

## **BALIBO INQUIRY**

### **BALIBO KILLINGS 1975 AND INTELLIGENCE HANDLING – A REPORT OF AN INQUIRY BY THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY**

#### **Initial allegations**

1. In April 2000 the Minister for Defence asked me to inquire, under the Inspector-General of Intelligence and Security Act, into allegations by a person who in 1975 was employed at an Australian defence facility for a short time.
2. This informant claimed to know that intelligence information relevant to the deaths of five newsmen at Balibo on 16 October 1975 was not acted upon. This was information, said to have been in the possession of the Defence Signals Directorate (DSD) before the killings, that could, if passed promptly to the government, have alerted it to the possibility that harm would come to the newsmen.
3. Secondly, the informant said that a representative of the Joint Intelligence Organisation (JIO) visited the facility shortly after the Balibo incident and, after addressing a meeting of staff, took away records relating to the intelligence information.

#### **Death in Balibo, Lies in Canberra**

4. In June 2000 Professor Des Ball and Mr Hamish McDonald published their book *Death in Balibo, Lies in Canberra* (Allen & Unwin). This book also made a number of claims about official actions before and after the killings.
5. In accordance with the minister's request that I inquire into allegations that intelligence material was withheld or destroyed, in August 2000 I decided to add the book's claims to this effect to the matters already under investigation.
6. In brief, the book claimed that:
  - Some hours before the killings, Australian signals intelligence facilities at Shoal Bay in Darwin and Cabarlah, Queensland, intercepted a conversation between Indonesian Major General Murdani in Jakarta and Colonel Dading at Batugade in Portuguese Timor. General Murdani, reminded of the presence of foreign journalists in the Balibo Maliana area, said "we can't have any witnesses" and Colonel Dading replied in words to the effect of "don't worry, we already have them under control";
  - A decision was taken in the Defence Signals Directorate (DSD) not to pass on knowledge of the intercept, in order to avoid any attempt to rescue the newsmen, and hence expose DSD's capabilities and perhaps compromise its ability to read Indonesian signals;
  - A report of this communication later found its way into records of the Office of Current Intelligence (OCI) at JIO, where it was kept under conditions of extreme security in a file that became known as the Blue Book;
  - The report had been withdrawn from the Blue Book by late 1986 when the Defence Minister commissioned an inquiry into whether there had been any prior knowledge of the newsmen's dangerous situation at Balibo;
  - According to Mr Tom Sherman in the report of his second evaluation of events at Balibo (January 1999) a young DSD officer at Shoal Bay showed a translation of the intercept to visiting staff of the Royal Commission on Intelligence and Security (RCIS) on 4 March 1977.

#### **Aspects of the system in 1975**

7. The functions of DSD, as described in the Intelligence Services Bill 2001, include obtaining intelligence about the capabilities, intentions or activities of people or organisations outside Australia and communicating such intelligence in accordance with the government's requirements.

8. DSD carried out similar functions in 1975. Communication of intelligence included preparation of written reports for circulation to agencies or individuals within government with a need to know.

9. One of the most important recipients of such reports was the Joint Intelligence Organisation, which contained the Office of Current Intelligence. OCI prepared regular analytical reports for government, using both public sources and intelligence from other government agencies.

## **Inquiry methodology**

### Documents

10. The nature of the allegations was such that it was necessary, first, to try and establish what relevant records were likely to have existed at the time and the extent to which they might still be in existence. Secondly it was necessary to examine surviving records to see whether they throw any light on the various claims.

11. The inquiry accessed records held in DSD, in the Defence Intelligence Organisation (formerly JIO) and in a number of other agencies that would, in the normal course, handle or receive copies of relevant intelligence material. It also accessed records of the Royal Commission on Intelligence and Security, the Royal Commission on Australia's Intelligence and Security Agencies and the records of the two evaluations conducted by Mr Tom Sherman

12. Some records of intelligence material that DSD should have kept were incomplete because in 1994, following DSD's relocation to Canberra, a large number of documents, including documents relating to Timor, were mistakenly destroyed in the course of an archives appraisal project conducted because storage space was limited.

