# AUSTRALIAN RESPONSES TO THE THREAT OF GLOBAL TERRORISM

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#### Introduction

The graphic images of terrorist attacks on the very heart of the western world on 11 September 2001 are now etched deeply into our psyche. For governments across the world the spectre of a grave new security threat emanating from a capable, determined and apparently fearless enemy has necessitated a major rethink of how to balance individual human and civil rights with the need to ensure the community is protected from intimidation and violence.

The resultant global "war on terror" has largely crystallized international efforts by governments to combat terrorism in a "new post-September 11 security environment". Struggling to respond effectively to the prospects of devastating attacks anywhere from a highly committed and unconventional foe, governments have adopted a range of exceptional and sometimes indiscriminate measures. Some of these measures have impinged significantly on important and long standing conventions that have traditionally assured human and civil rights. <sup>2</sup>

After five years of fundamental and wide reaching changes to the national and international security environment it is therefore timely to review Australian responses to the threat of global terrorism. This paper specifically examines:

- The (mis)representation of "secret intelligence" as a reliable basis for national counter-terrorism policies
- The viability of intelligence as evidence in legal processes
- The use of intelligence as justification for the concentration of authority
- The effectiveness of terrorism in changing Australian society
- The alienation of particular religious and ethnic minorities within the Australian community, and the emergence of latent xenophobia.

#### Understanding the nature of intelligence

Covert intelligence operations have played a major role in the global war against an elusive enemy, and intelligence advice has been pivotal in the development of national and international responses to the threat of terrorism. Because of the secrecy that invariably surrounds intelligence activities the community remains largely oblivious to the true nature of intelligence and its inherent limitations.

<sup>3</sup> SLRC, Report of the Security Legislation Review Committee, June 2006

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Organisation (ASIO) and the National Crime Authority (NCA) in the 1970s, 80s & 90s <sup>2</sup> Public Interest Advocacy Centre, Security and counter terrorism legislation review, 2006, p.2

The community's limited understanding of the intelligence function places it at a significant disadvantage in determining whether government responses to perceived threats are justified. A challenge for communities committed to public accountability<sup>4</sup> and concerned about maintaining a balance between individual rights and national security has been to obtain sufficient information to judge whether government actions are proportionate.

In intelligence and national security matters the community has to rely on trust in the government's integrity, and assurances that it would only act responsibly and with substantial justification. The community's confidence in such assurances has been undermined with revelations that the intelligence basis for a number of major national and international actions was flawed.

In Australia the various intelligence agencies operated under a cloak of absolute secrecy until the mid 1970s. It was mainly the conduct of two Royal Commissions by Justice Hope that raised community awareness of the existence and activities of these previously hidden organisations. The observations and recommendations of the two Hope Royal Commission reports remain highly relevant more than two decades later. The 1974 report of the Royal Commission on Intelligence and Security (RCIS) observed that:

"Assessments should be part of the intelligence cycle. Whatever the source of information that ASIO collects, it must be critically evaluated and assessed soon after collection. Simply to store it, or to sort and store it, does not produce intelligence....

The process of intelligence production must be one of distilling what is most relevant from a large volume of material. In this way trends are identified and overall perceptions of the situation develop.

The intelligence analyst faces a situation where his information, coming from different sources and with widely varying credibility, must be constantly and sceptically appraised. In security work nothing can be assessed to be what it seems.

Thus intelligence assessment is no simple or routine activity but a highly skilled and subtle task"<sup>5</sup>

The 1983 report of the Royal Commission on Australia's Security and Intelligence Agencies (RCASIA) observed that:

"The assessments produced by ASIO vary in quality and format. I think there has been an overall improvement in quality since the RCIS. However, an annoying feature to an outsider is a tendency to state assertions or beliefs as facts and to mingle facts with inferences drawn from them".<sup>6</sup>

<sup>6</sup> Ibid

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<sup>&</sup>lt;sup>4</sup> Accountability is the principle that individuals, organisations and the community are responsible for their actions, and may be required to explain them to others (source-Google dictionary)

