

Submission to the Joint Standing Committee on Foreign Affairs and Trade

Inquiry into International Armed Conflict Decision Making

From

Against the Wind

Introduction

Against the Wind is a small community-based advocacy group with diverse membership.ⁱ

This submission relates primarily to the 2nd term of reference:

parliamentary processes and practices, including opportunities for debate to provide greater transparency and accountability on the deployment of the ADF;

In summary, we argue that it is the Parliament and not just the executive that should make the decision before members of the ADF are deployed in a foreign war.

While there are several arguments for this position, this paper will concentrate on how the influence of the weapons industry has adversely affected Australia's defence policy and made Australia overly dependent on the United States of America.

It is the contention of this paper, that transparency must start well before the point at which Australia decides whether or not to go to war.

This paper will be in three parts: an overarching concern, undue influence and conclusion/recommendations

An Overarching Concern

In 1988 the General Assembly of the Uniting Church in Australia outlined their reasons for opposing the proposal to increase the Australian export of arms and defence equipment.ⁱⁱ

The first reason was that such sales would “contribute to the volume of the arms race, and thus to regional and international instability”.

Another reason given by the General Assembly and which is particularly relevant is that “Every Australian arms export contract would be killing people, or decreasing their wellbeing even if the arms are not used in battle.”

Since that time, the Australian Government, both under the LNP and Labor have encouraged the growth of the export arms industry in Australia. They have encouraged an industry to flourish that is far more toxic than the tobacco industry, and treated its growth as though it were an unalloyed good.

A by-product of this bipartisan approach has been the growing influence of the international weapons industry in its lobbying of both major political parties, and the purchase of further political influence via the hiring of former military officers, politicians and senior bureaucrats. Such persons have now taken seats at some of the highest advisory bodies on defence and national security. This is not in the national interest. The business model of the weapons industry depends on the creation of an atmosphere in which countries constantly feel under threat. The weapons industry has a vested interest in promoting war, not peace.

Undue Influence

AUKUS

One of the most concerning recent examples of undue influence concerns former senior American military personnel and Americans associated with American arms manufacture and the potential purchase of nuclear submarines. As reported by Craig Whitlock and Nate Jonesⁱⁱⁱ in the *Washington Post* on October 18 this year.

Two retired U.S. admirals and three former U.S. Navy civilian leaders are playing critical but secretive roles as paid advisers to the government of Australia during its negotiations to acquire top-secret nuclear submarine technology from the United States and Britain.

Furthermore

All told, six retired U.S. admirals have worked for the Australian government since 2015, including one who served for two years as Australia’s deputy secretary of defense. In addition, a former U.S. secretary of the Navy has been a paid adviser to three successive Australian prime ministers.

It is of particular concern that,

One of the six retired U.S. admirals had to resign this year as a part-time submarine consultant to the Australian government because of a potential conflict of interest over his full-time job as board chairman of a U.S. company that builds nuclear-powered subs.

While this may have been common knowledge to government insiders, it certainly was not known to the Australian public prior to the *Washington Post* report.

As Michelle Fahy, independent researcher on the links between the weapons industry and government, has pointed out,

Red flags have been a feature of Australia's submarine procurement process since the original deal with France's Naval Group in 2016. Concerns there included the government's selection of Naval Group despite it being under investigation for corruption in three earlier shipbuilding contracts, with a fourth investigation added after Australia handed Naval Group the deal. Neither this alarming fact, nor other questionable aspects of the deal, triggered a rethink to find a more suitable contractor. The Washington Post revelations now raise even more questions about the backroom dealings in this disastrous extended procurement process. ^{iv}

One of the consequences of the AUKUS partnership has been to tie Australian defence policy much more firmly to American defence policy. As the Whitehouse Background Press Call on AUKUS put it succinctly,

"I just want to underscore that this is a fundamental decision — fundamental — that binds decisively Australia to the United States and Great Britain for generations." ^v

This effectively means that if America engages in another war and requests Australia's assistance, it is virtually impossible for Australia to abstain from participating. Former defence minister Peter Dutton admitted as much, saying it was "inconceivable" that Australia would not join the US in any military action taken to support Taiwan.^{vi} Pressure on the executive level of government would be extreme. This is more reason why such decisions should be made by the Parliament as a whole.

Australian Strategic Policy Institute (ASPI)

However, the influence of the arms trade and US interests are not just limited to the AUKUS partnership.

ASPI according to its Charter is supposed to 'operate independently of Government and of the Defence Organisation' and further, the Charter states that 'the perception, as well as the reality, of that independence would need to be carefully maintained'. ^{vii}

Unfortunately, this no longer appears to be the case as Michelle Fahy has reported in December 2021 about the membership of the Council at the end of last year.

The current council includes former Howard defence minister Robert Hill. He's on the supervisory board of German weapon-maker Rheinmetall's Australian subsidiary, which is supplying Defence's \$5 billion of Boxer combat reconnaissance vehicles, and will soon also produce and export ammunition for the US Joint Strike Fighter program. Hill is also chair of Viva Energy Group, a major supplier of fuel to the Australian Defence Force (ADF).

As well, Hill serves as 'chair of counsellors' at enigmatic lobbying firm Dragoman Global, where one of his colleagues is Nick Warner, former defence secretary, head of the Office of National Intelligence (ONI) and director general of the Australian Secret Intelligence Service (ASIS). Dragoman has a major client in Naval Group, the French naval shipbuilder that had won the \$90 billion submarine project recently dumped by the Morrison government.