13. Nevertheless the inquiry was able to be confident, from comparing DSD's holdings with records held in other agencies, that no intelligence records relevant to the deaths of the newsmen were unaccounted for.

14. All agencies approached in the course of the inquiry provided free and full access to their records and made conscientious efforts to assist with the numerous requests made of them.

### Witnesses

15. The initial request from the minister indicated that he did not intend at that stage to make public the fact of the inquiry, so for some months it was not possible to use media publicity to alert possible witnesses.

16. By the time the minister made public the fact of the inquiry in November 2000, identification, location and interviews of witnesses had reached a point where it was not necessary to resort to paid advertisements. There was, however, some media publicity and notices were posted on the Internet and within the intelligence community.

17. At an early stage the inquiry decided that evidence should be given under oath or affirmation as provided for in the Inspector-General of Intelligence and Security Act.

18. The inquiry sought information primarily from people who could be expected to have first hand knowledge of material relevant to the allegations, either because they were involved in collecting and processing intelligence or because they would have seen relevant intelligence reports.

19. It also interviewed a number of people named in the Ball/McDonald book, former senior officials of various agencies and staff of the RCIS.

20. Some witnesses were difficult to identify and trace because of the length of time since their involvement in the matters under inquiry. The consistency of evidence between the large number of witnesses who were interviewed, however, and the consistency of the witness evidence with the documentary record, enabled the inquiry to be confident that no significant information was unavailable to it.

#### Privacy

21. Witnesses were informed that they would not be identified as witnesses in the inquiry report unless it was essential, in which case they would have the opportunity to read the material relating to them before submission of the report to the minister.

#### Other contacts

22. There were helpful discussions with Professor Ball and Mr McDonald. For reasons of source protection they were unable to name people who might be able to assist, other than those identified in their book, but they were very positive about the inquiry and helpful in suggestions for possible lines of investigation.

23. There were informal discussions with current agency staff about record keeping and other procedures in 1975.

24. Also at the time of the announcement I wrote to those relatives of the newsmen whom Mr Sherman had contacted at the time of his evaluations, to inform them of the inquiry and its subject matter.

### **Results**

#### Initial allegations

25. After exhaustive examination of records and questioning of witnesses the inquiry concluded that the allegations that triggered the inquiry were unsupported, either by documentary material or witness recollections.

26. No witness who had been employed at the same facility as the informant (including a number nominated by the informant) or at DSD headquarters, recalled seeing intelligence material of the kind the informant believed to have existed, nor were there any intelligence reports of that nature.

27. The inquiry identified various intelligence reports referring to journalists in Timor before 16 October 1975. None of these could have given rise to any apprehension that hostile interests knew of the presence of the newsmen in the vicinity of Balibo, or that there was any intention or plan to harm these or any other journalists.

28. The inquiry concluded that the most likely explanation for the informant's concerns was misinterpretation of the intelligence material that related to journalists in Timor.

29. On the matter of the visit by a JIO officer, none of the numerous former staff of the facility interviewed by the inquiry, including people nominated by the informant, could recall such a visit or the removal of documents.

30. The inquiry viewed records of official activity by a JIO officer near the facility, beginning some time before the Balibo incident and ending some time later. This activity was not related to the Balibo incident and there was no evidence of this officer visiting the facility or removing records. No other JIO officers were in the vicinity of or visited the facility, either then or for some time afterwards.

## The account in Death in Balibo, Lies in Canberra

### *Murdani/Dading conversation*

31. Although the inquiry interviewed as many witnesses as it could locate who might have knowledge of a report of such a conversation, no witnesses claimed to have seen such a report.

32. As mentioned above, however, there were reports referring to intelligence material concerning journalists in Timor before 16 October 1975. Among them was a report of intelligence received on 15 October. The report contained text sufficiently similar to that quoted in the Ball/McDonald book to lead to the conclusion that, if there was any factual basis for the information provided to the authors, this report was almost certainly the source. There were, however, differences. In particular, the connotation that the authors placed on the conversation reported in the book, ie that it indicated the possibility that the newsmen would come to some harm, would not have been available from the text in the report.

