



Submission from the Australia/Israel & Jewish Affairs Council to the Parliamentary Joint Standing Committee on Intelligence and Security on the relisting of Hizballah ESO

Executive Summary

The Australia/Israel & Jewish Affairs Council (AIJAC) acknowledges that Australian governments led by both parties have recognised the danger posed by Hizballah. Since 2003, Australian governments have listed Hizballah's External Security Organisation (ESO) as a terrorist organisation under the Criminal Code. Successive governments have renewed that listing seven times but restricted it to the Hizballah ESO.

Over the past 18 years, AIJAC has advocated for Hizballah to be listed in its entirety, not just the Hizballah ESO. The reasons for this are canvassed in full in this submission.

AIJAC continues to urge the Australian Government to list the entirety of Hizballah to better protect our national security and to better support our closest security and intelligence allies.

AIJAC is the premier independent public affairs organisation for the Australian Jewish community and conveys the interests of the Australian Jewish community to government, media and other community organisations.

Recommendation

- That the Australian Government expand this designation beyond Hizballah's ESO to the entirety of Hizballah.

Introduction

Hizballah (also Hezbollah) is “Iran’s multi-purpose tool”, according to Jeffrey Feltman¹, former US Ambassador to Lebanon and former chairperson of the UN Counter-Terrorism Implementation Force. Hizballah has also been described as a “force multiplier” for the Iranian regime. Hizballah is used by the Iranian mullahs to spread their Islamic Revolution beyond Iran’s borders.

Hizballah is a domestic Lebanese political force with a militia far stronger than the Lebanon Armed Forces and in breach of UN Security Council Resolution 1701² calling for militias in Lebanon to disarm. Hizballah has perpetrated terrorism at home and abroad. As well as being responsible for the killing of scores of Lebanese and Israelis, Hizballah is responsible for the murder of more than 300 Americans, plus dozens of other international citizens. It is a key threat to Israel, the Middle East’s only democracy, and this threat is increasing with the recent supply to it, by Iran, of hundreds of precision guided missiles.

Most analysts agree that Hizballah’s Iranian agenda overshadows its Lebanese domestic political aspirations. This can be seen by Hizballah’s violent and/or criminal activities well beyond Lebanon, including deadly attacks on US and Jewish targets; global illicit drug and money laundering activity and its posture towards Israel.

As detailed in the Minister for Home Affairs’ Statement of Reasons³, Hizballah is designated in full by many jurisdictions as a terrorist organisation. Three of Australia’s Five Eye allies, the United States, the United Kingdom and Canada, all proscribe the group in its entirety. Joining these three key nations are the Arab League, the Gulf Cooperation Council, Germany, Japan, the Netherlands, Paraguay and others. Argentina – a country that knows too well the terror capabilities of Hizballah after the group blew up a Jewish centre in 1994, killing 85 and injuring 300, and attacked the Israeli Embassy in Buenos Aires in 1992, killing 29, including school children and residents of a nearby nursing home – has also deemed Hizballah a terrorist group⁴. New Zealand and the European Union designate Hizballah’s Military Wing.

Since 2003, the Australian Government has listed Hizballah’s External Security Organisation (ESO) as a terrorist organisation under Division 102 – Terrorist Organisations of the *Criminal Code*. AIJAC has previously made submissions to the Parliamentary Joint Standing Committee on Intelligence and Security and to other government authorities and inquiries on the listing of Hizballah’s ESO. These submissions have all provided evidence to the

¹ Feltman, J. “Hezbollah: Revolutionary Iran’s most successful export”, *The Brookings Institution* (17 Jan 2019), <https://www.brookings.edu/opinions/Hezbollah-revolutionary-irans-most-successful-export/>

² “UN Security Council Resolution 1701” (2006) <https://peacemaker.un.org/israellebanon-resolution1701>

³ Department of Home Affairs, Submission to the Joint Parliamentary Committee for Intelligence and Security’s Review of the re-listing of Hizballah’s External Security Organisation as a terrorist organisation under the Criminal Code (May 2021), https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/Hizballah/Submissions.

