandestine methods against open societies. It uses small teams whose operations are cheap, but demands a response that is enormous in scale and expensive in resources. It exploits the foundations of civil society, such as principles of human rights, efforts to avoid civilian casualties, and adherence to the rule of law—including the laws of armed conflict.

The terrorists' asymmetric approach demands a sustained, comprehensive and coordinated response at national and international levels, incorporating a wide range of Australia's assets.

An extreme ideology

As with most previously known forms of terrorism, extremist ideology is the driver. The threat we face today is driven by an extremist interpretation of Islam. This form of extremism is absolutist. It leaves no room for compromise and it seeks no place at the negotiating table. It uses violence to signal its committed path to a final end. It is not bound by social norms, laws or values.

These terrorists justify and feed their ideology through skilful exploitation of dynamics within mainstream societies. They use adverse political, social and economic conditions as a rallying cry to recruit and motivate their members. They exploit distrust of the West and

feelings of humiliation and anger. They invoke events that resonate with most Muslims, such as the Israeli–Palestinian conflict and the war in Iraq, as justifications for their ideological cause.

They are also driven by a need for continued action. Militant jihad—as interpreted by transnational extremist-Muslim terrorists—is a process of constant struggle against their enemies. They therefore seek to constantly strike their enemies to maintain the momentum of their cause.

Global goals and scope of operations

Although they act in the name of a religious cause, these terrorists have political goals. They want ultimately to establish a caliphate—a pan-Muslim super-state that unites all Muslims and all lands now or ever part of the Islamic world. This includes the Middle East and North Africa from the Red Sea to the Atlantic coast. It includes Andalusia in Spain, parts of the Balkans, Central and South Asia through to the Indonesian archipelago, and parts of the Philippines in South-East Asia.

They seek to drive the West’s presence and influence from these lands. They oppose governments in Muslim countries—criticising them for being ‘un-Islamic’ and therefore illegitimate—and seek to replace them with ones that accord with their extremist views.

Their operations are global in scope. They do not limit their attacks to previous theatres of ‘militant jihad’. Al Qaida’s so-called *fatwa* (religious decree) of February 1998 called on supporters everywhere to attack the United States and its allies—including civilian targets—anywhere in the world. Terrorism previously directed against Western interests in other countries has since spread to Western countries themselves.

The map on page 10 illustrates the global reach of the new terrorism since 1992.

The network of these terrorists is also global. There are extremist-Muslim terrorist elements and supporters—with varying degrees of connection—in the Middle East, South, Central and South-East Asia, North Africa, Europe and North America.

This network extends to Australia. Some terrorist groups have small numbers of supporters in Australia and some Australians have trained in extremist camps in Afghanistan, Pakistan and Kashmir. We know the terrorists have considered planning attacks in Australia.

The new enemy also recruits globally. That means Western countries are a source. There is no simple ‘terrorist profile’ based on nationality or ethnicity.

Terrorist operations—some features

A network of networks

Transnational terrorist operations are highly networked. Small, dispersed teams and individuals work semi-autonomously to achieve a general goal. Leaders communicate their intentions periodically and non-specifically, including through public pronouncements.

Groups are affiliated through both formal and informal links. Decision-making and operations are often highly decentralised.

Al Qaida is the most visible manifestation of the terrorist threat, but the new transnational terrorists are not organised as a hierarchy with Al Qaida at their head. The threat comes from a 'network of networks', made up of dispersed groups and movements. Some of these groups are themselves a network, with limited central command and control.

The autonomy of small teams within this loose structure helps the terrorists survive. Even if the heart of a network is destroyed, the small teams can survive, operate independently, and tap into another part of the network. When a terrorist group is destroyed or its capability degraded, other groups or teams can take over their functions relatively easily.

Networked operations make it more difficult to identify indicators and forewarnings of terrorist attacks. They also make it harder to target the threat. But understanding how the networks operate is critical to devising a strategy to deal with them.

A skilled enemy

Many of the methods applied by these transnational terrorists are sophisticated. The New York and Washington attacks of 11 September 2001 showed an ability to plan, coordinate and execute multiple, simultaneous attacks. We have seen further examples in East Africa, Riyadh, Casablanca and Madrid.

Many are technically skilled, intelligent and educated people. Some have received professional military training, including in Western forces. Many more have had professional instruction in advanced terrorist methods in training facilities in Central, South and South-East Asia and the Middle East. They are good at planning and logistics. They use modern technology to their advantage.

Their security practices are also well developed. Their cell structure, combined with good counter-intelligence tradecraft, keep their identities, operations and methods secret. Not everyone in a team knows the plan or the mission (e.g. the target and the exact method or timings). This is sometimes only revealed at the last moment—lessening the risk that the exposure of part of a plan, or the capture of one terrorist, will undermine an operation.

They are often knowledgeable about Western countries, customs and culture. Some were born or live in the countries they target. Their knowledge and familiarity helps them maximise physical harm and psychological impact. It also allows them to live in target countries without arousing suspicion and plan for terrorist attacks undetected.

They use converts to Islam for terrorist operations—including those from European backgrounds. People from such backgrounds can attract less security scrutiny than those who meet certain nationality and ethnic profiles used in some countries.

Table 1: Major attacks linked to transnational extremist-Muslim terrorism since 1992²

Date	Target	Location	Fatalities ³	Injured ⁴
29 December 1992	Goldmore Hotel and Gold Coast Hotel	Aden, Yemen	3	6
26 February 1993	World Trade Center	New York, USA	6	1000
13 November 1995	Saudi Arabian National Guard office	Riyadh, Saudi Arabia	7	60
19 November 1995	Egyptian embassy	Islamabad, Pakistan	17	60
7 August 1998	US embassy (coordinated with Dar-es-Salaam attack)	Nairobi, Kenya	291	5000
7 August 1998	US embassy (coordinated with Nairobi attack)	Dar-es-Salaam, Tanzania	10	77
12 October 2000	<i>USS Cole</i> (US Navy warship)	Aden, Yemen	17	39
30 December 2000	Ninoy Aquino International Airport, Blumentritt Light Rail Transit Station, a bus in Cubao, Plaza Ferguson and a petrol station in Makati	Manila, Philippines	22	100+
11 September 2001	World Trade Center (coordinated with other 11 September attacks)	New York, USA	2752 (9)	2260
11 September 2001	Pentagon (coordinated with other 11 September attacks)	Washington DC, USA	189 (1)	80
11 September 2001	Possibly Washington DC (coordinated with other 11 September attacks)	Shanksville, Pennsylvania, USA	40	0
11 April 2002	Synagogue	Djerba, Tunisia	16	26
5 August 2002	Bus transporting French naval engineers	Karachi, Pakistan	15	25
6 October 2002	<i>MV Limburg</i> (French-owned oil tanker)	Gulf of Aden, Yemen	1	12
12 October 2002	Paddy's Bar and Sari Club (coordinated attacks)	Kuta, Bali, Indonesia	202 (88)	350
28 November 2002	Kikambala Paradise Hotel	Mombasa, Kenya	15	40
13 May 2003	Residential compounds (four coordinated attacks)	Riyadh, Saudi Arabia	34 (1)	194
16 May 2003	Restaurant, hotels, Jewish cemetery (five coordinated attacks)	Casablanca, Morocco	43	100
5 August 2003	JW Marriott Hotel	Jakarta, Indonesia	12	150
8 November 2003	Al-Muhaya housing compound	Riyadh, Saudi Arabia	17	120
15 November 2003	Two synagogues	Istanbul, Turkey	25	300
20 November 2003	British Consulate, HSBC Bank	Istanbul, Turkey	26 (1)	450
11 March 2004	Railway targets (multiple coordinated attacks)	Madrid, Spain	191	2000
21 April 2004	General Security Service Headquarters	Riyadh, Saudi Arabia	6	145
1 May 2004	Oil refinery	Yanbu, Saudi Arabia	6 (1)	25
29–30 May 2004	Al-Khobar Petroleum Centre, Apicorp complex and the Oasis residential compound	Al-Khobar, Saudi Arabia	22	25

2 Data presented focuses on major acts of terrorism attributed to Al Qaida and its affiliates, and is not intended as a comprehensive list of all attacks. In particular, the table does not include attacks conducted inside Afghanistan and Iraq during times of Coalition military activity.

3 Australian fatalities are indicated in parentheses.

4 Approximate figures only. Estimates of the number of injured vary with different sources, particularly for large-scale attacks.

Above all, the new transnational terrorists are patient. They strike at times and by means of their own choosing. They conduct meticulous long-term planning. There may be years between conceiving and conducting a major attack. Plans that in the past proved impractical are often revisited. Targets are pursued with great persistence, and planning is developed and refined—we know this from examples like the World Trade Centre in New York, which was first targeted in 1993.

Resources are sometimes moved to target locations well before an attack—in some cases years ahead. These terrorists may infiltrate and obtain the necessary documents, vehicles, weapons and explosives well in advance.

The targets of terrorism

These new terrorists deliberately attack civilian targets to cause, where they can, mass casualties. The September 11 attacks in the United States caused human casualties on an unprecedented scale for a terrorist attack. The 2002 Bali attacks presented terrorism of a scale previously unknown in our region. The more recent Madrid attacks deliberately targeted a crowded urban public transport system. Based on recent experience and terrorist statements, we can expect more attempted mass casualty attacks in the future.

As defences improve, the terrorists have demonstrated a willingness to widen their focus from well-protected, or ‘hard’, targets to also include less well-protected, or ‘soft’, targets. ‘Soft’ targets such as restaurants, bars and clubs also afford the potential for causing mass casualties.

‘Hard’ targets, however, remain attractive to terrorists. Destroying well-protected high-value targets—such as diplomatic missions and military facilities—has great symbolic value.

Table 1 illustrates the scale of impact of global terrorism since 1992 in terms of loss of human life.

We know that terrorists have also sought to target critical infrastructure in a deliberate attempt to cause maximum damage and disruption to facilities and services vital to a nation’s government and economy. Recent attacks in Saudi Arabia are examples of how the terrorists have targeted the oil industry sector. These attacks have served the multiple purposes of singling-out and killing Westerners, undermining confidence in the Saudi economy, and having a global economic impact on oil prices.

CRITICAL INFRASTRUCTURE

The Australian Government defines 'critical infrastructure' as physical facilities, supply chains, information technologies and communications networks which, if destroyed, degraded or rendered unavailable for an extended period, would significantly impact on the social or economic well-being of the nation, or affect Australia's ability to conduct national defence and ensure national security.

Critical infrastructure includes:

- communications (telecommunications, electronic media, postal services)
- finance (banking, insurance, trading exchanges)
- transport (air, sea, road, rail)
- utilities (water, waste water)
- energy (oil, gas, electricity)
- health (hospitals, public health, laboratories)
- food supply (bulk production, bulk storage)
- manufacturing (defence industry, heavy industry, chemicals)
- government services (parliament, defence, intelligence, law enforcement, fire services, also including foreign missions in Australia)
- community assets (national icons, buildings, sports facilities).

Terrorist methods

Transnational terrorism is highly lethal, using old and new weapons to devastating effect. Advances in weapons technology are making them more lethal than ever before. The range of weapons at the terrorists' disposal is wide and increasing.

TERRORISTS HAVE GREATER LETHALITY

Transnational terrorists have access to weapons of unprecedented lethality.

Access to a vast array of new, highly lethal weapons is spreading, aided by the transfer of knowledge, funds and weapons systems internationally. These include anti-aircraft and anti-armour missiles, and enhanced-blast explosive devices. Many of these weapons are cheap, readily available and can be carried, concealed and operated by a single individual. The terrorists have already used some of these weapons.

The use of hand-held missiles to attack aircraft is an example of the greater lethality able to be posed by a single individual with sufficient training in their use.

The transnational terrorists' preferred method of attack is bombings. They have hijacked aircraft and used them as weapons. Assassinations, kidnappings and hostage-taking are also used, although to a far lesser extent. Terrorists will use whatever methods suit their purpose at any given time.

Training in techniques and tactics covers the use of a range of weapons and explosives, vehicles and other craft. One preferred method is the truck or car bomb. These enable terrorists to deliver substantial quantities of explosives to the target. They are often, but not always, conducted by suicide bombers. Terrorists also use remote control to detonate their bombs, demonstrating a degree of sophistication in their operations.

The transnational terrorists have demonstrated maritime attack capability. On several occasions they have used small boats packed with explosives. Since January 2000, there have been maritime attacks against the *USS Cole* in Aden in October 2000 and against the French-owned oil tanker *MV Limburg* off the coast of Yemen in October 2002. Further attacks have been planned but disrupted. Most attacks occur (or are planned) in coastal waters.

Use of 'stand-off' weapons such as rockets, missiles and mortars are also part of their methodology. They enable the attackers to keep a safe distance from any defensive countermeasures. These weapons are readily available in some parts of the world and have been acquired and used by these terrorists, including surface-to-air missiles against passenger aircraft.

Suicide tactics

Suicide tactics further boost the lethal reach of these terrorists. The willingness of extremists to die in the act of terrorism makes planning easier, because the attacker has only to reach the target. There is no need to plan for escape, one of the most difficult stages of an attack. Suicide tactics are not new, but they are a major feature of the new transnational extremist-Muslim terror.

Innovative forms of attack

Transnational terrorists are innovative in developing new forms of attack. They adapt their methods to specific targets.

If a hard target is of high symbolic importance, the terrorists will build on experience and develop new methods of attack. They showed this by using several teams to breach the multi-layered defences of hardened targets in the Middle East. Innovative approaches turn everyday items into lethal weapons. For example, in the September 11 attacks individual terrorists used box cutters to seize control of passenger aircraft with full tanks of fuel, turning them into large flying bombs. They have also manufactured explosives from everyday chemicals and garden fertilisers.

Non-conventional weapons

Terrorists have shown a growing interest in chemical, biological, radiological and even nuclear (CBRN) terrorism—adding a significant new dimension to the threat. If the terrorists obtained chemical, biological or nuclear weapons or materials, there is little doubt they would use them.

Transnational terrorists have sought chemical, biological and radiological materials capable of causing human casualties and economic harm.

So far, all known large-scale chemical, biological or radiological attack plans initiated by the terrorists have failed or have been disrupted. We expect more such plans will surface. Any successful chemical, biological or radiological attack by these terrorists would be a grave development and would likely encourage others.

WEAPONS OF MASS DESTRUCTION

The terms weapons of mass destruction (WMD) and chemical, biological, radiological and nuclear (CBRN) weapons are often used interchangeably.

WMD refers literally to any device that causes large-scale destruction, but is commonly taken to mean weapons capability employing chemical, biological, radiological or nuclear materials.

Chemical and biological agents may cause mass casualties but this need not always be the case. Terrorists might equally use them to assassinate one, perhaps high-profile, individual. Radiological weapons cause no physical destruction as such. But radiological materials, in combination with conventional explosives, can contaminate an area (the so-called 'dirty bomb') and may have lasting effects which result in casualties. Radiological weapons are not a serious part of any country's weapons program.

Transnational terrorist groups have ready access to information on chemical, biological or radiological materials and, to some extent, nuclear weapons, via publicly available information, including on the Internet. The spread of information from state programs producing CBRN materials has further increased the potential for terrorists to develop or acquire offensive CBRN capabilities.

A range of terrorist plans involving chemical and biological capability have been disrupted in recent years. It appears that years of research and training were to be translated into practice in late 2001 when extremists in Italy discussed plans to transport 'a liquid that suffocates people'. This was reportedly with intent to attack a cathedral in Paris with 10 litres of an unknown chemical agent. In December 2002, French authorities disrupted a network and found materials suggesting it was planning a cyanide gas attack. And in January 2003 UK authorities arrested a group of extremists apparently planning a ricin attack in London.

Users of the tools of a globalised world

The tools available to a globalised world are used to great effect by transnational terrorists. The Internet, mobile telephones and satellite telecommunications give them a truly global reach. They can run their networked operations more smoothly and coordinate action between geographically dispersed groups. They use the Internet to collect information and for operational planning. They conduct research and reconnaissance, identifying targets and vulnerabilities. They have access to a wealth of public information they can exploit.

So one-time reassurances—such as distance and geographic isolation in the case of Australia—provide little or no protection against the new transnational threat. Attacks can be coordinated and launched ‘virtually’. Theatres of operation are no longer limited by geography.

Propaganda is an important weapon in the terrorists’ arsenal. It helps them issue threats, spread disinformation and create terror. The threat of violence, to coerce or intimidate opponents, is a form of terrorism in itself. Terrorists have always used fear as a tactic, but modern technology has made it much more powerful. We see increasingly adept use by transnational terrorists of the mass media to get their fear-inducing headlines. Both the media and the Internet have proven similarly effective in conveying the terrorists’ message to their supporters worldwide—and boosting their global recruitment efforts.

Globalisation has made financing transnational terrorism easier. Financiers can transfer funds electronically and rapidly to operational elements across international boundaries. International money-laundering to support terrorist operations is also easier.

All these aspects of globalisation have helped reduce the terrorists’ dependence on state sponsors. Past terrorists often relied on state sponsors for capability beyond geographic borders. Today’s transnational terrorists do not. Before the fall of the Taliban, Afghanistan provided a useful base of operations and training. But it was not essential for the terrorist network’s survival or its ability to plan for and conduct complex operations.

Areas outside effective government control, such as tribally administered territories in parts of South Asia, or areas where civil government is weak, remain important to terrorists as a base for training and operations and a source of recruits. This is why failed and failing states pose such a risk—they may easily develop into safe-havens for terrorists.

While transnational terrorists are adept in using the tools of globalisation they also use ‘low-tech’ means that make them harder to detect. For example, in transferring money they use personal couriers and traditional banking networks that operate outside international financial controls. Using these methods, funds can be transferred rapidly and reliably with a limited or no audit trail. That makes it harder for government agencies to identify terrorist funding channels.

Cyber-terrorism

Muslim extremists call it 'cyber-jihad'—an actual or threatened attack on a computer network to coerce or intimidate governments or the public. While there have been no instances of cyber-attack by terrorists to date, this remains a potential threat against which we must protect ourselves.

We know some extremists view computer network attack as a means of waging asymmetric warfare. Direct physical attack—which often results in human casualties and physical damage—will remain the terrorists' preferred method in the medium term. But computer network attack on critical infrastructure offers the potential for significant damage of its own kind.

Cyber attacks can be launched from anywhere in the world and from multiple locations at the same time. They could cause serious damage or disruption to critical infrastructure. Since our critical infrastructure is more and more interlocked with its underlying information infrastructure, that information infrastructure may be one avenue through which to attack a high-value target. The possible consequences include disruption to e-commerce resulting in financial and economic loss, and an undermined public confidence in information technology systems.

Terrorists may seek to mount cyber-attacks in combination with a physical attack to intensify its effects. They could also use cyber-attack to provide a decoy or cover for a physical attack.

Individuals and groups sympathetic to terrorist causes have engaged in cyber activities, including website defacement and multiple messaging intended to deny service for a period.

An adaptable enemy

These terrorists are highly adaptable to changes in the strategic environment. They shift regional hubs of operations in response to changes in political and security circumstances. Their networked mode of operations makes this easier for them. They understand their environment and readjust their strategy accordingly.

They are particularly adept at responding to change in tactical circumstances. Their planning is flexible and unforeseen considerations are incorporated in the planning process. They have shown they can learn from experience and mistakes. They have demonstrated a capacity to identify and exploit weaknesses in security arrangements and they continually seek new methods to defeat countermeasures.

The adaptable nature of these terrorists means that their past actions will not always be a useful indicator of their future plans.



CHAPTER III

THE EVOLUTION AND INFLUENCE
OF AL QAIIDA

THE EVOLUTION AND INFLUENCE OF AL QAIDA

Islam v. extremism

Al Qaida: The epitome

Al Qaida has become the most recognised and evocative symbol of the new terrorist threat. It has provided the fanatical ideology, the operational example and the management model that other groups and individuals have followed. It is the foremost example of the wider phenomenon of transnational extremist-Muslim terrorism. To understand Al Qaida's evolution is to gain an appreciation of this new terrorism. And to understand Al Qaida we need to understand how its philosophy differs from that of mainstream Islam.

A pluralist and tolerant tradition

Islam has played a vital role in shaping human civilisation. The classical period of its rich history nurtured and moulded much of our modern scientific knowledge and philosophy. It fostered a tolerant, diverse and pluralist tradition.

Like Judaism and Christianity, Islam traces its faith back to the Prophet Abraham. It accepts all the major Biblical prophets. It accords a special status to Jews and Christians, referring to them in the Quran as 'People of the Book'.

Mainstream Islamic scholars—whose views reflect those of the vast majority of the world's Muslims—have long stressed the Quran's clear endorsement of diversity, its prohibition of coercion, suicide and murder, its instruction to Muslims to act towards others with compassion, forgiveness and restraint. Tolerance of other beliefs has been a key element. Islamic tradition has long encouraged Muslims to respect the sanctity of human life. It encourages them to coexist peacefully with other People of the Book. It advises them to beware of extremism. It has also embraced a wide range of perspectives about ways to approach the faith: Islam is not monolithic.

The Quran does contain verses calling on Muslims to defend themselves if attacked, which extremists cite in support of their views. But such verses are usually heavily qualified. It has long been a central tenet of mainstream Islamic scholarship that Quranic verses should not be considered in isolation or divorced from their moral and historical contexts. Mainstream Muslim scholars have argued that, in a time of war, Muslims are obliged to draw a distinction between combatants and non-combatants. Killing innocent civilians is forbidden.

ISLAM IN AUSTRALIA

Australia is threatened by transnational terrorism, perpetuated in the name of an extremist Muslim ideology. A radical but tiny minority of Muslims have twisted Islamic teachings to further their revolutionary ideals. The overwhelming majority of Muslims are peaceful and law-abiding. The Australian Muslim community continues to make a significant contribution to the struggle against terrorism.

In the early 16th century, Makassan fishermen from the Indonesian archipelago were the first Muslims to visit Australia. They traded with the indigenous Aboriginal community. In the 19th century, Afghan Muslim camel drivers played an important role in exploring and opening up the outback. Today, Islam is one of the fastest-growing faiths in Australia. Muslims are a vital part of the rich mosaic of Australian society.

In the past 25 years, the Australian Muslim community has grown significantly. The 2001 Census counted 281 578 Muslims living in Australia—an increase of 40 per cent since the 1996 Census and an overall rise of 91 per cent in the past decade. These figures may be conservative. Some recent estimates suggest Australian Muslims now number between 350 000 and 450 000.

Australian Muslims are ethnically diverse. About 35 per cent of them were born in Australia. The rest immigrated to Australia from over 70 different countries, including Lebanon, Turkey, Indonesia and Bosnia-Herzegovina. There are over 100 mosques and at least 21 Muslim primary and secondary schools in Australia. Islamic community centres, student associations, halal butchers and restaurants are found in every major city in Australia.

