

## The Lowy Institute Part One:

# Australia's foreign influence operation

By Melissa Harrison

The Lowy Institute, founded in 2003 by Westfield shopping empire magnate Frank Lowy, is Australia's leading foreign policy think tank. The organisation has a high degree of influence in shaping official foreign policy: according to former Foreign Minister Julie Bishop, the Institute's research "plays a vital role in guiding and promoting Australia's foreign policy priorities". The Lowy Institute's importance was lauded by Kurt Campbell, architect of the Obama Administration's China-aimed "Asia Pivot" who was recently appointed the Biden Administration's "Asia Tsar" (formally the National Security Council's Indo-Pacific Coordinator). Campbell has been a key driver of hostile foreign policy towards China for decades. (AAS, 6 Jul. 2022.) An advisor to the Lowy Institute in its nascence and its inaugural Distinguished International Fellow, Campbell declared in a 1 December 2021 interview with the Institute that "No think tank ... has done more than the Lowy Institute in advancing how to think about Asia, how to think about the Indo-Pacific, how to think about Australia's role in the world."

The Lowy Institute's influence has also been of a clandestine nature. In September 2017, as revealed by veteran Australian journalist Max Suich in the 17-19 April 2021 *Australian Financial Review*, the Lowy Institute was the site of a secret meeting where senior foreign affairs and intelligence officials briefed participants that the government intended to pursue a shadow foreign policy agenda of hostility towards China. Suich wrote that "the burden of Australian policy since has followed the course they outlined: the US alliance would be explicitly valued at a price that we would have to accept—trade retribution and hostility from China".

The think tank conducts interviews, and hosts speeches, events and conferences featuring high-profile Australian officials, including every Australian prime minister appointed since the Institute's founding. The Institute has also hosted speeches from leading international establishment figures including NATO Secretary General Jesse Stoltenberg, then-US Vice President Joe Biden, and then-UK Foreign Minister Boris Johnson. Lowy Institute white papers, polls, analysis and staff commentary are regularly featured in Australia's mainstream press.

The Lowy Institute claims to be independent and non-partisan. The think tank states that it does not adopt house positions on issues, rather that it is "home to many different views but the advocate of none". However, research produced by the Institute primarily aligns with the foreign policy agendas of the US and UK governments. The Institute's research and commentary is preoccupied with familiar themes of the "China threat" narrative and one-sided criticism of the Chinese government. In contrast, the Institute's research expresses a warm regard for Australia's alliance and interoperability with the UK and USA.

That the Lowy Institute's so-called independent research consistently aligns with Anglo-American geostrategic aims is unsurprising, because the "strategic direction" of the think tank and its "research priorities" are set by its board, which is dominated by Lowy family members, former associates of Westfield, and government career officials; and by a secretive group of international advisors which represent the elite of the UK and US establishments. The Lowy Institute is also a key member of the Council of Councils, a small group of the world's most powerful foreign policy think tanks, founded by

the New York Council on Foreign Relations. These think tanks work together confidentially to ensure "consensus-building among influential opinion leaders", with the aim of influencing high-level foreign policy circles in their respective countries. Lowy Institute research staff participate in a revolving door of appointments within this nexus of powerful think tanks, and with several other influential think tanks in the USA, such as the Brookings Institution and the Centre for Strategic and International Studies (CSIS), with which the Lowy Institute collaborates closely.

The Lowy Institute was founded in 2003 with \$30 million in funding to support its early years of operation (about \$4-6 million per year), donated by Westfield co-founder Frank Lowy. The Institute's funding sources have since diversified to include corporate funding from large multinational companies including Amazon, BHP, Westpac, Commonwealth Bank, KPMG, Mastercard, NAB, Westfield, Rothschild & Co, Rio Tinto, and arms manufacturer SAAB (and formerly Lockheed Martin).

A significant portion of the Institute's funding comes from the Australian government. In 2021, over 42 per cent (\$3,478,103) of the Institute's total revenue<sup>1</sup> came from government funding, an increase over the previous year (38.9 per cent of total revenue). Numerous government departments pay around \$44,000 per year to the Lowy Institute in annual membership fees. This includes the Attorney General's Department, the Australian Federal Police, the Defence Department, Austrade, Home Affairs, Treasury, and the Department of Foreign Affairs and Trade (DFAT). It also receives funding from two intelligence agencies, the Australian Security Intelligence Organisation (ASIO) and the Office of National Intelligence (ONI). In addition to annual membership fees, government departments have funded the Lowy Institute with contracts worth tens of thousands and sometimes millions of dollars for individual research projects, round table discussions, and training.

### Founder Frank Lowy

In addition to providing the think tank's early funding, Lowy Institute founder Frank Lowy retains significant influence over the organisation through his role as chair of the organisation's board. Frank Lowy was born in 1930 in Slovakia (formerly Czechoslovakia), to a family of Jewish faith who were living in Hungary when it was occupied by the Germans in 1944. Lowy has recounted the troubles his family experienced during this period, including the disappearance of his father, who it was later discovered was killed in the Holocaust. After World War II ended, the teenage Lowy

1. The total revenue figure does not include a one-off capital donation of \$18.5 million, the value of Lowy Institute's building premises which were donated by the the LFG Group in 2021. In prior years, the Lowy Institute paid substantial rent on this building to LFG Investments (\$663,822 in 2021).



Frank Lowy (right) with then-London Mayor Boris Johnson at the opening of the London Olympic Park Westfield. Photo: Wikimedia

made his way to British Mandated Palestine, where he fought in the underground Jewish paramilitary army during the Arab-Israeli War.