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<sup>5</sup> Royal Commission on Australia's Security and Intelligence Agencies, 1984, P. 164

Commenting on two cases where information in security assessments produced by ASIO had been proved to be incorrect, Justice Hope concluded:

"By its nature, the information available to an intelligence organisation will often be less than firm and precise. Checking is not always easy, and the time available may not allow much scope for it. However, given time, ASIO should be at pains to verify, as far as possible, any information on which it may base an adverse assessment of an individual. It must also be meticulous to correct any information which it has given and which it discovers to be inaccurate."

While the intelligence function encompasses a myriad of activities relating to the (often covert) collection, organisation and analysis of information, the over-riding objective is the development of insights that provide direction for effective action. While governments prefer to act on the basis of proven facts, in their absence it is sometimes necessary to interpret and infer. Available (but often incomplete) information is critically analysed to develop well-founded interpretations on the nature of existing activities, and predications on future activities. These valuable insights are called intelligence product.<sup>8</sup>

The key to the development of high quality intelligence product is professional analysis (assuming the analyst can access sufficient relevant information). The intelligence analyst possesses the skills to process, absorb, analyse, interpret and transform the available information into valuable insights, and to add value in terms of meaning and implications. This can be an extremely difficult and demanding task where the intelligence analyst is required to demonstrate exceptional skill, judgement and intellect, and can be held accountable for the accuracy and reliability of their intelligence product.

A highly disciplined approach to the collection and analysis of information raises the level of confidence in the reliability and accuracy of the interpretations (the intelligence product) from speculation/possible to probable/likely (but never certain). But even using multiple, diverse and independent information sources and the most critical and objective analysis, the intelligence produced remains intrinsically fallible because it always involves an element of human interpretation and subjectivity.

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<sup>7</sup> Ibid

<sup>&</sup>lt;sup>8</sup> There are broadly two types of intelligence product - strategic and tactical (or operational) intelligence. Strategic intelligence typically informs on broad trends and organisational capabilities, with implications for longer term strategy and policy (sometimes including legislation). Tactical intelligence typically informs on specific activities and individuals, with implications for investigations and immediate responses.

<sup>&</sup>lt;sup>9</sup> The raw data and information that is collected and analysed to create intelligence product can take many forms. Information sources can be conversations, written communications, observed actions, hearsay, rumour or opinion. Information can be collected from public sources or through highly sensitive technical means. It can range from fantasy to speculation to fact. While individual pieces of (sometimes secret) information can be of vital importance, how or where the data is obtained (whether overtly) does not transform it into intelligence product.

Quality intelligence assessments from professional intelligence analysts should thus be thorough, logical, realistic, balanced, thoughtful, perceptive, timely, relevant and appropriately qualified. Hence, the high level skills and attributes required for professional intelligence analysis include:

- the ability to think laterally
- a determination to establish the truth
- personal courage and independence
- communication and reasoning skills
- a personal commitment to life long learning
- intellectual rigour, scepticism and incredulity
- a level of sophistication and sensitivity to nuances and complexities
- the ability to remain objective (unbiased), open to new perspectives, and able to maintain a sense of proportion and balanced perspective
- a capacity for meticulous and extensive research in order to develop valuable insights that provide direction for effective action.

### Maintaining the authority of intelligence

The nature (and limitations) of intelligence product has important implications for its use in the public domain. Neither secret information, nor intelligence product, are necessarily produced to withstand rigorous public scrutiny. Using them as public justification for accountable decisions and actions has thus proved to be increasingly problematic.

More than twenty years after the Hope Royal Commissions spelt out the central role of analysis in transforming collected information into intelligence, the government and the intelligence community have moved to shield intelligence advice from further public scrutiny by deliberately blurring the vital distinction between intelligence activities and intelligence product.

