

Chapter 2

A Brief Outline of the East Timor Crisis: The View from Canberra

'This is big'

A number of books have been published about East Timor's history during the period 1945–99,¹ and those efforts will not be replicated here. Instead, the main focus of this study falls on the seat of Australia's Government, Canberra, during the period after December 1998 when Prime Minister John Howard wrote to Indonesia's President B.J. Habibie concerning the future of East Timor. This event represents the beginning of this case study, as more Australian Government agencies became involved in developing, and then managing, new policies concerning East Timor. The period concludes in late October 1999 when Australian Government agencies began a transition from crisis policymaking to a 'steady state' of operations in Canberra. This steady state began when *ad hoc* groups, established to manage or coordinate policy with regard to East Timor, were disbanded or incorporated into formal departmental and agency structures.

Although December 1998 has been chosen to start this case study, the East Timor issue had been a part of the Australian policy scene since 1974. Questions of legitimacy, sovereignty, human rights and moral debt had ebbed and flowed in Australian politics over the course of the intervening three decades, until the issue was renewed by a debate about East Timor policy within the Australian Labor Party (ALP) in November–December 1997.² While this debate was passionate and controversial, the prospect for a new Australian Government policy towards East Timor did not arise until an external event established the necessary conditions—the replacement of Indonesia's President Soeharto by his Vice President, B.J. Habibie, on

20 May 1998. The arrival of those conditions was somewhat of a surprise for Australian policymakers—as was the new policy environment in Jakarta.

1 For example, see John Taylor, *Indonesia's Forgotten War: The Hidden History of East Timor*, Pluto Press, Leichhardt, 1991.

2 See Anthony Burke, 'Labor Could Be Set For A Backflip on East Timor', *Canberra Times*, 22 December 1997. It is also important to note that Australia was engaged in East Timor on the official side before 1998, primarily through the Australian Agency for International Development (AusAID), which had been involved in humanitarian and development projects in East Timor.

This policy environment was defined by one of the new Indonesian president's first major policy statements, where he announced that his government would consider granting 'special autonomy' to East Timor.³ Australian policymakers saw an opportunity to achieve three interwoven outcomes in these new conditions. The first and most important outcome desired by Australian policymakers in 1998 was a better relationship with Indonesia. Perhaps more than any other single issue, Indonesia's conduct in East Timor had been viewed negatively by many in Australia and this had implications for the entire Australia-Indonesia relationship. From the Australian perspective, healing this 'running sore' was one way to correct this problem.⁴

The second desired outcome was to see Indonesia's economy recover from the 1997 economic crisis, while maintaining a degree of stability during its transition from dictatorship to democracy.⁵ At the time, Australia was concerned that instability in Indonesia would have a negative effect on Australia's own prosperity and security, and saw assistance as a way of showing Australia's value as a friend in the region.⁶ The third outcome—and arguably the lowest priority—was the desire to improve the humanitarian situation in East Timor. Senior officials thought that a different political arrangement offered some chance of ending the guerrilla

3 Habibie vacillated over this point for a few days. Compare his position as cited in Don Greenlees, 'Habibie rules out Timor referendum', *Australian*, 4 June 1998, to the announcement reported by Jay Solomon, 'Habibie Offers East Timor Special Status', *The Wall Street Journal Europe*, 10 June 1998. Howard made his first public appeal about East Timor to Habibie over a week before this: see Rebecca Rose, 'Howard Urges Habibie To Act On East Timor', *West Australian*, 26 May 1998, p. 4

4 The difficulty caused to the bilateral Australia-Indonesia relationship by the ongoing conflict within Indonesia's East Timorese province is described in Department of Defence, *Australia's Strategic Policy, Commonwealth of Australia*, Canberra, 1997, p. 22. Contemporary analysis of the East Timor issue also stressed the irritant issue as a motive for Australian action in 1999 (see Carl Thayer, 'Australia-Indonesia Relations: The Case of East Timor', paper presented at the *International Conference on Australia and East Asian Security into the 21st Century*, Department of Diplomacy, National Cheng Chi University Taipei, Taiwan, 8 October 1999, p. 4. The logic of 'solving the running sore' is strongly criticised by William Maley, 'Australia and the East Timor Crisis: Some Critical Comments', *Australian Journal of International Affairs*, vol. 54, no. 2, 2000, p. 153 and p. 155, who finds the notion of breaking the relationship to fix it absurd; and James Cotton, *East Timor, Australia and Regional Order: intervention and its aftermath in Southeast Asia*, Routledge, London, 2004, p. 213.

5 This point is made by Foreign Minister Alexander Downer, 'CEDA Luncheon Address', 20 July 2000, available at <<http://www.dfat.gov.au>>, accessed 12 April 2006. It was also mentioned as being 'interwoven' with the issue of Australia's medium-term relationship with Indonesia in an interview with Ashton Calvert.

6 Speeches such as Alexander Downer, 'Indonesia's Challenges: How Australia Can Help', paper presented at the *International Conference on Indonesian Economic Stabilisation and Recovery*, Australian National University, Canberra, 23 November 1998, available at <http://www.foreignminister.gov.au/speeches/1998/981123_indonesia.html>, accessed 20 April 2009; and Alexander Downer, 'Australia—Stability in the Asia Pacific', speech to the Harvard Club, New York, 8 June 1998, available at <http://www.foreignminister.gov.au/speeches/1998/stability-asia_jun98.html>, accessed 20 April 2009, which emphasise the economic imperatives of Australia's interests at this time. Downer used another speech in July 1998 to suggest changes that could be made to East Timor's relationship with Indonesia, which shows how the Australian Government saw room to discuss Timor without being accused of interference in Indonesia. See Alexander Downer, 'A Long Term Commitment: Australia And East Asia', speech to the Indonesian Council on World Affairs and the Indonesia-Australia Business Council, Borobudur Hotel, Jakarta, 9 July 1998, available at <http://www.foreignminister.gov.au/speeches/1998/980709_icwa_iabc.html>, accessed 20 April 2009.

conflict, and perhaps the opportunity to develop the province's economy and obtain more international aid.⁷ As will be discussed later, independence for East Timor was not an Australian policy preference at this time.

While the most visible discussions (in mid-1998) about East Timor's future were being conducted through the United Nations–Portugal–Indonesia 'Tripartite Talks',⁸ Australian diplomats soon began consulting a number of influential Timorese about acceptable political arrangements.⁹ According to the survey report by DFAT, the majority view called for a transitional autonomy arrangement that would be followed by a referendum in the future. Interestingly, the word 'independence' was not mentioned in the published survey report or covering letter.¹⁰

Australia's internal policymaking process also increased in tempo. Foreign Minister Alexander Downer began taking weekly briefings on East Timor from June 1998¹¹ and a small, informal meeting of senior Department of Foreign Affairs and Trade (DFAT), Department of Prime Minister and Cabinet (DPM&C) and Defence officials convened to discuss Australian policy options.¹²

Significant events occurred on other fronts around the same time. East Timor experienced further violence in October and November 1998, which increased international attention on the situation. At the same time, the Tripartite Talks appeared to falter as Indonesian claims about troop withdrawals were discredited in the media¹³ and the parties found common ground elusive.¹⁴ Support for 'action' was also gaining momentum in Australia as new evidence

7 Interview with Ashton Calvert and David Goldsworthy, 'East Timor,' in Goldsworthy and Peter Edwards (eds), *Facing north: a century of Australian engagement with Asia*, Melbourne University Press, Carlton, Vic, 2003, p. 225.

8 These talks recommenced in June 1997. See Ali Alatas, *The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, Aksara Karunia, Jakarta, 2006, Chapter 9, for an account of their progress to mid-1998.

9 The major efforts included those by Nick Warner, then First Assistant Secretary Southeast Asia Division in DFAT, to consult a number of identified East Timorese leaders; and by the Australian Ambassador to Indonesia, John McCarthy, who consulted the noted East Timorese resistance leader and future President, Xanana Gusmão (Department of Foreign Affairs and Trade, *East Timor in Transition 1998–2000: An Australian Policy Challenge*, Commonwealth of Australia, Canberra, 2001, pp. 26–27).

10 Department of Foreign Affairs and Trade, *East Timor in Transition*, pp.177–79. Kelly argues that this survey identified the East Timorese preference for autonomy to be only a bridge to an independence vote in three to five years time (Paul Kelly, *The March of the Patriots: The Struggle for Modern Australia*, Melbourne University Press, Carlton, Vic, 2009, p. 485–86).