Although Lowy left Israel in 1952 to join his family in Australia, where he has been lauded as an Australian rags-to-riches story, he has demonstrated that his priority is the interests of Israel. Lowy told a 2004 NSW parliamentary inquiry that the “state of Israel, to which I am fully committed, is more important for me than to do a job”; and told the 23 June 2019 *Haaretz* that “in a way” he had “never left Israel”. After Westfield was acquired by French company Unibail-Rodamco in 2018, Lowy moved to Israel permanently and became an Israeli citizen, telling Israel’s Channel 12: “I feel that I’m home” (30 May 2019 *The Australian*). Lowy has been described as an influential figure in Israeli business and political circles, and has been a major financial contributor to, and has served as a senior leader and patron of, numerous organisations promoting Israeli interests in both Israel and Australia.

Several years after founding the Lowy Institute, Frank Lowy established a similar institute based in Israel in 2006, the Institute for National Security Studies (INSS), which he also chairs. The INSS, which is attached to Tel Aviv University, works directly with the Israeli government and military, and many of its senior executive and research staff have formerly worked in senior positions in the Israeli government, intelligence and defence circles. For example, until 2021 the INSS’s Executive Director was General (ret.) Amos Yadlin, former Chief of the Israel Defense Force’s Military Intelligence and defence attaché to the United States.

In Australia, Frank Lowy was ranked Australia’s 9th richest person in 2021 by the *Australian Financial Review*’s Rich List, with a fortune of \$8.51 billion. Lowy’s Westfield, which has been a significant donor to both sides of Australian politics, has managed to minimise tax payments thanks to the Lowy Family Group’s “enthusiastic offshore tax structuring”, as reported by Australian journalist Michael West.<sup>2</sup> Although the Lowy family have been implicated in a number of financial scandals, including by a US Senate committee investigation into global tax avoidance, they have denied wrongdoing and have never been charged. As reported by the 21 July 2008 *Sydney Morning Herald*, in 1995, several weeks after the Australian Taxation Office (ATO) reached a financial settlement with the Lowy family when an investigation uncovered unexplained bank deposits totalling \$48 million, the Keating Government appointed Lowy to the Reserve Bank of Australia (RBA) board, where he served for a decade. Australian journalist Stephen Mayne, reporting for the 1 September 2005 *Crikey*, raised questions over the conflicts of interest inherent in Lowy’s appointment, particularly because of Westfield’s \$19.3 billion in corporate debt: “It sure must be handy for Frank to be sitting on the Reserve Bank board as he skillfully plays the global debt and currency markets to achieve a remarkably low cost of funds on largely unsecured borrowings. Other stable democracies would never allow the person with the biggest interest in central bank deliberations to sit on the board but, hey, this is Australia.” While still serving on the RBA’s board in 2000 (and the same year he was appointed a Companion of the Order of Australia), Frank Lowy publicly apologised for Westfield’s role in underhanded campaigns which, since 1993, had used fake community action groups to thwart the development plans of business rivals. The RBA is a financial supporter of the Lowy Institute; and two former RBA governors have served on the Lowy



Lowy Institute Director Michael Fullilove (left) interviewing Biden’s Asia Tsar Kurt Campbell, who has influenced Australia’s hostile turn against China. Photo: Lowy Institute

Institute’s board, including founding member Ian McFarlane and current board member Glenn Stevens.

Frank Lowy also has significant British connections, including in his role as director of the UK’s *Daily Mail* for ten years. In 2017, Lowy was appointed a knight bachelor by the Queen for services to the UK economy, through Westfield’s UK retail developments (Westfield won the lucrative contract to build the retail section of the 2012 London Olympic Park), and for his philanthropic activity, including financial contributions to the British Cabinet Office War Rooms, the Imperial War Museum and the Victoria and Albert Museum. In 1988, Lowy presented the gift of the Australian State Coach to the Queen as part of the Australian Bicentennial commemorations.

### Questions over independence

Although the Lowy Institute claims that its research is independent, its board sets the think tank’s “strategic direction” and “overall research priorities” (after 2017, this information was no longer displayed on the organisation’s website). Almost half of the Institute’s board are former Westfield associates, including chair Frank Lowy and his sons David and Steven; University of New South Wales Chancellor David GonSKI, a former director of the Westfield Group who was identified in a US Senate Committee report as involved in discussions relating to an alleged tax avoidance scandal with the Lowy family;<sup>3</sup> and Mark Ryan, a former Westfield executive and advisor to the Lowy Family Group.

Founding board member of the Lowy Institute Martin Indyk also serves on the board of Lowy’s Israel-based think tank, the INSS. Indyk is an Australian-born former US Ambassador to Israel, who has held a number of senior positions in the US government. Indyk formerly worked for the American Israel Public Affairs Committee (AIPAC), the peak pro-Israel lobbying organisation in the USA. Indyk was a founding director of the Washington Institute for Near East Policy (WINEP), which the 12 June 2010 *Huffington Post* revealed was a front for AIPAC. WINEP is a neoconservative think tank which includes former US Secretary of State Henry Kissinger, former CIA Director James Woolsey, and former Assistant Secretary of Defence Richard Perle on its Board of Advisors. Like other Lowy Institute staff, Indyk is associated with the nexus of Anglo-American “consensus-building” think tanks connected to the Lowy Institute, as a distinguished fellow of the Council on Foreign relations and a senior member of the Brookings Institution.

Other Lowy Institute board members include career senior DFAT officials Martine Letts and Joanna Hewitt; James Spigelman, former Chief Justice and Lieutenant Governor

2. Michael West, ‘Ranking Australia’s billionaires as taxpayers’, Michael West Media, (michaelwest.com.au), 28 Feb. 2020.

3. Michael West, ‘On the Lowy money trail’, *Sydney Morning Herald*, 18 Jul. 2008.

of NSW; Penny Wensley, former diplomat and Governor of Queensland; and Sir Angus Houston, retired Chief of the Australian Defence Force.

