Indonesian President Susilo Bambang Yudhoyono is refusing to ban Jemaah Islamiah despite a court ruling this week declaring the terrorist organisation a "forbidden corporation".

A presidential spokesman yesterday deflected pressure from Australian Foreign Minister Stephen Smith, who said he was waiting to see if Dr Yudhoyono would act on Monday's ruling.

"The Government of Indonesia has been actively trying to take out and arrest all terrorists and those who commit terrorist activities, whatever names they use," Andi Mallarangeng told The Australian.

"We were not waiting for that court decision to do anything - it was merely confirmation that we are using the right strategy. We will destroy anyone who engages in terrorist acts."

The ruling, handed down in South Jakarta District Court, was part of a 15-year sentence imposed on both the former JI military chief Abu Dujana and the organisation's one-time leader, Zarkasi.

Mr Smith described the judgment as "significant" and said he expected Dr Yudhoyono to be "looking carefully at the decision and its full implications".

JI is held responsible for the 2002 and 2005 Bali bombings, and a range of other deadly attacks across Indonesia.

Dr Mallarangeng said there was no need to ban JI as "terrorists can call themselves whatever they like; we don't care what they call themselves. Just look at our track record".

But one of Indonesia's most senior anti-terror officials echoed Mr Smith's call, saying that banning the organisation was the only way to make effective use of the ruling.

"To proscribe JI as a terrorist organisation would have to be a decision made by the executive branch of the Indonesian Government," said Dharmawan Ronodipuro, from the national counter-terrorism co-ordinating desk. He said that banning any organisation would require the involvement of the Attorney-General's office and the Justice Ministry.

Terrorism analyst Zachary Abuza also cautioned yesterday that the ruling was unlikely to have a significant effect unless "the cowardice of Indonesian legislators for not banning JI" was addressed.

In an article posted on the counterterrorismblog.org website, where he is a regular contributor, Professor Abuza warned that Indonesia's security services would be "fighting with one hand tied behind their back" unless MPs had the political will to outlaw JI.

"Despite the court's ruling, I do not believe that police will be using that ruling as a basis for arresting JI members that they cannot link in some degree to a terrorist act," he said.

However, Dr Mallarangeng said Indonesia's determination in the fight against terrorism was not in doubt, "and we are also co-operating with other countries on this".

Other analysts have hailed the decision, with the Singapore-based academic Rohan Gunaratna calling it "a huge victory against terrorism". However, Dr Gunaratna conceded it would have little impact unless the Government enacted legislation targeting JI.