11 Interview with Ashton Calvert. See also Don Greenlees and Robert Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, Allen & Unwin, Crows Nest, NSW, 2002, p. 80.

12 Interview with Hugh White.

13 The 'shuffling' of Indonesian combat troops in East Timor was widely reported and described as a charade. See Don Greenlees, 'Leak shows no E Timor troop cuts', *Australian*, 30 October 1998, p. 1; and Australian Associated Press, 'Downer denies Aust intelligence wanting', *AAP Information Services Pty Ltd*, 1 November 1998.

14 While Alatas argues that the talks were proceeding 'at an encouraging pace', they were suspended for a short time in November 1998 before an agreement was reached to recommence in January 1999 (Alatas, *The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, pp. 145–46). These difficulties are noted in the text

about the killings of journalists at Balibo in 1975 was uncovered in October 1998.¹⁵ Finally, it became known to officials that the Australian Government wanted to develop an initiative to start their new term. Interviewee 052-06 recalled how 'the government recognised that, to some extent, Indonesia was falling into a dangerous vacuum and Australia needed to express some views which would help, from our point of view, to crystallize the situation', although there was no agreed way forward among the major national security departments.¹⁶ These conditions presented an opportunity for a policy initiative.¹⁷

The exact form of the initiative came to be known as the 'Howard Letter' (see Appendix). This letter revised important elements of Australia's position on East Timor's future and provided something of a catalyst for the events of 1999.¹⁸ Importantly, the letter contained support for Habibie's decision to offer autonomy to East Timor and reaffirmed Australia's support for East Timor remaining a part of Indonesia.¹⁹ But Howard also encouraged Habibie to see East Timor as a political—that is, domestic—problem rather than a foreign policy matter. This letter also recommended building a review mechanism into an autonomy

of the 'Howard Letter' (see Appendix) and the analysis contained in Department of Foreign Affairs and Trade, *East Timor in Transition*, p. 29 and p. 31. See also Nicholas Wheeler and Tim Dunne, 'East Timor and the New Humanitarian Intervention', *International Affairs*, vol. 77, no. 4, 2001, p. 812.

15 See Jonathon Holmes, 'East Timor—Balibo: A Special Report', *Foreign Correspondent*, ABC Television (Australia), 20 October 1998, available at <<http://www.abc.net.au/foreign/stories/s401582.htm>>, accessed 20 April 2009). This report led to a re-opening of the Sherman Enquiry into the Balibo killings of 16 October 1975. This atrocity involved the murder of five Australian-based newsmen by Indonesian forces and some Timorese militia.

16 Hugh White recalls a discussion in June 1998 where the prospect of changing Australian policy to calling for an act of self-determination was discussed, but 'no clear conclusion was reached ... in that discussion' and the proposal was not raised again with Defence (Hugh White, 'The Road to INTERFET: East Timor—1999', unpublished paper, copy in author's possession, 2007, p. 2).

17 Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, pp. 84–85. The idea of 'opportunity' was expressed in interviews with Ashton Calvert and 064-07, Canberra, 5 July 2007. Interviewee 064-07 is a former ministerial staffer and government official.

18 A DFAT submission described the policy suggestions contained in the letter as a 'major shift' (see Department of Foreign Affairs and Trade and AusAID, *Submission to the Senate Foreign Affairs, Defence and Trade References Committee Inquiry into East Timor*, Senate Foreign Affairs, Defence and Trade References Committee, Additional Information, vol. 5, Commonwealth of Australia, Canberra, 1999, p. 046). Ali Alatas agreed with that assessment, describing the letter as an 'unmistakable shift in [Australian] policy' (Alatas, *The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, p. 144).

19 Paul Kelly describes the letter as a 'trap' for Indonesia, claiming that Downer and Calvert recognised that any proposed ballot was 'opening the door for independence'—no matter how far off (Kelly, *The March of the Patriots*, p. 487). Kelly subsequently portrays independence as Australia's policy objective with regard to East Timor when he claims that 'Howard and Downer did not seek East Timor's independence by accident or mistake' (p. 514). While this claim may be accurate, no interview conducted for this research (including an interview with one key protagonist who had an opportunity to make it) identified independence as Australia's preferred policy outcome in December 1998. As a result, Kelly's claim that Australia intended to see East Timor become independent inside ten years or so (and without a period of autonomy) is likely to represent post-facto justification. Further, to see independence as the real objective in December 1998 overstates the actual power that Australia had to achieve that objective, and the very real downside risk that an independent East Timor would present to Australia. As the discussion of objectives in Chapter 3 shows, it is more accurate to see that the Australian Government saw independence as a possible outcome in December 1998, and as an emergent objective as the events on the ground unfolded in 1999.

package, similar to the 1988 Matignon Accords in New Caledonia, retaining Indonesian sovereignty over East Timor before a vote for independence in ten years' time.²⁰

The Australian Government delivered the letter directly and quietly to Habibie via the Ambassador in Jakarta, intending to give the Indonesian President time and space to consider its proposals.²¹ However the letter's contents, particularly the reference it contained to the Matignon Accords, angered Habibie and were misconstrued as a suggestion that Indonesia was acting like a colonial power.²² This inference was unwelcome and probably spurred a new desire by the Indonesian President (or reinforced an existing one) to bring about a quick resolution to the question of East Timor's sovereignty.²³

It is almost certain, based on interviews with Hugh White, 051-06 and 032-05 (the latter being a senior officer in a key department in 1999), that the letter was developed by then Prime Minister John Howard's international adviser, Michael Thawley; Peter Varghese, then First Assistant Secretary in DPM&C; and Deputy Secretary of DFAT, John Dauth. The draft of the letter was discussed with then Secretary of DFAT Dr Ashton Calvert, a senior analyst from the Office of National Assessments (ONA), and the Australian Ambassador in Jakarta, John McCarthy. The letter was then cleared through Howard and Downer.²⁴

Further knowledge of the letter probably extended only as far as the Secretary of DPM&C, Max Moore-Wilton, High Commissioner Philip Flood in London,

20 The 1988 Matignon Accords between France and the people of New Caledonia included provisions on the legal status of citizens, customary law, land, devolution of powers, economic development and political representation. Most importantly, these accords allowed for a poll to determine whether the people of New Caledonia would convert 'citizenry into nationality' in 1998 (Embassy of France in Australia, 'The Noumea Accord', 5 May 1998, available at <<http://www.austlii.edu.au/au/journals/AILR/2002/17.html>>, accessed 20 April 2009).

21 Interview with 051-06, who is a former senior government official with direct knowledge of the East Timor crisis.

22 This reaction was reported by Australia's Ambassador, John McCarthy (Department of Foreign Affairs and Trade, *East Timor in Transition*, p. 32) and recounted in Goldsworthy, 'East Timor', pp. 228–29. This is also how Tim Fischer, then Australia's Deputy Prime Minister and a member of the NSCC, understood Habibie's reaction. See also Karen Polgaze, 'PM's Timor letter "angered Habibie"', *Canberra Times*, 3 November 1999, who quotes an interview with Indonesian Foreign Minister Ali Alatas. Noting Indonesia's deep sensitivity toward colonialism, Alatas (*The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, pp. 149–50) described Habibie's reaction as a 'burst' after the Matignon reference was explained to him.

23 Alatas, *The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, pp. 149–50; and Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, pp. 88–95. Goldsworthy notes other forces on Habibie's decision-making at the time, including pressure from the European Union, the US Congress and influential Indonesians (Goldsworthy, 'East Timor', p. 230).

24 Howard acknowledged the roles of Calvert, Thawley, Downer and himself in the letter's preparation (see Fran Kelly, 'John Howard on East Timor', *The Howard Years* (website), ABC Television (Australia), 2008, available at <<http://www.abc.net.au/news/howardyears/>>, (see Further Resources: Episode 2), accessed 27 June 2009).

and DFAT's Nick Warner.²⁵ Many claim that the letter was discussed at the 1 December 1998 meeting of the National Security Committee of Cabinet (NSCC),²⁶ indeed, Howard is said to have grabbed Downer by the arm or shoulder after the meeting and said, "This is big, this is very big."²⁷ However, the Minister of Defence and key officials within Defence said they knew nothing about it and denied the letter was discussed openly in the NSCC.²⁸ Given the limited circle of senior politicians and officials involved, it is not surprising that this initiative caught sections of the Australian national security policy community by surprise.