In 2004, in the wake of what is now widely acknowledged as a profound intelligence failure relating to the exaggeration of Iraq's capabilities and possession of weapons of mass destruction, the government commissioned Philip Flood to conduct a review of Australia's foreign intelligence services. The resultant Flood report states "intelligence is covertly obtained information. While it may take a number of forms, the key characteristic of intelligence information is that it is obtained without the authority or knowledge of the government or group who 'owns' the information". In October 2006 the Australian Government published a booklet titled "The Australian Intelligence Community". The booklet restates the Flood definition (that intelligence is "covertly obtained information") and describes collected information as "raw or unassessed intelligence". 11

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<sup>&</sup>lt;sup>10</sup> Report of the Inquiry into Australian Intelligence Agencies, July 2004, P.5

<sup>&</sup>lt;sup>11</sup> The Australian Intelligence Community – Agencies, Functions, Accountability & Oversight, 2006, P.3

These definitions of intelligence deliberately fail to specify:

- how and when raw data and information is transformed into carefully crafted and qualified advice that can be used with some degree of confidence in government decision-making
- the inherent limitations of all intelligence product, given it is typically based on the interpretation of incomplete and sometimes inaccurate information
- the unique professional analytical skills and expertise that are required to produce high quality intelligence product.

Under the "covertly obtained information" definition of intelligence it is virtually impossible for the community to determine whether what is being presented as compelling "evidence" of a serious and imminent threat (and justification for action) is unassessed raw data or carefully evaluated intelligence product (or something in between). The community is unable to confidently question whether a proposed response is proportionate and appropriate. Ultimately this ambiguity and lack of clarity serves to reinforce the illusion that all intelligence must be credible and important, simply because it comes from "secret" sources.

There is a fundamental difference between obscuring the true nature of the intelligence function and (sensibly) protecting the methods, sources and details of current intelligence operations/activities. There may be a number of motives for maintaining the mystique of the intelligence function and avoiding explicit public accountability. These could include sustaining the unquestioned status and authority of intelligence advice ("knowledge is power"); maintaining intelligence agencies' independence and dramatically increased funding; sustaining an illusion that information collection equates to intelligence production; avoiding comparisons in terms of cost-benefits between different intelligence agencies; and moderating expectations for high quality intelligence product (such as forewarning of terrorism activities) and diluting individual accountability.

#### The viability of intelligence as evidence in legal proceedings

Intelligence can undoubtedly constitute a valuable source of advice in the absence of facts and evidence, but the sensitivity and intrinsic fallibility of this advice means that it is rarely suitable for use in the public domain. The limitations of secret information and intelligence product are likely to be exposed as legal proceedings are commenced against suspect individuals and groups under recently introduced counter-terrorism legislation. By its nature tactical intelligence (on specific individuals/groups and activities) is rarely suitable as evidence in legal proceedings, where the information tendered has to be able to withstand thorough external scrutiny and a jury has to be convinced "beyond reasonable doubt".

The complexities involved in the use of secret information and intelligence as evidence in terrorism-related criminal proceedings have arisen previously in Australia. The explosion of a bomb in a garbage truck outside the Hilton Hotel in Sydney in February 1978 killed three people and injured several

others. The Hilton bombing is often portrayed as Australia's introduction to terrorism. The incident was immediately linked with a Commonwealth Heads of Government Meeting (CHOGM) that was being held at the Hilton Hotel.

The police and intelligence actions that followed this event are illustrative of how early decisions by investigative agencies can ultimately confuse rather than clarify who was responsible for a terrorist action, and have the potential to increase rather than reduce the threat of (and capability to perpetrate) further acts of politically motivated violence.

It was immediately assumed that the bomb was intended for one of the foreign dignitaries attending CHOGM. At the time a number of Commonwealth countries were experiencing levels of internal dissent, some including threats and violence by various "radical" religious and separatist groups. In several instances there were representatives or affiliates of such groups in Australia.

Following the explosion suspicion immediately fell on the Australian members of a particular religious sect. The spiritual leader of the sect had been incarcerated in a Commonwealth country overseas, and sect members across the world had been conducting a campaign for his release. Several members had been involved in various acts of violence in Australia and overseas pursuant to the campaign to free the spiritual leader.