33. This report, in common with the others mentioning journalists, was circulated to a range of recipients within government, including ministers, in accordance with normal distribution procedures and timing. There was no evidence of any decision to suppress it or delay its release. It was distributed some considerable time before Australian intelligence had any knowledge of the deaths of the newsmen.

### *The Blue Book*

34. Examination of file indexes for the period showed that JIO did not routinely maintain subject files of intelligence on Timor. One witness involved in the production of OCI reports explained that to do so would have meant keeping vast amounts of material, most of which would not have any continuing value.

35. Following the deaths at Balibo, however, a file was created in JIO upon which material relating to the deaths, including intelligence reports, was placed.

36. This file, in two folders, was transferred to DSD for safe keeping in 1986. A covering note from the Acting Director JIO to the Director DSD at the time said that their existence had been very closely held and access to them extremely limited. Successive directors had held them personally. A third and, according to its covering note, final such folder, with a different file number, was located and transferred shortly afterwards.

37. The Blue Book was described in the Ball/McDonald book as a dossier of raw intelligence, contained in a loose leaf folder with a blue cover. According to Ball and McDonald it was compiled in 1977 by Geoff Cameron of OCI, who included in it a copy of the alleged intercept.

38. The only extant document meeting the external physical description of the Blue Book is a document entitled *The Indonesian Integration of East Timor*. This was a comprehensive report prepared, according to file records, towards the end of 1978 in response to a request by JIO's Deputy Director Military for staff to prepare a report on lessons learnt from the Timor campaign.

39. The authors did not include Mr Cameron. The inquiry interviewed one of them, who identified the other as John Florent, now deceased. The authors, according to the file, decided to: *take the opportunity to compile a more complete history of the campaign*, and it was prepared in narrative form.

40. The report contains no copies of intelligence reports. Since there is a contents page, and every page is numbered, it is possible to be certain that it never did. The only reference to the newsmen is a footnote on page 58, which says: *During the Indonesian attack five Australian newsmen were killed*.

41. Until late 1979 only two copies of the report existed but it was considered of such high

quality that in June of that year the Director JIO decided that it deserved wider circulation.

42. In October 1979 some sixteen copies were produced and circulated to selected recipients

43. Only one witness to the inquiry claimed to have seen or heard of the Blue Book as described in the Ball/McDonald book and to be aware of its contents, although he did not claim ever to have seen the Murdani/Dading intercept.

44. This witness was sure that the Blue Book contained primarily intelligence reports. When shown a copy he first responded that it was indeed the Blue Book but after looking inside it said that this did not accord with his recollection that it had contained reports.

45. No other witnesses from the most senior people in JIO down (including one of the two authors of the report) recalled the term 'Blue Book' or the compilation of a document fitting its description but containing reports.

46. Both the folders and the book described above were held in or around the Director's office in JIO and access to them was tightly controlled. In the absence of any other document fitting the Blue Book's description, or any record of one, it seems likely that whoever provided the information in the Ball/McDonald book knew of the folders containing intelligence product reports and the book, but mistakenly ascribed the contents of the folders to the book.

#### *Royal Commission on Intelligence and Security*

47. The Ball and McDonald account concludes that the Murdani/Dading intercept was seen by two royal commission staff during a visit to Shoal Bay in 1977. They based this on the report of the second Sherman evaluation.

48. The detailed records of that evaluation, however, do not support the suggestion that what the officers saw related to a message sent before the newsmen were killed. One of the staff members' testimony to Mr Sherman on this included the following: *My recollection was and these were events which were fresher in everybody's memory at that stage, my recollection was that it was a report made on the same day as they had apparently died and a short time later that day.*

49. The other staff member, at Mr Sherman's request, provided a written statement of what he recalled. It, too, told of seeing material relating to a message sent following the deaths of the Balibo Five.