The situation became difficult to control once the existence of the letter was leaked sometime in late December 1998,²⁹ even before the story of Howard's letter broke in the Australian press on 12 January 1999. This news story was followed quickly by an official statement that confirmed Australia's preference for 'an act of self-determination at some future time, following a substantial period of autonomy'.³⁰ On 27 January 1999, Habibie consulted his Cabinet and decided to offer East Timor 'regional autonomy plus' in a referendum. If that offer was rejected, his government would recommend that the Indonesian

25 Goldsworthy claims this letter was instigated by DFAT (implying the letter was entirely their idea), through a ministerial submission on 30 November 1999 (NAA, A9737, 92/051651 part 17, Department of Foreign Affairs and Trade, 'Ministerial Submission', 30 November 1999, cited in Goldsworthy, 'East Timor', p. 227). It is more likely the text was drafted as stated above and presented formally to the foreign minister through this submission, so he could present it 'below the line' to the NSCC on 1 December 1999. Kelly states that Howard consulted Flood, who was formerly Director-General ONA (Kelly, *The March of the Patriots*, p. 488).

26 Interview with 052-06, a former senior government official with direct knowledge of the East Timor crisis. See also Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, pp. 85–86; Goldsworthy, 'East Timor', p. 221; James Cotton, 'East Timor and Australia—Twenty-five years of the policy debate', in James Cotton (ed.), *East Timor and Australia*, Australian Defence Studies Centre/Australian Institute of International Affairs, Canberra, 2000, p. 13; and Kelly, *March of the Patriots*, p. 489.

27 Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, p. 86. Howard and Downer confirmed this in a television interview series, *The Howard Years* (Episode 2), ABC Television (Australia), 24 November 2008, available at <<http://www.abc.net.au/news/howardyears/content/s2422684.htm>> accessed 27 June 2009.

28 Interviews with John Moore (Defence Minister in 1999), Paul Barratt (Secretary of the Department of Defence until August 1999), Chris Barrie (Chief of the Defence Force in 1999), and Hugh White. Other well-placed interviewees who also claimed that the letter caught Defence by surprise included Aldo Borgu (an adviser to Defence Minister John Moore in 1999) and Allan Behm (Canberra, 5 May 2005). Behm was First Assistant Secretary International Policy in 1998 and First Assistant Secretary Strategic Policy and Plans in 1999–2000.

29 Interview with 051-06. Another interviewee (identity protected) confirmed the period of the leak, recalling that a journalist called to ask for background on the letter. While Goldsworthy implies Indonesian officials were responsible for the leak (Goldsworthy, 'East Timor', p. 229), Clinton Fernandes claims a source that attributes the leak to a 'senior Australian diplomat' in the Jakarta embassy ('The Road to INTERFET: Bringing the Politics Back In', *Security Challenges*, vol. 4, no. 3, 2008, p. 87).

30 The story was reported in Don Greenlees, 'Howard reverse on Timor', *Australian*, 12 January 1999; and Alexander Downer, 'Australian Government Historic Policy Shift On East Timor', Media Release, 12 January 1999, available at <http://www.foreignminister.gov.au/releases/1999/fa002_99.html>, accessed 20 April 2009.

Parliament ‘release East Timor from Indonesia’.³¹ So despite uncertainties about its genesis, the Howard Letter ultimately helped to change Habibie’s thinking on East Timor in a substantive way.

A Developing Situation

The events and decisions of January 1999 sent the Australian national security policy community into overdrive. The meeting of the Strategic Policy Coordination Group (SPCG) on 15 January highlighted Defence’s disappointment with the lack of internal consultation, and provided a negative prognosis for what might happen next. Rear Admiral Peter Briggs, a participant at that meeting, recalled:

Hugh White was very forthright, and questioned the DEAT representatives on the process and intentions of the letter. Hugh said something like ‘Do you know what the f ... is going to happen?’—they were taken aback at Hugh’s language and expression— ‘Habibie is going to accept the offer, there will be a process of self-determination which the Indonesian military will resist, and the local militias will be the tool they will resist it with, and we will end up with the ADF [Australian Defence Force] on the ground between the Indonesians and the East Timorese. We could well end up with body bags coming back to Australia.’ It was an extremely strong event.³²

Other agencies in Canberra were also working to prepare information on Australia’s options by late January. Defence intelligence provided analysis of the situation in East Timor and Indonesia, including reports that pointed to Indonesian military support for militia violence.³³ Defence’s Strategic Command Division produced a paper that explained what forces might be needed to conduct different types of missions, ranging from small observer missions to larger, combat-capable forces.³⁴ Other work was undertaken within Defence to examine the state of ADF readiness and the costs involved in preparing air and naval assets and another brigade group (of around 3500 people) for possible contingencies. While the potential for strife in East Timor was a factor, this planning seemed especially prudent given the increased potential for the ADF

31 Jonathon Head, ‘East Timor Breakthrough’, *BBC News* (United Kingdom), 28 January 1999, available at <http://news.bbc.co.uk/1/hi/events/indonesia/latest_news/263828.stm>, accessed 20 April 2009, quoting Information Minister Yunus Yosfiah’s announcement on 27 January.

32 Interview with Rear Admiral Peter Briggs, who was Head Strategic Command Division in Defence from early 1997 to May 1999.

33 Des Ball, ‘Silent Witness: Australian Intelligence and East Timor’, in Desmond Ball, James Dunn, Gerry van Klinken, David Bouchier, Douglas Kammen and Richard Tanter (eds), *Masters of Terror: Indonesia’s Military and the Violence in East Timor in 1999*, Canberra Papers on Strategy and Defence No. 145, Strategic and Defence Studies Centre, The Australian National University, Canberra, 2002, pp. 246–47.

34 Interviews with John Moore, Allan Behm and 035-05 (Canberra, 14 October 2005, identity protected).

to be called to evacuate Australian citizens from the region, given the increase in strife-prone areas including the Solomon Islands, Papua New Guinea, Bougainville and Indonesia, after sporadic violence occurred there in 1997 and 1998.³⁵ The proposal for increased readiness was made at the February 1999 meeting of the NSCC, and subsequently announced on 11 March.³⁶

DFAT was also busy. Aside from increased consultation with both Indonesian leaders and East Timorese groups by McCarthy,³⁷ meetings with other countries included specific discussions about East Timor. In one example, Ashton Calvert visited Washington, DC, to consult the US Assistant Secretary of State, Stanley Roth about America's views on events. DFAT also established its own policy unit, headed by Nick Warner and managed by Chris Moraitis, to coordinate the diplomatic aspects of national policy.

DPM&C also began to look more closely at the issue. Having taken a leading role in drafting the Howard Letter, it left most of the subsequent policy development work to 'implementation departments' like DFAT and Defence. Its focus remained on keeping the prime minister informed of developments and ensuring coordination of agency activity.³⁸

There was, however, a significant divergence of opinion between DFAT and Defence about any Australian response. DFAT argued that the Indonesians were responsible for security in East Timor; they were keen to use diplomacy to avoid the need to deploy a peacekeeping force to East Timor, or to have a perception arise that Australia was preparing to intervene in East Timor.³⁹ To this way of thinking, such a perception could create tension with Indonesia, or allow others to assume that Australia would take the lead and 'bankroll' the process.⁴⁰ Australian officials also feared this perception might discourage the Indonesians

35 Interview with Chris Barrie. It is important to underscore the thinking of the time, which put a priority upon evacuation contingencies and not an intervention into East Timor.

36 Interviews with John Moore, Chris Barrie, 051-06 and Aldo Borgu. It is interesting to note that the increased readiness was attributed to savings from the Defence Reform Program—see Defence Public Affairs, 'The Hon J Moore, Progress on the Implementation of the Defence Reform Program', Media Release 067/99, Canberra, 11 March 1999.

37 Department of Foreign Affairs and Trade and AusAID, *Submission to the Senate Foreign Affairs, Defence and Trade References Committee Inquiry into East Timor*, p. 047.

38 Interview with 052-06.

39 This position was expressed in the leaked cable from Calvert to Roth, and was supported by interviews with Hugh White and 012-05 (Canberra, 30 June 2005), who is an official with direct knowledge of the East Timor ballot. The desire to use diplomacy was mentioned by Alexander Downer in Andrew Fowler, 'Ties that Bind' *4 Corners*, ABC Television (Australia), 14 February 2000. Another note of DFAT's adherence to this position was made in Maley, 'Australia and the East Timor Crisis', pp. 155–58.