Australian Muslims are doctors, lawyers, academics, sportspersons, journalists, diplomats, police officers, members of the Defence Force, entrepreneurs, shopkeepers and labourers. Muslims have contributed much to our political, economic and social life. They have cemented their place in our religious and cultural landscape. They occupy an increasingly important place in Australian life, and are embracing opportunities to participate in a tolerant, inclusive and culturally diverse Australia.

Extremist ideology

The ideology and the methods of extremist-Muslim terrorists are far removed from mainstream Muslims' tolerance of other faiths. Only a tiny minority of Muslims support the terrorists' strategy of violence. Extremists cloak themselves in the language of Islam but, particularly in their advocacy of violence, flout what the overwhelming majority of Muslims accept as fundamental precepts of their religion.

SOME CONSERVATIVE MUSLIM REFORM MOVEMENTS

Salafism

Salafism is an approach to Islam based on reverence for the example of the 'righteous ancestors' (*Al-Salaf Al-Saleh*). Some Salafis advocate strict adherence to a literal interpretation of the Quran and the *Sunna* (the deeds of the Prophet and the *Hadith*), which they believe contain the source of all necessary guidance. They oppose attempts to interpret Quranic law from an historical, contextual perspective. They reject innovation in faith (*bida*). 'Wahhabism' is often associated with the Salafi orientation. Its adherents consider the term 'Wahhabism' derogatory; they see themselves as orthodox Muslims and draw heavily on the conservative tribal social customs of the Arabian Peninsula. Salafism is not of itself a doctrine of extremism but groups like Al Qaida draw on strands of an extremist interpretation of Salafism.

The Muslim Brotherhood

Hassan Al-Banna formed the Muslim Brotherhood in Egypt in 1928. It was at first a social and moral reform movement to revive Islam as a way of life and end the separation of religion and state. It complemented government activities by providing valuable community services. Offshoots of the Brotherhood still play an important and legitimate role in some Muslim countries' political processes. Al-Banna combined the Quranic descriptions of *qital* (fighting) and jihad (struggle)⁵ to provide the basis of a call to wage war against non-Muslims who had taken over Muslim lands.

Groups like Al Qaida are also influenced by a tradition of religiously based rebellion inspired by the teachings of Ibn Taymiyya and Sayyid Qutb. This contrasts with the more conservative and politically passive tradition of establishment Salafism or 'Wahhabism' found in countries like Saudi Arabia.

⁵ Jihad does not mean 'holy war'. It means struggle or striving in accordance with the teachings of Islam. There are two forms of jihad: the 'greater' jihad—an inner struggle to better oneself for God—and the 'lesser' jihad—the taking-up of arms in defence of Islam, under strict conditions, when the religion is threatened. The terrorists espouse an aggressively violent or militant interpretation of the lesser jihad.

INFLUENCES ON MUSLIM EXTREMIST THINKING

Ibn Taymiyya

Ibn Taymiyya was an important fourteenth century theologian. He cultivated the idea that Muslim rulers who contravened Islam should be labelled *kuffar* (unbelievers). He developed his ideas at a time when the Muslim world was under attack by the Mongols, and was therefore concerned about defending the Muslim community. He argued that Muslims were obliged to overthrow *kuffar* rulers like the Mongols. He advocated amending the five pillars of Islam—the obligatory duties of all Muslims—to include militant jihad. His ideas have inspired the worldview of terrorist groups like Al Qaida.

Sayyid Qutb

In the 1950s, Sayyid Qutb expanded on the thinking of Al-Banna and refined the aims of the Muslim Brotherhood. He argued that artificial nation-states had allowed Muslim countries to lapse into a pre-Islamic state of ignorance and barbarism (*Jahiliyya*). He advocated the use of militant jihad as a revolutionary instrument to re-establish God's sovereignty on Earth.

Abdullah Azzam

Abdullah Azzam was a Palestinian activist and mentor to Usama Bin Laden. Drawing on the writings of Ibn Taymiyya, he argued that all Muslims had a compulsory duty to wage uncompromising war to reclaim all lands formerly ruled by the Islamic caliphate. His doctrine was absolute—his motto was 'Jihad and the rifle alone: no negotiations, no conferences, no dialogue'. Azzam helped fund and promote the cause of the mujahideen (fighters engaged in militant jihad) in Afghanistan.

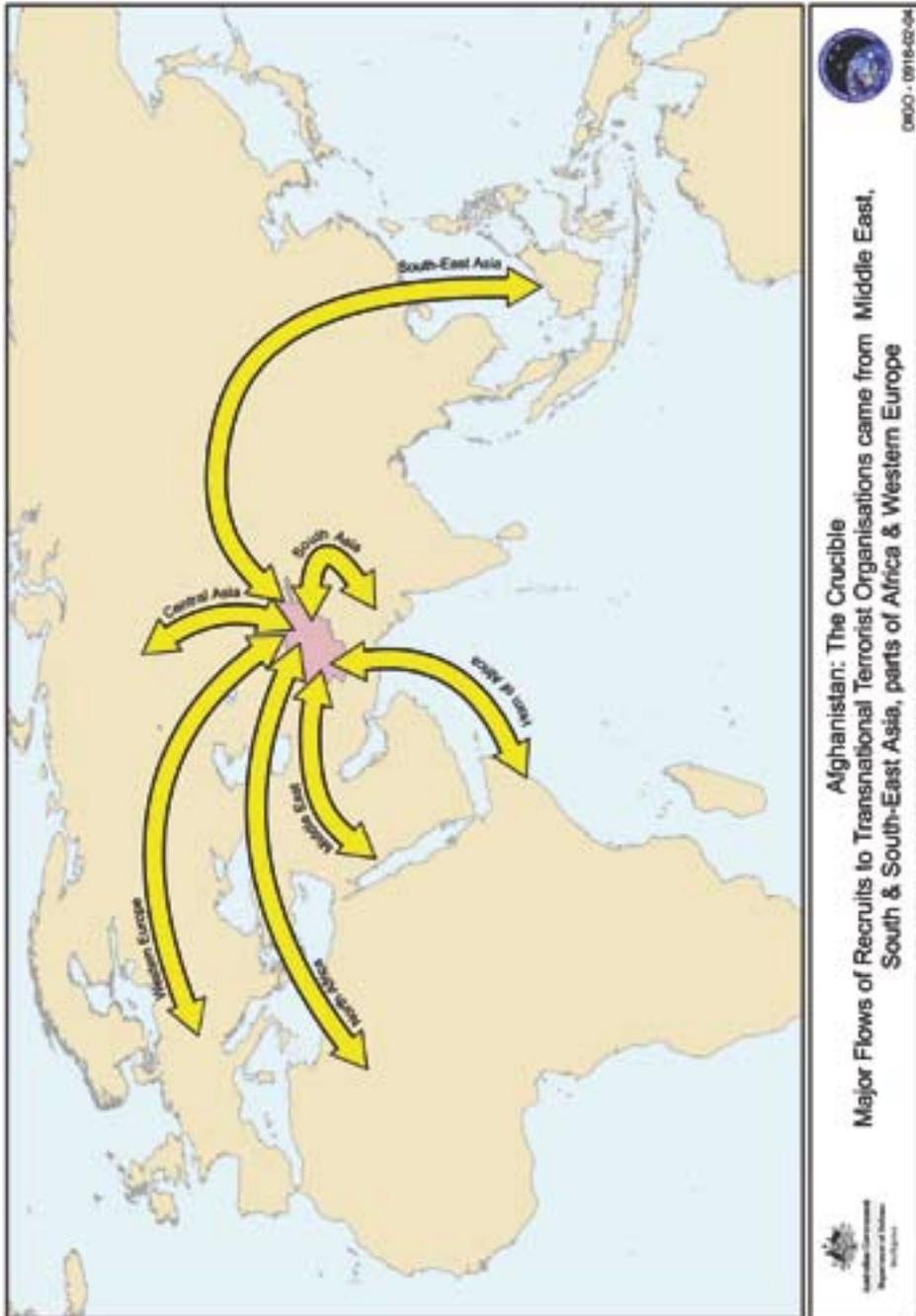
Ayman Al-Zawahiri

Ayman Al-Zawahiri, an Egyptian radical, is another key ideologist for Al Qaida. Drawing on the works of Qutb, he sees democracy as a form of idol worship. It must be vanquished through warfare. He considers supporters of democracy to be *kuffar*. He was the driving force behind Al Qaida's 1998 edict instructing Muslims to kill Americans and their allies wherever they found them.

A capacity to harness opinion and history

Al Qaida and its affiliates employ extremist and selective interpretations of Islam. They use the interpretations that validate their worldview and theologically rationalise their actions, no matter how vicious or out of kilter with mainstream Islam.

Afghanistan: The Crucible



The extremists argue that 11 September 2001 victims were not innocent. Because they voted in elections and paid taxes, they were complicit in the acts of an 'evil' US Administration. By extension, any victims in any future attacks are deemed not to be innocent.

Usama Bin Laden, in particular, has been a consummate manipulator of certain frustrations and disillusionment felt throughout the Muslim world. He exploits the depths of resentment that underlie centuries of Muslim history. This resentment is rooted in a sense that the Muslim world has been humiliated by Western colonisation and political, military, economic and cultural dominance.

Other Muslim extremists advocate and take advantage of Bin Laden's assertion that the United States seeks to dominate the Muslim world. They cite the war against the Taliban in Afghanistan and the US-led occupation of Iraq as evidence.

The Israeli–Palestinian conflict is perhaps the rawest wound Bin Laden exploits. He demonises the United States by tapping into widespread pro-Palestinian sentiment within the Muslim world and denouncing US support for Israel. Bin Laden also plays on Muslim attitudes towards other theatres of militant jihad, such as Kashmir, Chechnya, Bosnia and the southern Philippines. Many Muslims identify with these causes, and by invoking them Al Qaida swells its pool of potential recruits. But this does not mean they are of themselves root causes of terrorism.

Al Qaida

All roads lead to and from Afghanistan

The 1979–89 war to expel the Soviet Union from Afghanistan was central to the development of Al Qaida. It became a rallying point for militant extremists. The 25 000 or so volunteers from abroad who joined the local Afghan resistance provided Al Qaida with its first recruits. Already susceptible, they were further radicalised in Afghanistan. They adopted the revolutionary visions of Qutb, Azzam and Zawahiri. The majority went home battle-hardened and well trained. Some resolved to spread their new ideas.

The liberation of Afghanistan was supported by a number of countries that opposed the Soviet occupation. The Afghan resistance received financial and logistical support from several countries, including the United States, Pakistan and Saudi Arabia. As well as doing his own share of fundraising, Bin Laden placed much of his own wealth at the mujahideen's disposal.

A BRIEF BIOGRAPHY OF USAMA BIN LADEN

Usama Bin Laden was born in Saudi Arabia in about 1957. His father, Mohammed, originally from Yemen, was a wealthy businessman with close connections to the ruling Al-Saud.

Usama Bin Laden was one of about 50 children. He had a strict religious upbringing. He attended university in Jeddah and graduated with a degree in administration.

Soon after the Soviet Union invaded Afghanistan in 1979, Bin Laden travelled for the first time to the border areas of Pakistan. It was not until the early 1980s that he entered Afghanistan proper, bringing with him large amounts of cash and construction machinery. In 1984, he built in Peshawar (Pakistan) a guesthouse for militants who were on their way to participate in the resistance to Soviet occupation. Bin Laden and his guesthouse played an important role in the work of Azzam's *Maktab Al-Khidamat* (services office). They processed and trained large numbers of volunteers on their way to Afghanistan.

When victory over the Soviets looked imminent, Bin Laden created the movement now known as Al Qaida. The aim was to continue the militant jihad globally. Ten years later, with Ayman Al-Zawahiri and others, he formed the International Islamic Front for Jihad Against the Jews and Crusaders.

Bin Laden returned to Saudi Arabia. He used his high public profile there to draw attention to the Afghan victory. He began to criticise the Saudi government for failing to defend Islam.

When Iraq invaded Kuwait, Bin Laden offered to help defend Saudi Arabia using Saudi Afghan veterans. He was rebuffed. The Saudis accepted assistance from US forces.

Bin Laden fled to Sudan, which was governed by the National Islamic Front. He set up Al Qaida's headquarters in Khartoum. Financed by legitimate businesses, including Sudanese government construction contracts, Al Qaida set about establishing its global terrorism credentials. Its primary objective was the removal of US forces from the Arabian Peninsula and the overthrow of the Saudi regime. Eventually, Bin Laden returned to Afghanistan. There, Al Qaida accelerated its operations and intensified its opposition to governments in the West and in the Muslim world that did not meet its standards.

Bin Laden has no formal qualifications as an Islamic scholar. His value to the mujahideen movement—and his impact on it—has been due to his charisma, his leadership, the wealth he inherited through his father's business success, his connections and his administrative skills.

Azzam and others travelled widely, seeking financial support and recruiting volunteers to join the militant jihad in Afghanistan. In effect, they established the global framework for what would become Al Qaida. Recruits came not just from the Middle East, but Central, South and South-East Asia, and parts of Africa, as well as Western countries.

After the Soviet forces were defeated, some mujahideen who had trained in Pakistani camps travelled to other locations, such as Kashmir and Chechnya, rather than returning to their home countries. They had been trained for militant operations beyond the Afghan resistance.

Afghanistan was where the careers of Azzam, Bin Laden and Zawahiri intersected. For Bin Laden it was not just an opportunity to experience militant jihad. He also met key figures from other extremist groups and learnt about their causes. In particular, his developing association with Zawahiri gave him an introduction to the wider militant jihad movement. He could now develop his own ideas about the shortcomings of governments in the Muslim world.

Learning from success

The mujahideen were just one factor in the defeat of the Soviet army in Afghanistan. But they claimed responsibility for it, and for the collapse of the Soviet system soon after.

In the militants' eyes, the Soviet withdrawal proved that a small group of religious extremists with limited resources could defeat a military superpower. For Al Qaida it was a lesson: it could take its fight to other theatres where it faced odds that had seemed impossible. As Zawahiri put it:

The most important thing about the battle in Afghanistan was that it destroyed the illusion of the superpower in the minds of young Muslim mujahideen. The Soviet Union, the power with the largest land forces in the world, was destroyed and scattered, running away from Afghanistan before the eyes of the Muslim youth. This Jihad was a training course for Muslim youth for the future battle anticipated with the superpower which is the sole leader of the world now, America.

Al Qaida drew conclusions, too, about US resolve. They took the US withdrawal from Lebanon in 1983 after about 250 marines died in a truck bombing, and from Somalia in 1993 after a number of its soldiers were killed, as proof that the United States was not prepared to engage in a fight with a determined enemy.

Al Qaida's message

Al Qaida's fanatical interpretations of Islam place all Muslim societies that do not comply or agree in its sights. Its principal goal—ridding Saudi Arabia of US forces and replacing the Saudi Government (see Box on Usama Bin Laden)—was based on Bin Laden's view that the Saudi Government had forfeited its Islamic legitimacy. That goal has since been extended to the ejection from the entire Muslim world of US and Western influence.

Al Qaida's ultimate message is that all former Muslim lands must be recovered—no matter how long ago they were 'lost'—and their governments replaced by regimes reflecting Al Qaida's interpretation of Islam. All Jews, 'Crusaders' and 'idolaters of democracy' are to be expelled from those lands.

Al Qaida's strategic goals appear to have evolved but are not known to be set out in any consolidated form. Its aims are based on a selective and extremist interpretation of Islamic texts, under which the duty to wage war against the enemies of God is divinely ordained.

Bin Laden's 'declaration of war against the Americans' of 1996 declared militant jihad against the United States. It gives a good insight into Al Qaida's worldview and aims. And his so-called *fatwa* issued in February 1998 at the establishment of an umbrella group called the 'World Islamic Front for Jihad Against Jews and the Crusaders' outlines clearly the true nature of the terrorists' ideology.

Al Qaida's battlefield is global. It will attack its enemies anywhere in the world—its attacks are no longer limited to previous theatres of militant jihad. In their 1998 *fatwa*, Bin Laden, Zawahiri and their associates tell Muslims that:

... to kill Americans and their allies—civilians and military—is an individual duty for every Muslim who can do it in any country in which it is possible to do it, in order to liberate the Al-Aqsa Mosque and the holy mosque [in Mecca] from their grip, and in order for their armies to move out of all the lands of Islam, defeated and unable to threaten any Muslim. This is in accordance with the words of Almighty God.

This was the first time that Al Qaida identified civilians as legitimate targets.

Al Qaida's inclination to take the fight beyond the Muslim world to Western countries has been unambiguously demonstrated in New York, Madrid and elsewhere.

And Al Qaida does not consider itself constrained in its methods or choice of targets.

Al Qaida spokesman, Sulaiman Abu Ghaith, said in June 2002:

... we have the right to kill four million Americans, including one million children, displace double that figure and injure and cripple hundreds of thousands. We have the right to fight them by chemical and biological weapons ...

The terrorists oppose secularism and single out democracy for particular criticism. Zawahiri has been notably critical of Muslim groups that have endorsed democracy. He argues that only God can exercise sovereignty over worldly communities. So, in his view, democracy—

which renders human beings sovereign—is heresy. It allows mankind to usurp the role of God. Zawahiri characterises democracy as a false religion. For him, people who live in democracies, particularly in Muslim countries, are therefore legitimate targets because, by voting and paying taxes, they participate in the ‘idolatrous’ democratic process. Similarly, those who seek to promote democracy in Muslim countries are also deemed to be targets.

Al Qaida continues to strive for large-scale, coordinated, mass casualty, multiple attacks of the kind seen on September 11 and in the East Africa embassy bombings of 1998.

Disseminating the message

Al Qaida skilfully conveys its message through the use of modern information and communications technology: pre-recorded video and audio tapes, DVDs, CD-ROMs and the Internet. In 2001, Al Qaida produced a recruitment DVD that was widely copied and made available on the Internet.

The Internet has become an important part of modern terrorism’s arsenal. Al Qaida in particular uses it—through websites like the now-defunct www.azzam.com—to spread its ideology and propaganda, and to send messages to sympathisers and operatives. Announcements, edicts and ideological expositions by senior Al Qaida figures are made. Videos depicting terrorist attacks are screened. The Internet is also used for the passage of operational instructions. Certainly, terrorist websites regularly feature calls on Muslims to attack Western targets.

The World Wide Web is also used as a training tool. Various procedural and instruction manuals and general tactical guidance have been posted on extremist websites.

Al Qaida also uses the media shrewdly. Bin Laden himself has taken advantage of increasingly globalised communications links to spread his message. His interviews with *Time*, *Newsweek* and *CNN* reached worldwide audiences. They give him opportunities to influence the actions and beliefs of Muslim extremists everywhere.

An evolving, inspirational prototype

Because it is a highly adaptable and complex entity, understanding Al Qaida’s structure and behaviour is difficult.

During the late 1990s, Al Qaida in Afghanistan took on many characteristics of a hierarchical organisation. It had permanent installations, fixed structures, standardised methods and regular procedures. Since 2001, it has assumed more the character of an ideological movement. Decentralised, semi-autonomous remnants operate independently or follow broad general direction.

It remains well funded and ambitious. Apart from the finances of Bin Laden himself, it draws on donors in the Gulf and elsewhere. It developed its own commercial ventures, particularly in Sudan in the early 1990s.

Through Al Qaida's capacity for change and regeneration, some characteristics have emerged over time. Al Qaida is a 'network of networks'. Each of them can operate independently, or with other networks. These networks cover leadership, planning and operations, financial, training and equipment support, as well as propaganda and several other functions. Some networks include a 'hub'. Others are diffuse and decentralised. Since the destruction of Al Qaida's Afghanistan base, many hubs have been shut down, or moved to nearby areas within South Asia. Other networks have evolved to function primarily through electronic media such as the Internet.

Just one part of a wider network

For many Muslim extremists, Al Qaida has become more an idea or ideology than a physical entity. Bin Laden's propaganda skills, and his capacity to exploit Arab and Muslim antagonism towards the West, motivate and direct many militant groups and individuals that may otherwise have few tangible links with Al Qaida.

So, although Al Qaida has been the key influence on the development of transnational extremist-Muslim terrorism, it is not the only element. New adherents to its fanaticism have been attracted by Al Qaida's high-profile successes, its propaganda skills and its capacity to take advantage of deeply felt grievances in the Muslim world.

Some new players have taken up the extremist mantle of their own accord. Others have developed networks independently, and have in turn established links with Al Qaida.

And existing, more localised extremist-Muslim terror groups, impressed by Al Qaida's achievements, have absorbed its broader ideological ambitions. They have added their networks to the mix. The shared Afghan experience has accelerated the development of this process. Some such groups share or have adopted aspects of Al Qaida's worldview and developed a similar style. Prominent among them are the Pakistani-Kashmiri terrorist group Lashkar e-Tayyiba, Jemaah Islamiyah and the Al-Zarqawi network.

In this way the Al Qaida experience has been replicated and reinforced. The result is a transnational extremist-Muslim terrorism at once more resilient, more extensive and more difficult to counter. So, as Al Qaida's leaders are eliminated, others will be ready to take their place. Even if Al Qaida itself were wiped out, networks set up in its image are probably capable of continuing its work.

Al Qaida's adaptive networks have helped it survive a sustained US-led military offensive. Since October 2001, a significant proportion of its leadership and rank-and-file has been either captured or killed. Much of the remainder has dispersed and is in hiding. Its communications links and operational capability have been seriously disrupted. But its links with other, similarly flexible networks show how Al Qaida is just one aspect of a larger series of connections, so much so that it retains a potent capacity to strike in diverse locations.

Some Afghanistan veterans have become focal points in their own countries for new and revived groups. They in turn developed their own network structures—echoing the experience of Al Qaida. In other cases, local groups with few or no direct links to Al Qaida

have drawn inspiration, expertise and direction from the movement's public statements. They act independently in their local areas. Some are attracted to the movement's ideology, some by what they see as its potency against what they resent, some by its propaganda. The aims of groups like Ansar Al-Islam in northern Iraq, Laskar Jundullah in Indonesia and the Abu Sayyaf Group in the southern Philippines have been supported by Al Qaida's global focus.

Irrespective of its own fate, Al Qaida has generated a system of self-sustaining and adaptable networks. It can maintain operational capability because of the autonomous nature of the networks' components. It is likely that some of these networks' functions—training, for instance—have shifted to new geographical and network locations. As Al Qaida's training facilities are damaged, the network is able to adjust. The training function can be continued by other groups. The same thing applies to other network functions, such as finance or operations. It is possible that no overall network for command and control even exists.

The loose links between these networks mean associated groups can operate without central control. Such arrangements are also more resilient to attack. Affiliated groups have adopted in some cases Al Qaida's flexibility and transformative capacities. This extends even more the terrorists' reach and makes their security harder to penetrate.

The networks that originally centred on Al Qaida have become more widespread and less interdependent—with varying degrees of connectedness to each other. They extend throughout the world. There are now active terrorist elements and supporters in the Middle East, parts of Africa, Western countries and in South, Central and South-East Asia.

THE SOUTH ASIAN CONNECTION

Many individuals and organisations within the complex terrorist 'network of networks' share links with extremist groups in South Asia. These links are mainly historical and ideological, but also include practical and organisational elements.