⁴ “Argentina designates Hezbollah as terrorist organisation”, *BBC* (18 July 2019), <https://www.bbc.com/news/world-latin-america-49030561>

committee as to why AIJAC strongly believes Australia should list the entirety of the Hizballah as a terrorist entity, not just the ESO.

AIJAC notes that in 2018, the PJCIS recommended to the then-Minister for Home Affairs the Hon Peter Dutton that he extend Australia's proscription of Hizballah's ESO to the entirety of the group's Military Wing⁵. The Committee noted that "the proscription of the ESO is now somewhat inconsistent with the approach taken by some of Australia's closest partners: Canada, New Zealand, the United Kingdom and the United States." The Minister for Home Affairs did not respond publicly to this recommendation.

Reasons to expand listing

(1) Hizballah is a united entity. It is not factual to separate it into wings.

In the Minister for Home Affairs' Statement of Reasons to relist Hizballah ESO⁶, Minister the Hon. Karen Andrews writes the ESO is a "discrete entity within Hizballah" but it "exists within Hizballah's organisational structure". However, she then goes on to provide the explanation that "ESOs activities are distinct from Hizballah's formal military actions in the Middle East". While AIJAC welcomes the Minister's acknowledgement that the ESO is indeed integrated into Hizballah, the assertion that the ESO's activities can be differentiated from other Hizballah activities stands in stark contrast to the stance taken by both Hizballah leaders and our closest security allies.

In 2012, Hizballah leader Naim Qassem said, "We don't have a military wing and a political one; we don't have Hizballah on one hand and the resistance party on the other... Every element of Hizballah, from commanders to members as well as our various capabilities, is in the service of the resistance, and we have nothing but the resistance as a priority."⁷

In 2013, Mohammad Raad, head of Hizballah's parliamentary delegation, declared that "The Hizballah military wing is a lie invented by the Europeans because they feel a need to communicate with us and they want to make a delusional separation between the so-called military and political wings."⁸

⁵ Parliamentary Joint Committee on Intelligence and Security. "Review of the re-listing of Hizballah's External Security Organisation as a terrorist organisation under the Criminal Code" (June 2018), https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/Relisting_of_Hizballahs_ESO/Report

⁶ Department of Home Affairs, Submission to the Joint Parliamentary Committee for Intelligence and Security's Review of the re-listing of Hizballah's External Security Organisation as a terrorist organisation under the Criminal Code (May 2021), https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/Hizballah/Submissions.

⁷ Levitt, M and Prohov, J. (2013) "There is no distinct Hezbollah 'military wing', so why ban it?", *Daily Beast*, July 25, <https://www.washingtoninstitute.org/policy-analysis/there-no-distinct-hezbollah-military-wing-so-why-ban-it>

⁸ Norton, A (2018) *Hezbollah: A Short History*, Princeton University Press.

In October 2017, the Director of the US National Counter-terrorism Centre Nicholas Rasmussen backed Qassem's assessment: "Make no mistake – Hizballah has no political wing. It is a single organisation, a terrorist organisation, and it is rotten to the core."⁹

The separation, by Australia, of Hizballah into neatly defined sub-segments stands in stark contrast to the organisation's operations and to the intelligence gathered and conclusions made by our closest allies.

(2) Hizballah is active in Australia

As revealed by open-source intelligence, for more than 20 years, Hizballah has recruited Australian citizens and had a presence in Australia. This submission will document some of Hizballah's activities connected to Australia since the 2018 review of the Hizballah ESO listing by the PJCS.

May 2021 – At pro-Palestinian rallies in Sydney during and following the 11-day conflict between Israel and Gaza and Hamas, demonstrators waved the yellow and green flag of Hizballah. This public display of support for a group that is responsible for so many deaths and terrorist attacks was alarming to onlookers. NSW Police, meanwhile, had no capacity to respond because flying a Hizballah flag in Australia is legal.

September 2020 - A Bulgarian court sentenced in absentia to life in prison a dual Australian-Lebanese citizen Meliad Farah for complicity in an act of terrorism¹⁰. The court confirmed that Farah was linked to Hizballah and had assisted in the bombing of a busload of Israeli tourists in Bulgaria in 2012, which killed five people. Disturbingly, Farah remains unaccounted for, so could still be active on behalf of Hizballah¹¹.

