

Submission to the

Senate Foreign Affairs, Defence and
Trade References Committee

for the

Inquiry into funding for public research
into foreign policy issues

by

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on

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Executive Summary

This submission to the 'Inquiry into funding for public research into foreign policy issues' focusses on think tanks' involvement in the foreign-policy-making process. The submission makes the following assertions:

- Think tanks can and do play an important role in the policy process.
- Successive Australian governments have provided financial support for several internationally-focussed think tanks, and they have benefited from the institutes' informed policy analyses and advice.
- The financial support for these internationally-focussed think tanks has, however, been highly concentrated.
- The result is a striking lack of diversity in Australia's internationally-focussed think tank industry.

This submission recommends that the Australian government provides public funding for a new 'Australian Institute of Foreign Policy'. An expanded stock of sophisticated foreign policy ideas from highly-informed analysts will ultimately benefit all Australians.

Introduction

This submission responds to the referral by the Australian Senate on February 25, 2021, to the Foreign Affairs, Defence and Trade References Committee of an *Inquiry into Funding for Public Research into Foreign Policy Issues*.

My submission has been invited due to my work on a PhD in political science within the Department of Government and International Relations at the University of Sydney. My PhD commenced in July 2018 and examines the influence of think tanks on policymaking in Australia. The thesis will be submitted for assessment by the end of 2021.

Before returning to full-time study in 2017 (at which time I completed a Master of International Relations), I worked in the financial services industry for more than twenty-five years. I am currently a casual lecturer (Adjunct Professor) at the University of Sydney Business School.

My submission asserts that the Australian government should fund a new foreign-policy-focussed think tank. The production of independent ideas focussed on international affairs is currently insufficiently diverse. But think tanks can and do make meaningful contributions to the Australian public policy landscape. These contributions should be encouraged through government investment in Australia's foreign policy intellectual infrastructure.

The Australian Think Tank Industry

Background

This submission draws substantially upon research completed for my PhD, which is itself the most comprehensive study ever completed on the Australian think tank industry.¹ My thesis is deliberately neutral in its disposition and is free of normative judgements throughout. The material contained within my PhD is specifically adapted to meet the requirements of the present inquiry. My submission focuses solely on Australian think tanks' public policy contributions – no other stakeholders are considered.

As background, my PhD thesis is divided into two parts. Part One explores the evolution of the Australian think tank industry, its structural and operational diversity, the financial circumstances of the constituent institutes, the institutional constraints on the industry's development, as well as the broader objectives, methods, and target audiences of think tanks. Part Two seeks to more directly assess the influence and effectiveness of specific think tanks by conducting in-depth examinations of their involvement in particular policy issues.

To be clear, my PhD thesis examines the *entire* Australian think tank industry. It does not specifically focus on those think tanks with a foreign policy remit. Nevertheless, this broader

¹ Prior significant studies were completed by Marsh (1980) and Stone (1993).

focus allows for an informed appraisal of the opportunities and benefits of expanded public funding for foreign-policy-focussed institutes.²

Briefly, my PhD thesis – and the content contained within this submission – has been informed by 186 responses to self-administered expert surveys (involving federal politicians, print-media journalists, and think tank executives), 102 semi-structured interviews (yielding over 65 hours of content), the attendance at 43 live think tank events, plus the extensive analysis of primary and secondary documents, think tank videos and podcasts.