Historically, many key players within the global militant jihad movement fought the Soviet Union in Afghanistan in the 1980s. They kept in contact after coming home from the war. These links are still strong. For example, the Abu Sayyaf Group in the Philippines is named after a famous mujahideen commander of the Afghan War. Similarly, the Jemaah Islamiyah network draws on strong Afghan alumni links. Many individual terrorists know each other well based on shared Afghan experience.

Ideologically, the diverse transnational terrorist networks share a worldview based on the shared study, indoctrination and experience of the Afghan War. Operating patterns are based upon techniques learned in Afghanistan and then standardised and disseminated through the network. In practical terms, common operational methods have been refined through exchange of information between individuals and groups with shared Afghan experience.

Techniques that appear in one conflict or with one group may later appear in other conflicts. They may be passed via electronic communication or through mobile cadres who train terrorists in specific techniques. Much of this training is centred on Kashmir and the tribal areas of Pakistan. This makes South Asia a key geographical focus for terrorist networks today.

The well developed Al Qaida infrastructure inside Afghanistan was destroyed in 2001, but various South Asian groups have copied Al Qaida's organisation and methods. Dispersed groups continue to operate independently, or follow general guidance from key terrorist leaders, with a geographical focus on South Asia.

Of the Pakistani extremist groups, Lashkar e-Tayyiba is the most closely affiliated with Al Qaida. Formed in 1989, Lashkar e-Tayyiba, like Al Qaida, sprang from popular opposition to the Soviet presence in Afghanistan. Through shared experience in Afghanistan, many Lashkar e-Tayyiba leaders had links to Al Qaida. Lashkar e-Tayyiba transferred its efforts to the insurgency in Indian-held Kashmir in the early 1990s. Its activities later escalated from localised actions in Kashmir to international terrorism in India. Lashkar e-Tayyiba performs a critical function in the transnational network as a primary provider of training to the broader transnational terrorist movement, particularly following the destruction of Al Qaida's Afghanistan base in October 2001.



CHAPTER IV

THE EVOLUTION OF TRANSNATIONAL
EXTREMIST-MUSLIM TERRORIST GROUPS
IN SOUTH-EAST ASIA

THE EVOLUTION OF TRANSNATIONAL EXTREMIST-MUSLIM TERRORIST GROUPS IN SOUTH-EAST ASIA

Islam in South-East Asia

Islam in South-East Asia is predominantly moderate and tolerant. We need to understand the evolution of Muslim extremist terrorist groups in the region in that context.

Islam arrived in South-East Asia peaceably, carried to the region in the thirteenth century by Muslim traders from South Asia and the Middle East. Over several centuries, as the religion spread across South-East Asia, it incorporated and adapted elements of pre-existing cultural and spiritual beliefs and traditions.

Reflecting its peaceful evolution, South-East Asian Islam has been traditionally open-minded and accepting of cultural diversity.



The architecture of the Petronas Twin Towers, the centrepiece of modern Kuala Lumpur, reflects Islamic geometric designs. The Asy-Syakirin Mosque can be seen in the foreground (*Photo: Manfred Leiter*)

Every country in South-East Asia has a Muslim community—from five per cent of the population in the Philippines to around 90 per cent in Indonesia. Within these Muslim communities, Islamic identity or affiliation has grown in recent decades, in line with a global phenomenon. There is a greater observance of Islamic practices and dress codes, particularly among young Muslims. And Islamic organisations have become increasingly prominent and active on university campuses and in politics more generally.

Muslim political and social organisations play a positive role in the countries of the region. Indonesia's two largest Muslim organisations, Muhammadiyah and Nahdlatul Ulama, were central to the successful transition to democracy. They play critical roles in providing welfare and education to their fellow citizens. Both organisations are firmly opposed to terrorism. They expressed support for Indonesia's new anti-terrorism decrees in the wake of the Bali bombings.

The vast majority of South-East Asia's Muslims represent tolerant, mainstream Islam. In parliamentary elections in both Indonesia and Malaysia in 2004, Muslim political parties advocating a moderate and tolerant message outperformed those advocating a narrow conservative interpretation of Islam.



Children in Solo, Central Java, Indonesia (Picture: El Perkin)

It is important to recognise that support for political Islam or a growth in Muslim piety does not translate into a greater likelihood of Muslim extremism and militancy.

An increase in identification with Islam should not be confused with the emergence of terrorist groups such as Jemaah Islamiyah, which was responsible for the Bali attack. Bali bomber Amrozi no more represents the views of the majority of Muslims in South-East Asia than Usama Bin Laden represents the majority of Muslims in the Arab world.

The vast majority of the population of South-East Asia rejects not only the callous violence of terrorist groups but also their goals and ideology.

Evolution of militancy—fusing local and international agendas

Terrorist tactics are not new in South-East Asia. Nor are they limited to a particular religious or ethnic group.

Militant separatist movements in South-East Asia since the 1940s have had a range of ethnic, political and religious motivations. And violence against civilians has been perpetrated by followers of a variety of political ideologies and religious faiths. Almost every armed nationalist and communist movement in the region has had such tactics in its repertoire. Across the region, militant sub-national groups have over past decades used terrorist attacks to advance their separatist, ethnic or religious interests.

But the emergence of systematically applied terrorism, associated with a virulent form of extremist Muslim ideology, has transformed terrorist attacks in South-East Asia. A seldom-chosen tactic has become an integral—even primary—choice for interconnected groups.

Muslim militancy is not a new phenomenon in South-East Asia. In the post-colonial era, militant Muslim separatist groups formed in countries where Muslims are in the minority—Burma, the Philippines, Thailand—to fight for autonomy from national governments.

In Indonesia, where Muslims make up the majority, Muslim militancy has been driven by two goals—to establish an Islamic state, governed by a rigid and doctrinaire interpretation of Islamic law, and to redress economic and political grievances.

A number of South-East Asian Muslim separatist groups have been prepared to use violence or terrorism against their governments. The Moro Islamic Liberation Front (MILF) and the Abu Sayyaf Group continue to operate in the Philippines. The Pattani United Liberation Organisation (PULO) is active in Thailand, and the Rohingya Solidarity Organisation in Burma.

These groups are not primarily anti-Western. Rather, they have had long-standing disputes with national governments based on local socio-political and economic grievances.

But Muslim militancy in the region has undergone a dramatic evolution over the past decade. The historical grievances of radical Muslim groups were local in nature. Now, the predominant terrorist threat in South-East Asia is transnational. It draws inspiration and support both from other South-East Asian militant groups and from outside the region.

A volatile fusion of local and international agendas has emerged. Most troubling of all, for some extremist militants, terrorist attacks have become an acceptable part of their strategy. And terrorist attacks have become more lethal, more frequent, more widespread and more focused on targeting Western interests.

Jemaah Islamiyah exemplifies the evolution of Muslim militancy in South-East Asia. It has links to Al Qaida and is strongly influenced by Usama Bin Laden's terrorist ideology and methodology. The threat posed by Jemaah Islamiyah is compounded by its development as a network that ignores national boundaries. It stretches over several regional countries. It has formed links with existing extremist Muslim groups to further its own goals.

In the southern Philippines, elements of local militant Muslim insurgency groups, the MILF and the Abu Sayyaf Group, have established links with Jemaah Islamiyah and to some extent with Al Qaida. Links with elements of the MILF are very important to Jemaah Islamiyah. They give Jemaah Islamiyah access to training camps in Mindanao and a ready-made insurgency to give new recruits combat experience.

Dangerous sub-national groups, who can or want to use terrorism to further their causes, are also present in South-East Asia. Mujahidin KOMPAK, Laskar Jihad (supposedly disbanded) and Laskar Jundullah in Indonesia, and the Malaysian Militant Group (Kumpulan Militan Malaysia—KMM) started out with the ostensible aim of promoting the interests of political Islam. Their transition to more violent methods resulted from their greater identification with, and links to, other radical Muslim movements in the region, in South Asia and in the Middle East.

Driving the increase in terrorist activity in our region has been the exposure of South-East Asian militants to the thinking of Middle Eastern Muslim extremists. That includes the latter's message that terrorism is acceptable. Again, Afghanistan was the crucible. The most significant transmission of extremist ideology and military skills to South-East Asian militants took place in the 1980s, with their participation in the war against the Soviet Union in Afghanistan.

Origins of the transnational agenda: the Afghanistan connection

South-East Asian extremism took a leap forward when militant Muslim groups—including the leaders of Jemaah Islamiyah—decided to send recruits to training camps in Afghanistan and in Pakistan from the mid-1980s. Their aim was to support their co-religionists in the fight against the Soviet Union.

The Soviet forces left Afghanistan by 1989. But the concept of militant jihad—in this case, a multinational armed struggle by Muslim believers—did not end with their departure.

The Soviet–Afghanistan experience was a catalyst for radical activity in South-East Asia. There is an Afghanistan connection to many South-East Asian Muslim militant groups. Up to 1000 South-East Asian Muslims are believed to have received military training with the Afghan mujahideen in the 1980s. In some cases this included battlefield experience.

Key leaders of radical Muslim groups in the region are all veterans of the Soviet–Afghan war. They include Jemaah Islamiyah key operative Hambali, Abu Sayyaf Group leaders Khaddafy and Abdurajak Janjalani (now dead), and others.

In the camps in Afghanistan, South-East Asian volunteers were infused with a sense of brotherhood and common cause with those undertaking or supporting militant jihad from other parts of the Muslim world. They were introduced to more advanced terrorist and militant ideology and techniques. They brought them back to South-East Asia and passed them on at training camps in our region.

The returnees formed a natural, transnational network in South-East Asia that is now extensive and well entrenched. This network is at the heart of the terrorist threat in South-East Asia today.

Education and advanced technology

Other external forces are at work to spread extremism in South-East Asia.

A significant number of young South-East Asians are studying at religious schools, or *madrassas*, in Pakistan, Afghanistan and Yemen. They have been influenced by some of the more doctrinaire versions of Islam—particularly the closely-related Salafi and Wahhabi streams. The financial power of Saudi Arabia has also helped promote Wahhabism in South-East Asia through the funding of educational institutions.

Many South Asian and Middle Eastern *madrassas* teach only a rigid and doctrinaire interpretation of the Quran, with a strong emphasis on militant jihad.

South-East Asia's information technology revolution has hastened the spread of external influences, including extremist ideology. International television and information available on the Internet have led to a greater identification with Muslims in conflict around the world. They have inspired and shaped the behaviour of radicals in South-East Asia. The Internet is not merely a communications mechanism for extremists. It is also an effective vehicle for global publicity and recruitment efforts.

Some *madrassas*—including those run in Pakistan by the militant group Lashkar e-Tayyiba—emphasise computer literacy, even while teaching few or no other secular subjects.

Within South-East Asia itself, large numbers of community-run Islamic boarding schools, or *pesantren*, operate outside the state control of formal Islamic education systems. Income disparity in many countries of the region has led to poorer youth taking up this option with governments unable to meet the educational needs of growing populations.

A small number of these schools have become a source of concern to regional governments as Jemaah Islamiyah has sought to use networks of *pesantren* across several South-East Asian countries as a vehicle to propagate extremist ideology and for recruitment purposes. *Pesantren* vulnerable to these approaches are few in number relative to the majority that emphasise the teaching of moral values.

Al Qaida has also recruited and radicalised students with Western secular educational backgrounds. In South-East Asia some of Jemaah Islamiyah's leading operatives have had advanced technical and scientific qualifications from secular universities.

It is important to note that many leading advocates of pluralism and democracy in South-East Asia are graduates of Islamic education institutions. Former Indonesian President, Abdurrahman Wahid, and prominent Indonesian Muslim intellectuals including the Rector of the State Islamic University in Jakarta, Dr Azyumardi Azra, and the Rector of the Paramadina Mulya University, Nurcholish Madjid, are all graduates of Islamic education institutions.

Regional vulnerabilities

Transnational terrorist groups, including Al Qaida and Lashkar e-Tayyiba, have demonstrated an interest in South-East Asia. They see it as a base for operations, a safe haven and a source of potential recruits. It is also a source of the kinds of services drawn upon by other transnational criminals.

Terrorists look to exploit any vulnerabilities in the region's varied counter-terrorism capabilities. Areas of potential concern in some regional countries include limitations in institutional, governance and legislative frameworks; resource constraints; inadequate coordination arrangements, both internally and between countries in the region; and variable political will. Problem areas also include law enforcement, intelligence, transport security, defence and anti-terrorist financing.

Terrorist groups can also exploit long-standing socio-political and economic grievances that persist in some countries.

The lack of controlled border crossings in some South-East Asian countries is a major impediment to the monitoring and control of terrorist groups. Maritime piracy is a significant problem in the region. Porous borders, combined with massive inbound tourist and business flows, open immigration regimes, limited identity and document fraud detection, inadequately trained or corrupt officials, poor coordination between border control agencies and various security agencies, and limited immigration and customs control capacities all provide an environment in which terrorism can flourish.

All these problems can be compounded by inadequate legislation. Effective laws are important to put governments in the best possible position to investigate, detain and prosecute those involved in terrorism and its financing.

Al Qaida and other terrorist groups are known to have abused charitable organisations. They have used them for fund-raising and have diverted money donated to them towards support for extremist activities. Unregulated and unaudited Islamic charities in South-East Asia are vulnerable to misuse by extremist groups.

TERRORIST FUNDING IN SOUTH-EAST ASIA

South-East Asian terrorist organisations have received funding through covert means such as couriers, and legitimate and front companies and organisations. It is suspected that Al Qaida provided funding for the Bali bombings and it is known to have provided funding in the past to terrorist groups in the Philippines.

Some Islamic non-government organisations, particularly those based in the Arabian Peninsula are—both knowingly and unknowingly—used as conduits for terrorist financing in South-East Asia. The Australian Government is aware that, while predominantly engaging in legitimate humanitarian and religious activities, some of these organisations have been used by terrorists for the transfer of funds, the purchase of arms and other forms of logistic support. Terrorism has also been supported by other financial activities, including fundraising, extortion, kidnapping and ransom.

Jemaah Islamiyah and the evolution of South-East Asian terrorist networks

Jemaah Islamiyah—origins and development

Jemaah Islamiyah has its origins in the Darul Islam separatist movement in Indonesia. Darul Islam was involved in regional rebellions in the 1950s and 1960s that sought to impose Islamic law or form Islamic states in parts of Indonesia. The movement was strongest in West and Central Java, South Sumatra and South Sulawesi, areas where Jemaah Islamiyah is most heavily represented today.

After the Darul Islam insurgency was suppressed in the mid-1960s, Darul Islam continued to exist as an underground political movement working for imposition of Islamic law in Indonesia. In the 1980s, in the wake of the Islamic Revolution in Iran, the movement became more active and was involved in covert opposition to the Soeharto Government. By the mid-1990s, several armed extremist groups had emerged from the Darul Islam movement, tracing their origins to the insurgencies of the 1950s.

Jemaah Islamiyah evolved as a secretive militant organisation from a faction of the Darul Islam political movement, led by Abdullah Sungkar, who died in 1999. Sungkar and Abu Bakar Ba'asyir, his long-time associate, established the Al Mukmin *pesantren* at Ngruki, in Central Java, in 1971.

This school became a centre for Muslim radical activity in the area. Many of the Jemaah Islamiyah leaders studied at the Ngruki school, as did Bali bombers Amrozi and Mukhlas. The terrorist who drove the bomb to the JW Marriott Hotel in Jakarta, killing 12 people in August 2003, was also a former Ngruki student.



The al-Mukmin Ngruki Islamic boarding school near Solo, Java, continues to operate. Students practising self-defence for their sports lesson (Photo: *Newspix/Renee Nowytarger*)

Both Sungkar and Ba'asyir were jailed several times during this period by Indonesian authorities for seeking to establish an Islamic state.

Sungkar and Ba'asyir fled to Malaysia to escape a crackdown by Indonesian authorities on Muslim militancy in the mid-1980s. Malaysia then became the centre of the group's activities. Jemaah Islamiyah—in the form in which it is known today—was established around this time, in the mid- to late-1980s.

Sungkar led Jemaah Islamiyah from Malaysia, preaching a doctrine of attaining an Islamic state in Indonesia through militant struggle on the three-fold basis of strengthening faith, Islamic brotherhood and military capability. The Luqmanul Hakim *madrassa* in the Malaysian state of Johor, since closed down by Malaysian authorities, was a base for Ba'asyir and Sungkar while in Malaysia. Bali bomber Mukhlas taught at the Luqmanul Hakim school during this period.

These Indonesian exiles developed a radical religious following in Malaysia. At the same time, they were developing links with the Muslim separatists in the southern Philippines. They adapted their preaching to their new circumstances. They began to promote a pan-Malay Muslim ideology calling for a unified South-East Asian Islamic state.

Probably the most important factor in the development of South-East Asian extremism was Sungkar's decision to send recruits to militant training camps in Afghanistan and Pakistan from the mid-1980s.

Both Sungkar and Ba'asyir returned to Indonesia in 1998 following the fall of President Soeharto. After the death of Sungkar, Ba'asyir took over leadership of the major Darul Islam faction in Central Java. Ba'asyir used it as a platform to launch the Indonesian Mujahideen Council (Majlis Mujahidin Indonesia—MMI)—a political organisation campaigning openly for the implementation of an Islamic state in Indonesia.

While the MMI has a broad membership, including many members who seek to bring about an Islamic state through peaceful, democratic means, its leadership core is closely linked with Jemaah Islamiyah and seeks to use the MMI as a political front.

Abu Bakar Ba'asyir

Abu Bakar Ba'asyir is the spiritual leader of Jemaah Islamiyah. Indonesian police arrested Ba'asyir on 30 April 2004 under Indonesia's counter-terrorism law, and declared him a suspect in the Bali and JW Marriott Hotel bombings.

Ba'asyir incites and supports terrorism. He has repeatedly stated his support for Usama Bin Laden.

In an interview on the SBS *Insight* program on 9 March 2004, Ba'asyir gave unflinching support to the Bali bombers, describing them as defenders of Islam and Indonesia. In an interview broadcast on Channel 7 on 17 March 2004, Ba'asyir claimed that 'sooner or later, America and the countries that assisted will be destroyed in the name of Allah'.

Jemaah Islamiyah—operations and training

Using the skills gained in the crucible of the war in Afghanistan, Jemaah Islamiyah has developed a formalised structure to provide systematic training for its new recruits from across the region.

Jemaah Islamiyah established Camp Hudaibiyah within the MILF's Camp Abu Bakar in Mindanao, in the southern Philippines, from about 1998, using some of the original graduates from training in Afghanistan and Pakistan. Camp Hudaibiyah was closed down by the Philippine military in 2000, but there is evidence that Jemaah Islamiyah training has continued in alternative locations in the southern Philippines.

While many of the more senior Jemaah Islamiyah operatives gained their terrorist training and expertise in Afghanistan and Pakistan, others have developed the bulk of their skills in South-East Asia.

Training camps are not required at all for competent individuals to pass on the bomb-making skills and techniques needed for terrorism. Graduates of Jemaah Islamiyah's militant training may well have the operational, logistic and administrative skills required to plan and stage another terrorist attack like Bali or the JW Marriott Hotel bombing.

ABU BAKAR BA'ASYIR

Abu Bakar Ba'asyir is an Indonesian cleric of Yemeni descent who was born in Jombang, East Java, in 1938. Ba'asyir was active in advocating an Islamic state in Indonesia from his student days, and he joined radical Islamic youth movements. He started, but did not complete, an Islamic legal studies course at a university in Solo. He appears to have gradually become attracted to more extreme ideas during his university days.

Ba'asyir met Jemaah Islamiyah founder Abdullah Sungkar—also an Indonesian of Yemeni descent—in Solo. Here the two established an Islamic radio station that, by 1971, had evolved into an Islamic boarding school, Al Mukmin, located at Ngruki, outside Solo.

Ba'asyir and Sungkar both spent four years in jail (1978–82) on charges related to their ongoing covert agitation for the establishment of an Islamic state in Indonesia. Ba'asyir's original nine-year sentence was reinstated in 1985 and he fled to Malaysia with Sungkar. From exile, they directed their followers to the anti-Soviet militant jihad in Afghanistan. Jemaah Islamiyah—in the form in which it is known today—was officially formed during this period.

Ba'asyir took over the spiritual leadership of Jemaah Islamiyah after the death of Sungkar in 1999. In 1999 he helped found the Rabitatul Mujahidin (Mujahideen Association) in Malaysia. In 2000 he founded and was elected head of the Indonesian Mujahideen Council (MMI).

In April 2003 Abu Bakar Ba'asyir went on trial charged with attempting to cause the collapse of the Indonesian Government, forgery, perjury and immigration offences. He was not charged in relation to the Bali bombings. The first charge included allegations Ba'asyir had led a plot to assassinate Indonesian President, Megawati Soekarnoputri, and that he had authorised the Christmas 2000 church bombings in Indonesia.

In September 2003, Ba'asyir was convicted of treason and immigration offences and sentenced to four years in prison. This sentence was reduced on appeal and the treason conviction overturned. Ba'asyir was rearrested under Indonesia's counter-terrorism laws on the same day he was released from jail: 30 April 2004. He faces questioning and possible new charges as a suspect in terrorist activities, including the Bali and JW Marriott Hotel bombings.

Jemaah Islamiyah's emphasis on training has several benefits for the organisation. It provides a flow of extremists, bolstering Jemaah Islamiyah's ranks or replacing its losses. And coordinated training helps to cement transnational organisational bonds within Jemaah Islamiyah by throwing together recruits drawn from different geographic regions.

Jemaah Islamiyah—links to global terrorism

In looking for global partners to advance its terrorist campaign, Al Qaida has found a willing ally in South-East Asia in Jemaah Islamiyah.

And now that Jemaah Islamiyah has global recognition as an actor in transnational extremist-Muslim terrorism, support from Al Qaida and other sponsors of terrorism in the Middle East is likely to continue to flow to South-East Asia.

Financial and operational links to Middle Eastern extremist groups, especially Al Qaida in the early 1990s, were important in the development of South-East Asian radical Muslim groups, including Jemaah Islamiyah.

While Jemaah Islamiyah and Al Qaida operate largely independently of each other, there are close and direct links. Jemaah Islamiyah leader, Hambali, who was captured in Thailand in August 2003, is widely understood to have been Al Qaida's South-East Asian operations

chief, and certainly provided ongoing contact between Jemaah Islamiyah and Al Qaida. The relationship between Jemaah Islamiyah and Al Qaida is more a loose alliance forged through a shared ideology, rather than a hierarchical structure of command and control. But Al Qaida is a potent inspiration and example to South-East Asian Muslim militants, and has provided resources for their terrorist operations.

Jemaah Islamiyah's transformation from a radical Muslim organisation focused on local grievances and with local ambitions to a transnational terrorist network is of key concern to Australia and other governments in the region.

