

The Australian Arms Industry

Dr Peter Wigg, MAPW Victoria, October 2013

Australia's military manufacturing sector used once to form part of the federal government's policy of self-reliance. It was largely state-owned and geared towards providing for the needs of Australian forces, with exports being a small component of their production. From the 1980s, however, Australian policy has seen military products, including armaments, as simply another commodity for export and commercial gain. It has been the deliberate policy of federal and state governments to privatise the industry and to promote the export of military products since then, and the private sector has taken an increasingly prominent role in Australia's military industry. (Commission for Mission fact sheet on Australia's growing military industry, September 2008)

Threats of instability and future conflict in various parts of the world, real or imagined, often related to the US 'war on terror', drive this export industry. A climate of government and corporate-media-induced fear has also justified Australian tax payers' money going to private arms dealers setting up shop in Australia.

State-owned Australian Defence Industries (ADI), whose sole purpose was once to supply the Australian arms forces, has been purchased by the French-based Thales group. Other private, often multi-national, corporations have enlarged the Australian arms industry, including US-based Raytheon, Boeing and Lockheed Martin, and UK-based BAE Systems. Raytheon, the fifth largest global arms dealer, has offices in Brisbane, Canberra, Sydney, Nowra, Alice Springs, Tindal (NT), Perth and Adelaide. Raytheon is most infamous for its development and production of cluster munitions. BAE Systems have locations at Abbotsford and Williamstown in Victoria, Braddon in the ACT, Edinburgh and Holden Hill in South Australia and North Ryde and Tamworth in NSW. BAE Systems is the third largest global arms dealer and elsewhere is indirectly engaged in the production of nuclear weapons.

This privately-run arms industry has become a source of government income, and is actively promoted by government. Austrade, the government organisation that promotes Australian exports, conducted a seminar in Canberra in November 2010 to tell people how to sell their weapons and related wares to our neighbours. It was called "Defence and Security Opportunities in India and South East Asia", with the sub-heading "Trade. Invest. Prosper". Austrade encouraged participants to "tap into two of the world's fastest growing defence and security markets".

Meanwhile the governments of Victoria, South Australia, Queensland and the Northern Territory vie with one another to be the most arms industry-friendly place. The Victorian Department of Business and Innovation, boasts that a "superior track record... has made Victoria the premier location for ordinance manufacture in Australia:, and that it is "the centre of excellence for munitions systems design and manufacture".

In addition, private arms dealers established in Australia now attend the Australian army's planning and strategy meetings, which were once reserved for military and government personnel only. At these meetings army heads now meet and socialise

with big business, and arms dealers are able to pitch their products directly. This arrangement also allows aspects of army policy to be set by the public relations and advertising campaigns of the dealers. Our Defence Department itself is also now deeply entwined with the private arms manufacturing industry. “Team Australia”, for example, is a collaborative exercise between government and the industry providing “Australian defence capability solutions to global customers”. And the Australian Military Sales Office has been set up “to make it easier for Australian defence manufacturers to promote and export their products”.

The major problem is that a privatised military sector, even though entwined with government, even though financially encouraged and promoted by government, cannot be counted on to place national security, peace or human rights interests above the pursuit of profit. Ironically, a sales-driven arms industry is best served by the undermining, in fact, of these very concerns. For the Defence Department, whose primary charter is to protect Australia’s security, to play an influential role in stimulating arms exports, represents a conflict of interests. Arms proliferation is known to undermine global peace and security efforts, so why is our Defence Department supporting proliferation?

Furthermore, with privatisation, the former limited public scrutiny, through parliamentary process, of the production and sale of arms has largely ceased. Most arms industry activities are now classed as ‘commercial in confidence’. This means that the export of arms manufactured in Australia has increased with little public awareness. It may not be great compared to exports from some other countries, and growth is said to be ‘disappointing’, in fact, but we do not actually know its current size. The Stockholm International Peace Research Institute (SIPRI) maintains a detailed data base of arms transfers worldwide. Australia used to send them annual reports but stopped after 2004. In mid-2012, the latest relevant report on the Australian Defence Department website was for 2000-2001. Currently the only way to find out about Australia’s arms exports are to ask the Defence Export Control office (DECO) which may not provide an answer, or to request an MP to pose a question in parliament. When Senator Scott Ludlam did this in 2010, asking about the top 200 defence export approvals of 2008-2009, the list Defence Minister John Faulkner provided gave items exported and countries of destination but no buyer or seller information.

From July to December 2006, according to figures gathered by MAPW, Australian-based arms dealers exported A\$300 million worth of arms including A\$85 million to the US and A\$21 million to Israel. The list obtained by Senator Ludlam of the top 200 export approvals for 2008-2009 totalled A\$1.3billion for a two year period. The latest Stockholm International Peace Research Institute value for Australian arms exports was only US\$126 million in 2011, however. The Victorian Department of Business and Innovations website indicates that weapons exports from Victoria generated A\$72 million in 2012.

Our biggest customers are the US, Canada, New Zealand, the UK and Israel, but others include Indonesia, Singapore, Philippines, South Africa, India, Egypt, Papua New Guinea, Saudi Arabia Thailand and Pakistan. (Commission for Mission fact sheet September 2008). For the privatised arms industry, unrest is an economic opportunity, while security forces in many of the countries we supply have been

implicated in incidents of human rights abuse or political violence, and arms often pass into others' hands, who may use them for criminal activities. Much of the weaponry supplied by Australia to government forces in Papua New Guinea, for example, has gone missing due to theft or corrupt dealings. PNG has one of the world's worst rates of armed crime, and vaccination programs have sometimes had to be abandoned in the face of armed violence in the area being served. Australian-made assault rifles are highly prized as potent and prestigious among gunmen in the tribal conflicts in the Highlands. Australia and New Zealand have both helped PNG to slow the leakage of military weapons from state armouries to criminals, politicians and tribal fighters, but the misuse and theft of police guns and ammunition remains a serious problem, with thousands of illegal, high-powered firearms in unlawful possession.