40 According to Carl Thayer, this view was expressed by Peter Varghese, then-FAS International Division in DPM&C. Thayer does not state his source or the remarks' context. See Thayer, 'Australia-Indonesia Relations', p. 9.

and Timorese from coming to their own compromises about the process.⁴¹ Others, such as then Deputy Prime Minister Tim Fischer, also saw danger in being proactive. He thought overt pressure on the Indonesians or clearly visible defence preparations may force Habibie to renege on the consultation plan.⁴²

On the other hand, Defence visualised multiple scenarios that could occur in the region (and East Timor in particular), ranging from new monitoring missions up to evacuations protected by ADF troops.⁴³ As mentioned earlier, the NSCC identified a need to increase force readiness to ensure that the ADF would be in a position to respond to any major crisis, while being prepared for a separate, additional contingency should one occur. These preparations required the overt movement of troops and equipment, increased training and additional spending on logistic support—activities that are hard to hide and difficult to attribute to anything other than preparations for East Timor in the prevailing climate. There would also be a need to engage potential coalition contributors and the United States to ensure that Australia had international support and appropriate capabilities to conduct an operation offshore.⁴⁴ Minister of Defence John Moore decided (after consultation with the Prime Minister) to ignore DFAT's concern and agree to Chief of Defence Force (CDF) Admiral Chris Barrie's recommendation to proceed with readiness planning and consultation with US Pacific Command (USPACOM). This was fortunate because it took nearly five months to prepare a second brigade group for peacekeeping operations.⁴⁵

Defence also took the step of appointing Brigadier Mike Smith to manage part of its input to the East Timor policy process. Given the title 'Director General East Timor' (DGET), he reported directly to the CDF through the Deputy Secretary Strategy and Intelligence, Hugh White. While the initial plan was for the DGET to focus on the relationship with Indonesia, it was eventually decided to use Smith to develop an understanding of the United Nations and its processes. Smith would also be made available to command a UN peacekeeping force if one was required in East Timor, even though the idea of an intervention force (what became the International Force in East Timor, INTERFET) was still not

41 This reason was attributed to a DPM&C official, and is criticised by William Maley ('Australia and the East Timor Crisis', p. 157). It is not inconceivable to think that a 'Machiavellian' East Timorese element may see advantage in acting so to inflame tensions and encourage foreign intervention.

42 Interview with Tim Fischer.

43 Interviews with Chris Barrie and Air Vice-Marshal Bob Treloar, by telephone, 4 November 2005. Treloar was appointed Commander Australian Theatre in May 1999.

44 Interview with 052-06.

45 Interview with John Moore and Allan Behm. The second brigade group was declared ready by the end of June (see Robert Garran, 'The military masses for its biggest march in 30 years', *Australian*, 3 July 1999, p. 7).

under consideration.⁴⁶ Positioning Smith in this way proved to be a worthwhile foresight when the time came to work with the United Nations on the eventual peacekeeping operation.⁴⁷

Smith established himself in a key position linking, in part, Defence, DFAT and the Department of Peacekeeping Operations at the United Nations. This 'small office' approach was selected by Defence because there was an imperative to protect information about Australia's intentions. There was also a need to avoid agitating the Indonesians, and probably DFAT, by creating a new, large policy and planning organisation. The small office also allowed Smith to move nimbly between different organisations and ensure a single ADF view was presented to key stakeholders.⁴⁸

Other agencies were involved in planning. In addition to its mission of organising aid, the Australian International Aid Agency (AusAID) was tasked by the foreign minister to conduct an assessment of the humanitarian situation in East Timor and investigate claims that Indonesian officials were preventing food from moving around the province.⁴⁹ The Australian Electoral Commission (AEC) was asked to provide advice on electoral methods, draft an election manual and materials, and advise on whether Australia could provide further support to the popular consultation process.⁵⁰

Activities by the United Nations also involved the Australian Government. In late March, a UN assessment mission visited Jakarta, East Timor and Canberra to scope the requirements for the proposed referendum. The Australian Government

46 Interview with 007-05, Canberra 17 June 2005. Interviewee 007-05 is a former senior ADF officer who was closely involved with Defence planning for East Timor, including knowledge of liaison activities with the United Nations.

47 After the post-ballot violence, Smith was promoted to Major General and deployed to New York (for four months) where he and his small team assisted the Military Planning Staff in DPKO in preparing for the transition from INTERFET to a UN peacekeeping force. This team subsequently deployed to Dili in late 1999 as the advance party for the Peacekeeping Force, and Smith was appointed as the Deputy Force Commander of the Peacekeeping Force in December.

48 Interviews with Chris Barrie; Kerry Clarke, Canberra, 2 August 2005; 007-05 and Matthew Skoien, by telephone, 22 December 2005. Clarke was Director General Joint Operations in Strategic Command Division in 1998–99, and Skoien was Director Indonesia Section in International Policy Division in Defence from December 1998 to September 1999.

49 Interview with Steve Darvill (Canberra, 5 July 2005) who said that the April 1999 assessment eventually blamed the delays on routine logistic problems, rather than on deliberate action by any party. Darvill was involved in operational planning as part of AusAID's Humanitarian Emergencies section in 1999. For the text of the fact-finding mission's report, see AusAID, *Report of the AusAID Fact-Finding Mission to East Timor, 10–20 March 1999*, Commonwealth of Australia, Canberra, 1999.

50 Interview with 012-05 and Australian Electoral Commission, *Submission to the Senate Foreign Affairs, Defence and Trade References Committee: Australian Electoral Commission Support for the East Timor Consultation Ballot*, Canberra, 1999, pp. 2–3.

saw this visit as an opportunity to influence the UN team's thinking on East Timor.⁵¹ This meeting was soon followed by a delegation to UN Headquarters in New York, led by DFAT, which included Defence representatives.⁵²

Other diplomatic initiatives were underway. Closer to home, Howard requested a summit with Habibie to discuss the security situation after violence occurred in Liquiçá on 6 April and Dili on 17 April 1999.⁵³ At this meeting, Howard sought—'as strongly as I could', albeit described as gently by others—to obtain Indonesian acquiescence for an international peacekeeping force before the ballot.⁵⁴ He had to settle for an increased number of police advisors within what was to become the United Nations Mission in East Timor (UNAMET), and for permission to open an Australian consulate in Dili.⁵⁵

A new committee was added to the interdepartmental policymaking structure in mid-April 1999. Led by Bill Paterson, an assistant secretary in DPM&C, this semi-formal grouping met fortnightly from 16 April to discuss issues of day-to-day importance between the departments and to discuss 'options and implications'.⁵⁶ This meeting included relatively senior representatives (assistant-secretary level) from DFAT, Defence, AusAID, the Australian Federal Police (AFP), AEC, and ONA. The main agenda items at each meeting included updates on the situation in East Timor and overseas, and briefings on each agency's activities. Representatives also had the opportunity to discuss issues such as funding, Australian capabilities and interaction with the United Nations. The topics broadened later, as these meetings began to focus on Australian support for the popular consultation. The group never considered issues concerning military operations, such as the evacuation.⁵⁷

Much of the Paterson Committee's work was, therefore, process oriented: it provided a chance for representatives to identify issues that would be discussed at forthcoming meetings by more senior committees such as the SPCG and the

51 Interviews with Hugh White and 012-05.

52 Interviews with Hugh White and 007-05.

53 Interviewee 052-06 described the relationship between the Australian Government and Habibie as 'quite testy' during this time, which meant the timing of the meeting was up to Habibie.

54 Fran Kelly, 'John Howard on East Timor'.

55 Department of Foreign Affairs and Trade, *East Timor in Transition*, pp. 78–81. By the time of the summit, Australian policymakers had come to the conclusion that Habibie could not agree to peacekeepers (interviews with Ashton Calvert and Hugh White). Howard acknowledged the significant political constraints upon Habibie to Fran Kelly, ('John Howard on East Timor'), so he is not likely to have pushed too hard for peacekeepers in the 90-minute private meeting with Habibie at Bali. Further, Interviewee 052-06 did not think Habibie's ability to carry agreements with the Army and his ministers was assured either. Interviewee 051-06 also expressed the concern that the military might throw Habibie out if he gave way on military peacekeepers in April. See also Alatas, *The Pebble in the Shoe: The Diplomatic Struggle for East Timor*, p. 173, who said Habibie rejected the proposal 'with great indignation'.