Jemaah Islamiyah—a distorted vision

Jemaah Islamiyah promotes its vision of a unified South-East Asian Islamic state encompassing Indonesia, Malaysia, Singapore, the southern Philippines and southern Thailand. Jemaah Islamiyah has also identified Australia as a region in which to expand its network.

But Jemaah Islamiyah's concept of a South-East Asian super-state, forming part of a global Islamic caliphate, governed by Taliban-style religious extremism, is flawed. The overwhelming majority of the population of Indonesia—and indeed of South-East Asia more broadly—appears to reject Jemaah Islamiyah's vision and its use of terrorist attacks to further its aims.

There are other large obstacles to Jemaah Islamiyah achieving its goal, not least the fact that all governments in the region reject the idea. Nation-states and nationalism are obvious major hurdles. And Jemaah Islamiyah's attempt to provide a transnational framework for radicalism in the region is not always at one with the deep historical roots and distinct agendas of its potential allies in South-East Asia. Local agendas and the jealously guarded independence of partner groups get in the way.

Jemaah Islamiyah relies on operational cooperation with other extremist organisations in the region, based on shared values, family links and ties forged overseas or while waging militant jihad in inter-communal conflicts in Maluku and Sulawesi. But Jemaah Islamiyah does not command the obedience of these other organisations. The various extremist groups are beset by personal rivalries, differences over the appropriateness of targeting civilians, and the acceptability of traditional Indonesian Islamic practices.

Even within Jemaah Islamiyah there is division. Some elements focus almost exclusively on bringing about an Islamic state in Indonesia. Others work to an anti-Western or anti-US agenda.

The region has seen how Jemaah Islamiyah is prepared to damage regional economies in pursuit of its own ideological goals, regardless of the impact felt more broadly across society. The Bali bombings are estimated to have taken 1.5 per cent off Indonesia's gross domestic product.

The fall-out from terrorist attacks in Bali, Jakarta and the southern Philippines shows how Muslim-inspired terror strikes also at mainstream Islam and mainstream Muslim countries.

The ultimate manifestation of the contempt that South-East Asian Muslim extremists have for the people of the region is their repeated, indiscriminate killing of citizens of South-East Asian countries. Westerners, Christians and Jews are priority targets, in line with Usama Bin Laden's so-called fatwa. But 34 Indonesians were killed in the Bali bombings and 11 in the JW Marriott Hotel bombing, among them both Hindus and Muslims.

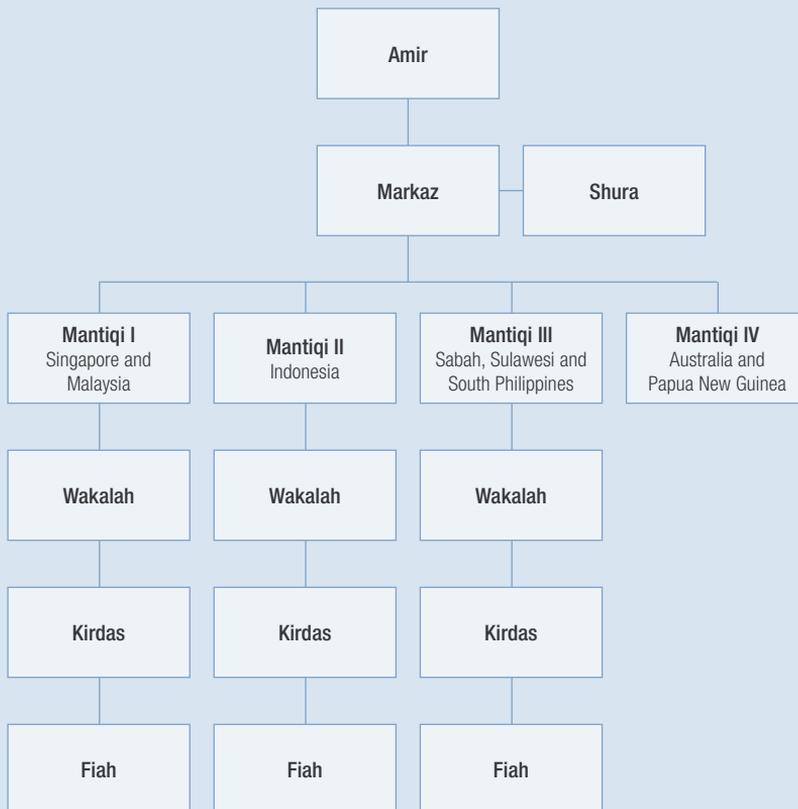
Extremist-Muslim terrorism is likely to remain a feature of the security environment in South-East Asia for the foreseeable future. The major factors underlying the severity of the terrorist threat—the strong intention and capability of terrorist organisations to strike, and the varying counter-terrorism capabilities of regional governments, which in turn enhance the attractiveness of the region to terrorist groups such as Al Qaida—will not soon, or easily, change.

JEMAAH ISLAMIYAH STRUCTURE

Jemaah Islamiyah established a geographically based hierarchy with defined responsibilities and decision making procedures.

- The leader (*Amir*), a leadership council (*Markaz*) and consultative councils (*Shura*) oversaw four geographic divisions (*Mantiqi*). Each *Mantiqi* divided into smaller sub-groups (as represented below) which administered Jemaah Islamiyah activity appropriate to their area.
 - *Mantiqi* I and IV were focused primarily on fundraising.
 - *Mantiqi* II was focused primarily on leadership and recruitment.
 - *Mantiqi* III was focused primarily on training.

While parts of this structure have been disrupted since late 2001, including through the arrests of key leaders, Jemaah Islamiyah retains a flexible hierarchical administration.





CHAPTER V

THE TERRORIST THREAT IN SOUTH-EAST ASIA

THE TERRORIST THREAT IN SOUTH-EAST ASIA

South-East Asia: a shared front in the war on terrorism

The terrorist threat in South-East Asia is both widespread and immediate. South-East Asia is a major focus in the international counter-terrorism effort. Australia and the countries of South-East Asia have significant shared interests at stake in the region's successful management of the terrorist threat.

The Bali attack on 12 October 2002 brought home to Australia the global reach of terrorism. It showed a resolve and a level of ambition and coordination among regional extremists that threatens directly the 45 000-plus Australians living in South-East Asia and the many thousands of Australians who visit the region each year.

Bali reminded Australia and the region that we share vulnerabilities and must work together if we are to succeed in countering the terrorist threat. Our collective security is the sum of our collective response. Terrorism strikes directly at the stability and prosperity of our region. It is the enemy of South-East Asia as much as it is the enemy of Australia.

Extremists within South-East Asia do not target Westerners alone. They also seek to undermine the stability that is crucial to the region's longer-term economic interests, particularly its ability to attract foreign investment. Instability would also undermine Australia's major security, economic and diplomatic interests in South-East Asia. We need to do all we reasonably can to help our neighbours defeat terrorism.



Aerial view of the destruction of Paddy's Bar and the Sari Club (Photo: Australian Federal Police)

The Bali tragedy brought us closer to our neighbours. Greater levels of cooperation between governments and security agencies have meant that the perpetrators were—and continue to be—identified, tracked down and brought to justice. But terrorist groups are also cooperating across the region. They are crossing borders. They are using one country to train in, another to raise funds in and another for safe haven. They are working together to maximise the impact of their activities.

Jemaah Islamiyah has shown a willingness and capacity to move around within South-East Asia. It goes wherever shortcomings in effective government control present themselves. It goes where it can operate and train freely alongside other extremist, militant Muslim groups. As is the case with other transnational crimes, combating terrorism demands cooperation and collaboration between law enforcement agencies across national jurisdictions.

The terrorist threat in South-East Asia poses a serious regional security problem. It demands a comprehensive and cooperative regional response.

Jemaah Islamiyah: adaptable, resilient and dangerous

At the core of concerns about terrorism in our region is the Jemaah Islamiyah network and its tactical alliances and cooperation with local insurgent and criminal groups.

The Bali bombings made it clear that Jemaah Islamiyah is prepared to target civilians. It will deliberately seek to maximise casualties to achieve a more appalling impact.

Jemaah Islamiyah and other regional terrorist elements are highly resilient and can be expected to strike again. The West, including Australians and Australian interests in South-East Asia, will continue to be a target for the violence of Jemaah Islamiyah and other terrorist groups.

Like Al Qaida, Jemaah Islamiyah sees the West—and by extension the citizens of Western nations—as the main source of oppression of Muslims globally. It sees its activity in Indonesia as one part of a global militant jihad.

Economic, religious, entertainment and political targets, especially those identified with the West or Christianity, are high on Jemaah Islamiyah's target list. So are symbols of secularism and democratic change.

While links to Middle Eastern extremist groups, especially Al Qaida, were important in the development of Jemaah Islamiyah, these links are not necessary for it to continue to function as a terrorist group.

Jemaah Islamiyah has enough operatives capable of staging terrorist strikes already on its books. Its commitment to recruitment and training will see its ranks swell.

Regional governments, including Australia, have had some success in disrupting Jemaah Islamiyah by increasing security and removing capable leaders. But the Jemaah Islamiyah network is still capable of mounting operations against both 'soft' and 'hard' targets, almost anywhere in South-East Asia. Soft targets include, but are not limited to, hotels, nightclubs,

schools, shopping centres, religious institutions and identifiably Western interests including businesses. Hard targets include embassies and critical infrastructure including transport hubs such as airports.

The governments of our own region have disrupted, collectively, the Jemaah Islamiyah network through the capture and detention of over 300 Jemaah Islamiyah members since 2001. They include key operatives such as Hambali and Al-Ghozi, as well as the Bali bombers, including Samudra and Mukhlas.

But we have not disabled Jemaah Islamiyah. Key figures are still at large. And Jemaah Islamiyah remains highly committed to its cause. It is planning for the long term, actively training and recruiting young fanatics in South-East Asia as the next generation of leaders.

Jemaah Islamiyah's organisational structure may be hierarchical, but it is capable of adapting to an increasingly hostile security environment in the region. It is likely to look different in five years as it changes in order to resist or circumvent counter-terrorist efforts.

RIDUAN ISAMUDDIN (ALSO KNOWN AS HAMBALI)

Riduan Isamuddin, also known as Hambali, was born in Cianjur, West Java, Indonesia in 1964. The second of eleven children, he graduated from high school in 1984. Around late 1985 he left Indonesia for Malaysia, where he became a protégé of Jemaah Islamiyah founder Abdullah Sungkar.

Hambali participated in the militant jihad in Afghanistan between 1987 and 1989 and became part of Jemaah Islamiyah's 'Afghan alumni'.

Hambali is suspected of involvement in the Christmas Eve 2000 bombings across Indonesia, setting up meetings in Malaysia for two September 11 hijackers, planning the disrupted 2001 bombing campaign in Singapore which targeted the Australian High Commission, and involvement in the 2002 Bali bombings and the 2003 JW Marriott Hotel bombing in Jakarta.

According to detained Jemaah Islamiyah members, Hambali has at different times been the overall Jemaah Islamiyah leader and leader of its Mantiqi 2 (responsible for operations in Singapore and Malaysia). He was also widely suspected of being Al Qaida's South-East Asian operations chief, and certainly provided ongoing contact between Jemaah Islamiyah and Al Qaida.

Hambali was captured in Thailand in August 2003 and is currently in US military detention.

Future trends for Jemaah Islamiyah

The numbers of Jemaah Islamiyah members and supporters are likely to be growing. A steady flow of extremists is being produced by a small number of radical religious schools and through dedicated Jemaah Islamiyah military training. And the high profile of Jemaah Islamiyah's operations will help its efforts to inspire a new cohort of radicals to join the terrorist ranks.

Jemaah Islamiyah has weak spots. Parts of its funding base have been disrupted. It has seen some of its top leaders and operatives killed or captured, and some Jemaah Islamiyah detainees have turned against the organisation. Divisions are appearing within Jemaah Islamiyah over the nature and scale of its terrorist attacks.

But even with these weaknesses, Jemaah Islamiyah can endure and continue its activities. Jemaah Islamiyah operations are not expensive: the JW Marriott Hotel bombing apparently cost well under \$20 000. Jemaah Islamiyah has been able consistently to replace fallen or jailed leaders.

Terrorist attacks will continue as long as two things hold true: there are enough members within Jemaah Islamiyah committed to using terrorist methods to advance their extremist agenda, and Jemaah Islamiyah's extensive support network remains intact. Both appear likely.

Jemaah Islamiyah will continue to seek to exploit communal conflict where it occurs in the region. It may even be prepared to provoke such violence. Communal fighting offers Jemaah Islamiyah the opportunity to battle-harden new recruits, validate their terrorist training, and also to talent spot for recruits. It attracts both militant jihadists and donor funds from other parts of the Muslim world. Mindanao and parts of eastern Indonesia and southern Thailand may well continue to be troubled by communal violence over the next few years, despite the continued efforts of national governments.

Jemaah Islamiyah will persist with the types of attacks it has used in the past, including vehicle-based bombs. But it is also likely to add to and vary its repertoire of attacks, expanding the scope of potential targets. That will make its future attacks even harder to predict. The trend toward using suicide bombers is likely to continue.

Even greater collaboration between extremist groups in the region is likely. Jemaah Islamiyah may be trying to expand its network further by courting more actively Thai and Burmese Muslim separatist groups.

MAJOR OPERATIONS ATTRIBUTED TO JEMAAH ISLAMIYAH

- 2003 JW Marriott Hotel bombing (12 killed)
- 2002 Bali bombings (202 killed)
- 2001 Jemaah Islamiyah plans to bomb foreign missions in Singapore and Australia foiled
- 2000 Christmas Eve bombings of churches in Indonesia (19 killed)
- 2000 bombing of the residence of the Philippine Ambassador to Indonesia (two killed)
- Since 1999, participation in sectarian violence in Maluku and Sulawesi

A number of other attacks in South-East Asia have involved Jemaah Islamiyah members acting in concert with other terrorist groups.

Jemaah Islamiyah: catalyst for terrorism in South-East Asia

Jemaah Islamiyah is all the more dangerous because it has developed flexible and mutually supportive links with most other radical Muslim groups in the region—local, sub-national and separatist.

These groups were present in South-East Asia before 11 September 2001, but the catalysing effect of the global militant jihad enterprise has lent them a new and more dangerous dynamic.

Jemaah Islamiyah is able to draw on the widespread resources of the radical Muslim presence in the region to meet its own personnel, logistics and operational support needs. Jemaah Islamiyah now has a high degree of interconnectivity and collaboration between its composite parts, and is able to transfer funds within the organisation to support operations.

Singapore

Singapore was the first country in the region to uncover the Jemaah Islamiyah presence when, in late 2001, it discovered a network of Jemaah Islamiyah operatives planning large scale attacks against Western interests in Singapore, including the Australian High Commission. Its initial detention of Jemaah Islamiyah operatives led to further arrests and the discovery of Jemaah Islamiyah networks elsewhere in the region.

Singapore has maintained an aggressive counter-terrorism campaign. The Singapore Government's robust response to the terrorist threat means that Singapore is a hostile and dangerous operating environment for Jemaah Islamiyah and similar groups.

Singapore remains, however, an attractive target to terrorists, who associate Singapore and its economic success with the West.

The Philippines

The southern Philippines has been a haven for terrorist activity in South-East Asia.

The Philippines has been targeted by international terrorism, including Al Qaida, for funding, networking, recruiting and planning since at least the early 1990s. Local insurgency groups have been funded by Al Qaida and by other sponsors of terrorism that have taken up the cause of Muslim extremists in the Philippines. The difficulties of maintaining central government control over parts of the southern Philippines have contributed to its use for terrorist training camps.

Concern is growing about the cooperative relationships between groups involved in the long-standing Muslim insurgency in the Philippines. And an emerging trend is the tactical alliances forming between a broader range of Philippine insurgency groups, including the archipelagic-wide, communist insurgency group, the Communist New People's Army.

The main Muslim insurgency groups in the Philippines are the Moro Islamic Liberation Front (MILF) and the Abu Sayyaf Group. A former insurgency group, the Moro National Liberation Front (MNLF) signed a Peace Accord with the Philippine Government in 1996 and is no longer considered a threat.

Growing cooperation among groups in the Philippines has been sparked largely by Jemaah Islamiyah's efforts. Training and logistics remain the focus of Jemaah Islamiyah links with both the MILF and the Abu Sayyaf Group.

The Philippine Government, which is engaged in peace negotiations with the MILF, has acknowledged publicly that elements of the MILF have been developing links to Jemaah Islamiyah. Breaking the Jemaah Islamiyah–MILF connection is one of the Philippine Government's pre-conditions for a peace accord with the MILF.

The capture of key Jemaah Islamiyah members in the Philippines has added to our understanding of the extent of Jemaah Islamiyah–MILF ties. Jemaah Islamiyah member Fathur Rahman Al-Ghozi, captured in the Philippines in January 2002, admitted to participation with MILF personnel in a string of deadly bombings in Manila in December 2000.

The Abu Sayyaf Group's Islamic rhetoric and violence has brought it into contact with Al Qaida and enabled it to attract donations from the Middle East. The Abu Sayyaf Group has been primarily a kidnap-for-ransom criminal group, using Islam and a loose separatist agenda as a justification for its extortion and piracy. But there is evidence that it may be expanding its links with transnational terrorist organisations, and developing its own terrorist repertoire.

The Philippine national anti-terrorism taskforce arrested six Abu Sayyaf Group suspects in March 2004. One of them has since claimed responsibility for the 27 February 2004 Superferry 14 fire that killed more than 100 Filipinos. If true, this would reflect a change in motivation and intent for the group. It would signal a new capability to conduct attacks of a significant scale on 'soft' targets outside Mindanao and the Sulu Archipelago. In May 2004

the taskforce arrested an Abu Sayyaf Group financier suspected of arranging finances from Al Qaida for a range of Abu Sayyaf Group operations, including kidnapping of foreign tourists from Sipadan island in 2000 and bombings in Zamboanga City in 2002.

MILITANT MUSLIM GROUPS IN THE PHILIPPINES

The Philippines has a large Muslim minority, concentrated in the south and west of the country. Over the past century Muslim separatist groups have engaged in insurgency and rebellion against the central government.

The Moro National Liberation Front (MNLF) signed a Peace Accord in 1996 and now participates in the democratic process and administers the Autonomous Region of Muslim Mindanao. But two hard-line groups still hold out: the Moro Islamic Liberation Front (MILF) and the Abu Sayyaf Group (ASG).

The MILF was formally established in 1984 as a breakaway faction of the MNLF. It aims to create an Islamic state that would encompass all Muslims in the Philippines. The MILF has links to Al Qaida through Philippine veterans of the Afghan jihad of the 1980s, who are used as training cadres to develop new members. The MILF has about 12 000 fighters in the field, and while primarily a militant separatist movement, it has splinter terrorist elements that have used terrorist tactics. The MILF leadership has denounced terrorism, and formal peace talks between the MILF and the government are continuing. The prospect of a lasting settlement is uncertain.

The ASG is a violent splinter group which split from the MNLF in the 1990s. Elements of the ASG share Al Qaida's ideology and use similar methods. The ASG's founder, Abdurajak Janjalani, had Soviet–Afghan war experience and led the ASG as a militant separatist organisation, with the goal of creating a separate Muslim state in the southern Philippines.

After the 1998 death of Abdurajak Janjalani the ASG, now led by Abdurajak's brother, Khaddafy Janjalani, deteriorated into primarily a kidnap and extortion criminal group. Hostage-taking, kidnap, ransom and beheading of Westerners have become ASG trademarks. The ASG is very small, with only a few hundred members, but it has mounted attacks across the southern Philippines and in Manila and kidnappings in Malaysia, including of Western tourists. There is more recent evidence that the ASG may be expanding its links with terrorist organisations and developing its own terrorist repertoire.

Operations by the Philippine Government, supported by the United States, have had some success in combating the threat of terrorism in the Philippines.

A new development in the Philippines is the recent evidence of involvement in terrorist activities by some Balik Islam members. Balik Islam, meaning 'returned to Islam', is used in the Philippines to describe Christian converts to the Islamic faith. Many of these converts have worked in the Middle East, notably Saudi Arabia, where they were exposed to more conservative strands of Islam. Only a tiny fraction of the groups that comprise Balik Islam have become radicalised. Of those radical groups it would appear some elements have developed links, including tactical alliances, with other militant Muslim groups in the Philippines and with Jemaah Islamiyah. The man who claimed responsibility for the Superferry 14 incident (before recanting his story), Dellosa, was a Balik Islam convert trained by the Abu Sayyaf Group.

Jemaah Islamiyah has developed close links to the Abu Sayyaf Group. That lends the latter legitimacy as militant jihadists, in the eyes of extremists, making it more than just a criminal extortion group. It appears that Jemaah Islamiyah may also be responsible for encouraging closer relations between the MILF and Abu Sayyaf Group. The Abu Sayyaf Group is likely to exploit its relationship with Jemaah Islamiyah to boost its own profile. The danger is that it may begin to seek out Western targets more broadly in the Philippines, and evolve from a localised separatist-inspired group to a fully-fledged terrorist group.

Thailand

There is a history of insurgent activity in Thailand's south, involving radical Muslim separatist groups, the Pattani United Liberation Organisation (PULO), the Pattani Islamic Mujahidin Movement (GMIP) and the National Revolutionary Front (BRN).

Though there is as yet no evidence that supporters of Jemaah Islamiyah have formed a formal, structured network in Thailand, Jemaah Islamiyah is probably capable of conducting terrorist attacks in parts of the country, including in Bangkok. A number of Jemaah Islamiyah suspects were arrested in Thailand in June 2003 on suspicion of involvement in a plot to conduct terrorist attacks on targets in Bangkok, including embassies.

Jemaah Islamiyah has a relatively new group of sympathisers in southern Thailand who have been prepared to lend support during transits by Jemaah Islamiyah terrorists fleeing arrest, including Bali bombers. Jemaah Islamiyah's operations chief, Hambali, is known to have spent time in the southern provinces.

Coordinated attacks on security checkpoints in Thailand's southern provinces in late April 2004 were an alarming escalation of violence. They came in the wake of the Thai Government's crackdown on southern unrest after an armoury raid in January 2004.

A range of local causes appears to have been behind the attacks, which resulted in 112 fatalities, including 107 attackers and five members of Thailand's security forces. Though links to foreign extremism cannot be ruled out, there is no firm evidence linking these attacks to Jemaah Islamiyah sympathisers in Thailand or abroad.

The danger is that the international publicity and attention drawn to southern Thailand by militant Muslim attacks could serve as a beacon for extremists. It could be used to persuade local radicals that their struggle is linked to a broader international militant struggle or global jihad.

There is continuing potential for Muslim extremists to use Thailand and other areas in South-East Asia as a safe haven where they can lie low, launder money or obtain forged identity documents.

Malaysia

Jemaah Islamiyah and the like-minded Malaysian Militant Group (Kumpulan Militan Malaysia—KMM) are recognised as the key terrorist threats in Malaysia. The KMM was formed in 1995 by a small group of Malaysian veterans of the Soviet–Afghan war.