Notable former board members include founding members Ian MacFarlane, former Governor of the Reserve Bank of Australia (RBA); economist Professor Ross Garnaut; and Professor Robert O'Neill, the founding chair of the Australian Strategic Policy Institute (ASPI), who served concurrently on the boards of both organisations. O'Neill, a former army intelligence officer in the Vietnam War who was appointed a professor of war history at Oxford University prior to chairing ASPI, was also connected to the nexus of Lowy-associated international think tanks, as a former director of Britain's International Institute of Strategic Studies (IISS). The Lowy Institute has maintained ties with ASPI through staff participation in various events and initiatives, and a revolving door of staff appointments.

The Lowy Institute's inaugural executive director was Allan Gyngell, a former Australian diplomat, who served in senior roles in DFAT and the Department of Prime Minister and Cabinet, including as a senior international advisor to Prime Minister Paul Keating. While stationed at the embassy in Washington during the first Reagan Administration, Gyngell served as intelligence liaison officer; and formerly served in two roles in the Office of National Assessments (ONA), Australia's peak intelligence organisation. Gyngell left the Lowy Institute in 2009 to head the ONA as director-general of the agency responsible for advising the Prime Minister and National Security Committee of Cabinet and for the "strategic development and enterprise management of the National Intelligence Community". The ONA (renamed the Office of National Intelligence, ONI, in 2018) collects and analyses publicly available information which is of "political, strategic and economic significance", which is then used "to support Australian government intelligence priorities".

There are questions over the level of interaction between the Lowy Institute and Australia's peak intelligence organisation. When Gyngell left the Institute to head the ONA, he remarked to the 18 April 2008 *Sydney Morning Herald* that while the Lowy Institute and the ONA dealt with similar international issues, the Lowy Institute offered policy advice while the ONA was meant to be a strictly analytical body. Gyngell stated the ONA's job was "to look at the world as coolly and objectively as possible without proscription", which the *SMH* paraphrased as "judg[ing] events and trends, not to suggest actions". However, the relationship between the ONI and the Lowy Institute creates an avenue for having its assessments privately influenced. The ONI is a financial supporter of the Lowy Institute, while numerous former Lowy researchers or associates formerly worked for the ONI, and five current Lowy research staff formerly worked for the ONI.

### Foreign influence operation

Previously, the Lowy Institute's website displayed the names of the members of its International Advisory Council, which "provides advice and contributes to setting the research priorities of the Institute"; however, after 2017 it appears that information about the Council was no longer publicised.

Council members include leading figures of the Anglo-American establishment, many of whom have served in senior positions in the web of powerful think tanks connected to the Lowy Institute, such as the US-based Center for Strategic and International Studies (CSIS), Brookings Institution, and Council on Foreign Relations; and the British International Institute for Strategic Studies. Other current and former council members include a former CEO of Westpac, a

former President of the World Bank, and a former president of the British Royal Society.

One notable Council member is Sir Lawrence Freedman, a British establishment academic who has been a key influence over UK foreign policy. Formerly of the University of Oxford, Freedman is associated with Council of Council organisations the IISS and Royal Institute of International Affairs (Chatham House); and other leading British institutions such as defence think tank RUSI and the British Academy. Freedman was awarded the Commander of the British Empire (1996), appointed the Official Historian of the Falklands Campaign (1997) and invested a Knight Commander of St Michael and St George (2003). Freedman drafted significant portions of former UK Prime Minister Tony Blair's 1999 speech in which he set out the "Blair doctrine", which justified military intervention in other countries on the basis of stopping human rights violations, foreshadowing Blair's support of the invasion of Iraq. Scandalously, in 2009 Freedman was appointed to the Privy Council in order to participate in the UK's official inquiry into the Iraq War. Freedman is the Emeritus Professor of War Studies and former Vice Principal of King's College in London. The college's notorious Department of War Studies, which has a number of secret contracts with the UK government, has been described as a "school for spooks" in a 16 April 2021 exposé for online publication *Mintpress*. The Department's faculty includes an array of former NATO officials, military officers, intelligence operatives and UK government officials and serves to "churn out the next generation of spies and intelligence officers". Troublingly, in a follow-up article on 4 June 2021 *Mintpress* documented that the Department's alumni now include an "inordinate number" of the world's most influential journalists and news presenters. *Mintpress* quoted journalist Matt Kennard of Declassified UK, who stated that the "university imprimatur gives the department's research the patina of independence while it works, in reality, as the unofficial research arm of the UK Ministry of Defence". Notably, current Lowy Institute research staff are associates of King's College.

Another Council member is media mogul Rupert Murdoch, whose media outlets have propagandised for Anglo-American geopolitical agendas for decades, including supporting the invasion of Iraq. Murdoch was mentored by Max Aitken (Lord Beaverbrook), a Canadian-British media baron who was responsible for British publicity and propaganda as UK Minister for Information during World War I. Australian-born Murdoch became a US citizen in 1985, and has used his media to promote Australia's subservience to the US alliance.

Council member Dr Rita Hauser was a member of the 1970s iteration of the neoconservative sabre-rattling organisation, Committee on the Present Danger; a director of defence think tanks RAND and the IISS; and an advisory board member of the Saudi government- and arms manufacturer-funded Middle East Institute. Contradictorily, she also chaired the International Peace Institute for 23 years. Hauser served on the Foreign Intelligence Advisory Board for the Bush and Obama Administrations.

The Lowy Institute claims to be an "independent" foreign policy think tank. However, the degree of influence the board and International Advisory Council exercise over the direction of the organisation's research, and the Institute's close collaboration with powerful international "consensus-building" think tanks, mean the Lowy Institute is more appropriately described as an Anglo-American foreign influence operation in Australia.