February 2020 - Following media reporting on Sydneysider Ali Haider, a convicted criminal with a history of supporting Hizballah, then-Minister for Home Affairs Dutton told journalists he would receive "some briefings" on Hizballah, noting that a decision to extend the proscription of Hizballah was based on "facts that aren't publicly available"¹². AIJAC understands no further action was taken by the then-Minister.

September 2019 – The Australian Charities and Not-for-profit Commission (ACNC) revoked the charity status of Al-Mabarrat Benevolent Society for undisclosed reasons.

⁹ Labott, E and Koran L (2017) "US officials warn of potential Hezbollah threat to US homeland", *CNN*, October 11 <https://edition.cnn.com/2017/10/10/politics/us-warn-Hezbollah-threat/index.html>.

¹⁰ "Bulgaria court convicts two over 2012 Burgas bus attack on Israelis", *BBC* (21 Sep 2020), <https://www.bbc.com/news/world-europe-54240101>

¹¹ Harely, N. (2020) "Terrorists on the run sentenced to life for Hezbollah bus bombing", *The National News* (21 September), <https://www.thenationalnews.com/world/terrorists-on-the-run-sentenced-to-life-for-Hezbollah-bus-bombing-1.1080961>

¹² Visontay, E. (2020) "Nobody should have sympathy for Hezbollah: Peter Dutton", *The Australian* (25 February), <https://www.theaustralian.com.au/nation/politics/nobody-should-have-sympathy-for-Hezbollah-peter-dutton/news-story/cc878eb46b657f6f683e091b89fd5b54>

Media reported that the organisation had ties to Hizballah, although it is not known whether these ties influenced the ACNC's decision.¹³

July 2019 - A fact sheet produced by the US Department of Homeland Security outlined some of Hizballah's recruitment methods. As well as the predictable recruitment tools of social media, coercion and cash incentives, Hizballah also targets those with familial ties to its home-base, Lebanon, including, according to the US Department of Homeland Security, dual Australian-Lebanese citizens¹⁴. According to the 2016 Australian Census, there were 230, 869 Australians with Lebanese heritage¹⁵.

April 2019 - The US Department of Treasury designated Lebanese national Kassem Chams and the Chams Money Laundering Organization as Specially Designated Narcotics Traffickers noting both Chams and the organisation were "an affiliated network" of Hizballah¹⁶. Chams moved money for Hizballah through a range of countries, Australia included, according to the US Treasury. In announcing this designation, Sigal Mandelker from the US Treasury said the designation allowed the US to target Hizballah's criminal network, which operates as a "logistic, procurement and financing arm" for the rest of the organisation.

These are just a small number of the many links that Hizballah operatives have to Australia. AIJAC emphasises that it is necessary that the Australian Government expand the designation of the group to prevent Hizballah from perceiving Australia as a safe place to recruit loyalists, raise funds or even plan future attacks.

Designating the whole group, rather than just the ESO, will assist law enforcement to link Hizballah's criminal activity - for example its fundraising efforts via drug trafficking and money laundering - with Hizballah's funding of its military and terror activities.

This is not just AIJAC's opinion, this is the experience of law enforcement in the European Union.

¹³ Lyons, C (2019) "Under-fire organisation fights for charity status", *The Daily Telegraph*, September 25, <https://www.dailytelegraph.com.au/news/national/underfire-organisation-fights-for-charity-status/news-story/5b8923fa6c8bf8c810b0ea536db7f250>.