From the mid-1980s to the mid-1990s, when Jemaah Islamiyah was largely based in Malaysia, it established a close network of connections with Muslim extremists in the country, including with the locally-based KMM.

In 2001, before September 11, Malaysian authorities had identified the KMM as a dangerous militant group and had arrested suspected members.

Neither Jemaah Islamiyah nor the KMM has conducted terrorist attacks in Malaysia itself. But in 2003 Malaysian police announced the discovery of four tonnes of ammonium nitrate fertiliser that was to have been used by Jemaah Islamiyah in Singapore in conducting terrorist attacks against Western targets.

New allies for transnational terrorism?

Jemaah Islamiyah and other known terrorist groups remain the primary threat to Australia in South-East Asia. But they are not the only potential partner in the region for Al Qaida or another transnational terrorist group.

In South-East Asia, small militant Muslim groups have formed that are not linked in any substantial way either to Jemaah Islamiyah or to each other. There is evidence that physical and bomb-making training has been carried out for such groups by graduates of the Soviet–Afghan war.

Independent militant Muslim groups, propagating extremist views, have been forming in Indonesia since the late 1990s. Their aim has been to involve themselves in local inter-communal conflicts such as the violent and murderous clashes between Christian and Muslim communities in Ambon and Maluku.

Some Indonesian groups, such as Laskar Jundullah, Laskar Jihad (supposedly disbanded) and Mujahidin KOMPAK, have members with military training from Afghanistan or the southern Philippines. They have been influenced by Usama Bin Laden's 1998 so-called *fatwa* and Al Qaida's incitement to create a theatre for militant jihad in South-East Asia.

The links and affiliation of groups carrying out recent violence in southern Thailand remain unclear. So do those of a variety of smaller militant Muslim groups active in Indonesia and the Philippines. There appears to be a rise in cooperation between local militant groups, suggesting they may be able to operate without relying on a leadership structure.

Once these groups enter local conflict areas, larger more established groups like Jemaah Islamiyah may identify and use them or recruit their members.

The danger is that small militant extremist groups with local grievances, and the capacity to wreak havoc, might become attractive to international terrorist partners. The prospect that local and international agendas might fuse means these radical fringe groups are of significant concern. They are a potential threat to Australian interests in South-East Asia.

South Asia connections—Lashkar e-Tayyiba

There is some evidence of links developing between terrorist groups in South Asia, such as Lashkar e-Tayyiba, and South-East Asia. After the destruction of Al Qaida training facilities in Afghanistan, Lashkar e-Tayyiba became a significant provider of militant training to transnational extremist-Muslim terrorists.

Jemaah Islamiyah's links with Lashkar e-Tayyiba in Pakistan and Kashmir are particularly significant for our region. In 2003 a Jemaah Islamiyah cell in Karachi, Pakistan, known as the Al Ghuraba cell, was disrupted. The cell was found to contain South-East Asian university students studying in Karachi. They were being groomed as future Jemaah Islamiyah leaders as part of the organisation's effort to perpetuate itself. They received militant jihad training at camps operated by Lashkar e-Tayyiba in Kashmir.

Jemaah Islamiyah's South Asian connections show how transnational terrorist networking is not a one-way flow. International extremist groups reach into South-East Asia, but groups from within our region can also reach out to connect with counterparts elsewhere.

Regional responses to the terrorist threat

Disrupting the activities of regional terrorist groups like Jemaah Islamiyah is likely to be a long and difficult process. Even though we have made good progress, their defeat will require a sustained effort for the foreseeable future.

The willingness of terrorist groups to move around the region as opportunity presents means that in combating terrorism, each country in the region must rely to some extent on the counter-terrorism efforts of its neighbours.

Governments in South-East Asia have taken a number of important steps to combat terrorism and to reduce the vulnerability of the region to terrorism.

In Indonesia, the government has enacted new anti-terrorism legislation granting greater powers to investigate and prosecute terrorists. It has also established a financial intelligence unit to identify and restrict the flow of funds to terrorists. The Indonesian police have displayed great determination in tracking down those responsible for the Bali and

JW Marriott Hotel bombings. Indonesian authorities have arrested well over 100 suspected Jemaah Islamiyah members since the Bali bombings. The Denpasar Court in Bali has convicted all 33 of those tried in the Bali bombings trials.

Malaysia has detained more than 100 suspected militants under its Internal Security Act and imposed travel and other restrictions on a number of others of concern. It has amended its penal code to comply with UNSCR 1373 and increased penalties for terrorist acts. In July 2003, Malaysia established the South-East Asia Regional Centre for Counter-Terrorism (SEARCCT), which focuses on regional training and counter-terrorism capacity-building.

The Philippines, which has experienced a number of terrorist attacks, is a strong supporter of the global coalition against terrorism. It has arrested a number of key terrorist suspects, established an inter-agency counter-terrorism task force, and ratified all 12 UN anti-terrorism instruments.

Singapore has continued its vigorous campaign against regional terrorist groups. Since its December 2001 discovery of Jemaah Islamiyah plots to target Western—including Australian—interests in Singapore, it has arrested over 35 people for terrorism-related activities. Singapore has issued Restriction Orders against a further 30 people because of their links to Jemaah Islamiyah and the MILF.

Singapore's comprehensive response to the terrorist threat has included significant augmentation of security and intelligence counter-terrorism capabilities. It has invested in its ability to respond to a terrorist incident, and hardened potential targets.

The Singapore Government provided an authoritative public account of Jemaah Islamiyah through its valuable White Paper on Jemaah Islamiyah and the threat of terrorism, published in 2003. The paper added significantly to the region's understanding of the threat posed by Jemaah Islamiyah and of its methods of operation.

Singapore's counter-terrorism cooperation with other countries has been crucial in developing the region's ability to combat the terrorist threat.

Thailand is improving its counter-terrorism capabilities and has strengthened its anti-terrorism laws. The arrest of top Jemaah Islamiyah leader, Hambali, in Thailand in August 2003 was a major success for the Thai authorities. It was a significant breakthrough in the regional campaign against terrorism.

Cambodia is developing a counter-terrorism capacity and is keen to work with regional and international partners against terrorism. In May 2003, the Cambodian authorities arrested four people suspected of being Jemaah Islamiyah members who were planning terrorist attacks in Cambodia. We know Jemaah Islamiyah member Hambali spent time in Cambodia.

Cooperation between regional law enforcement, intelligence and other agencies in South-East Asia has also improved. This increased cooperation has helped to disrupt the activities of regional terrorist groups from Thailand through to the Philippines. The arrests

in Cambodia, for example, were the result of collaboration between several South-East Asian countries.

At a regional level, a raft of arrangements and processes aim to strengthen counter-terrorism cooperation between ASEAN members. ASEAN has established over a dozen institutional bodies to boost cooperation in combating transnational crimes, especially terrorism. At the 9th ASEAN Summit in Bali in October 2003, ASEAN leaders signed the Declaration of ASEAN Concord II. The declaration provides that the ASEAN Security Community should use ASEAN's existing institutions and mechanisms to counter terrorism and other transnational crimes.

ASEAN's work on counter-terrorism complements the counter-terrorism initiatives being undertaken in other regional bodies, including the ASEAN Regional Forum (ARF), APEC and the Asia Pacific Group on Money Laundering.

But more remains to be done as terrorist groups continue to evolve, transforming themselves in response to government counter-terrorism efforts.

Maintaining the political will to fight terrorism is essential. The success of the long-term regional effort to stem the drift towards terrorism and violence will depend on resolute action by South-East Asian governments. Without it, regional terrorist activity will continue. Resolute regional action is also essential to the global campaign against terrorism.

The incubators for terrorist recruits still exist in many parts of the region. Extremist views clearly retain appeal for a minority willing to be recruited to the terrorist cause. Countering these views is an issue not just for governments. Mainstream Muslim groups also have an important role to play in promoting the tolerant message of Islam and marginalising the extremists.

Australia is working closely with regional neighbours to help combat these and other problems contributing to terrorism.



CHAPTER VI

THE THREAT TO AUSTRALIA AND
AUSTRALIA'S INTERESTS

THE THREAT TO AUSTRALIA AND AUSTRALIA'S INTERESTS

Australia—a terrorist target

Australia is a terrorist target, both as a Western nation and in its own right. Intelligence confirms we were a target before the 11 September 2001 attacks, and we are still a target. Our interests both at home and abroad are in the terrorists' sights.

Al Qaida leaders threaten publicly and frequently. Their declared rationale is often misleading, but their intentions are clear.

Before 11 September 2001, Usama Bin Laden referred to the United States and its allies, mentioning Israel and the United Kingdom by name. Since then, he has more clearly identified those countries he considers to be 'allies'. Australia has been referred to in six separate statements issued by Bin Laden himself or his deputy, Ayman al-Zawahiri:

- On 3 November 2001, Bin Laden said:

The Crusader Australian forces were on the Indonesia shores ... they landed to separate East Timor, which is part of the Islamic world.

- In an interview released in mid-November 2001 concerning the war in Afghanistan, Bin Laden said:

In this fighting between Islam and the Crusaders, we will continue our jihad. We will incite the nation for jihad until we meet God and get his blessing. Any country that supports the Jews can only blame itself ... what do Japan or Australia or Germany have to do with this war? They just support the infidels and the Crusaders.

- Bin Laden made further reference to Australia in a videotape released in the United Kingdom in May 2002 in which he said:

What has Australia in the extreme south got to do with the oppression of our brothers in Afghanistan and Palestine?

- On 12 November 2002, Bin Laden made a statement that gave more prominence to Australia than any other non-US Western country and reaffirmed Australia as a terrorist target:

We warned Australia before not to join in [the war] in Afghanistan, and [against] its despicable effort to separate East Timor. It ignored the warning until it woke up to the sounds of explosions in Bali. Its government falsely claimed that they were not targeted.

- On 21 May 2003, in an audiotape, Ayman al-Zawahiri said:

O Muslims, take matters firmly against the embassies of America, England, Australia, Norway and their interests, companies and employees.

- On 18 October 2003, in an audio message addressed to the American people concerning the war in Iraq, Bin Laden stated that:

We maintain our right to reply, at the appropriate time and place, to all the states that are taking part in this unjust war, particularly Britain, Spain, Australia, Poland, Japan and Italy.

Another statement attributed to Al Qaida was issued through Al Jazeera television in December 2002. This statement reinforced the threat. It stated that Al Qaida would attack vital economic centres and strategic enterprises of the 'Jewish-Christian Alliance', including operations on land, at sea and in the air. Australia has also been mentioned in statements attributed to Al Qaida on the Internet.

Jemaah Islamiyah also has Australia in its sights. It perpetrated the October 2002 Bali bombings—a stark testament to the threat it poses to Australian people and interests. The bombings were a deliberate attempt to inflict mass casualties on Western civilians. Australians were clearly likely to suffer the heaviest impact. We do not know whether direct targeting of Australia was part of the original intent but this has been subsequently claimed by some of those convicted.

The Bali bombers—including Mukhlas and Amrozi—have spoken to the media about their actions. Mukhlas stated in an interview with Australian television in May 2004:

... In Australia ... this [is] a curse from God that they be afraid of their own shadow ... It's the victory for the terrorists.

There are almost certainly other groups seeking to harm us, both in Australia and overseas. Most are likely to draw influence or inspiration from the likes of Al Qaida and Jemaah Islamiyah, but their secretive methods mean that we may not be aware of their existence until they attack.

Why are we a target?

Australia is a target for complex reasons. But we can distil all the invective and rhetoric to a basic premise. These terrorists feel threatened by us, and by our example as a conspicuously successful modern society. We are in their way.

Transnational extremist-Muslim terrorists imagine us as part of a Zionist-Christian conspiracy aimed at bringing impiety, injustice, repression and humiliation to the Muslim world. Weakening the influence of the West would advance their political goals by helping undermine those Muslims they view as corrupt and open to Western influence. We are seen as standing in the way of their goal to transform the Muslim world into a Taliban-style society. According to their simplistic worldview, we are part of the Christian West which, to them, is un-Islamic and therefore illegitimate.

The core values we hold and which are intrinsic to our success as a liberal democratic culture are anathema to these extremists. For them, our beliefs in democratic process, racial and gender equality, religious tolerance and equality of opportunity are mere human inventions at odds with God's law. These values impede their political goals. They are confronted by the reality that it is not only people of the West who value such freedoms.

And we advance our values through an active foreign policy. We energetically support democracy, human rights and religious freedoms in our international contribution and through our participation in international forums like the United Nations. Our close alliance with the United States, our role in East Timor, our early and active engagement in the war

THE BALI BOMBINGS

On 12 October 2002, two bombs exploded at Kuta in Bali. The first, inside Paddy's Bar, was detonated by a suicide bomber. It was apparently intended to move people onto the street towards a second, larger device in a van outside the Sari Club. This device, also triggered by a suicide bomber, was detonated within a minute of the first explosion. Less than a minute later another device exploded, without causing casualties, near the US Consulate in nearby Denpasar.

The official death toll for the Bali attacks was 202, including 88 Australian citizens.

The Bali attack was a sophisticated operation. The team that conducted it was coordinated by Jemaah Islamiyah member, Imam Samudra. It brought together logistics specialists, bomb makers, a support team, and the actual attackers— including two suicide bombers.

The attack was a Jemaah Islamiyah operation, but it is thought that Al Qaida helped with advice and training. Al Qaida and senior Jemaah Islamiyah member Hambali (arrested in Thailand in August 2003) provided funds. Jemaah Islamiyah leaders, including Hambali and Samudra, received training in Afghanistan—probably from Al Qaida.

The Australian Federal Police and the Indonesian National Police conducted a joint criminal investigation into the bombings. This led to the identification and arrest of most of those who took part in planning or executing the attack. By April 2004, 33 people had been convicted by the Indonesian courts for involvement in the attack. Three have been sentenced to death and four were given life sentences. Indonesian authorities have arrested several others who provided assistance to the Bali bombers.



Bali bombings (Photo: Australian Federal Police)

in Afghanistan, and our involvement in the Coalition in Iraq are often cited by transnational terrorists as reasons for targeting us.

Our actions are cited as evidence of the imagined conspiracy against Muslims as the terrorists attempt to draw support for their extremist views. They do this cleverly, invoking causes which resonate strongly and authentically in the broader Muslim community. But the essence of their objections is not our actions. Rather, it is our example as a people and as a society, and the values we stand for.

Australia's global interests

Australia's interests are global. As a fully integrated member of the international community, we have a major stake in the global campaign against terrorism. To protect our interests we need the support of other countries that share our values, just as they need ours. The terrorist threat to our global interests can only be defeated through a comprehensive and effective international response. There is no room for complacency.

Australians have a significant presence abroad. Over 3.5 million of us travel overseas each year—around one million at any one time. Some 720 000 Australians or almost 4 per cent of the population live overseas. About 120 000 of us move overseas on a long-term or permanent basis each year.

Australia has an extensive diplomatic network of 86 overseas posts as well as other official representations. About 2000 Australian Defence Force personnel are deployed on more than ten operations and training activities around the globe, including in the Middle East, Europe, Africa, South-East Asia and the Pacific. The Australian Federal Police maintains a significant overseas presence, through its International Network and with personnel currently deployed in Cyprus, East Timor and Solomon Islands. Australian non-government organisations also maintain significant overseas representation. A total of 2289 Australians worked overseas through a non-government organisation in 2003.

We have extensive global economic and business interests. Australia's trade and foreign investment is a key to our economic prosperity. Exports account for around 20 per cent of annual gross domestic product. The jobs of one in five Australians now depend directly or indirectly on the export of Australian goods and services. In 2003, Australia's two-way trade in goods and services was valued at \$304 billion, including \$140 billion of Australian exports. In the same year, Australia invested \$152 billion abroad while international investment in Australia totalled over \$233 billion. The Australian dollar is the world's seventh most traded currency.

These figures show that terrorism threatens not only the physical security of Australians travelling and living abroad. It also threatens our international economic and commercial interests. The threat of terrorism raises the cost of trade and travel and undermines investor and consumer confidence. Lower rates of economic growth are the result, particularly in an economy like Australia's, with our heavy reliance on trade and foreign investment. And the interdependence of national economies means economic disturbance is felt throughout the global marketplace.

ECONOMIC COSTS OF TERRORISM

Terrorism impacts on world economic activity in several ways. The immediate impact includes loss of life, damage to property and infrastructure and disruption to financial markets. Other short-term costs include rescue efforts and post-attack consequence management as well as the costs of remedial measures.

In the medium to long term, terrorism creates uncertainty, reduces confidence and increases risk perceptions and insurance premiums. Investors seek lower risk and shorter-term investments. These typically have weak rates of return. The cumulative effect is to reduce overall investment and slow rates of economic growth.

The IMF estimates that the loss of US output resulting from terrorism-related costs could be as high as 0.75 per cent of Gross Domestic Product, or US\$75 billion per year. Any decline in US real GDP compounds and prolongs the adverse impact of economic uncertainty on Asian countries and Australia.

Increased spending on counter-terrorism may provide a boost to some businesses. But there is an overall decline in economic productivity as resources are diverted to security from more productive activities. Pressure is also exerted on state budgets.

Productivity losses from the threat of terrorism can be offset by improving risk perceptions. If properly managed, security measures can facilitate and secure trade and investment. New technologies introduced to strengthen trade security can increase efficiencies in trade and decrease trade costs through reduced theft, shorter delays and lower insurance costs.

Economies which fail to adopt new trade security measures or fail to cooperate in multilateral counter-terrorist measures run the risk of marginalising themselves from many international transactions.

Source: *Combating terrorism in the transport sector*, Economic Analytical Unit, DFAT, June 2004

Terrorism also places Australia's international relations under stress. Well established international practices, relationships and conventions are challenged by the threat of terrorism. The need for a robust response to terrorism challenges long-standing international patterns of behaviour. Australia's relationships with other countries can come under pressure because of the need to respond to situations which, while internal to a particular country, can affect our security. Overall, the international system becomes less predictable and less easy to manage.

The nature of the terrorist threat to Australian interests

Overseas

The threat to Australian interests is higher overseas than at home. Australian interests overseas are often less well protected and within easier reach, making them an easier target. Our interests are at particular threat in South-East Asia, South Asia and the Middle East.

The extent and complexity of the overseas threat is recognised in the travel advisory system developed by the Department of Foreign Affairs and Trade. The volatile international security environment has resulted in raised threat levels for Australia's interests overseas in recent times.

Australian interests are at threat from terrorists wherever Western interests are targeted. A more dangerous international environment also means Australians may accidentally get caught up in attacks directed primarily at others. Terrorist attacks against Western interests in Europe or the United States could involve Australian casualties—as in the 2001 World Trade Center attack.

Australian interests can be targeted directly. This was the case in December 2001 when a Jemaah Islamiyah plot to bomb the Australian, British and United States diplomatic missions in Singapore was foiled by the Singapore authorities. Similarly, in June 2003 the Thai police uncovered a plan by Jemaah Islamiyah to bomb the Australian Embassy in Bangkok together with the embassies of the United States and United Kingdom. Australia has also been named as the primary target for terrorists in Indonesia by an Al Qaida manual titled *Targeting the cities*.

Australian counter-terrorism activities abroad may also be targeted. Also, peace-keeping, military, law enforcement and development cooperation projects, and the people who carry them out, can challenge the capacity of terrorists to operate freely. Threatened by this, terrorists may target these activities in an attempt to break Australian resolve.

Australian interests can also be attacked if they present a 'soft' target. Should a non-Australian higher-profile target be too difficult to attack, Australian interests could be targeted instead. In these circumstances, our interests may be seen as an easier option for the terrorists.

South-East Asia

Australia has significant engagement with the countries of South-East Asia and we have a major stake in the region's security.

Despite the Bali tragedy and ongoing terrorism concerns, the region remains a popular destination for Australians. Four of the top ten destinations for Australian travellers are in South-East Asia. Around 45 000 Australians live in the region and many Australians have family there.

Australia has substantial commercial and diplomatic interests in South-East Asia as well as an overall interest in the region's security. Trade between South-East Asia and Australia now exceeds \$40 billion a year—Singapore, Indonesia, Thailand and Malaysia feature in the top 15 destinations for Australian exports. The region encompasses important communication links, air routes and sea lanes vital for our trade.

Terrorists in South-East Asia have demonstrated an interest in targeting Australia and our overseas interests. As well as the threat from Jemaah Islamiyah and other known groups, there is a more diffuse threat from tomorrow's terrorists—militant groups that may commit terrorist acts in the future.

Since September 11, information indicating terrorist plans to attack Australian embassies in South-East Asia has come to light. The symbolic value of bombing diplomatic missions will ensure that they remain a likely terrorist target.

Key economic and commercial interests, including airports, airlines, shipping and transport infrastructure, have also been identified as targets. In April 2002, regional authorities disrupted a Jemaah Islamiyah plot to hijack a plane and crash it into Singapore airport.

The magnitude of the terrorist threat to Australia's interests in South-East Asia depends on the effectiveness of action by countries in the region to counter that threat. Jemaah Islamiyah and other terrorist groups in the region will look for and exploit any weaknesses in the region's counter-terrorism response. The precise nature and location of the threat to our interests is likely to vary.

Pacific islands

There is no current evidence of terrorist activity in the Pacific island countries but they remain vulnerable to exploitation by terrorist networks and even terrorist attacks. Apart from its direct consequences, a terrorist attack in the Pacific would also have a major impact on the region's important tourism sector, along with possible longer-term economic and social damage. Pacific island countries recognise their vulnerability and are working with Australia and other countries to rectify them.

At home

The terrorist threat extends to Australia's shores and a terrorist attack on our soil is possible. This reality underpins Australia's National Counter-Terrorism Plan—to prepare for, prevent and respond to acts of terrorism and their consequences within Australia.

In the past, Australia was geographically insulated from areas that were a focus of terrorism, including the Middle East, North Africa and parts of Europe. This helped protect it from the terrorist threat. But globalisation means we are within easier reach. Today geography is no defence. The protection once afforded by the so-called 'Sea-Air Gap' no longer exists. Terrorists do not necessarily need to enter Australia in order to launch an attack against our territory or our interests. This means that Australia's security environment has become less predictable since September 11 and the Bali bombings.

Extremists with links to transnational extremist-Muslim terrorist groups have shown interest in undertaking terrorist attacks in Australia. Al Qaida explored possible targets in Australia in 2000 and an associated group has recently been active. This suggests a serious intent to undertake terrorist attacks here.

In May 2004, Australian citizen Jack Roche pleaded guilty to charges of conspiracy to commit offences against the *Crimes (Internationally Protected Persons) Act 1976*. Roche was sentenced to nine years' imprisonment. Roche associated with Jemaah Islamiyah in Australia, trained in Afghanistan, and met with and took direction from Hambali and other extremist identities, including Khalid Sheikh Mohammed. Roche videotaped the Israeli embassy in Canberra and the Israeli consulate in Sydney in June 2000 as a preliminary measure to support a possible future terrorist attack in Australia.