*Next—How the Lowy Institute influences policy*



## The Lowy Institute Part Two:

### How Lowy influences policy

By Melissa Harrison

*The Lowy Institute is highly influential in shaping Australia's official foreign policy. Although it claims to be "independent", the think tank is more appropriately described as an Anglo-American foreign influence operation.*

The Lowy Institute is part of a nexus of powerful international think tanks which coordinate to influence foreign policy in their respective countries, in alignment with Anglo-American geopolitical agendas.

The Lowy Institute represents Australia on the "Council of Councils" (CoC), a grouping of twenty-eight of the world's most powerful foreign policy think tanks, which was formed by the New York Council on Foreign Relations (CFR). According to its website, the CoC is "designed to facilitate candid, not-for-attribution dialogue and consensus-building among influential opinion leaders from both established and emerging nations, with the ultimate purpose of injecting the conclusions of its deliberations into high-level foreign policy circles within members countries." (Emphasis added.) Many of the Lowy Institute's research staff have formerly worked for other CoC institutions, including the CFR and Britain's Royal Institute of International Affairs (Chatham House) and the International Institute for Strategic Studies. Another think tank established by Lowy Institute founder Frank Lowy, Israel's Institute for National Security Studies, is also a member of the CoC.

Numerous Lowy Institute researchers are associated with CoC member the International Institute for Strategic Studies (IISS), including Executive Director Michael Fullilove, who serves on the IISS's Advisory Council. Curiously, as well as representing the United Kingdom, the IISS also co-represents China on the CoC. IISS trustees and its advisory board include a former NATO secretary-general and a former Director of the US Central Intelligence Agency; and appointees who have formerly served as CEOs of global arms manufacturers and senior officials in the US and UK governments. The IISS's funding sources include numerous foreign governments, including the US and UK; NATO; global arms manufacturers; and other large multinational corporations. The IISS is also funded from Australian sources including the Lowy Institute, the Australian Strategic Policy Institute, the Australian government's Defence Department and the High Commission of Australia to the UK. The IISS was founded in 1958, at the height of the Cold War, by British military historian Sir Michael Howard, who served as president emeritus until his death in 2019. Howard also founded the London-based King's College Department of War Studies, the notorious "school for spooks" which has a number of secret contracts with the UK government. According to its website, King's College and the IISS maintain their "established links". Sir Lawrence Freedman, a member of the Lowy Institute's International Advisory Council, serves as Emeritus Professor of the Department of War Studies; and other Lowy Institute research staff are associated with King's College.

Outside of the CoC, the Lowy Institute collaborates with other leading US think tanks, such as the Center for Strategic and International Studies (CSIS), which has been an influential driver of hostile policy towards China. CSIS staff include numerous former senior US government officials and

influential policymakers, including the architect of the Obama Administration's "Asia Pivot", Kurt Campbell. Campbell was formerly the CSIS's Senior Vice President, director of its International Security Program, and the Henry A. Kissinger Chair. In addition to a revolving door of research staff, in 2008 the think tanks launched the CSIS-Lowy Dialogue, which is intended to "enhance Track II communication" between the USA and Australia through a quarterly videoconference involving senior researchers who "discuss matters pertaining to the US-Australia alliance" and "share perspectives on international affairs". The conferences are not made public. The Lowy Institute hosts an annual scholarship which funds the recipient to conduct research at the Lowy Institute before travelling to Washington as a visiting researcher with the CSIS.

Numerous Lowy Institute research staff are associated with US think tank the Brookings Institution, one of the most influential policy-making institutes in Washington. When the Lowy Institute's founding was announced, Frank Lowy asserted that it would be modelled on the Brookings Institution. Lowy has been a generous donor to Brookings and serves as one of the Institute's international advisors. The Brookings Institution has a revolving door between the US government and multinational corporations, promotes a hawkish line against China and Russia, and was a cheerleader for US intervention in Syria.

The public and behind-the-scenes collaboration between the Lowy Institute and these powerful think tanks ensures an international policy-making consensus which invariably favours the interests of Anglo-American geopolitical agendas. The Lowy Institute's Executive Director Michael Fullilove exemplifies the revolving door between these institutions: he concurrently serves as a non-resident Senior Fellow at the Brookings Institution, a Commissioner of the CSIS-Chumir Global Dialogue, and a member of the Advisory Council of the IISS.

#### Lowy Institute research, analysis and polling

The Lowy Institute publishes polls, research, analysis and commentary which is widely publicised in Australian mainstream media, and is ostensibly meant to deepen the foreign policy debate in Australia. However, content produced by the Institute primarily aligns with UK and US foreign policy objectives, including a preoccupation with criticising China. As documented in Part One of this series (AAS, 31 Aug.), although the Lowy Institute claims to be independent, the "strategic direction" and "overall research priorities" of the think tank are directed by its board and International Advisory Council, which includes leading representatives of the Anglo-American establishment. In addition to participating in a revolving door of appointments within the nexus of powerful international think tanks, Lowy Institute researchers have formerly worked in senior or advisory positions within the US government, primarily in the defence, national security and foreign policy sectors; Western mainstream media; hawkish US think tanks such as the intelligence-connected German Marshall Fund; and in the Australian government's foreign affairs, defence and intelligence departments.

There are questions over the objectivity of some Lowy “researchers”. For example, Richard McGregor is the Institute’s Senior Fellow for East Asia Policy and one of three experts running its Multiculturalism, Identity and Influence project. This Department of Home Affairs-funded project purportedly “looks at the efforts of foreign governments to influence and possibly interfere in Australian society, and the impact of these efforts on Australian democracy and multiculturalism”; however, China is the sole focus of the project’s commentary, analysis and policy briefs. McGregor is the former China correspondent for *The Australian*, the former Beijing and Washington Bureau chief for the *Financial Times*, and a senior associate at CSIS. McGregor’s publications for the Lowy Institute are preoccupied with unbalanced criticism of China and disparagement of Chinese President Xi Jinping. McGregor’s co-expert on the Multiculturalism, Identity and Influence project is Natasha Kassam, a former Australian diplomat who was part of the drafting team of the 2017 Foreign Policy White Paper, which was hawkish towards China. Kassam is director of the Lowy Institute’s Public Opinion and Foreign Policy Program, and her publications are preoccupied with anti-China and pro-Taiwan content. Another notable Lowy Institute researcher, non-resident fellow Peter Hartcher, is the political and international editor of the *Sydney Morning Herald* and a longstanding member of the [Australian American Leadership Dialogue](#). Hartcher has been a leading purveyor of hostile anti-China rhetoric in Australian media.