Hill's presence on the ASPI council may surprise ASPI-watchers as his profile does not appear on the ASPI council webpage nor in its annual report. Declassified Australia asked ASPI why Hill was not listed. ASPI responded: 'Council members have a choice about whether they supply profiles.'

Then there's another former Liberal defence minister, Brendan Nelson, now the president of Boeing Australia, New Zealand and South Pacific. In addition to its commercial aviation business, Boeing is the world's third largest arms manufacturer. Boeing Defence Australia is one of Australia's top handful of defence contractors, supplying planes and drones to the RAAF, attack helicopters and, potentially, if ASPI's recommendation is followed, drone submarines, along with much else. The presence of Boeing's most senior regional leader on the ASPI council is perhaps the biggest challenge for ASPI in guarding its required independence.

Meanwhile, former chief of army, Lt Gen Ken Gillespie (ret'd), chairperson of ASPI's council, is on the boards of Naval Group Australia and cybersecurity firm Senetas Corporation. He was previously on the board of Airbus Australia Pacific, a European conglomerate that mostly supplies and maintains the ADF's helicopters. None of these interests is disclosed in Gillespie's profile on ASPI's website nor its annual report.

Another ASPI council member, Jane Halton, is also on the board of Naval Group Australia, although this is not mentioned on the ASPI website. She is chair of the board of Vault Cloud, along with co-director, former defence secretary and ASIO boss Dennis Richardson. Vault Cloud provides high-security cloud infrastructure for government and critical industries, now in increasing demand.

Council member Gai Brodtmann, a former Labor MP, is on the advisory board of cybersecurity company Sapien Cyber, a Perth-based company chaired by former defence minister Stephen Smith. America's former top surveillance chief, James Clapper, is on Sapien's governance board.

The other ASPI Council members – James Brown, Stephen Conroy, Stephen Brady, Lavina Lee, Denis Dragovic, and Jennifer Ma – have relevant experience but no publicly known positions with weapons or defence-related companies.^{viii}

While there has been some changeover of Council members since the above was written, the underlying problem remains.

The phenomenon of ASPI council members having close connections with weapons companies is not new. Some examples from the past include:

- Jim McDowell and BAE Systems
- Stephen Loosley and Thales Australia
- Kim Beazley and Lockheed Martin Australia
- David Johnston and Saab Technologies
- Margaret Staib and QinetiQ
- Allan Hawke and Lockheed Martin Australia

Another concern regarding ASPI is the extent and sources of its external funding. In 2011-12, ASPI received less than \$500,000 above its base funding from external sources. By 2020-21 it had grown to \$6.7 million. The most concerning sources of revenue in terms of a perception of independence were:

- The US Government's Departments of Defence and State - \$1.58m
- Thales - \$130,000
- BAE Systems – \$90,000^{ix}

In summary, Michelle Fahy's investigation indicates that ASPI, as the federal government's most significant source of external advice on defence and national security, can no longer be seen as independent of the weapons industry. Again, another reason why it should be Parliament and not just the executive that makes decisions about the deployment of the ADF.

Conclusion and Recommendations

It is the proposition of this paper that the weapons industry is currently too influential in defence policy, and its objectives are poorly aligned with Australia's self-interest and more closely aligned to the foreign policy of the United States. In such a situation it is unsafe to send service personnel into international armed conflict only on the decision of the executive.

We therefore recommend the following:

1. That the decision to send service personnel into international armed conflict should be made by the Parliament

In order to achieve more transparent and balanced advice to government we recommend:

2. A reform of ASPI to remove the undue influence of the weapons industry.
3. ASPI be encouraged to develop broader advice round peacemaking and building fairer external relations, and not just negatively concentrate on military deterrence.
4. ASPI be precluded from accepting funding from foreign powers and the weapons industry.

And more broadly

5. That the Australian government reconsider its commitment to building a local export industry based on the weapons industry. The business model of the weapons industry depends on never ending war and hence makes war more likely.

Len Baglow, Facilitator, Against the Wind

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ⁱ Webpage for Against the Wind <https://woden-valley.uca.org.au/groups-and-activities/against-the-wind/>

ⁱⁱ Uniting Church in Australia Assembly, 1988 [Export of arms & other defence equipment \(ASC\) | UCA Assembly \(recollect.net.au\)](#)

ⁱⁱⁱ Craig Whitlock & Nate Jones, Oct 18, 2022 The Washington Post <https://www.washingtonpost.com/investigations/interactive/2022/australia-nuclear-submarines-us-admirals/>

^{iv} Michelle Fahy, Nov 5, 2022, 'A Tangle of Overlapping Interests', https://undueinfluence.substack.com/p/a-tangle-of-overlapping-interests?utm_source=profile&utm_medium=reader2

^v The White House, Sept 15, 2021, Background Press Call on AUKUS, [Background Press Call on AUKUS | The White House](#)

^{vi} Peter Dutton, Nov 13, 2021, Reuters, <https://www.reuters.com/world/asia-pacific/inconceivable-australia-would-not-join-us-defend-taiwan-australian-defence-2021-11-12/>

^{vii} ASPI Charter Letter, <https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2017-07/ASPI-Charter-letter.pdf>

^{viii} Michelle Fahy, Dec 10, 2021, Australia Captured: How the military-industrial complex has captured Australia's top strategic advisory body, https://undueinfluence.substack.com/p/australia-captured?utm_source=profile&utm_medium=reader2

^{ix} Ibid