Following the listing of Jemaah Islamiyah as a terrorist organisation by the government, the residences of individuals with suspected links to Jemaah Islamiyah were searched in October 2002. Although no evidence of operational planning in Australia was found, these searches confirmed links between Jemaah Islamiyah members in Australia and senior Jemaah Islamiyah figures in South-East Asia.

References made by Al Qaida and affiliated groups, targeting Western countries in general and Australia in particular, highlight the enduring terrorist threat to Australian domestic interests.

Some transnational terrorist groups have small numbers of supporters in Australia. A small number of Australians have trained in terrorist camps in Afghanistan and Pakistan. The prospect of Australia being a source of funds for overseas terrorist activities is also of concern.

Strong border control measures are essential in securing Australia against external terror threats. But the terrorist threat to Australia does not only come from external sources. It can also come from people living and working in Australia.

Although we have much greater control of our security at home than abroad, the threat of the unknown remains. We have identified and successfully disrupted the activities of some groups but we must remain alert and adaptable to deal with new threats should they emerge.

The threat from chemical, biological, radiological or nuclear terrorism

The acquisition of chemical, biological, radiological or nuclear weapons by transnational terrorist groups would add a new dimension to the terrorist threat to Australia. It would seriously compromise the physical security of the Australian community. Although the range of damage that can be inflicted by this form of terrorism varies enormously, even a small incident would cause significant alarm.

We know Al Qaida has shown interest in both acquiring and developing expertise in chemical, biological, radiological and nuclear terrorism. The growing black market in the

technology to support these weapons underscores the need for quick international action against proliferation threats.

The threat to Australian values

Muslim extremist terrorists threaten Australia's core values as much as our security. The views they espouse challenge our way of life as a tolerant, open and diverse society.

Terrorists attack democratic societies by using their very openness as a weapon against them. They prey on both fear and ignorance. In threatening us, they challenge us to abandon our fundamental freedoms, community tolerance and the open nature of our civil society. They present us with the risk that, in framing a counter-terrorist response, we may sacrifice, prejudice or compromise our basic values.

The long-term threat

The ambiguities of the longer term present us with the most difficult challenge. The transnational terrorist threat is evolving rapidly. The structure and capacity of groups such as Al Qaida is changing and new terrorist groups are emerging. Some of these new groups are acting autonomously and adopting new tactics.

The existence of highly capable transnational terrorist groups means Australian interests will continue to be at heightened threat from terrorist attack. Together with our global partners, we have had significant successes in disrupting the operations of transnational terrorist groups. But Al Qaida and terrorist groups associated with it retain the intent and capacity to carry out sophisticated attacks. Both their rhetoric and their behaviour signal that they are in for the long haul.

Intelligence is one of our best defences. It provides us with an understanding of our security environment, allowing us to work effectively with like-minded countries to disrupt and defeat terrorist attacks before they occur. It gives us early warning of threats as they develop but it will never be able to provide the complete picture. The further we look into the future, the more difficult this becomes. No defences are foolproof.

And as we become more accustomed to living under the shadow of transnational terror, we also face the threat of our own complacency. We cannot allow further tragedy to be our wake-up call.



CHAPTER VII

COUNTERING THE TERRORIST THREAT

COUNTERING THE TERRORIST THREAT

The Australian Government is firmly committed to the global campaign against terrorism. This is in Australia's national interest. We made the choice to join our international partners in taking the fight to the terrorists to protect our country, our people, our way of life, our values and our freedom. This is not an easy task, nor one that will be over quickly. But it is our only option for peace and security. So we will support this campaign with vigour and determination for as long as it takes.

Australia will not be intimidated by terrorists. We will not allow terrorists to determine our allies or what we stand for as a nation. And we will not allow our policies to be dictated by the threat of terrorism. To do so would be morally bankrupt and unrealistic.

The terrorist threat we are now facing will only be defeated by a global response. Since the 11 September 2001 attacks, the global coalition against terrorism, comprising Muslim and non-Muslim countries alike, has achieved some major successes against Al Qaida, its affiliates and their supporters.

- In Afghanistan the repressive Taliban regime has been removed from power, Al Qaida's terrorist bases destroyed and its operations disrupted.
- Three-quarters of Al Qaida's senior leadership has been captured or killed.
- Around 3400 terrorist operatives and associates have been detained or killed in over 100 countries.
- Entire Al Qaida cells have been dismantled around the world and plots disrupted.
- Around \$285 million in terrorist assets have been frozen.
- In our region, over 300 Jemaah Islamiyah suspects have been detained.
- Most of those responsible for the Bali bombings have been captured and convicted.

These successes, combined with more effective counter-terrorism measures, have made it more difficult for terrorists to conduct large-scale September 11-type attacks. But much remains to be done. Despite the attrition they have suffered, terrorist networks such as Jemaah Islamiyah are flexible and resourceful. They have a capacity to regenerate. They also retain the capability and desire to conduct more attacks, including, in the case of some groups, mass casualty attacks.

The need for international cooperation and solidarity

No country can combat the threat from transnational terrorism on its own. Effective action against terrorism requires a coordinated international response based on close and sustained international cooperation. In the face of terrorist threats, the security of Australians and Australia's interests depends to a significant degree on a collective response.

A vigorous, proactive approach to fighting transnational terrorism is also essential. The pursuit of extremist groups that carry out terrorist attacks must be single-minded and

unrelenting. They must be kept on the run and denied safe haven. Counter-terrorism strategies must be practical and dynamic and be able to react to the evolving nature of the terrorist threat.

The international coalition against terrorism must demonstrate unshakeable resolve in confronting the terrorists. The Madrid bombings and especially Bin Laden's response to them—the offer of a truce to European countries on the condition that they withdraw their forces from 'Muslim lands' within three months—represented an attempt by Al Qaida to sow division among its opponents. This would be a setback for our coalition against terrorism.

The costs of buckling in the face of this new form of terror would be high. It would validate terrorist violence and embolden the terrorists, giving them cause to think that they can influence government policy and intimidate electorates in ways that serve their interests. To retreat would also ignore the fact that the terrorists are not interested in negotiation; a concession would simply lead to another demand and more violence. The only option is to stand firm.

Australia's international strategy for fighting terrorism

The government's international counter-terrorism strategy is comprehensive. It aims to deliver concrete results against the terrorists through effective operational-level cooperation; to help other countries develop and strengthen their capabilities to fight terrorism; and to build political will among governments to combat terrorism over the longer term. To achieve these objectives, Australia is taking action at a global and regional level and on a number of fronts.

Our international counter-terrorism strategy covers both the immediate terrorist threat and the need to reduce that threat over the longer term. It is sustained by and complements Australia's domestic counter-terrorism effort. Protecting ourselves against terrorism is a fundamental human right—the right to life and human security. By preserving a society in which fundamental human rights and freedoms can be exercised, our counter-terrorism strategy enhances human rights. Our democratic traditions and processes, which preserve our fundamental human rights, are our greatest ally and our greatest strength in prosecuting the campaign against terrorism.

The support and cooperation of Australia's partners and allies is central to the implementation of our international counter-terrorism strategy and our ability to protect ourselves from terrorist attacks. Long-standing cooperation between Australian agencies and their overseas counterparts on transnational issues, such as people-smuggling, drugs, extradition and mutual legal assistance, weapons proliferation and money laundering, have provided a solid foundation for joint action to combat terrorism. But the government has also put in place new international arrangements to strengthen counter-terrorism cooperation and give it a sharper focus.

Australia's alliance with the United States is a key plank of our international counter-terrorism strategy. It is fundamental to our security and that of the Asia-Pacific region. The United States is the global leader in the fight against international terrorism. No other country has the global reach required, or the resources, to help other countries improve their own capabilities to deal with terrorism.

This alliance involves two-way commitment. The United States should not be left to bear the burden in the campaign against terror. Australia has contributed in a wide range of ways, including through military action, law enforcement and intelligence on terrorism developments in our immediate region. We are also working closely with the United States on ways to improve the protection of the critical infrastructure on which we all rely and take for granted in our day-to-day lives.

The United States provides essential military, intelligence, law enforcement and economic resources to the fight against terrorism that Australia can draw upon to protect its interests. Our access to these resources, especially the United States' vast intelligence assets, helps us monitor terrorist threats to Australia's security and put in place appropriate counter-measures. Our capacity to confront transnational terrorist groups, such as Al Qaida, Jemaah Islamiyah and Lashkar e-Tayyiba, would be significantly diminished without access to these resources.

Our close association with the United States is underpinned by shared values. The government's invocation of the ANZUS Treaty for the first time immediately following the September 11 attacks was a demonstration of our commitment to defend these common values in the face of the terrorist threat.

Strengthening links with our regional partners, especially in South-East Asia but also in the Pacific, is a key element of our international counter-terrorism strategy. We share a growing appreciation of the nature of the terrorist threat and how it affects our mutual interests, as well as the measures needed to combat it. Our relationship with regional countries will continue to provide the foundation for strong cooperation and practical support to help develop counter-terrorism capabilities.

Building counter-terrorism ties with countries in the Middle East, South Asia and Europe is also important. The security environment in these regions, which affects Australia's interests, combined with cross-regional links between terrorist groups has driven stronger cooperation. Representation and liaison arrangements have been expanded to provide for increased exchange of information and intelligence on terrorism issues.

Intelligence has taken on even greater significance in the fight against terrorism. It is at the frontline of our defence and one of the best ways we can protect ourselves from terrorist attack. It is a key component of our international security alliances and partnerships, especially those with the United States and the United Kingdom. The government has boosted funding for Australia's intelligence and security agencies to improve their intelligence gathering capabilities. At the same time, our agencies will continue to strengthen links with

their overseas partners. This will both increase the flow of intelligence on extremist groups that may threaten Australian interests and contribute to the broader international campaign against terrorism.

Combating terrorism requires a larger number of government agencies and a wider range of functions than have normally been associated with national security. Our police, intelligence, security, customs, defence force, immigration and transport agencies, as well as our legal, development cooperation and financial authorities all play important roles in supporting our international counter-terrorism effort. Coordinating the activities of these agencies is essential to achieving a whole-of-government approach to fighting terrorism.

Diplomacy also plays a central role. Drawing on its overseas network, the Department of Foreign Affairs and Trade has been instrumental in forging stronger ties with regional countries to combat terrorism. It has also been active in encouraging a resolute counter-terrorism response at the regional and global levels and in the development and implementation of Australia's international counter-terrorism strategies.

Australia's Ambassador for Counter-Terrorism is a focus for our international advocacy and engagement as we seek to expand the links operational agencies have with their partner countries. These activities, and our contributions to regional capacity-building, are coordinated through a new, inter-agency mechanism—the International Counter-Terrorism Coordination Group.

Responding as a global player

At the hard edge of Australia's whole-of-government contribution to the global campaign against terror is the use of military force. The Australian Defence Force (ADF) has been deployed twice since September 11 in major military operations against terrorism. First in Afghanistan, where we helped eliminate a safe haven for Al Qaida, and presently in Iraq, where international terrorists are among those fighting coalition forces and the Iraqi people over the latter's right to determine their own future.

Military intervention in Afghanistan

Australia contributed to the defeat of the Taliban regime, which provided sanctuary for Al Qaida in Afghanistan. ADF elements supported the US-led international coalition in the destruction of Al Qaida's main terrorist training camps in Afghanistan, stripping the group of its principal base. The Australian Army operated in Afghanistan for almost a year performing a range of missions. Royal Australian Air Force and Navy personnel provided vital support to the coalition throughout their deployment to the region. The government's diplomatic network, maintained by the Department of Foreign Affairs and Trade, aided these deployments.



Australian Special Forces in Afghanistan (Photo: Defence)

The fight against terrorism in Iraq

Regardless of past differences about dealing with Saddam Hussein's defiance of the United Nations Security Council, it is clear that Iraq presents the international community with a crucial contest of will in the campaign against terrorism. Al Qaida and other international terrorist groups have made it their battlefield. Foreign terrorists have joined Iraqi insurgents in launching violent attacks on Iraqi and coalition forces and civilians. The motivations of these opposition elements may differ but their objective is clear: through the use of violence and intimidation, to defeat Iraqi and international efforts to achieve a successful transition to stability and more representative government in Iraq.

A terrorist-inspired breakdown in civil order in Iraq would have serious security implications, both globally and for Australia. It would undermine stability in the Middle East and likely give rise to serious humanitarian problems. It would give the terrorists an operational base and a propaganda advantage, reinforcing their determination to purge Western influence from the Muslim world. It would embolden terrorists everywhere. It would damage the cause of the coalition of countries and organisations committed to peace-building. And above all, it would deny the Iraqi people peace, freedom and economic development.

The eradication of terrorist activity in Iraq would, conversely, be a major win for the global war on terrorism. It would undermine the terrorist cause by weakening the appeal of extremism and making terrorist recruitment more difficult. It would encourage those governments that are confronting terrorism in their own countries and boost broader anti-terrorism efforts.

It is in Australia's national interest to remain engaged in supporting international efforts to restore stability in Iraq and assist with its rehabilitation. The government is prepared to keep Australian forces in Iraq until their tasks are complete as part of the Multinational Force authorised by UNSCR 1546 and earlier UN Security Council resolutions. A stable Iraq founded on representative government and processes would enhance global security.

Our engagement in Iraq is a clear demonstration of our support for the major international effort now under way to help the Iraqi people achieve freedom, security and prosperity. It also demonstrates Australia's solidarity with our allies—not only the United States and the United Kingdom but also our partners in the Asia-Pacific region, such as Japan, South Korea, the Philippines and Singapore, which are valued members of the coalition.

Multilateral forums and responses

The United Nations (UN) has played an important galvanising role in global efforts to combat international terrorism. Post September 11, the UN created sweeping international obligations on countries to create legislation and machinery to deal with terrorism. It focused on practical actions, including through broad sanctions targeting Al Qaida and the Taliban.

UN Security Council Resolution 1373, adopted on 28 September 2001, obliged all member states to take specific actions to combat terrorism, including denying safe haven to terrorists and blocking terrorist finances. This resolution built on Security Council Resolution 1267 which was adopted in October 1999. Resolution 1267 requires UN members to freeze the assets of individuals and entities associated with the Taliban and Al Qaida and established a consolidated list for this purpose. Other targets of UN anti-terrorism sanctions include economic resources, prohibitions on arms transfers and restrictions on travel.

The UN has helped create a climate and framework for enhanced bilateral, regional and global cooperation on counter-terrorism. Its norm and standard setting has helped lay the groundwork for the elaboration of more specific obligations—such as stricter controls on chemical, biological and nuclear weapons-related materials, equipment and technology—that have been mandated by the UN Security Council. The specific anti-terrorism measures taken by the UN since September 11 complement the obligations contained in a series of UN multilateral conventions related to terrorism.

The implementation of the various anti-terrorism obligations and standards created by the UN is overseen by the UN itself and a range of specialised UN bodies that have dealt with terrorism directly or indirectly. These include the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), and the UN Office on Drugs and Crime.

Australia strongly supports the work of the UN in fighting terrorism. In conjunction with our partners and allies, we have used the UN effectively to build international support and strengthen the international legal framework to counter the threat from international terrorism. Key Security Council resolutions covering such areas as the freezing of terrorist

assets, the listing of terrorist organisations, and controls on the proliferation of CBRN capabilities, represent important alliance achievements. They are key parts of our armoury in the fight against terrorism.

We support the work of the UN's Counter-Terrorism Committee (CTC) established under resolution 1373. The implementation of 1373 globally, however, including in the Asia-Pacific region, has been uneven. Many states still have relatively weak counter-terrorism capabilities. Recent steps to strengthen the capacity of the CTC to enable it to focus more sharply on these countries should result in some improvement. Australia has supported a number of counter-terrorism activities in our region that help countries meet their 1373 obligations.

Australia was instrumental in having Jemaah Islamiyah listed by the UN as a terrorist organisation under Security Council Resolution 1267. The listing obliges all UN members to freeze Jemaah Islamiyah's assets and restrict the movement of its members. Over 20 Jemaah Islamiyah members have also been listed by name with the UN and the government has listed these individuals under Australian law.

We support the continued listing of Al Qaida and Taliban-related entities and individuals with the Security Council's 1267 Sanctions Committee. The Committee's consolidated list represents an important tool in the application of international sanctions and we encourage countries to use it to crack down on terrorist groups.

Australia is a party to 11 of the 12 UN anti-terrorism conventions and the government is considering becoming a party to the remaining one as a matter of priority. We continue to urge countries in our region to ratify or accede to these conventions. We support activities to implement and use them to raise international standards in this field. We have also played a leading role over several years to guide negotiations in the UN on a Comprehensive Convention on Terrorism, demonstrating our willingness to engage with others in the search for common standards and jointly agreed obligations.

Despite its achievements, the UN faces some major challenges in its continuing quest to foster a global response to international terrorism. A number of countries, especially developing countries, are finding it difficult to meet their UN anti-terrorism obligations. Terrorism sanctions instruments are not keeping pace with the growth of autonomous terrorist groups. And, compared to the immediate aftermath of September 11, maintaining a global sense of urgency on terrorism will not be easy. The UN will, however, continue to be important in forging a united front against terrorism.

Blocking the flow of funds to terrorist organisations is a key element in the global campaign against terrorism. It is also becoming increasingly difficult as low-budget terrorism and new and innovative forms of fundraising make terrorism a moving target. Work is being done to make charities—a source of terrorist funding—more accountable, but there are indications that terrorist funds are now coming from commercial sources, drug trafficking and kidnapping.

Australia plays an active part in international bodies engaged in anti-terrorist financing work, including the International Monetary Fund (IMF), World Bank, Financial Action Task Force

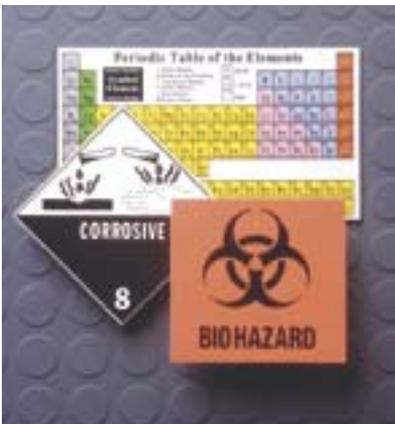
(FATF) and the Egmont Group of Financial Intelligence Units. Through the IMF Training Institute in Singapore, we are helping train prosecutors, judges and officials from financial intelligence units from the Asia–Pacific region who have a responsibility for implementing anti-terrorist financing and anti-money laundering laws. We are also helping countries comply with the FATF’s global standards relating to anti-money laundering and anti-terrorist financing, through bilateral capacity-building assistance and participation in mutual evaluation programs.

Since the September 11 attacks and the Madrid train bombings, transport security has taken on renewed importance. Within ICAO and the IMO, Australia has been a firm advocate of the adoption of stronger transport security practices and standards. Australia is also contributing to work being undertaken in the World Customs Organisation on securing the movement of goods across borders.

Australia’s role as a global player in the campaign against terrorism is reflected in our participation in meetings of the G8 Counter-Terrorism Action Group (CTAG) established in 2003. CTAG is a useful forum for exchanging information between the world’s major donor countries on the counter-terrorism capacity-building activities they are engaged in. We use CTAG to highlight the particular counter-terrorism needs and vulnerabilities of countries in our region.

Weapons of mass destruction

Australia has for many years been a strong proponent of measures to limit the proliferation of weapons of mass destruction (WMD). Good progress has been made in checking the transfer of components and know-how. Terrorist interest in acquiring WMD, particularly chemical, biological and radiological capabilities, has reinforced the need for stronger measures to be taken. The government supported the UN Security Council’s recent adoption of resolution 1540 requiring states to criminalise the proliferation of WMD, enact strict export controls and secure sensitive materials. The new resolution will help lay the foundation for greater attention to practical counter-proliferation measures.



(Photo: Getty Images)

Recent proliferation cases have demonstrated the critical importance of effective domestic measures, including export controls, in preventing the misuse of sensitive materials and technology. Export controls are a crucial complement to multilateral arms control arrangements. The Australia Group, established and chaired by Australia, works to control the export of chemical and biological material that could be used in weapons. Under the auspices of the group, we are conducting targeted outreach activities in the Asia–Pacific region. The group is also promoting awareness



Hazmat Protective Suits (Photo: Getty Images)

among manufacturers of the need to monitor suspicious domestic activities as well as export orders.

Export controls are not foolproof against increasingly sophisticated procurement networks. To close loopholes exploited by proliferators, Australia gives high priority to its participation in the Proliferation Security Initiative (PSI). The PSI is intended as a practical means of impeding illicit WMD-related trade. It reinforces the existing framework of domestic and international laws and multilateral arms control and non-proliferation arrangements. Australia is working with partners to improve interdiction capabilities and expand support for the PSI. As part of this the Australian Defence Force coordinated a series of multinational exercises in 2003.

Man-Portable Air Defence Systems (MANPADS)

Terrorist possession of MANPADS is an increasing concern in the light of the grave threat that such weapons pose to public security and civil aviation. The attack on an Israeli civilian aircraft in Kenya in November 2002 underscores the reality of that threat. Over the past 30 years, MANPADS attacks on civilian aircraft have claimed 28 aircraft and some 700 casualties. Terrorists will continue to find MANPADS attractive—they are readily available and they make a political and economic impact.

Australia strongly supports ongoing international efforts to control the production and proliferation of MANPADS. In the hands of terrorists, these weapons could cause significant harm to key industries in the Asia–Pacific, especially tourism. The government supports the comprehensive five-point US initiative to counter the illicit trade in MANPADS endorsed by the G8 in 2003. We also support the development by the Asia–Pacific Economic Cooperation (APEC) forum of a code of conduct on MANPADS control. This builds on the commitment APEC leaders made in 2003 to strengthen efforts to prevent terrorists from acquiring MANPADS, including through export controls and securing stockpiles. To further stiffen international commitment to measures to prevent the illicit trade in MANPADS, we are taking the lead on a UN resolution focused on practical measures to prevent non-state actors from acquiring MANPADS.