Many of the Lowy Institute’s projects are funded by Australian government departments. “Mapping Foreign Assistance in the Pacific”, an initiative which collects and displays data on foreign assistance provided in the Pacific Islands region, is funded by the Department of Foreign Affairs and Trade (DFAT). The project launched in 2018 and was based on a proof-of-concept the Lowy Institute had developed in 2015, titled “Chinese Aid in the Pacific”. The project appears aimed at reassuring that Australia is still the top influence in the region—in September 2021, the Lowy Institute claimed that 2018 was the high water mark of Chinese aid (apparently ignoring the \$5 billion in concessional loans China committed in 2017). The Lowy Institute claimed that China was “becoming less generous”, even though the project does not provide statistics to compare Chinese and Australian aid after 2019.

One of the Lowy Institute’s flagship projects is its “Asia Power Index”, which compares the resources and influence of 25 countries to “rank the relative power of states in Asia”. The research is headed by Hervé Lemahieu, Director of Research at the Lowy Institute, who is formerly of the IISS.

A Lowy Institute spokesperson told the 11 June 2019 *New Daily* that an unnamed “senior CIA analyst” had described the Asia Power Index as the “best, most comprehensive” assessment of power in the region, which allegedly provided a “solid empirical grounding for analyses and discussions of international security in Asia”. However, there are questions over the project’s methodology and the possibility of bias. Of the Index’s 131 indicators, over half are drawn from “original Lowy research”. Thirteen indicators, including military capability and diplomatic influence, consist entirely of “expert-based input”, using experts chosen by the Index team. Certain power measures are given extra weighting, which reflects the “collective judgement of Lowy Institute experts”. Therefore, it is unsurprising that the Index pronounces the United States the preeminent power in Asia (scoring 82.2/100), with China trailing next in line (74.6/100). The USA leads in most categories including military capability, resilience, future resources, defence networks, diplomatic influence and cultural influence. China has a slight lead in “Economic

capability” and a significant lead in “Economic relationships”.

The information used to calculate some of the power measures is dubious. For example, under the category “Cultural Influence” (USA scores 85.0, China 57.7), the sub-measures analysed include skyscrapers; visa-free travel; regional influence through newspapers, tv broadcasters, news agencies and radio broadcasters; and “online search interest”.

Reminiscent of much of the Lowy Institute’s other content, the Asia Power Index’s findings support Anglo-American geopolitical agendas; specifically, the Index promotes the narrative of US supremacy in the region. The Index claims that in 2021 China declined in overall power, while the United States “defied the prevailing regional downward trend” by registering the “most substantial ... upswing in power of any country in the region”. According to the Lowy Institute, in 2021 the USA dominated six out of eight power measures, up from four in 2020; had overtaken Japan and China for diplomatic influence; and now outranked China in the measurement of “future resources”, which is “a combined assessment, based on current trends, of the projected distribution of economic and military capabilities to 2030 and demographic strength to 2050”.

Such a narrative serves to reinforce for Australian and regional politicians the argument that their countries should remain aligned with the “strength” of the United States.

### Push-polling

The Lowy Institute’s flagship annual poll tracks changes in Australian attitudes towards various foreign policy issues, and the results are widely reported in mainstream media. However, the Institute has come under fire in the past for its questions and response options, which have contained “emotional button-pressing matters and language”, according to Professor Joseph Reser of Griffith University in the 1 July 2011 *Conversation*.

This issue persists today. For example, in 2020 Australians were asked if they supported or opposed Australia “forming a four-way partnership with the democracies of India, Japan and the United States to *promote peace and security in the region?*” (Emphasis added.) Predictably, 88 per cent of Australians answered favourably to this leading question. The Lowy Institute then announced that this response indicated that there was “strong support” for the Quadrilateral Security Dialogue (the Quad), an initiative involving the USA, India, Japan and Australia, which is aimed at containing China.

Similarly, the Lowy Institute’s March 2020 poll was conducted amidst a frenzy of Western media allegations blaming China for the COVID-19 crisis. The poll asked an emotive and leading question: “Thinking about the way China has handled the COVID-19 coronavirus outbreak, are you more or less favourable towards China’s system of government?” Unsurprisingly, 68 per cent of Australians were less favourable. The Lowy Institute’s interpretation of these results was embellished: “China’s response to the coronavirus pandemic and its system of government as *an authoritarian one-party state* has been subject to heightened scrutiny in Australia.” (Emphasis added.)

The themes of the Lowy Institute’s polling questions have run parallel to Western media’s anti-China campaigns. For example, the intense propaganda operation which sensationally alleged Chinese foreign interference in Australia escalated in mid-2017. Shortly thereafter, the Lowy Institute’s 2018 poll began asking Australians to rank countries of concern in regard to foreign influence on Australia’s political processes.