¹⁴ US Homeland Security - Counterterrorism Mission Center. "Worldwide Terrorist Operations Linked to Lebanese Hezbollah or Iran: Observed Behaviors and Key Indicators of Suspicious Activities" (15 July 2019), <https://dl.airtable.com/.attachments/db5f1ce0f39cc0a8d0871a461e926dc1/f1688894/DHSJuly2019ReferenceAid.pdf>

¹⁵ "Cultural Atlas - Lebanese Culture: Lebanese in Australia", *SBS* (n.d.), <https://culturalatlas.sbs.com.au/lebanese-culture/lebanese-culture-lebanese-in-australia>

¹⁶ U.S. Department of the Treasury, (2019) "Treasury Sanctions Lebanese Money Launderer Kassem Chams Who Moves Money on Behalf of Narcotics Trafficking Organizations and Hizballah" (11 April), https://dl.airtable.com/.attachments/be232d89de4265b474e84c47d568b954/1e78cb17/TreasurySanctionsLebaneseMoneyLaundererKassemChamsWhoMovesMoneyonBehalfofNarcoticsTraffickingOrganizationsandHizballah_U.S.DepartmentoftheTreasury.pdf

A Europol report, "European Union: Terrorism Situation and Trend Report 2020",¹⁷ noted the following:

The Lebanon-based Shi'i extremist organisation Hizbullah (Hizb Allah, 'Party of God') – whose military wing is listed a terrorist organisation by the EU – is suspected of trafficking diamonds and drugs and of money laundering via the trade in second-hand cars. Capital is sent to Lebanon through the banking system but also through physical transport of cash via commercial aviation. Investigations face the difficulty of demonstrating that the funds collected are channelled to the military wing of the organisation.

Europol is identifying a key problem: because only the Military Wing of Hizballah is proscribed in Europe, police must prove that Hizballah is spending the money raised through its criminal behaviour to purchase a bullet or buy bombmaking equipment in order to act effectively against it.

Obviously, money is fungible, making it virtually impossible to prove that requirement. In Australia that challenge is even greater than in EU because Australia currently does not even go so far as EU in proscribing the so-called Military Wing and only bans the ESO.

As terrorism finance expert Dr. Matthew Levitt explained last year¹⁸:

"I started my career at the FBI, in FBI counterterrorism. In all of my time there, I ever knew of only one case where we were able to tie a dollar raised in the United States to a bullet procured for an operation abroad. And so it really is asking law enforcement to act with one, one and a half hands tied behind their back...It's really, really important to ban an organisation in its entirety when the organisation is able to leverage its non-military activities for military purposes."

Listing Hizballah in its entirety as a terrorist organisation would provide a more meaningful legal framework to deal with the group and make it much more difficult for any Australians found providing direct financial support to Hizballah to circumvent law enforcement. It would severely reduce the capacity of Hizballah to operate in Australia in any meaningful way.

(3) Designating Hizballah in its entirety would not damage Australia's ongoing state-to-state relationship with Lebanon

¹⁷ Europol (2020) "European Union Terrorism Situation and Trend Report (TE-SAT) 2020" <https://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-te-sat-2020>

¹⁸ "The difficulties of fighting Hezbollah" (2020), J-Wire, (August 23) <https://www.jwire.com.au/the-difficulties-of-fighting-hezbollah/>.

It has been suggested that extending Australia's designation of Hizballah will harm Australia's bilateral ties with Lebanon. However, research - both qualitative and quantitative - has indicated that countries have been able to maintain fruitful relationships with the Lebanese Government, while also avoiding the ethical gymnastics of splitting Hizballah into non-existent wings.

Distinguished Israeli diplomat Ron Prosor (former Israeli Ambassador to the UN, former Israeli Ambassador to the UK, former director-general of Israel's Ministry of Foreign Affairs) explained the rationale behind countries delineating Hizballah into wings for the purpose of designation.

*"The idea in the past is that Hizballah is a designated terrorist organisation because they have proved that they are doing terror all over the world, but there was this differentiation, a completely artificial differentiation between the political arm and the military arm in order to allow countries to engage and work with Hizballah as if they are not a terrorist organisation."*¹⁹

He went on: "the idea of this artificial differentiation is, of course, a British idea with a background of saying 'let's find ways to work with Hizballah, which is legit'."

Prosor's Abba Eban Institute undertook research in 2019 looking at the effect of designating Hizballah on a country's bilateral relations with Lebanon²⁰.