56 Interviews with 052-05, Matt Skoien and 012-05.

57 Interviews with 012-05, Kerry Clarke, 020-05 (by telephone, 11 August 2005) and 035-05. Interviewee 020-05 is a former senior member of DPM&C with direct knowledge of the East Timor case.

NSCC, and to coordinate the timing and content of submissions. Interestingly, the early meetings seemed to be a way of bringing DPM&C into the picture, as their officers had played little part in the detailed planning thus far.⁵⁸ It also provided another channel—in addition to contacts between departments and the existing working groups—to improve coordination at lower levels.⁵⁹

By the end of April, in terms of establishing the mechanisms for handling the emerging crisis in East Timor, Australian policymakers had moved from being concerned observers to active participants. First, Australia had undertaken a range of significant meetings with US, UN, Indonesian, Portuguese and East Timorese representatives either to shape those groups or to seek their support. Second, a range of government agencies—including the ADF, AEC, AusAID and the intelligence community⁶⁰—began preparations to provide services or options to government. DFAT had also been in contact with the Indonesian Government to, among other things, lobby for permission to open a consulate in Dili.⁶¹ Third, interdepartmental interaction became more formalised at lower levels, with Paterson's Committee being established to improve information sharing between different agencies. Interaction was also facilitated by standing invitations to meetings (such as Defence's East Timor Working Group), joint delegations and individual consultations between officials.

However, there was also 'a sense [among policymakers] that events were getting out of control'.⁶² The Indonesian Army (in Indonesian, *Tentara Nasional Indonesia*, or TNI) was being identified as supporting militia violence in East Timor by the media and witnesses who had been in East Timor.⁶³ Given the TNI's importance to securing the next phase of the crisis, this development was disconcerting for many of those watching the unfolding events.

58 Interviewee 035-05.

59 Interviews with 012-05, Kerry Clarke, 020-05 and 035-05.

60 On intelligence activities, see Paul Daley, 'Spy effort stepped up in Timor', *Age*, 20 March 1999, p. 5; and Ball, 'Silent Witness: Australian Intelligence and East Timor', pp. 248–52.

61 As noted earlier, AusAID already had an ongoing assistance program to East Timor. AusAID planned to deliver A\$6 million in aid in Financial Year 1998–99—see Senate Foreign Affairs, Defence and Trade Committee, *Consideration of Additional Estimates (Department of Foreign Affairs and Trade)*, 11 February 1999, p. 240; and Foreign Affairs, Defence and Trade References Committee, *Economic, social and political conditions in East Timor*, 13 August 1999, p. 219.

62 Interview with Hugh White.

63 Ball, 'Silent Witness: Australian Intelligence and East Timor', pp. 251–52. Taudevin also provides his interpretation of what he told DFAT about the violence in East Timor (Lansell Taudevin, *East Timor: Too Little Too Late*, Duffy and Snellgrove, Sydney, 1999, pp. 230–34).

Organising for the Consultation

The period of the UNAMET mission, starting with the May 5 Agreement and ending with the declaration of the consultation results on 4 September 1999, marked the next phase of the crisis.

Table 4: Selected Key Events for December 1998-April 1999

19 December 1998	Howard's letter is delivered to Habibie.
12 January 1999	Details of a new policy towards East Timor are announced by the Australian Government.
12 January 1999	Details of a new policy towards East Timor are announced by the Australian Government.
27 January	The Indonesian Government announces its intention to allow the East Timorese people to vote in a popular consultation on their future status
9 February	The NSCC meets and decides its initial approach to the East Timor situation.
11 February	Xanana Gusmão is transferred from prison to house arrest.
Late February	US Assistant Secretary of State Stanley Roth meets Ashton Calvert, Secretary of DFAT.
9–11 March	Agreement-in-principle is reached in the UN–Indonesia–Portugal Tripartite Talks, with the main feature being a popular consultation for East Timor.
11 March	Agreement-in-principle is reached in the UN–Indonesia–Portugal Tripartite Talks, with the main feature being a popular consultation for East Timor.
29–30 March	The UN Assessment Mission, led by Francesc Vendrell, visits Canberra.
6 April	Liquiçá massacre.
17 April	Rampage in Dili
21–23 April	Completion of negotiations by Indonesia, Portugal and the United Nations.
27 April	Howard and Habibie meet in Bali.

Once the May 5 Agreement was announced, more agencies, notably the AFP, became involved in the Australian response. AusAID began to fund Australian agencies to prepare for, and then participate in, UNAMET activities. Australia also agreed to provide A\$20 million in cash and 'in kind' support so that the operation could commence quickly.⁶⁴

⁶⁴ Testimony by John Dauth of DFAT in Foreign Affairs, Defence and Trade References Committee, *Economic, social and political conditions in East Timor*, 13 August 1999, p. 220.

Events started to move at pace once the UN Security Council (UNSC) approved Resolution 1246 to establish UNAMET on 11 June 1999.⁶⁵ Just prior to the resolution, the first group of UNAMET staff and a small number of AFP officers arrived in Dili. Within a week the Australian contingent to UNAMET had grown to nearly fifty police and six military liaison officers, and voter registration started within four weeks. However, this process was marred by violence and intimidation within East Timor, to the point where some already doubted that a ‘free and fair election’ was possible.⁶⁶

Activity at the AFP was intense during this period, with the main work—outside the normal anti-crime operations⁶⁷—revolving around monitoring the operation and preparing the next rotation. This was a major issue, as Federal Agent Tim Dahlstrom recalled:

There were a range of other issues—whether the security situation was getting better, and secondly, our capacity to actually rotate people through. The three month deployment meant we were advertising for the next group while we were still training a group to go. ... We had to move to bringing state and territory police in then as AFP secondees to build our capacity.⁶⁸

The AFP was also involved in frequent meetings with other departments, and regularly attended DFAT meetings (and eventually, the task force formed to manage consular matters) to provide advice on operational matters during the deployment.

Defence managed a particularly sensitive diplomatic issue in this period, when Vice Chief of the Defence Force (VCDF) Air Marshal Doug Riding and First Assistant Secretary Strategic Policy Allan Behm were dispatched to Jakarta

65 This resolution provided a mandate to ‘organize and conduct a popular consultation on the basis of a direct, secret and universal ballot, in order to ascertain whether the East Timorese people accept the proposed constitutional framework providing for a special autonomy for East Timor within the unitary Republic of Indonesia or reject the proposed special autonomy for East Timor, leading to East Timor’s separation from Indonesia, in accordance with the General Agreement and to enable the Secretary-General to discharge his responsibility under paragraph 3 of the Security Agreement’. (United Nations, ‘UNAMET Fact Sheet’, 1999, available at <http://www.un.org/peace/etimor99/fact_bottom.htm>, accessed 20 April 2009).

66 See Charles Scheiner, ‘Grassroots in the Field—Observing the East Timor Consultation’, in Richard Tanter, Mark Selden and Stephen Shalom (eds), *Bitter Flowers, Sweet Flowers: East Timor, Indonesia and the World Community*, Rowman and Littlefield, Lanham, MD. 2001, pp. 115–18.

67 Interviews with Assistant Commission Adrien Whiddett, Canberra, 29 June 2005; and Assistant Commissioner Andrew Hughes, Suva, 9 September 2005. They both noted their involvement in a range of normal policing issues, which meant that the East Timor operation was a major additional task for them. Whiddett was responsible for AFP Operations in 1999, and Hughes was Director International and Operations for the AFP in 1999.

68 Interview with Federal Agent Tim Dahlstrom, Canberra, 16 August 2005. Dahlstrom was a member of the UN and Other Overseas Commitments Coordination team for the AFP in 1999. As part of this team, he was responsible for the detailed planning of the AFP’s involvement (especially contingent preparation) in East Timor.

on 21 June 1999. This delegation was instigated by a Cabinet decision,⁶⁹ and a tightly-worded script was developed by ONA and DFAT that was written to protect the sources used. Riding's task was to inform senior TNI officers—including General Sugiono and General Susilo Bambang Yudhoyono—that Australia had detected evidence of the Indonesian Army's involvement in equipping and directing a number of existing civil defence units and newly-formed militias to intimidate the East Timorese people.⁷⁰ It was a blunt, but diplomatically-conducted conversation between 'close military partner[s]'.⁷¹ Despite this, the visit had little substantive influence.⁷² The Indonesian view of the security situation was far different, and Yudhoyono represented strongly for TNI's neutrality.⁷³ Further meetings were conducted with the Indonesian Government and with key East Timorese to convince them to maintain their promises about security before and after the ballot.⁷⁴

By August, activity levels in other parts of Canberra appeared to decline from the levels of March and April. With UNAMET now in its implementation phase, some of the policy attention began to turn to encouraging Southeast Asian nations to be more active in the process, and to maintaining a close liaison with the United States.⁷⁵ Defence also attempted to solve a number of important logistic issues and prepared contingencies for an evacuation.