*Next—The US alliance, “Asia Pivot” architects and the Lowy Institute*

## The Lowy Institute Part Three:

# The US alliance and 'Asia Pivot' architects

By Melissa Harrison

*Australia's official foreign policy is heavily influenced by the Lowy Institute. Although the think tank claims to be "independent", it is more appropriately described as an Anglo-American foreign influence operation.*

In addition to its alignment with US and UK geopolitical agendas, the Lowy Institute serves as a platform to promote US foreign policy in Australia. The think tank's Executive Director, Dr Michael Fullilove, has described the US role in Asia as "a pillar of Australian foreign policy and a preoccupation of the Lowy Institute".<sup>1</sup>

Numerous Lowy Institute researchers have formerly worked for the US government, mainstream US media outlets, or hawkish policy think tanks which have a revolving door with the US government and multinational corporations. The Institute collaborates closely with several of the most powerful foreign policy think tanks in Washington.

In 2013, the Lowy Institute established its Distinguished International Fellowship, which hosts an "intellectual and policy leader" to travel to Australia for a speaking tour, media events, and meetings with political and corporate figures. Since its establishment, all but one of the appointees have been a US national. The inaugural International Fellow was former US Assistant Secretary of State for East Asia and Pacific Affairs and key architect of the Obama Administration's "Asia Pivot", Dr Kurt Campbell. Other appointees include Stephen Hadley (2014), national security advisor to the Bush Administration during the Iraq and Afghanistan wars and board member of arms manufacturer Raytheon; journalist David Ignatius (2016), associate editor of the *Washington Post*, trustee of the intelligence-linked German Marshall Fund and member of the Lowy-associated Council on Foreign Relations; and Jake Sullivan (2017), who served in senior advisory positions in the Obama Administration and was recently appointed US President Joe Biden's National Security Advisor.

The Lowy Institute's support for the US-Australia alliance was acknowledged by Kurt Campbell when he delivered the Institute's 2010 Canberra Lecture. Campbell stated that since its inception, the Lowy Institute had been a "firm advocate" of the alliance.

Executive Director Michael Fullilove has repeatedly promoted the US alliance as the highest priority for Australia and is an advocate for preserving the incumbent "rules-based order", which favours Anglo-American interests. In an op-ed for the 3 October 2015 *Australian*, Fullilove disagreed with views that Australia should "use our influence and credit in Washington to try to encourage the US to cede the mantle of leadership in Asia and grant China new prerogatives and strategic space". Fullilove asked, "Why would we seek to hasten the drawing-down of an old ally, especially when it's the most powerful country in the world, and one with which we share a world view and much else, including an interest in the status quo?" Fullilove believed it was sensible to "hedge against the risk of future Chinese recklessness by keeping the US deeply engaged in the region".

In an op-ed for the 8 September 2016 *New York Times*, Fullilove argued that "Australia needs the United States to keep China in check". Fullilove disagreed with Australian strategists who "argue that we must do more to accommodate China's



Lowy Institute Executive Director Dr Michael Fullilove interviewing US National Security Advisor Jake Sullivan for a Lowy Institute forum in 2021. Photo: Twitter

rise. They say we should keep our noses out of China's internal affairs and maritime policies. We should accept that the future regional order will be dominated by China, they argue. ... But why should Australians encourage the withdrawal of a longtime ally that remains the global leader, a country that shares our worldview? Why would we tilt toward China, a country that is so different from our own?"

Former Australian Prime Minister John Howard, who delivered the Lowy Institute's 2005 opening address, is a longtime friend of its founder, Westfield shopping magnate Frank Lowy. In 2013, the Lowy Institute hosted a speaking event featuring Howard, published under the title: "The 10th anniversary of the liberation of Iraq". As reported by the 9 April 2013 *Sydney Morning Herald*, Howard used his speech to justify his decision to join the US-led invasion of Iraq, saying Australia was obliged to follow the US to war as a "100 per cent ally". Howard denied that he led Australia into Iraq on the basis of lies and rejected claims that Australia's involvement in the war indicated it was too close to Washington. Outside the venue, a crowd protested the actions of US President George Bush, UK Prime Minister Tony Blair and Howard, accusing them of war crimes. Fullilove, who introduced Howard, denounced the protestors as an "anti-democratic minority".

Other Lowy Institute researchers have staunchly defended the US-Australia alliance. For example, in an op-ed for the 20 October 2014 *Australian*, Rory Medcalf, a former diplomat and senior analyst with the Office of National Assessments, Australia's peak intelligence agency, attacked former Prime Minister Malcolm Fraser's book, *Dangerous Allies*. Medcalf, who was then Director of the Lowy Institute's International Security Program, decried Fraser's "unsettling ... campaign against Australia's US alliance", and his "crusade to condemn the US". Medcalf opposed Fraser's assertion that the US was expanding its power in Asia to contain China, claiming that Fraser misrepresented the situation in Asia to "manufacture a case against the alliance".

### Lowy Institute's affinity with US interventionists

Since inception, the Lowy Institute has been affiliated with US policymakers who have promoted American military interventionism in the Asia-Pacific. In particular, the Institute has maintained decades-long ties with "Asia Pivot" architect Kurt Campbell, through regular speaking engagements and other initiatives. Since the 1990s, Campbell has been a leading figure in the development of official US strategy to maintain a forward military presence in the Asia Pacific, with the aim of containing China. (*AAS*, 12 July 2022). Most recently,

1. 'Lowy Institute chairs roundtable discussion with US Secretary of Defense and Australian Minister for Defence', ([lowyinstitute.org](http://lowyinstitute.org)), 11 Aug. 2014.

Campbell was appointed the Biden Administration's US National Security Council's Indo-Pacific Coordinator, playing a key role in the negotiation of the AUKUS trilateral security pact between the USA, UK and Australia. Under AUKUS, which Campbell has described as a "melding" of American, British and Australian naval forces, Australia has agreed to host unlimited numbers of US military personnel and weapons. (AAS, 22 Sept. 2021.)

In a 1 December 2021 interview at the Lowy Institute, Michael Fullilove revealed that he met Kurt Campbell in 2002, while Fullilove was in Washington at Frank Lowy's behest to write the feasibility study for the Lowy Institute. According to Fullilove, Campbell "gave [him] good advice then, as he's done ever since". Campbell praised the think tank, declaring that "no Institute has done more to set policy in the Asia-Pacific". Campbell said that he was pleased to have "played a small role in the trajectory" of the think tank.