Intensive police investigations into the sect following the bombing were complemented by covert intelligence operations involving technical and physical surveillance, and the penetration of the sect by a police informant, later named as Richard Seary.

In June 1978, just over four months after the Hilton bombing, two members of the sect and Richard Seary were arrested in a vehicle carrying a bag containing explosives (gelignite). It was later alleged the group were on the way to bomb a member of a neo-Nazi group. A third sect member was arrested at another location. The three sect members (who were to become known as the "Yagoona 3") were charged with attempted murder, and subsequently convicted and imprisoned in August 1979. During the trial, at which Richard Seary was a key witness, it was alleged that the Yagoona 3 had made admissions about their own involvement in the Hilton bombing.

Due to the central role of a police informant and the use of verbal admissions the prosecutions attracted considerable controversy from the outset, with allegations of a police conspiracy to "frame" the sect members using an "agent provocateur". Following the convictions an active public campaign was commenced to secure a legal review of the case.

In 1983 the Yagoona 3 successfully appealed to the High Court to review the relevance of all intelligence records held by the Australian Security Intelligence Organisation (ASIO) relating to the matter, rather than accept a public interest immunity declaration from the Attorney-General. The High

Court determined that none of the intelligence records held by ASIO were relevant to the issues at the original trial (ie admissible as evidence).

In 1984 a judicial review was initiated and revealed flaws and inconsistencies in the police case against the three sect members. All three sect members were subsequently pardoned in May 1985.

Police investigations into the unsolved Hilton bombing continued, and in 1989 after the re-arrest and charging of one of the Yagoona 3, a former sect member came forward and confessed to planting the Hilton bomb. The former sect member was convicted of the three murders in September 1989. The Yagoona 3 member was convicted in October 1990 of the murders, but the conviction was guashed on appeal in June 1991.

Following the acquittal a Federal Member of Parliament asked the Commonwealth Attorney General a series of questions in Parliament about the Hilton bombing, including whether intelligence agency personnel had been trained in the use of explosives, and whether intelligence agency personnel had trained others in the use of explosives.

Following extensive media coverage and ongoing speculation about official complicity in the Hilton bombing in late 1991, an unidentified male appeared on the television public affairs program Sixty Minutes. During the interview the unidentified man claimed that he had worked for a number of years during the late 1970s and 1980s as an ASIO informant in the religious sect.

Following the Sixty Minutes program Richard Seary (the police informant) wrote to the Inspector-General of Intelligence and Security and complained that ASIO had failed to produce evidence in its possession (from its own informant, and other covert sources) that would corroborate his evidence. The Inspector-General subsequently conducted a comprehensive review and concluded that ASIO had acted reasonably and with propriety in meeting its legal obligations to disclose relevant information and intelligence.<sup>12</sup>

This saga highlights a number of the issues that are highly problematic in the use of secret information and intelligence in terrorism cases, and the use of human sources (informants). These issues include the dangers of relying on uncorroborated hearsay in making assessments on the capabilities and intentions of a suspected terrorist group; the inherent unreliability of informant information as evidence in criminal proceedings; the degree to which an informant can legitimately participate in activities within a group of interest without enhancing the expertise and capabilities of the group (such as the provision of training in military or terrorism techniques); and the sorts of violent or "revolutionary" activities that the informant should be authorised to participate in in order to maintain his cover.

<sup>&</sup>lt;sup>12</sup> IGIS report into complaint by Seary dated 21 September 1994

A complicating issue for ASIO was the ongoing media speculation that it had been involved in the Hilton bombing in order to justify an increase in its resources. Any actions by an ASIO informant that resulted in or contributed to a terrorist incident would have reinforced the broader perception that ASIO was willing to be involved in illegal activities. The Hilton bombing case clearly demonstrates many of the pitfalls likely to emerge in any criminal proceedings that rely on intelligence advice.