Australia's regional commitment

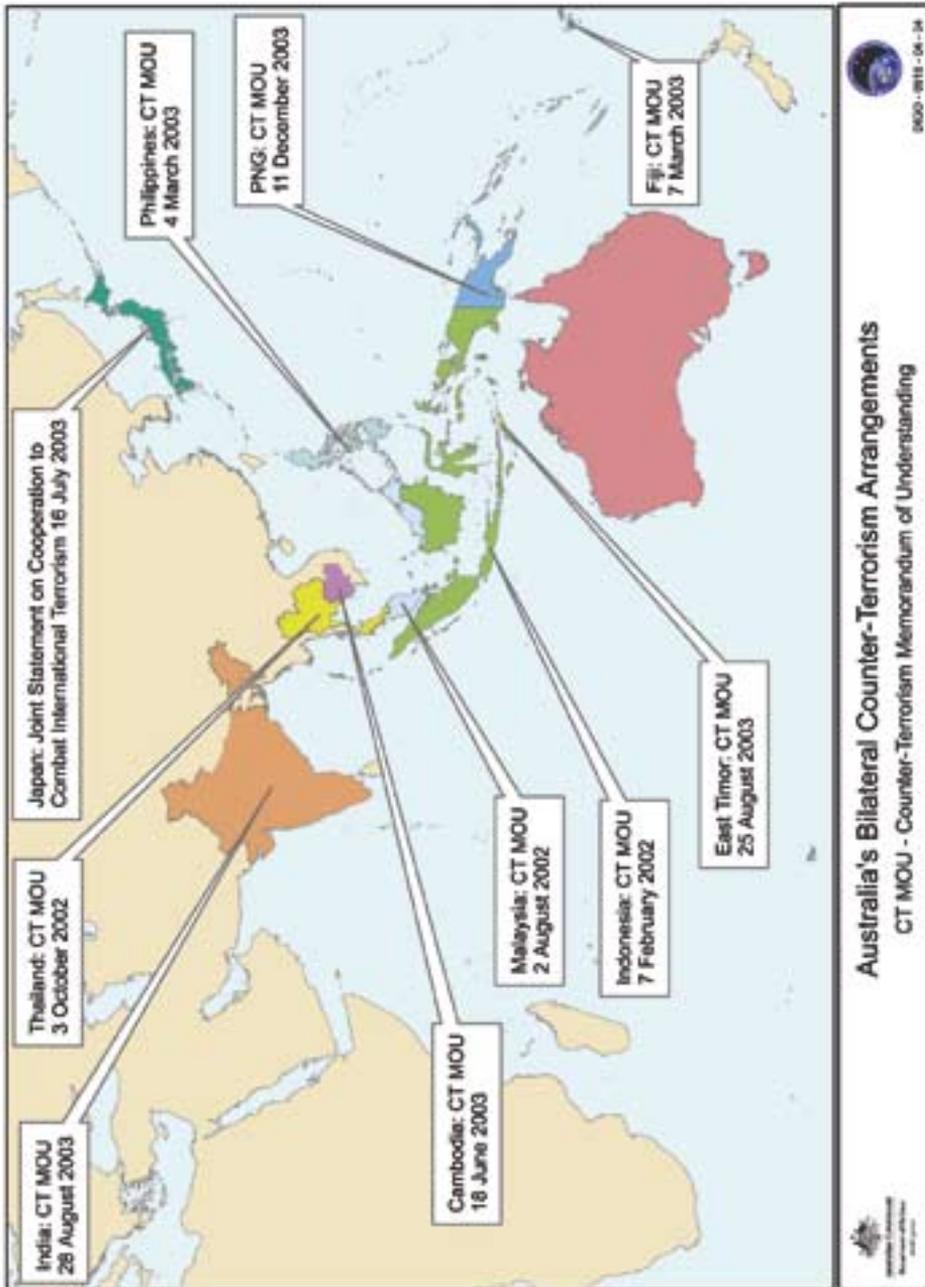
Australia and our partners in South-East Asia and the Pacific have a shared interest in the region's successful management of the terrorist threat. Our interests in the region are extensive. It is here we can make our most significant contribution to the global campaign against terrorism.

The government attaches a high priority to strengthening counter-terrorism cooperation with our regional partners. It is one of our best means of protection. Cooperation is being pursued bilaterally as well as through regional bodies. These two avenues of cooperation are intended to complement each other. Our objective is to achieve concrete, practical results that improve the overall security of the region and protect Australian interests in the process.

The focus of cooperation is on meeting immediate operational requirements and helping to develop the counter-terrorism capabilities of countries in the region over the longer term. Progress in the regional campaign against terrorism has been facilitated through such cooperative arrangements with the support of regional governments. Detecting and capturing terrorists and disrupting terrorist plots remains a priority, but creating an environment that deprives terrorists of the space to operate and build networks is also important.

The government's development cooperation program is providing assistance to our regional partners to develop their counter-terrorism capabilities. This is being done through funding capacity-building activities by Australian agencies as well as under regional initiatives.

Australia's Bilateral Counter-Terrorism Arrangements



Building and maintaining political commitment among regional countries is essential to the region's campaign against terrorism. Collectively, we must be able to match the patience and resolve of the terrorists. This will require sustained commitment, and a readiness among regional countries to work together, over many years. These realities lie at the heart of Australia's purposeful engagement with its neighbours on terrorism.

Bilateral cooperation

A network of bilateral counter-terrorism arrangements smoothes the path for practical cooperation between Australian agencies and their regional partners. Arrangements have been concluded with Indonesia, Philippines, Malaysia, Thailand, Cambodia, India, Fiji, Papua New Guinea and East Timor. These arrangements help support increasingly productive intelligence and security relationships as well as measures to strengthen counter-terrorism capabilities.

A number of Australian Government agencies have also concluded cooperative arrangements directly with their counterparts. Our long-standing security, intelligence and defence links with Singapore have also been engaged in responding to the new terrorist threat.



The Foreign Secretary of the Philippines, Mr Ople, and the Minister for Foreign Affairs, Mr Downer, sign a Memorandum of Understanding on cooperation to combat international terrorism, 4 March 2003
(Photo: AUSPIC)

Intelligence

Our intelligence systems offer the best chance of detecting terrorist activity and allowing us to take steps to prevent an attack. Exchanging information and intelligence assessments with our partners can help identify and monitor terrorists, provide warning and disrupt their activities. From a law enforcement perspective, good intelligence is an integral part of conducting effective terrorism-related investigations. The activities of Australia's intelligence and security agencies have helped thwart terrorist attacks and, as the Bali bombings investigation demonstrated, uncovered terrorist links and associations that were previously unknown.

Since September 11, Australian intelligence and security agencies have sharpened their focus on terrorism. The Australian Security Intelligence Organisation (ASIO) and the Australian Secret Intelligence Service (ASIS) have received significant new resources and have deepened existing links and forged new relationships in the region. This has led to a greater pooling of resources and a dramatic increase in the sharing of information. We are also providing counter-terrorism intelligence training and advice to countries in the Pacific.

The Defence Intelligence Organisation (DIO) has increased counter-terrorism analytical resources while the Defence Signals Directorate (DSD) has enhanced its capability to collect signals intelligence against terrorists. The Defence Imagery and Geospatial Organisation (DIGO) also maintains a counter-terrorism capability.

Law enforcement

Law enforcement agencies are uniquely placed to contribute to the disruption of terrorist activities. The Australian Federal Police (AFP) is Australia's lead international law enforcement agency and has a critical role in implementing our regional counter-terrorism strategy. Since September 11, the government has boosted the AFP's capacity to combat terrorism. In February 2004, the government announced the formation of an AFP International Deployment Group to strengthen Australia's involvement in peace-keeping operations, missions to restore law and order, and the delivery of capacity-building initiatives in the region.

The AFP has worked hard over a number of years to establish solid working relationships with regional police services. This groundwork paid dividends in the successful joint investigation into the Bali bombings. The investigation was underpinned by our bilateral counter-terrorism arrangement with Indonesia signed in February 2002, and an arrangement between the AFP and the Indonesian National Police, signed in June 2002. The AFP also helped the Philippines police investigate a series of terrorist bombings in the southern Philippines in 2003. And AFP officers were deployed to Saudi Arabia, Turkey and Spain in response to terrorist attacks in those countries.

The AFP is a major contributor to the development of counter-terrorism law enforcement capabilities in the region. It takes a practical, hands-on approach based on close collaboration with the host authorities. The emphasis is on building local capacity so that local police are better equipped to anticipate and respond to terrorist threats and situations.



AFP forensics experts assist the Indonesian police with their investigations at the Bali bomb site
(Photo: Australian Federal Police)

Through its Law Enforcement Cooperation Program (LECP), the AFP delivers a range of capacity-building programs to partner law enforcement agencies in Asia and the Pacific. These include specific counter-terrorism programs as well as programs designed to strengthen skills in conducting transnational crime investigations that are also relevant to terrorism investigations. Key areas for attention and assistance include crime scene management, forensic investigation, and the collection of intelligence for law enforcement purposes. The AFP is helping a range of countries establish Transnational Crime Centres that strengthen their ability to investigate transnational crimes, including terrorism.

The AFP is providing targeted counter-terrorism assistance to police services in Indonesia and the Philippines as part of broader Australian assistance packages with these two countries. A key initiative with Indonesia is the establishment of a Transnational Crime Coordination Centre. In another major new initiative, Australia and Indonesia recently agreed to establish the Jakarta Centre for Law Enforcement Cooperation (JCLEC).

Malaysia has for many years been a strong and reliable partner of the AFP in fighting transnational crime, with a long record of participation in AFP training and capacity-building programs.

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION (JCLEC)

On 5 February 2004, Australia and Indonesia announced a joint initiative to establish the Jakarta Centre for Law Enforcement Cooperation (JCLEC). The establishment of JCLEC follows on from the successful collaboration between the Australian Federal Police and the Indonesian National Police in investigating the Bali and JW Marriott Hotel bombings.

JCLEC's key objective is to enhance the operational expertise of regional law enforcement agencies in dealing with transnational crime. Its focus is on strengthening regional cooperation and skills in combating terrorism. It will be responsible both for regional capacity-building and operational support.

Training activities run by the Centre will cover a wide range of key counter-terrorism skills. These include the tracking and interception of terrorists, forensics, crime scene investigation, financial investigations, threat assessments, criminal prosecution and counter-terrorism legislative drafting skills.

Australia is contributing over \$36 million to support the establishment and running of the Centre. The money will help meet the costs of physical infrastructure, technical equipment, training costs and the provision of operational and training experts from the AFP and other Australian agencies.

A number of other countries have expressed interest in supporting the Centre as well as participating in its activities.

JCLEC was opened formally on 3 July 2004 and is expected to be fully operational by the end of the year. It is headed by a senior Indonesian police officer and will have a staff of around 20.

Border management

It is not possible to stop members of international terrorist groups from moving around, but effective border protection measures can make it harder for them to do so. The government has taken steps to prevent terrorists and terrorist materials from entering Australia. It is in our interests to help our regional partners do the same.

Australia is assisting regional countries develop and strengthen their border control systems through a number of means. Our immigration authorities are providing document fraud laboratories and associated training as well as immigration-related intelligence training. They are helping draft immigration laws and put travel document examination standards in place.

Additional immigration staff have been posted overseas to support these programs. They are also undertaking security-related operational activities, such as examining travel documents and exchanging intelligence with local officials.



Australian Immigration officer, Peter Coyne, training airport officers in Manila (Photo: DIMIA)

An independent assessment of the border management and control systems of countries in the Asia-Pacific region will be undertaken in 2004–05. A range of strategic, tactical and operational issues will be examined. The aim is to identify the additional requirements for more secure border management.

A key border protection initiative Australia is pursuing is the Advance Passenger Information (API) system. Australia is encouraging regional countries to implement this system. API systems tighten border security by providing destination countries with advance information on passengers travelling to their country. Law enforcement and security agencies use API data to provide a higher level of security screening before passengers reach the border. A number of regional countries have announced that they will implement API systems over the next two years, but coverage in the region is incomplete.

Australia's efforts to help regional countries strengthen border management systems build on and complement the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. Co-chaired by Australia and Indonesia, the Bali Process has contributed to enhanced regional cooperation on border control issues and visa systems.

The movement of harmful goods is also a concern. Cargo containers have been identified as a means by which terrorists might seek to deliver weapons. Australian Customs is helping secure the international supply chain for goods by helping develop systems that identify high-risk items and facilitate the electronic reporting of cargo between customs agencies. Effective customs reporting systems are an integral part of strong border controls.

Australian Customs is also helping regional customs administrations install efficient reporting systems and comply with the IMO's International Ship and Port Security Code as well as implement model standards. In addition, it is providing training in customs intelligence, risk management and cargo profiling.

AUSTRALIAN COUNTER-TERRORISM ASSISTANCE TO INDONESIA

In October 2002, the Australian Government committed \$10 million over four years to help Indonesia build its counter-terrorism capacity. This is distinct from the additional funding for the Jakarta Centre for Law Enforcement Cooperation (\$36.8 million) announced in February 2004. Assistance is being provided in three broad areas.

Police—The Australian Federal Police is helping to enhance the counter-terrorism skills of the Indonesian police through programs in crisis management and intelligence officer and analyst training. Support for the establishment of a Transnational Crime Coordination Centre has also been provided and a criminal information management system is being developed.

Anti-terrorist financing—Australian assistance to strengthen Indonesia's anti-terrorist financing capabilities includes general capacity-building and the drafting of legislation to comply with international standards. A range of assistance is being provided to Indonesia's Financial Intelligence Unit, PPATK, including training to identify and process suspicious financial transactions, the creation of a financial intelligence database, and the development of international exchange procedures and protocols.

Travel security—Australian customs, transport and immigration agencies are implementing programs with their Indonesian counterparts aimed at strengthening port and cargo security, upgrading physical security at Denpasar and Jakarta international airports, and introducing new border management control systems at key airports.

Transport security

The Madrid train bombings refocused the world's attention on the exposure of transport systems to transnational terrorist attack. Commercial aircraft are still a preferred target for terrorists seeking a high death toll. Australia and other countries in the Asia-Pacific region have a major stake in strengthening regional transport security regimes. We are concerned about the risk to our interests from the potential exploitation by terrorists of vulnerabilities in aviation and maritime security overseas.

Australian transport authorities are working with regional governments to provide the basic building blocks of strong transport security regimes. These include measures to implement international security standards, developing legal frameworks, strengthening governance structures and compliance systems, and providing training. Planned assistance will aim to improve local skills in areas such as passenger and cargo screening, access control management and security planning.

A high-level transport delegation recently visited South-East Asia as part of Australia's initiative to work with our regional partners to enhance aviation and maritime security for passenger travel and cargo movements. We will help Indonesia to meet international aviation security standards at Denpasar and Jakarta airports, and the Philippines to meet comparable maritime standards at selected ports. To bolster our regional security coverage, we will appoint transport security officers to Jakarta and Manila.

The Air Security Officer (ASO) program, which introduced 'air marshals' on domestic flights, has been extended to international flights. Negotiations with a range of countries are in train to further expand the program. The ASO program complements a number of important initiatives taken by the government to enhance aviation security arrangements, both on aircraft and at airports.

In the Pacific, Australia is helping Pacific island countries develop and implement port security plans so they can meet IMO standards that form part of a new global security regime for international shipping. We will be providing one aviation and one maritime security expert to work with the Papua New Guinea transport authorities to undertake risk assessments and help develop security plans.

AUSTRALIAN COUNTER-TERRORISM ASSISTANCE TO THE PHILIPPINES

In July 2003, the Australian Government announced a \$5 million package over three years to help key Philippine government agencies build their counter-terrorism capacities.

Police—Assistance is being provided by the AFP to the Philippine National Police, the Philippine Center on Transnational Crime and the National Bureau of Investigation to build their strategic and operational counter-terrorism capabilities. In April 2004, a \$3.65 million law enforcement counter-terrorism capacity-building project was launched.

Border control—The Philippine Bureau of Immigration is receiving assistance to enhance its ability to detect fraudulent documents. Australia has provided two document laboratories and our immigration authorities are providing ongoing training in the use of the equipment.

Port security—A national framework for port security, including the development and implementation of port security plans, is being developed by the Philippines. An Australian \$1.3 million port security capacity-building project provides technical assistance and training to help the Philippines strengthen port security arrangements and comply with IMO security requirements.

Regional cooperation—Australia supported a series of sub-regional security cooperation meetings held in 2003 and 2004 aimed at strengthening regional cooperation in counter-terrorism initiatives. The meetings involved customs, immigration, quarantine and security officials from Indonesia, Malaysia and the Philippines.

Anti-terrorist financing

Terrorist groups need money to operate, so disrupting the flow of funds to terrorists is a priority. The Australian Transaction Reports and Analysis Centre (AUSTRAC) has a vital role in supporting global efforts to identify and halt the financing of terrorist-related activities. It has arrangements to exchange information with 27 counterpart financial intelligence units (FIU).

AUSTRAC is assisting countries in South-East Asia strengthen their FIUs. It is helping regional FIUs build collective skills and knowledge of terrorist financing and detect patterns of financial transactions that may be forms of terrorist financing. It is also helping the FIUs develop the information technology capability to capture, store and analyse financial information that may be related to terrorist financing. AUSTRAC provided technical support for the establishment of Indonesia's FIU, which is now fully operational.



AUSTRAC Director, Neil Jensen (right), discussing financial intelligence issues with officials from South Korea's Financial Intelligence Unit in Seoul, May 2003 (Photo: AUSTRAC)

Defence

The Australian Defence Force (ADF) plays a valuable role in supporting Australia's regional counter-terrorism effort. Reflecting the nature of transnational terrorism, its activities are integrated into our whole-of-government response and are most effective when used in supporting a broad-based response. The ADF's regional links, together with increased intelligence resources, contribute to our knowledge of the regional security environment, including the terrorist threat to Australian interests.

Defence maintains strong and broad-based bilateral relationships with countries in the region. These relationships are complemented by participation in regional arrangements, such as the Five Power Defence Arrangements involving Australia, New Zealand, United Kingdom, Singapore and Malaysia.

Australia's defence program of counter-terrorism engagement with our regional partners includes combined counter-hijack and hostage recovery exercises, the maintenance of close intelligence contacts and the provision of intelligence training. It also includes a focus on improving regional countries' national coordination between defence and other agencies in the event of an incident, and on improving the standard of consequence management responses. In the aftermath of the Bali bombings, the ADF demonstrated its regional consequence management capabilities in support of humanitarian operations.

The ADF Incident Response Regiment is assisting chemical, biological, radiological and nuclear (CBRN) response capacity-building efforts in the region. Regular CBRN exercises have been held with regional neighbours to develop cooperative plans should a CBRN incident occur.

The ADF's newly established Special Operations Command provides a focus for Defence cooperation with regional and other counter-terrorism forces. Elements of the ADF Special Operations Command participated in a successful counter-terrorism exercise in the South-West Pacific in September 2003. A similar exercise was held in South-East Asia in 2004. Special Operations Command is also establishing Special Forces Liaison Officers in the United States Special Operations Command and is preparing to host an Australian-led multilateral gathering of senior regional counter-terrorism personnel.

Emergency management

Managing the consequences of a terrorist attack involving Australians overseas is an integral part of Australia's international counter-terrorism strategy. As the Bali bombings demonstrated, inflicting maximum casualties is a deliberate tactic of the terrorists. Limiting the damage from an attack and helping the victims and the broader community recover from it as quickly as possible are a priority.

Australia is helping countries in the region meet this challenge in a number of ways. Emergency Management Australia (EMA) is establishing links with its regional counterparts to assess emergency response capabilities, identify needs and formulate strategies for practical cooperation in the event of a terrorist attack. The ADF is contributing to the development of response capacities through specialised exercises with regional partners.

Several Australian state and territory governments have formed strategic partnerships with Pacific island countries, including Fiji, Samoa, Papua New Guinea and Vanuatu, to improve their response capabilities. The focus of this assistance has been on fire fighting and ambulance equipment and training. These bilateral measures complement consequence management initiatives being pursued through regional bodies.

Cooperation with other countries

Australia has important bilateral counter-terrorism relationships with countries from outside the region. The most important of these is with the United States. In addition to extensive information and intelligence exchange, we work closely with the United States on counter-terrorism capacity-building activities in the region. Similarly, we are strengthening our counter-terrorism engagement with other donors with an interest in regional security, including Japan, United Kingdom and the European Union. New Zealand is a valuable partner in supporting counter-terrorism activities in the Pacific islands.

Perspectives on the terrorist threat in the Asia-Pacific region were exchanged at a meeting of counter-terrorism ambassadors from Australia, the United States and Japan in Canberra in November 2003. The three countries also discussed how they could best work together to combat terrorism in the region.

Regional cooperation

Regional organisations and bodies have an important role to play in combating terrorism. They develop common policy responses to the problem, act as a forum for the exchange of information and ideas, coordinate regional programs, and help develop the political will and momentum for action.

The government is active in encouraging a strong counter-terrorism response at a regional level. Its focus is on promoting practical measures that help to strengthen the region's counter-terrorism defences.

In February 2004, Australia and Indonesia co-chaired a Regional Ministerial Meeting on Counter-Terrorism that produced concrete outcomes in the critical areas of law enforcement, information sharing and legal frameworks. The meeting, attended by foreign and law enforcement ministers from 25 countries, also gave fresh political momentum to regional counter-terrorism efforts. A similar ministerial meeting in December 2002 helped raise awareness of the ways in which terrorist groups acquire and use funds, and the legal means that can be deployed to cut off their financial lifeline.

Australia is supporting the work of the South-East Asian Regional Centre for Counter-Terrorism (SEARCCT) in Kuala Lumpur as well as the International Law Enforcement Academy in Bangkok and the Philippine Center on Transnational Crime in Manila. Australian immigration authorities will be conducting a course on document fraud detection at SEARCCT in August 2004. JCLEC will complement the activities of these institutions.

Australia and ASEAN concluded a counter-terrorism declaration on 1 July 2004 reflecting our shared determination to work together as a region to eliminate transnational terrorism.

APEC is emerging as a valuable grouping for counter-terrorism cooperation. APEC Leaders have agreed to take all necessary action to dismantle transnational terrorist groups, to contain the proliferation of weapons of mass destruction, and to strengthen controls over MANPADS. An Australian border management initiative is being advanced within APEC: the Advance Passenger Information (API) Pathfinder Initiative. And Australia is engaged in the possible development of a regional movement alert system. Both can help strengthen airline security.

We are working with other APEC members to tighten maritime and customs security, and controls on the financing of terrorism. This work is part of the capacity-building assistance being provided by Australia to implement APEC's Secure Trade in the APEC Region (STAR) initiative. This is complemented by our contribution to a new Regional Trade and Financial Security Initiative within the Asia Development Bank. It will be used to strengthen port and border security arrangements in APEC developing economies.

Australia is leading an APEC initiative to raise awareness about and build the capacity of computer emergency response teams (CERT). These teams are valuable building blocks for increasing cyber security in our region and globally. We also funded the creation of a CERT network to share information about cyber attacks and are providing training to CERT teams in a number of countries in the region.

Australia plays an active role in the APEC Counter-Terrorism Task Force. The task force was established in 2002 to shape capacity-building efforts and to oversee implementation of APEC's secure trade agenda.

We are helping to shape the counter-terrorism agenda in the ASEAN Regional Forum (ARF). A workshop on managing the consequences of a terrorist attack, co-hosted by Australia and Singapore in Darwin in June 2003, drew on the lessons learned from the Bali bombings. Experts from around the region identified strategies to facilitate closer regional cooperation in responding to a major terrorist attack, including one involving chemical, biological or radiological weapons. One concrete outcome from the workshop has been the establishment of a register of regional disaster response agencies. This will improve the prospect of coordinated regional responses to major terrorist attacks.

Australia co-chaired with Thailand an ARF workshop on the Prevention of Terrorism in 2002. And we contributed to ARF meetings on border and transport security in 2003 and 2004. These meetings have laid the basis for a more coordinated regional response to those aspects of the terrorist threat.