50. In order to be sure about this the inquiry took evidence from the two staff members. They both confirmed that while they could not remember the precise details of what they saw they had no doubt that it recorded a message sent following the killings. Both, also, have since had letters published in *Quadrant* magazine saying that they have no knowledge of the Murdani/Dading intercept.

51. Finally, the inquiry examined, in the records of the royal commission, the first staff member's contemporaneous written account of the visit. It contained no reference to the incident in question.

#### **Other matters**

##### *Other allegations of forewarning about danger to the newsmen*

52. In the latter stages of the inquiry a witness, who in 1975 was employed at a different intelligence facility from the original informant, claimed to have participated in collecting intelligence before 16 October 1975 that indicated the possibility of harm to the newsmen. The witness also claimed to have seen intelligence material shortly after the killings, of a kind that the inquiry had not seen in documents dating from that time.

53. This witness nominated other witnesses who, he said, would corroborate his recollections,

including more senior people who would have been involved in processing such intelligence at the facility.

54. After detailed inquiry of these and other witnesses and further examination of the documentary record the inquiry concluded, for several reasons, that the witness's recollection must have been less than perfect.

55. First, no other witness claimed to have seen intelligence that could have provided forewarning of harm to the newsmen. One witness in particular, who inevitably would have been involved in processing such intelligence at the facility, was able to demonstrate to the inquiry's satisfaction how such material could not have escaped his attention.

56. Secondly, the witness who made the allegation and another witness who he claimed was there at the time both recalled the presence and involvement of a third person. This person, however, was not posted to the facility until early 1976.

57. Thirdly, some of the phraseology the witness claimed to have seen before the killings and immediately afterwards in fact appeared in intelligence reports produced considerably later. Those reports, however, still did not disclose any intelligence suggesting a prior intention to harm the newsmen.

#### *Intelligence about the deaths of the newsmen*

58. Although not strictly necessary to resolve the original questions of possible impropriety in handling intelligence information, the inquiry has examined intelligence material created following the Balibo incident. While it is not possible to go into great detail in an unclassified summary, some clarification of the course of events on 16 October and shortly afterwards follows.

59. The Ball/McDonald account reports (page 118) that Australian intelligence intercepted a communication about the deaths of the newsmen on 16 October 1975, within a couple of hours of their being killed.

60. In fact, although there was intelligence on 16 October about the attack at Balibo, the first intimation Australian intelligence had that Australians might have been killed was not until 17 October, after the publication of OCI's situation report for that day. The Director of JIO promptly reported this to the Minister for Defence.

61. OCI circulated its first formal report about the deaths on the following business day, ie Monday 20 October. It included in this a range of other intelligence that had become available in the mean time.

#### **Conclusions**

62. There is no doubt that the allegations investigated during this inquiry reflected sincerely held beliefs and conclusions. These appear, however, to have been based on incomplete and in some cases garbled information. This is entirely understandable given, on the one hand, the secrecy which necessarily surrounded, and continues to surround, DSD's activities; and on the other, the time that has elapsed since the events at Balibo on 16 October 1975.

63. The allegation common to informants from within the intelligence community and the book *Death in Balibo, Lies in Canberra* was that DSD had intelligence before 16 October that, if passed to the government, could have alerted it to the possibility of harm to the newsmen.

64. The inquiry concluded that intelligence material meeting this description did not exist, although there was intelligence material relating to journalists in Timor.

65. A second, associated allegation was that the aforesaid material was not passed to government and, indeed, that DSD deliberately withheld a particular item of intelligence. The inquiry concluded that all relevant intelligence was passed to government and, in particular,

that the intelligence report most closely resembling that said in Death in Balibo, Lies in Canberra to have been suppressed, was circulated well before there was any intelligence about the deaths.

66. Death in Balibo, Lies in Canberra also mentioned certain material that the authors believed would provide support for the above allegations. To the extent possible the inquiry pursued these leads, both by examination of documents and discussions with witnesses. They failed to provide the support suggested in the book.

67. Finally, there was an allegation that a JIO officer visited a defence facility shortly after the killings and removed records. The inquiry found no evidence of such a visit or removal of records.

Inspector-General of Intelligence and Security

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