#### Intelligence as justification for the concentration of authority

A general lack of transparency in national security decision-making processes makes an evaluation of the specific influence of intelligence advice quite difficult. It is important to acknowledge that, with the exception of ASIO's detention and questioning powers, the national intelligence agencies are largely information collection and advisory bodies.

Intelligence product can go some way in providing valuable insights on the nature and dimensions of a prospective terrorism threat, but ultimately the government decides how to respond to these threats. Examining the intelligence advice provided does not really explain the dynamics of and major influences on the policy development process.

A detailed exposure of the interaction between intelligence advice and government decision-making processes usually only occurs when there is a major adverse outcome that is subject to official investigation (or revelations from a person with inside knowledge, such as a whistle blower). Several recent public inquiries have revealed in detail the normally concealed interaction between intelligence and government decisions. These include the circumstances surrounding the Australian Government response to the murder of five Australian journalists following the Indonesian invasion of East Timor in 1975, and the production of false intelligence on Iraq's possession of weapons of mass destruction.

These public inquiries have revealed that the government's responses to intelligence advice is shaped by a range of broader political, strategic and even personal considerations, not just the strength of the intelligence case. A government disposed to act quickly may need only limited advice to justify actions that are consistent with its prevailing ideological, political or national imperatives. A more cautious government may seek additional collateral and a range of different perspectives and options. In any event one of the attractions of using "secret intelligence" as primary justification for decisions is that they are effectively shielded from intensive public and political scrutiny.

Since September 11 the spectre of an imminent terrorism threat has been a catalyst for an unprecedented concentration of authority, and the emergence of a powerful paternalism under the guise of national "leadership" in a time of crisis. In the face of a perceived threat to "our way of life" governments have expressed a determination to "do whatever it takes" to counter terrorists and to prevent future attacks, virtually transforming national priorities and policies overnight.

It would appear that a complex interplay of forces and circumstances (not all terrorism related) have converged to transform the dynamics of power and national decision-making processes in Australia.

The factors that have facilitated these unprecedented changes include:

- A level of zealousness amongst a number of (predominantly post WW 2) world leaders who are apparently convinced that the magnitude and immediacy of the threat posed by global terrorism irrevocably "changes the rules" and warrants extreme measures (including compromises to long established human rights conventions). The changed situation is being portrayed as a "new paradigm"
- The (re)emergence of a conviction that the security of the State can be assured through control and legal authority, rather than inclusion, equality and moral authority. Under this (largely discredited) belief national security and individual rights are viewed as being at opposing ends of a spectrum. History has repeatedly shown that stability and social cohesion have their roots in a collective commitment to the universal values of respect, equity and justice
- In Australia, the government's apparent determination to protect the community from terrorism threats at any cost has spawned a powerful and autocratic paternalism. Risk avoidance has supplanted risk management in government responses to perceived terrorism threats, resulting in virtually unconstrained expenditure on national security and counter-terrorism measures
- A heightened level of community anxiety and fear as a result of (government/media/intelligence generated) perceptions of new and potent security threats from global terrorism and religious extremism, resulting in more defensive and conservative community attitudes
- The emergence of normally latent xenophobia in sections of the Australian community, with heightened concern about the threat posed by "foreigners" and the level of integration of particular religious and ethnic minorities within our diverse multicultural society
- The impact of information "overload" as the result of new technology, with mounting pressure on individuals to process and assimilate enormous quantities of often real-time data. The result has been the emergence of "intermediaries" who filter, simplify and make sense of often complex and ambiguous information. These intermediaries wield significant power and influence in terms of "shaping" and articulating community opinions
- The same technologies have provided new and powerful opportunities for the distortion and manipulation of information by the government and the media, and the dissemination of disinformation. Simple "sound grabs" replace the communication of complex issues. Simplistic and

prejudicial stereotypes are used to marginalise particular religious and ethnic groups