The Asia-Pacific Group on Money Laundering (APG) is another channel through which Australia is working to strengthen the region's counter-terrorism response, especially in the area of anti-terrorist financing. We are a permanent co-chair of the APG, the regional body established to assist members implement FATF standards on anti-money laundering and anti-terrorist financing. Through AUSTRAC, we have provided experts to help identify the needs of APG member countries. AUSTRAC's work in the APG on alternative remittance

systems—financial services traditionally operating outside the regulated financial sector—formed the basis of a FATF best practices paper on terrorist financing.

We are helping Pacific island countries strengthen their counter-terrorism legal, administrative and security regimes through the Pacific Islands Forum (PIF). This includes assistance to implement the Nasonini Declaration adopted by PIF leaders in August 2002. The declaration requires the island countries to put in place legislation to comply with internationally agreed anti-terrorism measures. In conjunction with the PIF, we have developed a regional framework and model legislation for this purpose that will be refined to meet the specific legal requirements of individual countries.

A workshop sponsored by Australia, the United States, New Zealand and the PIF in March 2002 helped raise awareness among Pacific island countries of the threat posed by transnational terrorism and the role these countries have in combating it. In May 2004, a Pacific Roundtable on Counter-Terrorism was held in New Zealand where senior officials examined the transport security, border security and law enforcement challenges facing the island countries. The Roundtable highlighted the importance of compliance with the new IMO and ICAO transport security requirements and the constraints the island countries face in meeting these requirements. Security systems at sea ports and airports were identified as areas requiring urgent attention.

Australia is funding a new Financial Intelligence Support Team (FIST) focused on the needs of the Pacific island countries. The FIST, to be located in the region, will provide legal and strategic policy advice, mentoring and training to help the island countries meet their international anti-money laundering and anti-terrorist financing obligations. It will ensure that existing and proposed Financial Intelligence Units in the Pacific are equipped with the necessary skills to deal with emerging financial crimes, including the financing of terrorism.

Australia will join with its partners under the Five Power Defence Arrangements in defence exercises that will focus on addressing non-conventional threats in the region, particularly terrorism. The first of these exercises, which will involve ADF units, is scheduled to be held in the South China Sea in October 2004 and will be based on a mock merchant ship hijacking. Other government agencies will also participate in the exercises, where appropriate, to develop a broader multi-agency approach to countering terrorism in the region.

Protecting our nation

Australia's international efforts to combat terrorism draw upon the capacities and systems developed to ensure the safety and security of the Australian community from the threat of terrorism. This is of the utmost importance to the government. It has put in place a comprehensive set of counter-terrorism measures based around tougher anti-terrorism laws and stronger terrorism fighting agencies. Our international engagement is an integral part of the government's counter-terrorism strategy.

New laws

Domestically, new laws make it a crime to commit, train or prepare for a terrorist act. It is also illegal to be a member of, support or finance a terrorist organisation. As at June 2004, seventeen organisations, including Al Qaida and Jemaah Islamiyah, have been listed as terrorist organisations under Australian criminal law. In addition, over 500 individuals and entities have been listed for the purposes of asset freezing. Other laws have dealt with suppressing terrorist financing and improving border security.

Stronger agencies

Existing agencies have been strengthened and their counter-terrorism authority and capacities boosted to ensure they can counter the terrorist threat. Australia's intelligence agencies now have their greatest capacity ever to collect, sort, retrieve and analyse terrorism-related information. The government has significantly increased ASIO's resources over the past two years, which has enabled it to strengthen its capabilities in investigations and analysis, border control, threat assessment, critical infrastructure protection and security assessment. The government has also established a dedicated, multi-agency, around-the-clock National Threat Assessment Centre (NTAC).

THREAT ASSESSMENTS AND ADVICE TO AUSTRALIANS

ASIO has national responsibility for the preparation of threat assessments, a key element in Australia's protective security arrangements. The National Threat Assessment Centre (NTAC) is a dedicated 24 hour, seven-day-a-week operation located in ASIO which:

- comprehensively monitors and analyses all intelligence and information relating to terrorism available to the Australian Government
- prepares assessments of the likelihood and probable nature of terrorism and other acts of politically motivated violence against Australia, Australian citizens here and abroad and Australian interests overseas.

In addition to ASIO, the Australian Federal Police, the Australian Secret Intelligence Service, the Defence Intelligence Organisation, the Department of Foreign Affairs and Trade, the Department of Transport and Regional Services and the Office of National Assessments contribute staff to NTAC.

Having these agencies working together in a single centre enables faster production of threat assessments and greater assurance that all relevant information available to Australian agencies is taken into account in their preparation.

NTAC assessments are used by DFAT in preparing its travel advisories, which provide advice to Australians travelling overseas. NTAC assessments are also used in determining the national counter-terrorism alert level and aid government decision-making about security measures.

The capacity of the AFP to investigate and prevent terrorist activity in Australia has been upgraded significantly. The AFP has established new Joint Counter-Terrorism Teams with all state and territory police services. These teams work in each capital city to identify and investigate terrorism offences. The AFP has also boosted its investigative, intelligence and protective security capabilities, including enhanced technical, forensic and 'high-tech' crime teams and additional close personal protection teams.

The ADF has formed a second tactical assault group improving its capacity to respond to terrorist incidents on the east coast of Australia. It will also form a specialised incident response regiment to be activated in the event of a chemical, biological, radiological or nuclear attack in Australia.



Australian Defence Force Tactical Assault Group members in Sydney (Photo: Defence)

Better border protection

Border protection measures have been strengthened and improvements made to container screening at Australian ports. The government has introduced Air Security Officers on domestic flights. Aviation security has been improved by increased baggage and passenger screening and tighter security at airports. The government is also working with state government transport agencies to promote better transport security for land and rail based on best practice overseas.

More protection for infrastructure

Steps have been taken to increase the level of protection for Australia's national critical infrastructure—communications networks, banking, electricity, water and food supplies, health and emergency services, transport, and infrastructure central to national security, such as defence and intelligence facilities. The majority of critical infrastructure is owned or controlled by the private sector or by state and territory governments, so a high level of cooperation involving all parties to protect this infrastructure is essential.

Creating a secure and trusted electronic operating environment is especially important to Australia's full participation in a global economy that increasingly depends on computer-based communications and technologies. The government has taken a number of initiatives to secure Australia's computer and technology infrastructure from cyber-terrorism, including the creation of an IT security incident response team.

National security hotline

An Australian public that is informed and alert to the possible threat of terrorism has an important contribution to make to national security. It gives effect to the government's policies by reporting suspicious activities and taking measures to increase personal security. To this end, the government created the National Security Hotline—1800 123 400—as a single point of contact for national security information.

All these domestic counter-terrorism initiatives are supported by an extensive set of administrative arrangements. They ensure a high degree of cooperation and coordination between all agencies and all levels of government.



CHAPTER VIII

AN ENDURING CAMPAIGN

AN ENDURING CAMPAIGN

The longer term presents Australia with greater uncertainties and potentially greater danger. The extremist message will continue to resonate and inspire terrorist attacks, and our counter-terrorism strategies must allow for this. They will require constant review and adjustment in line with the evolving nature of the terrorist threat. Flexibility will be important. Complacency must not be allowed to prevail.

The longer term offers us opportunities for proactive forms of intervention. We need to counter the appeal of extremists and encourage alternative, more constructive approaches. And we need to break down the conditions in which extremism and terrorism can prosper.

The battle of ideas

The campaign against transnational extremist-Muslim terrorism involves a contest of ideas. This is a complex problem because it engages not only reason but religious faith.

Usama Bin Laden and his fellow Muslim extremists seek to justify their terrorist attacks on religious grounds. Their ideology lies at the heart of the current international terrorist threat facing the world. They do not seek compromise; they advocate violence as the means of achieving their aims.

We must challenge the ideas terrorists use to justify their actions. In so doing, we must always draw clear distinctions between terrorism that seeks to exploit Muslim populations on the one hand and Islam itself on the other.

Many leading Muslims around the world and in Australia have condemned terrorism unequivocally. Australia will continue to support Muslims as they seek to isolate those extremists who advocate transnational terrorism. But the battle of ideas will continue to be fought primarily within the Muslim world.

In defending our values, we must make it clear that we will not resile from our commitment to tolerance, openness, freedom and equality. We must not let the terrorists turn Australians against each other. The government will continue to make it clear that this is not a campaign against Muslims or against Islam. There is a clear distinction between the vast majority of moderate and tolerant Muslims and the tiny minority who carry out acts of terrorism in the name of Islam.

The rest of Australian society, too, has a vital role to play in protecting and upholding our values. We need to lead by example and show tolerance, understanding and respect for the members of Australia's Muslim community. All Australians must be able to participate in our society without fear or prejudice.

Internationally, the government is building bridges of understanding. It is working to prevent the growth of mistrust based on misunderstanding and on propaganda that seeks to drive a wedge between the Muslim world and the West. The government is deepening its engagement with mainstream Islamic organisations in the region. These organisations play a critical role as advocates of democracy and pluralism, and providers of education and health services.



Mr Hasyim Muzadi (left centre), the Chairman of Indonesia's largest Islamic organisation, Nahdlatul Ulama (NU) meeting the Minister for Foreign Affairs, Mr Downer (right centre), February 2003 (Photo: AUSPIC)

As part of this broader engagement program, in 2003 the government hosted visits by the leaders of Indonesia's two largest Islamic groups, Nahdlatul Ulama and Muhammadiyah. It has also established a Muslim exchange program and brought Islamic scholars to Australia. The Australia–Indonesia Institute is taking an active role in promoting understanding through its Inter-faith Program, which encourages contact between our countries' Islamic and Christian organisations. And the Council for Australian–Arab Relations is promoting economic, political, social and cultural links with Arab countries.

The fuel for extremism

Our counter-terrorist response must be cognisant of the complexities that drive this form of transnational terrorism. They can range from specific incidents to broad global trends. Often they are unique to the individual concerned.

The government does not accept, however, that the various forces behind extremist violence can ever provide justification for acts of terrorism. Deliberate, premeditated killing or injury of innocent people must always be condemned.

There is no clear evidence directly linking the evolution of this new terrorism to issues like poverty or educational disadvantage. A number of the leaders of Al Qaida and Jemaah Islamiyah come from relatively affluent and privileged backgrounds, as did all of the September 11 hijackers. Many terrorist recruits are relatively well educated. Transnational terrorism undermines the aspirations of people everywhere to live more secure and more prosperous lives.

The notion of 'root causes' is misleading. It implies there is something we can offer or correct to mitigate the threat. But Bin Laden and his ilk are not seeking remedy or compromise, only subjugation to their views.

Nor should the shock of being targeted in this way lead us to assume some degree of blame for the terrorists' desperation. These terrorists are opportunistic in invoking popular concerns to rally people to their cause. These concerns should not be confused with the terrorists' real political goals or ideology.

The government recognises the need to de-legitimise terrorism in the eyes of those prepared to give terrorists the benefit of the doubt. Where possible, this can be done by addressing the grievances invoked as rallying cries. This can deny the terrorists' ability to cloak their actions in false legitimacy.

The government is committed to playing its part as a member of the international community to address, where it can, the economic, social and political factors that create the conditions in which extremism can take root and flourish. These are fundamental matters of international concern that extend beyond the issue of terrorism. They include poverty and inequality, the lack of education and economic opportunities, political alienation, and broader state or inter-state conflicts.

There is no doubt that a range of concerns—including the situation in the Palestinian territories—are felt deeply, including in Muslim communities. The government continues to support a comprehensive and lasting settlement to the Israel–Palestine conflict, reached through negotiations between the parties, that results in two states living side-by-side in peace and security.

The government also recognises that other local conflicts involving Muslim communities can become fertile sources of recruits for terrorist networks. The terrorists argue that these conflicts are all part of the Western world's campaign against Islam. They use them to convince Muslim militants that their local struggles are therefore part of a global war against the West. Australia supports relevant governments' efforts to deal with these internal conflicts quickly yet sensitively so that they do not become new terrorist theatres.

The government is working closely with developing countries in the region to help them tap into the economic opportunities thrown up by globalisation. Our trade, development cooperation and other programs are being used for this purpose. Open economies, strong institutions, sound governance and effective education systems are all critical to a country's ability to participate fully in the global marketplace, and to translate that participation into jobs and wealth for its citizens.

The government will spend around \$670 million in support of governance programs in the region in 2004–05. These programs are aimed at strengthening police and judicial systems, improving financial management, and developing transparent and accountable institutions of government and public administration. Programs that improve access to quality education and health care, and which support the development of robust civil societies, also help reduce the prospect of people embracing extremist views. Our sustained development cooperation assistance to peace and development in Mindanao in the southern Philippines is part of Australia's multifaceted response to a socio-economic environment that has been exploited by terrorists.

Promoting a global culture that respects the most basic human rights is another dimension of Australia's international effort to counter the appeal of extremists. A robust human rights culture will help undermine the credibility of, and weaken public sympathy for, terrorist groups. Australia pursues this objective through multilateral human rights forums, including the UN Commission on Human Rights, and regional human rights mechanisms. Through its Human Rights Small Grants Scheme, the government funds activities in countries in our region designed to protect and promote human rights at the grass roots level. Human rights education, awareness raising and promoting democratic values are key goals of this scheme, all of which help develop a human rights culture.

Failed and failing states

Stronger measures are required for failed and failing states, not only to assist their recovery but to avoid any risk to international security. The establishment of terrorist bases, the laundering of money, the procurement of false documents, and the trafficking of weapons are easier in a state whose legal, political and governance systems are weak or have failed to operate.

The UN, through its peace-keeping and other functions, has traditionally played a key role in shoring up failing states. Australia has made a substantial contribution to UN peace-keeping efforts over a number of years and it is likely that we will continue to be called upon to play that role.

State failure cannot be ignored or viewed simply as an issue of local concern. States at risk of failure need to be identified quickly and action taken to head off collapse. Afghanistan is a good example of what can go wrong. The civil war in Afghanistan left the country devoid of effective governance and created the conditions that allowed the Taliban to come to power. While initially establishing a semblance of stability, the Taliban's sympathy towards Al Qaida's extreme interpretation of Islam combined with personal connections to Al Qaida's leadership and weak government institutions enabled Al Qaida to establish bases in Afghanistan.

Australia joined the campaign to defeat Al Qaida and its Taliban sponsors, clearing the way for the social, economic and political rehabilitation of Afghanistan. Since September 2001, Australia has contributed \$110 million in aid of humanitarian and recovery efforts in Afghanistan. The government is committed to continuing its support for Afghanistan's reconstruction and to helping it become a viable state again. A little more than two years after the removal of the Taliban regime a lot has been accomplished, but the country remains fragile, both politically and economically.

It is imperative that Iraq does not become a failed state and a haven for terrorists. Iraq as a failed state would constitute a source of instability in a region of considerable strategic and economic importance to Australia. The Middle East is a significant market for Australian exports and the region's role as a major oil exporter makes it an important contributor to the global economy.



AusAID-funded Australian volunteer, Tanya McQueen (centre), assisting at a malnutrition relief centre in Afghanistan (Photo: AusAID/Peter Bussian)

Australia joined the Coalition that took military action in March 2003 to enforce the UN Security Council resolutions flouted by Saddam's regime. In the period following the end of major combat operations, Australia has been committed to helping Iraq achieve the stability needed to underpin its political transition and economic recovery. ADF personnel have undertaken a range of functions, including helping to train Iraqi army and navy personnel. Australia is one of over 30 countries maintaining a military presence in Iraq as part of the Multinational Force mandated by the UN Security Council. Two AFP officers are also assisting an international effort to train Iraq's new police force.

The UN is centrally involved in Iraq's political transition. UN Special Adviser, Ambassador Lakhdar Brahimi, helped establish the Iraq Interim Government which assumed authority for Iraq on 28 June 2004. UN experts are also assisting with preparations for crucial elections to be held in January 2005.

The government is supporting Iraq's economic and social rehabilitation and has committed \$120 million to aid humanitarian and reconstruction efforts. The focus of Australian support is on areas where we have particular expertise such as agriculture, economic management, governance and donor coordination. The Iraqi people are now firmly taking the lead in efforts to restore their country's future. But they will require sustained commitment from the United States, the diverse Coalition it leads, and the wider international community in facing the challenges ahead.

Closer to home, instability and poor governance directly threaten the prospects for growth, prosperity and development of many countries in our region and have the potential to undermine Australia's security. The Pacific is a region of particular interest and concern for us. What happens in the Pacific affects our strategic and security interests. International

terrorism has sharpened our focus on this linkage and has led Australia to get more directly involved in the region.

Australia is playing a leading role in efforts to avert the prospects of state failure and institutional weakness in the Pacific islands. The Australian-led Regional Assistance Mission to Solomon Islands (RAMSI) followed a request for assistance from the Solomon Islands Government and reflects the Australian Government's willingness to act decisively to strengthen governance and institutions when they are seen to falter. RAMSI is a large-scale and costly undertaking for Australia. But it is a job that needed to be done and the government is prepared for the long-term commitment that it involves.

Before RAMSI arrived in July 2003, Solomon Islands was on the path to state failure. Our initial police, defence and administrative contributions were successful in restoring law and order. They ensured that the government was able to function, averting any immediate threat of state failure. Over 3700 weapons have been confiscated, a police presence established



RAMSI Police Force Commander, Ben McDevitt, and Solomon Islands National Peace Council Chair, Paul Tovua, display a collection of weapons handed in to police (Photo: Brian Hartigan, Australian Federal Police)

across the country, and key ex-militants and corrupt police arrested. The focus of RAMSI is now shifting to building long-term administrative capacity and tackling difficult issues such as corruption.

The Solomon Islands mission is consistent with Australia's broader commitment to helping Pacific island countries improve their prospects for security and prosperity. The government has agreed to a major program of enhanced engagement with Papua New Guinea, designed to deal with security and governance concerns that are impeding its strong development. In addition to bolstering our own security, these interventions help deter international terrorist groups from exploiting the island countries.

An investment in our future

Australia's counter-terrorism campaign is resource intensive. Because it is complex, multifaceted and enduring, it demands resources from across the community and from all levels of government. Our commitments are wide-ranging.

The terrorists are adaptable and lethal and the terrorist environment is changing rapidly, so we must plan for diverse threats. We must come to grips with this complex environment so that our people and agencies can operate and react quickly to the unforeseen. Above all, we must be prepared to be adaptable, imaginative, resilient and forceful in our response to terrorism.

The government is committed to dedicating the resources to defend Australia and its global interests. These include intelligence and law enforcement activities, border protection, transport security, finances, diplomatic efforts, military commitments, humanitarian assistance, energy and national will. We can neither contemplate nor afford failure.

Australia is well equipped to meet the terrorist challenge. We have substantial national resources, including economic, social and intellectual wealth. Our intelligence, law enforcement and defence services are of the highest standard. Our arms of government are responsive and flexible. We will continue to work closely with our allies and partners in the region and elsewhere.

In marshalling our physical resources to fight terrorism we also clarify and reassert our values as a free and democratic country. These values are a pillar of our national security. We derive strength and resilience from our diverse, open and pluralistic society. Our national counter-terrorism policies must embody the values we are seeking to protect, particularly the right of every individual to safety and the freedom to pursue their goals peacefully. Otherwise, our struggle will lose legitimacy and credibility.

Our ability to counter the terrorist threat will be most effective when the people of Australia and their governments—Commonwealth, state and territory—work together. This means all Australians need to understand the nature of the threat and the actions these governments are taking to combat it. The Australian Government will continue to inform, consult and work with the Australian community to ensure a truly united front to this fundamental threat to our national interests.

GLOSSARY

ADF	Australian Defence Force
Ansar al Islam	Partisans of Islam—terrorist group based in northern Iraq
AFP	Australian Federal Police
APEC	Asia–Pacific Economic Cooperation
APG	Asia–Pacific Group on Money Laundering
API	Advanced Passenger Information System
ARF	ASEAN Regional Forum
ASG	Abu Sayyaf Group
ASIO	Australian Security Intelligence Organisation
ASIS	Australian Secret Intelligence Service
ASO	Air Security Officer
ASEAN	Association of South-East Asian Nations
AusAID	Australian Agency for International Development
AUSTRAC	Australian Transaction Reports and Analysis Centre
Balik Islam	‘returned to Islam’—Term used in the Philippines to describe converts to Islam
BRN	<i>Barisan Revolusi Nasional</i> —National Revolutionary Front—Thailand
CBRN	Chemical, Biological, Radiological, Nuclear
CERT	Computer Emergency Response Team
CTAG	G8 Counter-Terrorism Action Group
CTC	Counter-Terrorism Committee of the UN
DFAT	Department of Foreign Affairs and Trade
DI	<i>Darul Islam</i> —House of Islam—Indonesian Muslim separatist group
DIGO	Defence Imagery and Geospatial Organisation
DIO	Defence Intelligence Organisation
DSD	Defence Signals Directorate
EMA	Emergency Management Australia
FATF	Financial Action Task Force
FIST	Financial Intelligence Support Team
FIU	Financial Intelligence Unit
GAM	<i>Gerakan Aceh Merdeka</i> —Free Aceh Movement—Indonesian separatist movement
GMIP	<i>Gerakan Mujahidin Islam Pattani</i> —Pattani Islamic Mujahideen Movement

G8	Group of Eight (United States, United Kingdom, Russia, Germany, France, Italy, Japan and Canada)
ICAO	International Civil Aviation Organization
IMF	International Monetary Fund
IMO	International Maritime Organisation
JCLEC	Jakarta Centre for Law Enforcement Cooperation
Jl	<i>Jemaah Islamiyah</i> —South-East Asian extremist-Muslim terrorist group
KMM	<i>Kumpulan Militan Malaysia</i> —Malaysian militant group
Laskar Jihad	Warriors of Jihad—Indonesian extremist movement
Laskar Jundullah	Warriors of the Army of God—Indonesian extremist movement
LeT	<i>Lashkar e-Tayyiba</i> —Warriors of Righteousness—Pakistani/Kashmiri terrorist group
<i>Madrassa</i>	Religious school
MAK	<i>Maktab al Khidamat</i> —services office
MANPADS	Man-portable air defence systems
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
Muhammadiyah	Indonesian Muslim organisation
Mujahideen	Literally ‘those who engage in jihad’ (that is, militant jihad)
Mujahidin KOMPAK	<i>Mujahidin Komite Aksi Penanggulangan Akibat Krisis</i> —Warriors of the Crisis Response Committee
Nahdlatul Ulama	Indonesian Muslim organisation
NTAC	National Threat Assessment Centre
<i>Pesantren</i>	Community-run Islamic boarding school
PIF	Pacific Islands Forum
PSI	Proliferation Security Initiative
PULO	Pattani United Liberation Organisation
RAMSI	Regional Assistance Mission to Solomon Islands
RSO	Rohingya Solidarity Organisation
SEARCCT	South-East Asia Regional Center for Counter-Terrorism
STAR	Secure Trade in the APEC Region
WMD	Weapons of Mass Destruction
Zarqawi network	A Middle East-based terrorist network led by Abu Musab Al-Zarqawi