This focus on Canberra is not intended to neglect the bravery and skill of UNAMET and the East Timorese people themselves. UNAMET's overall success in fulfilling its mandate is a testimony to the qualities of all involved and the determination of the East Timorese voters. That the consultation delivered a fair reflection of the East Timorese peoples' will served to reinforce the shock felt by many—but expected by others—when serious violence erupted in Dili and other parts of East Timor on 4 September 1999.

69 Goldsworthy, 'East Timor', p. 241.

70 Interviews with Allan Behm, Kerry Clarke and 046-06, a senior ADF officer with direct knowledge of the East Timor crisis. See also John Lyons, 'The Secret East Timor Dossier', *Bulletin*, 12 October 1999, p. 25; Paul Daley, 'Gunning for the General', *Bulletin*, 30 June 2004; and Ball, 'Silent Witness: Australian Intelligence and East Timor'. Greenlees and Garran reproduced some of Riding's script in their book (see *Deliverance: The Inside Story of East Timor's Fight for Freedom*, pp. 167–68). Interviewee 046-06 is a former senior ADF officer with direct knowledge of the East Timor crisis. General Sugiono was TNI's Chief of Staff for General Affairs and General Yudhoyono was Chief of Staff for Territorial Affairs in 1999.

71 Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, p. 167–68.

72 Interviewee 046-06.

73 Interview with Allan Behm, and Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, p. 168.

74 See Goldsworthy, 'East Timor', p. 242–43; and Mark Riley, 'UN Backs Downer Plan to Beef Up Timor Force', *Sydney Morning Herald*, 6 August 1999, p. 1.

75 Matt Skoien and Interviewee 062-07 (Canberra, 29 June 2007) described a number of meetings with US military officials from USPACOM. Interviewee 062-07 is an ADF officer with knowledge of the East Timor case, including knowledge of planning for UNAMET, INTERFET and UNTAET.

Acute Crisis and Response

Once the extent and severity of violence became known, the plan to evacuate UNAMET personnel from East Timor (Operation *Spitfire*) commenced,⁷⁶ contingency planning for a peace operation began, and intense lobbying was conducted to muster support for an international coalition. It was also clear that UN Secretary-General Kofi Annan did not believe that the Indonesian military could maintain control of the situation. This concern resulted in a phone call to Howard on 6 September, where Annan asked whether Australia would contribute to an international force for East Timor if this was authorised by the Indonesians and the UNSC. According to Howard, he told Annan that Australia would make a significant contribution and insisted that Australia be asked to lead.⁷⁷

Table 5: Selected Key Events for May August 1999

5 May	Tripartite agreement to establish UNAMET is signed (5 May Agreement).
3 June	Headquarters UNAMET opens in Dili.
11 June	The UNSC passes Resolution 1246 authorising UNAMET.
Late June	1st Australian Brigade is declared 'ready' for operations
29 June–4 July	Violence erupts in Maliana, Viqueque and Liquiçá.
29 June–4 July	Violence erupts in Maliana, Viqueque and Liquiçá.
16 July	Voter registration starts in East Timor.
20 July	The Age reports ADF evacuation plans for Australian and UN personnel from East Timor.
6 August	A Code of Conduct Agreement is signed between Timorese factions.
9 August	A Code of Conduct Agreement is signed between Timorese factions.
Mid-late August	Violence erupts in Viqueque (10 August), Maliana (18 August) and Dili (26 August).
12 August	FALINTIL (pro-independence militia) cantonment is complete.
24–27 August	Election campaign period.
28–30 August	Downer visits Jakarta and Dili.
30 August	Popular consultation is held; 98.6 per cent of registered voters cast ballots

76 1500 UN and other personnel were evacuated in the period 3–14 September 1999 (Defence Public Affairs, Hon. John Moore, 'East Timor Update', MIN 271/99, 14 September 1999, available at <<http://www.minister.defence.gov.au/1999/27199.html>>, accessed 20 April 2009).

77 Fran Kelly, 'John Howard on East Timor'. Howard said he insisted upon Australian leadership because the ADF was likely to represent the international force's major combat capability. Ashton Calvert said that Australia made a 'realistic assumption' about who was both best placed and willing to lead a coalition prior to this. See also Department of Foreign Affairs and Trade, *East Timor in Transition*, p. 133; Greenlees and Garran, *Deliverance: The Inside Story of East Timor's Fight for Freedom*, p. 238; and Goldsworthy, 'East Timor', p. 248.

These events led to activities at many levels within the Australian Government. Crucially, the prime minister and foreign minister lobbied their counterparts in the region for support—a task helped by having many regional leaders meeting together at the Asia-Pacific Economic Cooperation (APEC) meeting in Auckland during 9–12 September 1999.⁷⁸ Howard also spoke frequently with Annan around this time.⁷⁹ At the diplomatic level, DFAT—often with direct assistance from Defence—worked to gather support for the mandate at the United Nations and among Southeast Asian states. Getting the appropriate mandate for the mission was an essential task, as the Australian Government wanted to conduct this operation under Chapter VII of the UN Charter so that it would not be a ‘helpless bystander when violence broke out between factions on the ground’.⁸⁰

Yet getting authorisation for the intervention was not complete, as the Indonesian Government still needed to acquiesce before the United Nations would consider a mandate. Once again, pressure was applied to Habibie and other Indonesian leaders from a variety of sources, including Annan, ambassadors representing the UNSC, US President Bill Clinton and, indirectly, from the World Bank.⁸¹ Despite this effort, Habibie did not change his mind until 12 September.

At this stage, international military preparations became overt, but the size, leadership and role of such a force was still to be finalised. It was, however, certain that the United Nations would be unable to raise and deploy a force quickly—it would need at least five months to do so.⁸² Australia formally confirmed its willingness to lead the force, to be known as INTERFET, soon after UN Resolution 1264 was passed on 15 September.⁸³

78 Interview with 024-05 (Canberra, 18 August 2005), and Department of Foreign Affairs and Trade, *East Timor in Transition*, pp. 132–39. Interviewee 024-05 is a DFAT official with direct knowledge of the East Timor case.

79 Interview with 051-06. Greenlees and Garran said Howard and Annan talked five times on 5 and 6 September alone (*Deliverance: The Inside Story of East Timor’s Fight for Freedom*, p. 235).

80 Interview with Kerry Clarke. Interviewee 051-06 recalled that the Australian Government was not united on the need for a Chapter VII mandate, but Howard was eventually convinced by US advice. Chapter VII of the UN Charter authorises the use of force, sanctions or other means to ‘maintain or restore international peace and security’ (Article 42). In circumstances where the United Nations acts to help parties maintain an agreement, Chapter VI is used and the peacekeeping force is only allowed to use force in self defence. See United Nations, *Charter of the United Nations*, New York, 1945, available at <<http://www.un.org/aboutun/charter/>>, accessed 20 April 2009.

81 See Kofi Annan, ‘Secretary-General urges Indonesia to accept international help to restore order in East Timor at a moment of “great crisis”’, *United Nations News*, New York, 10 September 1999, available at <<http://www.ess.uwe.ac.uk/Timor/News14.htm>>, accessed 20 April 2009; AAP, ‘Clinton calls on Indonesia to let UN restore peace in East Timor’, *St Louis Post-Dispatch*, 12 September 1999, p. A7; and Steven Mufson, ‘World Bank Chief Warns Indonesia On Militias’, *Washington Post*, 12 September 1999. See also Greenlees and Garran, *Deliverance: The Inside Story of East Timor’s Fight for Freedom*, pp. 251–54.

82 Interview with Kerry Clarke.

83 As frequently occurs in international negotiations, Howard and Anan had already reached an in-principle agreement for Australian leadership that was subject to specific conditions.