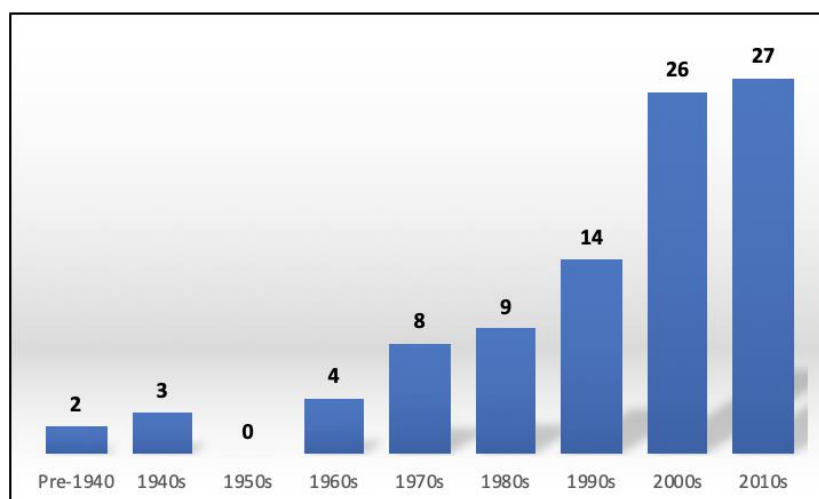
Conceptualising Think Tanks

One of the more intractable issues in the study of think tanks is defining the universe. My study takes a broad definition and includes institutes that are structurally affiliated (in a legal sense) to both government and universities. In my conceptualisation, the key determinant of population inclusion is the requirement for an institute to ‘generate policy-oriented research, analysis, and advice on domestic and international issues that enables policymakers and the public to make informed decisions about public policy issues’ (McGann, 2016, p. 10). My research finds ninety-three policy institutes in Australia that are consistent with this definition.³

Australian Think Tanks: The Population

The rate at which think tanks are being established in Australia has quickened. Chart 1 details the Australian think tank industry’s evolution and illustrates how their formation has jumped over the past two decades. I assert that the inauguration of the Australian Strategic Policy Institute (ASPI) in 2001 was a watershed moment for the industry, signalling that government was open to – indeed, encouraged – contestable ideas generated outside of government.

Chart 1: Think tanks established in Australia by decade

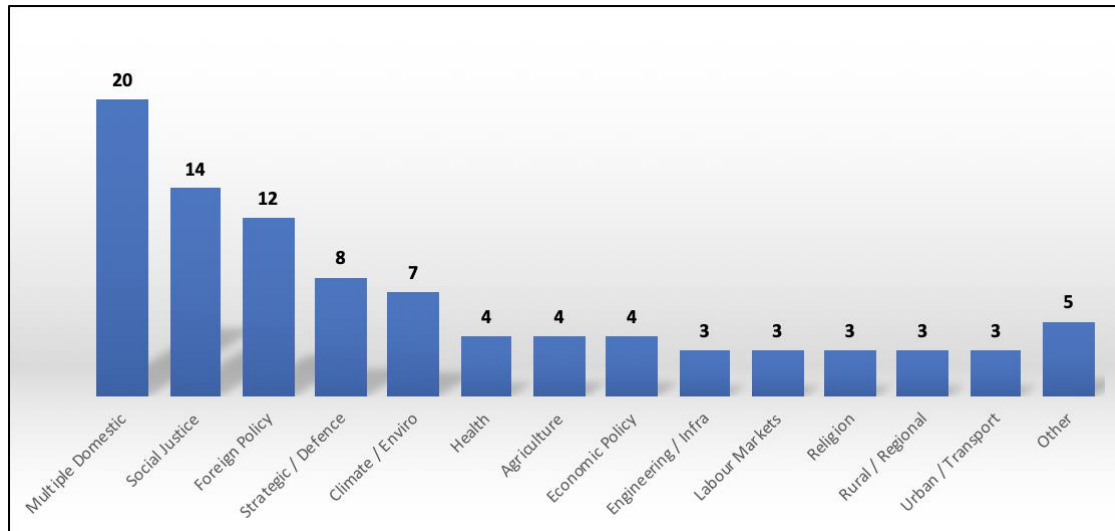


² I refer to think tanks and policy institutes interchangeably in this submission.

³ There is no claim here that this list is definitive. There may be other institutes that I did not identify which warrant inclusion. Fifty-eight think tanks are identified using a narrower definition that excludes university- and government-affiliated entities (Rich, 2004, p. 11).

Chart 2 illustrates the primary focus of the identified policy institute universe. The chart depicts a broadly-focussed but generally shallow allocation of institutes across policy areas.