It considered three parameters: the disbursement of humanitarian aid, official development assistance (ODA) and trade relations. While the research did not encompass every aspect of a bilateral relationship with Lebanon, the researchers posited that the parameters they selected were indicative of trends.

The Abba Eban Institute's research showed that over a 20-year period (1997-2017), countries – including Australia – that designated parts of Hizballah as terrorist organisations maintained strong bilateral relationship with Lebanon.

The research concluded: "There are no significant statistical findings to support the claim that the act of designation of Hizballah has a negative effect on the long-term economic relationship between the designating country and Lebanon. The same conclusion can be drawn regarding humanitarian aid and ODA."

That's the qualitative research, let's turn to the quantitative research.

¹⁹ "Counterbalance with Michael Doran: Pursuing Hezbollah in Europe" (4 June 2020), <https://www.youtube.com/watch?v=o5Y-VxNCL8o>

²⁰ Cohen, D. (2019) "The Impact of Hezbollah Designation as a Terrorist Organization on Economic Ties and Humanitarian Aid to Lebanon", *The Abba Eban Institute for International Diplomacy* (December), https://cf0909f1-a183-41fd-a688-2fa0d7ca2267.filesusr.com/ugd/163650_aa36f2c7c7894afba4e12c3d7ae48d00.pdf

According to former British Home Secretary Sajid Javid, since banning all of Hizballah, the UK has maintained strong ties with Lebanon.

Javid acknowledged that Hizballah is well integrated into the Lebanese political system and acknowledged that there was reluctance in Britain's Foreign Office to cease contact with Hizballah-linked officials. But he said of the eventual decision to extend the proscription of Hizballah: "The relationship with Lebanon is as strong as ever. The international development program we have, we had to recalibrate some of them, stop one or two of them and invest in others, that work continues."²¹

Javid detailed that British diplomats were provided with a three-month grace period to cease working with Hizballah in Lebanon, including on humanitarian programs, before the announcement was made. "Once pushed to do it, they did it," Javid said.²²

We can also consider Germany, which designated Hizballah as a terrorist group in April 2020. Germany bilateral relationship with Lebanon continued even after this time.

In December 2020, the German Federal Foreign Office wrote expansively of the assistance Germany had provided to Lebanon in the aftermath of the Beirut Port explosion. Assistance totalling 24 million Euros was delivered directly, via UN agencies and via NGOs. Designating Hizballah does not seem to have affected Germany's ability to provide a diverse array of support to the Lebanese people.²³

(4) Australia's designation is inconsistent with its closest security allies leaving Australia a safehaven for Hizballah operatives.

As discussed in the introduction, Australia is out of step with its closest security allies in its treatment of Hizballah.

United States Secretary of State Antony Blinken reiterated in May 2021 the dangers posed by Hizballah and the need for robust legal prohibitions:

"The threat that Hizballah poses to the United States, our allies, and interests in the Middle East and globally, calls for countries around the world to take steps to restrict its activities and disrupt its facilitation networks. We applaud the countries in Europe, and

²¹ American Jewish Committee. Enough is Enough (2020).

²² *Ibid.*

²³ Federal Foreign Office (2020) "Help for Beirut", (December 12) <https://www.auswaertiges-amt.de/en/aussenpolitik/laenderinformationen/libanon-node/help-for-beirut/2403922>

South and Central America that have taken action against Hizballah in recent years and call on other governments around the world to follow suit.”²⁴

Hizballah is designated in full as a terrorist organisation by three Five-Eye countries, the United States, the United Kingdom and Canada. The Arab League, the Gulf Cooperation Council, Germany, Japan, the Netherlands, Paraguay, Argentina and others also list all of Hizballah as a terrorist organisation.

Most recently, Austria added Hizballah to its terrorist list. In announcing Austria's change in approach, Foreign Minister Alexander Schallenberg was reported as saying: “This step reflects reality. The group itself makes no distinction between the military and the political arm.”²⁵ The timing of Austria's move was particularly noteworthy, given Vienna is currently hosting discussions aim at reviving the failed 2015 Joint Comprehensive Plan of Action (JCPOA), also known as the Iran Nuclear Deal.