Significant planning for operations in East Timor had been conducted by USPACOM in 1999, but this assumed US leadership of the peacekeeping force.⁸⁴ This assumption was out of step with Washington's political and military leadership, and so of limited utility when the crisis broke. The ADF had also conducted its own planning, but this was for a protected evacuation (Operation *Spitfire*). The evacuation task was quantitatively different in terms of size, logistic needs and probable duration from that required for a large-scale intervention. This meant rapid planning was needed to design, prepare and deploy INTERFET.

Any one of the three main tasks presented to Defence and the ADF in early September—the evacuation, deploying Australian troops overseas, and developing a coalition—would have been demanding on its own. When the three came together under conditions of tight political and media scrutiny, Defence soon found its normal working structures to be both overwhelmed and insufficient to manage the crisis.⁸⁵

Defence responded to the increased demands for policy advice and coordination in three ways. The first was to make the SCG more responsive to the CDF's needs by increasing the frequency of its meetings and expanding its membership. This meant that the SCG began meeting daily (and sometimes twice daily) in September, at a time that allowed CDF Admiral Chris Barrie and Acting Secretary Hugh White to brief the Minister of Defence before the now-daily NSCC meeting.

An expanded membership also helped to make the SCG more effective. By September, the Canberra-based group was complemented by COMAST Air Vice-Marshal Bob Treloar and his four component commanders by video-link from Sydney. This link allowed the most senior operational commanders to hear what the strategic leadership was saying about events and intentions. In addition, representatives from the Defence Minister's office and DFAT were sometimes

84 Interviews with Lieutenant General Earl Hailston, USMC, by telephone, 28 March 2006; and Lieutenant General John Castellaw, USMC, by telephone, 14 February 2006. Hailston was the lead planner (J5) for USPACOM until 31 May 1999. He moved to Command III Marine Expeditionary Force in June and became responsible for deploying III Marine Expeditionary Brigade to East Timor in September 1999. Castellaw was the commander of III Marine Expeditionary Brigade in 1999 and deployed to East Timor. In his interview, Hailston recalled being directed to prepare a contingency for East Timor by the Commander USPACOM, Admiral Denis Blair, in June 1999. The resulting plan included options for a US-only task force, and a coalition task force. This recollection of US planning is consistent with another well-placed interviewee and some press reporting of the time: see Paul Daley, 'Timor: We Snub Offer To Send In The Marines', *Sunday Age*, 1 August 1999, p. 1. However, this planning has been downplayed by some interviewees and described as the normal activities of military forces.

85 The conduct of Operation *Spitfire* (the evacuation) and Operation *Stabilise* (the deployment of INTERFET) is described in Bob Breen, *Mission Accomplished—East Timor*, Allen & Unwin, Crows Nest, NSW, 2000; and Alan Ryan, *Primary responsibilities and primary risks: Australian Defence Force participation in the International Force East Timor*, Land Warfare Studies Centre, Duntroon, Canberra, 2000, pp. 68–76.

present. This went some way in ensuring that information could be passed first-hand, and that different views were available at the meeting. Such representation was also important, according to ministerial adviser Aldo Borgu:

So they could get a sense of what the minister was thinking on different issues, and I could report back to the minister in terms of the particular things and the logic behind the things they were looking at.⁸⁶

Table 6: Selected Key Events for September October 1999

4 September	Polls return showing that 78.5 per cent reject 'autonomy' and so vote for independence. Violence intensifies and some evacuation flights begin.
5 September	Integrationists (pro-Jakarta militia) violently reject the ballot result; the Indonesian Government begins evacuation from East Timor.
6 September	ADF evacuation starts (called Operation Spitfire). UN Secretary-General Kofi Annan asks whether Australia would be willing to lead a multinational force to restore stability in East Timor, if invited by Indonesia.
7 September	Pro-Jakarta forces begin forced evacuations of East Timorese people to West Timor and nearby Indonesian islands.
9–12 September	The APEC meeting in Auckland is used to canvass international support for, and Indonesian acceptance of, an intervention into East Timor.
12 September	President B.J. Habibie agrees to the international force.
15 September	UNSC Resolution 1264 provides Chapter VII mandate for INTERFET.
20–27 September	INTERFET arrives in East Timor with an advance group of 2000 Australian, British and New Zealand troops. Onset of severe humanitarian crisis in East Timor.
21 September	The 'Taylor Committee' is established in Australia.
12 October	INTERFET deployment is complete
25 October	The United Nations establishes a mandate for United Nations Transition Administration in East Timor (UNTAET).

Defence's second response was to create two new policy groups to deal with the crisis. The first, known as the 'East Timor Policy Unit' (ETPU), was created to focus Defence's policy work into a dedicated organisation. Under the

⁸⁶ Interview with Aldo Borgu.

circumstances, it made sense to pool expertise to deal with the increased volume of work. Centralisation near the senior decision-makers would also cut down on the time taken to deliver that advice and make the group more responsive:

Basically, we needed our own mini-SPCG. We needed someone to pull all of this disparate stuff together, to ask some hard questions about things that had not been thought of, and provide a bit of focus. Asking desk people to do that on top of the day-to-day [is a little much]. So there comes a time when you have to say, 'hang on, this is not going to do it and I need someone full time on this'.⁸⁷

Others pointed to the need to create a stronger basis for coordinating policy advice than could be achieved through the normal structure.⁸⁸ Not coincidentally, ETPU also provided a way of reducing the number of people in Defence who needed to know about the operation, and so helped to control leaks.⁸⁹

It was also clear that such a group would need to sustain a high work tempo for a considerable period of time. In anticipation of this, Mike Scrafton was appointed to lead ETPU and Peter Jennings was appointed as his deputy on 7 September 1999. Both were promoted to First Assistant Secretary so the unit could operate on a 24 hour-a-day basis. Having an official of this rank available also meant there would be 'someone senior enough to be there to talk to senior people around the place at any point in time, and to make the right judgement calls'.⁹⁰ At its height, ETPU was a group of about 12 policy officers from various parts of the department, including the Defence Intelligence Organisation, International Policy, Strategic Policy, Defence Public Affairs and the uniformed services. ETPU's role was unclear at first, but it soon began to provide a new link between senior Defence management, other departments and the ministers' offices. Its role became clearer as the intervention approached and other whole-of-government mechanisms were established to manage the crisis, such as the 'Taylor Committee' (described below).⁹¹

87 Interview with Chris Barrie.

88 Interviews with Martin Brady; Canberra, 16 August 2005; 009-05, Canberra, 20 June 2005; and Michael Scrafton, Melbourne, 5 August 2005. Brady was Director, Defence Signals Directorate in 1999, and was acting Deputy Secretary Strategy in August–September 1999. Interviewee 009-05 is a former ministerial adviser and senior Defence official. Scrafton was Assistant Secretary Regional Engagement, Policy and Programs at the start of 1999. He became Acting Head International Policy in August 1999, and was appointed to head ETPU in September 1999. He was also Defence's representative on the Taylor Committee.

89 Interview with Chris Barrie.

90 Interview with Michael Scrafton.

91 Interviews with Michael Scrafton and Matthew Skoien.

The task of assembling a multinational military coalition was complex, sensitive and—given the pressing operational tasks that needed to be monitored—beyond the capacity of Defence’s Strategic Command Division to manage according to Air Vice-Marshal Kerry Clarke:⁹²

The big thing that got our attention was having to form a coalition. We hadn’t put anything into that and ... [we] did not have the brain space to be able to do that ... it was probably one of the biggest learning curves we had.⁹³

As a result of this new need, the CDF created a second organisation within Strategic Command Division called INTERFET Branch to act as a ‘strategic coalition manager’. Once again, the full range of tasks for INTERFET Branch were not immediately clear, nor was there established doctrine for how to manage this delicate process—but these shortfalls were quickly addressed in discussions between Defence and DFAT.⁹⁴

The process to get a contribution actually deployed in East Timor was sometimes lengthy. At the start, INTERFET Branch provided advice about the forces needed so that DFAT and the ETPU could canvass possible contributors. Once interest was signalled by a government (or their embassy), INTERFET Branch provided operational information to military attachés through daily briefings.⁹⁵ If the relationship progressed to an in-principle agreement to contribute, the next step involved the branch and DFAT negotiating the role, size and deployment timings for the contingent. INTERFET Branch also conducted extensive liaison on behalf of contributing nations with other Strategic Command Division planners on logistic issues like personnel and health policy. Once a commitment was made, INTERFET Branch assumed management responsibility for the contribution from DFAT, and maintained a link with the representatives of troop-contributing nations in Australia throughout the operation. This also included working with Headquarters Australian Theatre to manage contingents during their pre-deployment training in Australia prior to their actual deployment to East Timor.