Chart 2: The diverse focus of Australian public policy institutes



Foreign-Policy-Focussed Think Tanks

Chart 2 suggests foreign-policy-focussed think tanks are well represented relative to the population. But a closer inspection reveals a lack of institutes *specifically dedicated* to the production of foreign policy ideas – particularly outside of a university setting.

Table 1 identifies the policy institutes with a primary focus on foreign policy and notes whether the institute is affiliated with a university. Those highlighted in red have no structural affiliation to a university and can be said to be structurally independent. However, it should not be inferred that those entities with a structural affiliation produce ideas of lesser merit than those without. Nor should it be inferred that a university affiliation will impinge upon the intellectual independence of that institute. Neither is implied here. But most of these university-affiliated entities do not have a dedicated policy focus – most are made up of scholars who have traditional academic responsibilities (teaching and the production of journal articles) in addition to their (mostly secondary) policy persuasion efforts. The Perth USAsia Centre is a noteworthy exception. This institute does not have an educational mandate and is made up of dedicated policy-oriented scholars.

Table 1: Australia's foreign-policy-focussed think tanks⁴

Think Tank	University Affiliation
Asia Society Policy Institute	None
Asialink	UMLB
Australia China Relations Institute	UTS
Australian Institute of International Affairs	None
China Matters	None
Griffith Asia Institute	Griffith
Indonesia Institute	ANU
Indonesia Project	None
Lowy Institute for International Policy	None
Perth USAsia Centre	UWA
The Australian APEC Study Centre	RMIT
United States Studies Centre	USYD

Although the present inquiry's mandate does not stretch to strategic (security- and defence-related) issues, it is worth noting the policy institutes with such a focus. There is some overlap in the mission between the entities I classify as primarily focussed on foreign policy issues and those focussed on strategic issues. Table 2 presents the latter.

Table 2: Australia's strategic-policy-focussed think tanks

Think Tank	University Affiliation
Australian Strategic Policy Institute	None
SAGE International Australia	None
Australia Defence Association	None
Future Directions International	None
Institute for Regional Security	None
The Sir Richard Williams Foundation	None
Strategic and Defence Studies Centre	ANU
National Security College	ANU

The present submission's focus will be on those entities contained in Table 1, although important contextual references will also be made to those institutes included in Table 2.

An inspection of the activities, focus, structure, resources, financial circumstances, and outputs of these policy institutes reveals that this internationally-focussed sub-group (combining those with a foreign-policy and strategic focus) is oligopolistic in nature. That is, a few institutes dominate this marketplace for ideas. Indeed, I identify only one foreign-policy-focussed institute as nationally prominent – the Lowy Institute for International

⁴ Several other university studies centres might have been included in Table 1, but for reasons beyond the scope of this submission, were not. A non-exhaustive list of examples includes the Australian School on China in the World (ANU), the Crawford School of Public Policy (ANU), the Coral Bell School of Asia Pacific Affairs (ANU), and the China Studies Centre (USYD).

Policy.⁵ The number of prominent institutes extends to two when including the strategic-policy-focussed ASPI.

Institutes such as Asialink, the United States Studies Centre (USSC) and the Perth USAsia Centre are undoubtedly distinguished organisations. But when politicians and journalists were asked as part of my PhD survey to identify think tanks that they believed had influenced public policy, only the USSC was identified (on one occasion). On the other hand, the Lowy Institute was identified on twenty-six occasions, and ASPI was identified on fourteen occasions. For context, the Grattan Institute (which focuses on domestic policy) was the most identified think tank overall (fifty-nine times).

Again, such survey questions provide little insight into the quality or applicability of the work produced by these entities. But it does intimate how frequently and extensively these institutes are involved (or perceived to be involved) in foreign policymaking. Unless a think tank's policy ideas capture the attention of policymakers – or they are at least broadly aware of them – the institute will have limited impact on the policy process. The Lowy Institute (and ASPI) possess dedicated policy-focussed resources unmatched by any other of the above entities. This resource endowment allows them to consistently produce policy-relevant research of considerable profile.