The European Union and New Zealand designate only Hizballah's Military Wing, although as previously stated, some EU member states have independently extended the designation.

Hizballah is active well beyond its borders. It has been found stockpiling weapons-making equipment and bomb components in the United States and United Kingdom. It is a key player in the drugs trade in South America. It has purchased or attempted to purchase weapons and dual-use technology in China. And there have been foiled terrorist attacks by Hizballah militants in Thailand.

Given the global nature of the organisation, there is a risk, if Australia continues to lag other countries in listing Hizballah in its entirety as a terrorist group, that the organisation will view Australia as a safe-haven where it is subject to less draconian surveillance or laws than in other jurisdictions.

(5) There is no reason to believe that maintaining relations with Hizballah, a Shi'ite group, allows Australia to better combat Sunni-Islamist terrorism.

Hizballah is active militarily in the Middle East, but it certainly does not play a peace-making role. In fact, Hizballah is a proxy for the region's chief destabilising force, Iran.

Some analysts have suggested that proscribing Hizballah may harm Australia's interests in combatting Sunni violent extremism. There is no doubt that it is in Australia's interests

²⁴ US State Department (2021) “The United States Impedes Hizballah Financing by Sanctioning Seven Individuals” (May 11), <https://www.state.gov/the-united-states-impedes-hizballah-financing-by-sanctioning-seven-individuals/>.

²⁵ Harkov, L (2021) “Austria outlaws Lebanese terrorist group Hezbollah”, *The Jerusalem Post*, May 14, <https://www.jpost.com/middle-east/austria-outlaws-lebanese-terrorist-group-hezbollah-668096>.

to see the decline – even the defeat – of Sunni radicalism and terrorism in the Middle East and beyond. But Hizballah is not Australia's partner in this fight.

In December 2020, Hizballah Secretary-General Hassan Nasrallah boasted that his group had doubled its arsenal of precision guided missiles and could use them to strike anywhere in Israel.²⁶

Hizballah has been militarily active in Syria for the duration of the civil war in support of oppressive dictator Bashar al-Assad. Hizballah does the bidding of its patron, Iran, in Syria.

Hizballah has also publicly supported the Iran-backed Houthis in Yemen and in 2018, a photo of a Beirut meeting between Hizballah leader Hassan Nasrallah and senior Houthi officials Mohamad Adbelsalam, Abdul Malik al Ajri and Ibrahim Al Daylami was circulated.²⁷ There were also reports that that same year, Hizballah militia were killed in an airstrike in Yemen by coalition forces.²⁸

And while Hizballah militants have been involved in actions against ISIS or other Sunni combatants, as former UK Home Secretary Javid said, "Our enemy's enemy is not our friend. They are both terrorist groups."

Particularly with the decline of ISIS in the region, it is impossible to find open-source evidence that suggests it is necessary to maintain good relations with Hizballah in order to protect Australia's obvious national interest in combatting Sunni terrorism.

Conclusion

AIJAC urges the Parliamentary Joint Standing Committee on Intelligence and Security to seriously consider again recommending an expansion of the listing of Hizballah's ESO, although this time, to Hizballah in its entirety.

It is a recommendation that is firmly within Australia's national interest to protect domestic security, to better support some of our strongest allies and to remain consistent with our security and intelligence partners.

²⁶ "Lebanon: Hezbollah claims to have doubled its precision-guided missiles in a year", *Middle East Monitor* (29 Dec 2020), <https://www.middleeastmonitor.com/20201229-lebanon-Hezbollah-claims-to-have-doubled-its-precision-guided-missiles-in-a-year/>

²⁷ Gutowski, A (2018) "Hezbollah's Nasrallah meets with Houthi leadership" (August 21) *Threat Matrix Blog*, Foundation for Defense of Democracies, <https://www.longwarjournal.org/archives/2018/08/nasrallah-houthi.php>

²⁸ "Saudi-led coalition says killed 8 Hezbollah fighters in Yemen" (2018) *Reuters* (June 25), <https://www.reuters.com/article/us-yemen-security-group-idUSKBN1JL0YR>

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