- Information has become a valuable commodity that is packaged and sensationalised to generate revenue. The media coverage of arbitrarily selected national events is so intense and immediate (and competitive) that an air of crisis is artificially created. In this environment there is little opportunity or interest in analysis, the provision of a sense of proportion or balance, or even the facts
- The rapid emergence of new and alternative internet-based communication mediums that are making traditional media less relevant
- The ascendance of the "cult of personality" has accelerated the centralisation and concentration of power at the apex of government (and matched by a corresponding reduction of the influence and authority of other Parliamentary representatives, the executive and the judiciary)
- A significant narrowing of the national political agenda to focus predominantly on economic issues, at the expense of a balanced perspective that recognises essential social and environmental imperatives.

# The effectiveness of terrorism in changing Australian society

A primary objective of terrorism as an organisational strategy is to engender disproportionate fear within the wider community, and to act as a catalyst for negative changes to society that advance the terrorists' goals. Terrorism is as much an insidious psychological strategy as an actual capability for mass indiscriminate violence. It is the community's powerful emotional response to an ill-defined threat that gives terrorists exaggerated power and influence.

Because of this objective it is possible for terrorists to be highly effective without having to undertake any or many actual terrorism operations. Once an environment of fear has been engendered all that the terrorists have to do is raise the spectre of an attack (no matter how improbably) and the disproportionate community fear is rekindled. An alarmist and sensationalist media; an intelligence community that grows in importance and resources in the face of imminent threats; and a government that gains electoral advantage from appearing to be tough and protective; combine to reinforce community fear and inadvertently serve the terrorists' interests.

The objectives of terrorism as an organisational strategy include to:

- inflict maximum damage, humiliation and intimidation
- maximise publicity for the terrorism doctrine, and build the organisation's prestige, influence and adherents
- inspire others to undertake similarly spectacular and effective attacks

- induce an exaggerated level of fear in the community that far exceeds the actual prospects of and capacity for violence
- provoke a disproportionate "knee-jerk" security or military response that confirms and reinforces the terrorists' ideology; draws the state into an escalating cycle of violence on the terrorist's terms; and demonstrates the "David and Goliath" nature of the conflict
- stimulate the adoption of authoritarian, undemocratic, inhumane, illegal or immoral policies and practices, thus undermining the government's legitimacy and political authority
- prompt an over-reaction (such as discrimination and repression) that leads to the alienation and radicalisation of other individuals or groups.

None of the first three objectives appear to have been achieved in Australia, although legal action is currently underway against a number of individuals who allegedly have been involved in planning for a terrorist attack. There is no doubt that the threat of terrorism continues to induce an exaggerated level of fear within the Australian community.

An evaluation of the impact of the remaining terrorism objectives on Australia is more ambiguous. Based on the (often intelligence-based) spectre of a "serious and imminent" terrorism threat the Australian Government has:

- participated in the invasion and occupation of Iraq, now widely acknowledged as the most serious foreign policy failure since WW2
- fundamentally changed the way we manage people seeking refuge in Australia, adopting a far less humane policy
- introduced various pieces of anti-terrorism legislation that compromise important and long standing conventions that have traditionally assured human and civil rights, including authorising the State to act pre-emptively against individuals and groups on the basis of "reasonable" grounds 13 14
- diverted significant public resources away from schools, hospitals, aged services, indigenous welfare and other essential public services to costly security and defence measures.

The extent to which the government's legitimacy and moral (and political) authority may have been damaged by its involvement in a series of highly publicised and controversial security-related incidents will be ultimately tested through the democratic process. In developing its counter-terrorism policies the government has consistently asserted that it has "acted in good faith" on the (sometimes flawed) intelligence advice it has received, and not intentionally deceived the community or acted arbitrarily. Unlike other countries it has not been established that the government has resorted to disinformation and obfuscation in order to mislead and manipulate its own citizens.