Another influential US policymaker, Lowy Institute non-resident fellow Michael Green, worked alongside Campbell in the 1990s to develop a policy of "forward presence" of US forces and basing rights in the Asia-Pacific. Green was a national security advisor to the Bush Administration and was the lead author of the 2004 *Global Posture Review*, "which reinforced US military force posture towards the Asia Pacific", aimed at dissuading China "from developing hegemonic ambitions".

Michael Fullilove affirmed his support for the US-Australia alliance in an August 2009 Lowy Institute paper co-written with Michael O'Hanlon, a senior fellow at the Lowy-associated Brookings Institution. O'Hanlon was a proponent of the Iraq War and co-author of Kurt Campbell's 2006 book *Hard Power: The New Politics of National Security*. *Hard Power* promoted a forward-deployed US military presence in Asia, as "a reminder to China that we remain the ultimate guarantor of regional peace and stability".

The Lowy Institute has served as a prominent platform for US government officials to advantageously promote US foreign policy agendas in Australia, outside of official channels. In 2009, the Rudd Government's defence white paper caused controversy because it suggested that China could become a military threat to Australia. The following year, then-Chinese Vice President Xi Jinping visited Australia and held bilateral talks with Prime Minister Kevin Rudd, evidently intending to promote cooperation over conflict. Xi said that China "attached great importance to its relations with Australia and regarded Australia as a trustworthy partner", according to a 21 June 2010 statement released by the Chinese embassy. Xi suggested initiatives to enhance the Australia-China relationship, which included increased bilateral communication and cultural exchange; expanded cooperation, including through development and two-way investment; and by properly handling sensitive issues by respecting each countries' key interests and major concerns.

However, the US managed to front-run China's diplomacy several weeks before Xi's visit, when the Lowy Institute hosted then-Assistant Secretary of State for East Asia and Pacific Affairs, Kurt Campbell, to deliver its 2010 Canberra Lecture. Campbell's address provided an "overview of the state of the US-Australia alliance and offer[ed] insight into how the Obama Administration views this critical partnership". Campbell emphasised that the growing importance of the Asia-Pacific region would "put a premium on close cooperation and coordination between Washington and Canberra". Campbell lavished excessive praise on the Australia-US relationship for its "enduring bond" and "the level of trust we share and the counsel and advice we seek from one another every day, and

on almost every subject". Campbell asserted that "the fortunes of the United States and Australia have remained inextricably linked", stating that the US-Australia alliance was built on "our shared values and common strategic interests".

Although Campbell gave lip service to promoting engagement with China, this was conditional upon continued US military presence in the region, a factor which was "the lynchpin of our approach to peacefully welcoming China's rise". Campbell's lecture had a markedly strong emphasis on current and historical US-Australian military cooperation. For example, Campbell remarked that in Afghanistan, "Australian and American forces are once again fighting side by side ... Your sacrifice and commitment in Afghanistan exemplify one simple but critical fact: the United States has no better friend or ally in the world than Australia."

Campbell's speech foreshadowed US President Barack Obama's November 2011 visit to Australia the following year, when Obama announced that 2,500 US marines would be based in Australia, a move which was widely recognised as aimed at countering China.

In 2013, the Lowy Institute again hosted Kurt Campbell as its inaugural Distinguished International Fellow. In his keynote lecture, Campbell stated that historically when America was "done with major conflicts ... we tend to want to come home and to focus on domestic pursuits". However, Campbell believed that now, "we will be successful, for the first time in our history, not to come home from the Middle East but to shift our focus to the Asia Pacific region". Campbell claimed that the military aspect of the "Asia Pivot" was its least important dimension and denied that the US marines based in Australia were aimed at China. However, he expressed serious concerns that America's traditionally bipartisan support for maintaining forward deployed forces was being challenged by an alliance between left-wing elements of the Democratic Party, which were "suspicious of American power" and questioned the USA's "forward deployed engagements"; and nationalist elements of the Republican Party, which were concerned about foreign entanglements. Campbell said that these factions were undermining central precepts which had driven American foreign policy for the past 60-70 years. Campbell stated that the "fundamental element of a successful enduring American strategy in Asia", would be America's role with its partners and security alliances. In the last fifteen years, the US-Australian alliance had "ascended to the very top tier" as the USA's closest relationship, with the possible exception of Britain.

In a 1 December 2021 interview with Fullilove, Campbell claimed that the creation of AUKUS was a response to the actions of a "more assertive" and "coercive" China. In reality, it was an extension of the military build-up in the Asia Pacific which Campbell had personally driven for decades, including through the platform of the Lowy Institute. Fullilove agreed with Campbell, referring to China's alleged "economic coercion" of Australia, positing that "the principal reason that Australia's policy towards China has changed, is that China's changed"—a line echoed by new PM Anthony Albanese.

### **Lowy Institute exposed as propaganda outfit**

Several years ago, content produced by Lowy Institute researchers generally reflected a more nuanced analysis of China-related issues, although the tone grew more hawkish over time. However, in the second half of 2017, the Lowy Institute demonstrated that its so-called "independence" was a farce, when it participated in lockstep with the "China threat" propaganda campaign which was levelled against the Australian public. This operation, which was led by national security and

intelligence agencies acting in collusion with the mainstream media, successfully promoted the narrative that China was interfering in Australia's domestic affairs, and poisoned the Australia-China relationship.

On 5 June 2017, the ABC aired *Power and Influence*, which sensationally alleged Chinese foreign interference in Australian politics and domestic life. This program was widely recognised as the beginning of the sudden shift of hostility toward China. The same day, the annual Australia-United States Ministerial Consultations (AUSMIN) convened in Sydney, where the USA and Australia committed to expanding defence cooperation and military interoperability.