Defence’s third response involved obtaining support for INTERFET through direct and indirect representations to regional governments.⁹⁶ One aspect of

92 The normal staff of Strategic Command Division was about 30–35 ADF officers (interview with Major General Michael Keating, who headed Strategic Command Division in Defence from May 1999).

93 Interview with Kerry Clarke.

94 Interviews with Brigadier Steve Ayling, Canberra, 14 April 2005; and Kerry Clarke. Ayling was Director General INTERFET Branch in 1999.

95 Ryan, *Primary responsibilities and primary risks: Australian Defence Force participation in the International Force East Timor*, pp. 60–61.

96 Interviewee 046-06 was also keen to point out DFAT’s important contribution, especially that by Australia’s regional ambassadors and their staff.

this effort involved sending the VCDF, Air Marshal Doug Riding, on a rapid tour of the region to solicit troop contributions for INTERFET. Building upon the discussions between Howard and regional leaders at the Auckland APEC Meeting, Riding and a team of three staff officers set out to conduct detailed discussions in Malaysia, Singapore, Thailand, the Philippines and Brunei. The visit started poorly when the Malaysian Government changed its mind about contributing to INTERFET and Singapore offered a much smaller group than anticipated.⁹⁷ The mission was not looking promising at that stage: as Matthew Skoien, then a policy officer in Defence recalled: 'We were batting 0 from 2, and we did not think the Thais were going to make a big contribution.'⁹⁸ However, an early promise from the Philippines Government and a positive decision by the Thai Government demonstrated regional support for INTERFET, and secured important military capabilities.⁹⁹

Another aspect of supporting INTERFET involved the very practical issue of financial management. UN operations are often characterised by their torturous financial process, arguments over funding responsibilities and long waits for reimbursement.¹⁰⁰ Australia sought to short-circuit similar problems by agreeing to reimburse the costs of some contingents before the formal UN trust fund was in place, and underwrote death and disability compensation for some contingents. The use of Australian funds, and the capacity to absorb some costs in the short term, played an important role in reducing the risk to a few contributing nations and increasing their willingness to participate.¹⁰¹

97 Having just promised to increase the number of police and observers for UNAMET, Malaysian Defence Minister Abang Abu Bakar Mustapha was quoted as saying that Malaysia was ready to contribute forces to a peacekeeping force in East Timor (see Associated Press newswires, 'Report: Malaysia ready to send peacekeeping troops to East Timor', 6 September 1999). Some in Riding's party thought that Malaysia might make a sizable contribution (perhaps an infantry battalion and a command element) and were surprised when the decision to make only a token contribution was relayed to them by Malaysian officials—Interviews with 046-06 and Matthew Skoien (who accompanied Riding on the tour); and Ryan, *Primary responsibilities and primary risks: Australian Defence Force participation in the International Force East Timor*, p. 47.

98 Interview with Matthew Skoien.

99 Interviews with 046-06 and Matthew Skoien. The team cancelled the visit to Brunei because the Bruneian Government sent word of their decision not to commit troops beforehand. The Chief of Army, Lieutenant General Frank Hickling, also used a conference of Pacific Army commanders in Singapore on 5–8 September 1999 to develop a better understanding of regional perceptions of the issue and present Australia's views on East Timor.

100 For a summary of the main financial issues concerning UN peace operations, see J. Daudelin and L.J.M Seymour, 'Peace Operations Finance and the Political Economy of a Way Out', *International Peacekeeping*, vol. 9, no. 2, 2002, pp. 100–101.

101 Brigadier Steve Ayling and Sarah Guise, 'UNTAC and INTERFET—A Comparative Analysis', *Australian Defence Force Journal*, no. 150, 2001, p. 51; and Ryan, *Primary responsibilities and primary risks: Australian Defence Force participation in the International Force East Timor*, pp. 43–45. The issue of finance will be discussed in more detail during the 'Policy Instruments' phase.

The rapid increase in workload experienced at Defence was mirrored at the national level. The NSCC began meeting almost every day, with a sole focus on the crisis and emerging response. The effect of the frequency and high-level composition of these meetings will be discussed later in this study.

Despite the increased interaction with officials, the prime minister—probably on the recommendation of Max Moore-Wilton or Michael Thawley—directed Allan Taylor (a former deputy secretary in DPM&C and then Director-General of the Australian Secret Intelligence Service, ASIS) to form a new body to help coordinate national policy and report on policy development to the NSCC. This *ad hoc* body consisted of two components. The first comprised a small secretariat of middle-ranking (Executive Level 1 and 2 or their military equivalent) officials seconded from DFAT, Defence, Immigration, AusAID and DPM&C.¹⁰² The second group contained more senior officials representing their departments and agencies at daily committee meetings.¹⁰³

The decision to establish the Taylor Committee reflected the prime minister's desire to streamline policy advice and a level of concern about interdepartmental coordination. However, when interviewees were asked for explanations for the new committee, they offered a variety of responses. Some thought the NSCC wanted to ensure that neither Defence nor DFAT became the lead agency, fearing this would skew Australia's responses towards these department's favoured instruments. Others thought a new body was needed because DFAT lacked the authority to coordinate the other departments, and Defence lacked the capability to do so. Another thought the Taylor Committee was a way to refocus the government on the Indonesia relationship, and improve coordination between the Australian Government and the range of UN agencies now involved in East Timor. Others saw bureaucratic motives, and thought that Moore-Wilton recommended the new structure as a way of asserting DPM&C's leadership.¹⁰⁴ The Committee's secretariat assembled on 21 September 1999, the day after INTERFET began to deploy, and the full committee met for the first time on 27 September.¹⁰⁵

102 The secretariat was also referred to as a 'task group', so the Taylor Committee was also known as the 'East Timor Task Group' by some.

103 Attendees at the interdepartmental meetings were generally at the First Assistant Secretary or Deputy Secretary level. This varied according to the department's role, size, and the level of interest shown by departments—Interviews with Michael Scrafton; 028-05, Canberra, 1 September 2005; and 033-05, Canberra, 29 September 2005—identity protected. Interviewee 028-05 is a DFAT official with direct knowledge of the East Timor case.

104 This range of opinions was discussed during interviews with Chris Barrie, Hugh White, Ashton Calvert, Allan Behm, Kerry Clarke, 020-05, Michael Keating, 028-05, 051-06, 052-06 and 014-05, Canberra, 5 July 2005. Interviewee 014-05 is a former senior government official with first-hand knowledge of the Taylor Committee.

105 The creation of the Taylor Committee was flamboyantly announced by Tim Wright and Paul Daley, 'PM sets up secret unit on Timor', *Age*, 22 October 1999, pp. A1–2.

The Taylor Committee had three important functions: reporting, policy analysis and coordination. In the first function, Taylor would attend NSCC meetings and provide reports about issues his committee had been working through. In the second function, members of the committee secretariat drafted answers or policy submissions from a 'whole-of-government' perspective based on the questions and issues raised by the NSCC. While some of these briefs related to national security, many concerned Australia's views on the basic structures and modes of East Timor's future government and institutions. Taylor was firmly of the view that the work produced by the group was his responsibility (that is, the recommendations were not necessarily a consensus view from the broader committee), and this gave the secretariat an ability to produce work that did not have to reflect departmental positions.¹⁰⁶ Lastly, the coordination function involved deconflicting, prioritising, monitoring and convincing departments to take the lead on specific issues. This function was performed in daily meetings where the departmental representatives would discuss the issues of the day and any papers being drafted by the secretariat.

The first four to six weeks after its establishment were hectic for the Taylor Committee—an experience reflected in the DFAT Crisis Centre,¹⁰⁷ INTERFET Branch, ETPU and among the wide range of officials involved from other departments and agencies. By late October, some of these people went back to their normal work, while others migrated to become the 'East Timor Desk' within their respective departments and agencies. These changes returned the government to a steady state for policymaking, and so represented the end of the crisis for Australia.

This chapter outlined the events of 1998–99 from the Australian Government's point of view and described how the policymaking system changed during this crisis. The next three chapters use the Australian Policy Cycle to structure an in-depth examination of how the system worked in 1999, and the degree to which this activity reflected the typical characteristics of Australian policymaking.

¹⁰⁶ Interviews with 014-05, 028-05 and 033-05.

¹⁰⁷ As the DFAT Crisis Centre was responsible for consular issues, it has not been examined in this case study.