<sup>14</sup> SLRC, Report of the Security Legislation Review Committee, June 2006

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<sup>&</sup>lt;sup>13</sup> Public Interest Advocacy Centre, Security and counter terrorism legislation review, 2006, p.2

## **Alienation of the Australian Muslim community**

Arguably the government's most serious counter-terrorism policy misjudgement has been its handling of and attitude towards the Australian Muslim community. Since the start of the "war on terror" Muslim communities across the world have experienced unprecedented intolerance, discrimination and victimisation. In Australia the government has remained largely silent while the compatibility of Islamic beliefs with Australian values have been repeatedly questioned, and cultural differences and communication difficulties have been exploited to humiliate and demean Islamic religious and community representatives.

Misconceptions about the nature and tenets of Islam appear to be widespread, and the image of Islam as an extreme ideology is reinforced nightly with violent images from Iraq and Afghanistan. Bigotry and resentment towards Muslims in the community recently escalated into open conflict between groups of angry and resentful youth. In the absence of a genuine understanding of the values and motivation of Australian Muslims, simplistic, ill informed and prejudicial stereotypes have driven policies and actions that have exacerbated the alienation of sections of the community.

For many young Australian-born men of Middle Eastern origin the recent rise in overt racism is verging on the intolerable. A disproportionate number have found it difficult to secure gainful employment in Australia due to prejudice, even though they speak good English and have undertaken secondary education. Like all minorities that encounter difficulties in gaining equitable access to social and economic opportunities, some of these youth have found a sense of belonging through participation in ethnic or religious subcultures.

The combination of high levels of frustration and bitterness, a pervasive sense of social exclusion and isolation, and apparently arbitrary action by a government perceived as lacking moral authority have the potential to be a dangerous mix for individuals who may feel a growing sense of anger, hopelessness and despair. Some may well question the legitimacy of Australia's prevailing social values, and may be more likely to be attracted to what may appeal as "morally superior" fundamentalist ideologies. Further arbitrary and prejudicial government actions focussing on Muslims are only likely to heighten a pervasive sense of victimisation, with the potential to turn a prospective threat into a self-fulfilling prophesy.

#### **Conclusions**

Intelligence advice has undoubtedly played a vital role in the development of national and international responses to the threat of terrorism, yet the community remains largely oblivious to the true nature of intelligence and its inherent limitations. Following a series of highly publicised intelligence failures the Australian Government has moved to shield intelligence from further public scrutiny by blurring the critical distinction between intelligence activities and intelligence product.

Intelligence can constitute a powerful source of advice in the absence of facts and evidence. But the sensitivity and intrinsic fallibility of this advice means that it is rarely suitable for use in the public domain or as the basis for accountable decisions.

Since September 11 the threat of terrorism has prompted fundamental changes to national priorities and an unprecedented concentration of authority. "Secret" intelligence has been used by governments as the justification for policies and actions that shift the balance between the rights of the state and the individual, at the same time avoiding intensive public scrutiny of decision-making processes.

It is apparent that the threat of terrorism has engendered a range of significant negative changes in Australian society. Core democratic principles and institutions have been compromised and human and civil rights diminished. National priorities have been transformed, reducing an already inadequate level of funding support for the most disadvantaged in our community (poor/young/sick/aged/indigenous). The relationship between the community and its elected representatives has changed, with the emergence of a new and powerful paternalism under the guise of national leadership in a time of crisis. People who publicly raise concerns about these developments are portrayed as "conspiracy theorists" or un-Australian.

Of great concern is the possibility that community anxiety about "foreigners" has been exploited for partisan political purposes to polarise society and to alienate Australian Muslims. Ironically this has the potential to create the conditions that will increase the future prospects of terrorism in Australia. Ignorance and prejudice threaten to damage the fabric of Australia's multicultural society through the radicalisation of sections of our own community. Should a terrorist incident occur in Australia in the future the inevitable response will fundamentally change the nature of Australian society.

A government committed to maintaining a peaceful, just and humane society will always act to ensure that all Australians, no matter their origin, religion, race or colour, are respected as equals and enjoy fair access to the opportunities that this unique country offers.