Two days later, Lowy Institute fellow Rory Medcalf fired the first volley of the Lowy Institute's contribution to the "China threat" operation, in a 7 June commentary titled "China's influence in Australia is not ordinary soft power". Medcalf claimed that the ABC's "revelations" indicated that "Australia is discovering that its paramount China challenge is not a few thousand nautical miles away in the South China Sea. It is right here at home".

About a week after *Power and Influence* aired, the Lowy Institute hosted Jake Sullivan as its Distinguished International Fellow. The Lowy Institute described Sullivan, who was formerly a senior national security official in the Obama Administration, as US Secretary of State Hillary Clinton's "closest foreign policy confidant" during the Asia Pivot period. While posted at the Lowy Institute, Sullivan asserted that "allies like Australia had to take on responsibility to 'buck up' America to remain engaged in the Asia-Pacific", as paraphrased by the 12 June 2017 *Australian Financial Review*.

Shortly thereafter, the Lowy Institute's flagship annual poll was utilised in the anti-China propaganda campaign. The Institute announced the 21 June 2017 polling results in an article sensationally titled: "Almost half of us fear China could become a threat". Although the article hyped that 46 per cent of Australians thought it likely that China would become a military threat to Australia sometime in the next twenty years, it did not clarify that this figure was an unremarkable result compared to most of the previous eight years of polling, as sentiment toward China fluctuated. Additionally, the article did not broadcast that the percentage of Australians who viewed China as a military threat rather than an economic partner had actually decreased compared to 2015; or that US foreign policy was seen as a greater critical threat to Australia's vital interests than China's or Russia's foreign policy. The percentage of Australians who viewed US foreign policy as a "critical threat" to Australia's vital interests had substantially increased from 26 per cent in 2014 to 37 per cent in 2017.

The following month, the annual Australia-United Kingdom Ministerial Consultations (AUKMIN) convened, wherein Australia and the UK committed to greater military interoperability and intensifying intelligence sharing under the Five Eyes spying alliance. On the sidelines, the Lowy Institute and the British Ditchley Foundation co-hosted the Australia-UK Asia Dialogue, which was supported by the Department of Foreign Affairs and the UK Foreign and Commonwealth Office. This Dialogue resulted in a series of policy papers which advocated increased ties with the UK, and asserted that there "should be plenty of scope for cooperation between Australia and the UK for upholding a rules-based international order in the Asia Pacific". The Ditchley Foundation is an elite UK think tank which aims to promote the British-American "special relationship" through numerous high-level discussions involving leading representatives of the Anglo-American establishment.

Several months later, the Lowy Institute was the site of a

secret meeting where senior foreign affairs and intelligence officials briefed participants that Australia's relations with China would now be intentionally confrontational, as revealed by veteran Australian journalist Max Suich in the 17-19 April 2021 *Australian Financial Review*. Suich wrote that "the burden of Australian policy since has followed the course they outlined: the US alliance would be explicitly valued at a price that we would have to accept—trade retribution and hostility from China".

In the years since, content and commentary from Lowy Institute researchers has become increasingly hostile towards China, in lockstep with US foreign policy. China-related content was dominated by researchers such as Richard McGregor, a former senior journalist at international and Australian media outlets, and a senior associate at the Lowy-associated Center for Strategic and International Studies. Lowy researchers remained staunch advocates of the US-Australia alliance. In February 2018, the Director of Lowy's International Security Program and former analyst for the UK Foreign and Commonwealth Office, Dr Euan Graham, authored a fawning open letter to the new US ambassador, Admiral Harry Harris, which stated that Australia's business community needed "careful handling", as many were "sceptical that China poses a strategic threat". Alarmingly, Lowy Institute researchers also promoted military interventionism. In an op-ed for the 8 September 2022 *Australian*, Lowy fellow Alan Dupont, a high-profile international security strategist, nonresident senior fellow of the Washington-based Atlantic Council, and a former defence intelligence analyst and army officer, argued that the best way to avoid war was to arm Taiwan.

Although the Lowy Institute hosted public discussions on China-related matters during this period, the participants invariably represented a one-sided view. For example, "China's Xinjiang detentions" (December 2018), hosted by Richard McGregor, discussed the Chinese government's alleged systematic targeting and detention of "hundreds of thousands" of ethnic Uyghurs, allegations which were presented as fact. There were no participants who represented an alternate view or Chinese perspective.

Similarly, "Debating China's Belt and Road Initiative from European, Asia-Pacific and Chinese perspectives" (March 2018) did not include any participants which reflected a Chinese perspective. Instead, the lecture featured representatives from the Lowy-associated Council on Foreign Relations, Australian academics and Lowy Institute researchers.

The "China threat" propaganda campaign was an operation conducted by Australia's intelligence agencies in collusion with mainstream media. Aside from raising serious doubts over the Lowy Institute's claim to be an "independent" think tank, the Institute's evident involvement in this operation raises questions over its relationship with Australia's intelligence agencies. As documented in Part One, a significant number of current and former Lowy Institute researchers have formerly worked for the Office of National Intelligence (formerly the Office of National Assessments), Australia's peak intelligence agency which has a direct line to the prime minister. The former head of the ONI, Allan Gyngell, joined the organisation from serving as the Lowy Institute's inaugural executive director. Similarly, the current head of the ONI, Andrew Shearer, was formerly a Lowy Institute fellow. The Institute receives funding from both the ONI and the Australian Security Intelligence Organisation (ASIO). An archived version of the Institute's website from 2012 says that funding from ASIO "enables its staff to attend Lowy seminars" and reflects ASIO's acknowledgement that "access to external expertise and knowledge is vital to ensuring ASIO's strategic thinking is progressive".