The style of output produced by these think tanks is also highly relevant. Most of the listed institutes produce content that might have policy implications, but Lowy and ASPI consistently and specifically target policy by producing proposals of direct and immediate relevance to policymakers. Many others produce commentary. This commentary might be highly informed and shape the thinking of policymakers in certain areas. But the supply of commentary is abundant – it is a saturated market versus the one in which sophisticated policy-oriented research is produced.

Some think tanks – such as the Australian Institute of International Affairs (AIIA) – produce neither policy-oriented research nor commentary. Instead, they act as a forum for discussion to promote a deeper understanding of foreign policy issues by the Australian public (an important sub-sector of the think tank community).

Australian Government Funding for Public Policy Research

As the Lowy Institute has extensively documented – something that requires no reprise here – funding for policy work within the Department of Foreign Affairs and Trade (DFAT) has been restrained for an extended period (see the Lowy *Diplomatic Deficit* series of reports). But at the same time, the Australian government has played an important role in the development of the Australian think tank industry. Both major political parties have sought to promote the origination of policy ideas outside the confines of government.

⁵ 'Prominence' is assigned a particular meaning in the current context. Prominent policy institutes possess sophisticated intellectual resources which are widely identified and desired by a diverse elite audience (see Grossmann, 2012; Halpin & Fraussen, 2017).

Seed Funding

The first major investment by the Australian government in a structurally-independent think tank was in 2001. The Australian Strategic Policy Institute was seeded with \$2 million from the Department of Defence and was guaranteed a further \$2 million to \$3 million per annum for a further seven years under a Funding Agreement signed with the Department (ASPI, 2002).

The apparent effectiveness of the ASPI experiment (in working with both the government and the opposition) encouraged subsequent investments in additional institutes. Table 3 lists think tanks that have attracted seed funding from the Australian government since 2001. Not all of these institutes focus on foreign policy, but it is important to detail the policy areas that respective Australian governments deemed worthy of public support.

Table 3: Think tanks seeded with federal government funds

Think Tank	Year Established	Government Seed-funding	Political Party
Australian Strategic Policy Institute	2001	\$2.0mm	Coalition
United States Studies Centre	2007	\$25.0mm	Coalition
Grattan Institute	2008	\$15.0mm	ALP
Regional Australia Institute	2012	\$8.0mm	ALP
Perth USAsia Centre	2013	\$0.4mm	ALP
China Matters	2015	\$0.3mm	Coalition

Of these six institutes, four have an international remit (ASPI, USSC, Perth USAsia Centre, and China Matters). There is, however, a noticeable absence of funding for an institute with a broader foreign policy remit. ASPI focuses on security-related issues; the USSC focuses on the dynamics shaping America and the implications for Australia; the Perth USAsia Centre focuses on geopolitical issues engaging Australia, the US, and the Indo-Pacific; and China Matters focuses specifically on Australia's relationship with China.

There are two additional points to note about the seed-funding detailed in Table 3:

- In addition to the \$15 million endowment from the federal government, the Grattan Institute received \$15 million from the Victorian government (in 2008), \$4 million from BHP (\$2 million in 2010 and in 2011), and \$1 million from National Australia Bank (\$0.2 million per year for five years from 2009). It has not received further government funding since. It is true the Grattan is almost entirely focussed on domestic policy, but as one of Australia's most prominent think tanks, it is worthy of consideration in the present context (Grattan, 2009, 2010, 2011, 2012, 2013).
- The \$25 million government funding for the USSC is managed in trust by the American Australian Association, which also manages the Perth USAsia Centre's funding (USSC, 2021).

Government Grants

Think tanks in Australia regularly receive grant funding from the federal government. In recent years, the most eye-catching grant has been to ASPI. The Institute received a \$22

million grant (covering a five-year period) from the Department of Defence in August 2018. The grant seeks to ‘promote informed discourse and debate [...] by creating and disseminating new insights, concepts, understandings and policy recommendations relevant to the Australian Government’ (GrantConnect, 2019). Such a sizable bestowal suggests that the Department of Defence sees continued value in the offerings of ASPI.

Other recent grants in the foreign policy (and security-related) space include a \$0.52 million grant to SAGE International Australia to analyse strategic policy in the Indo-Pacific (December 2018); \$0.43 million to the Lowy Institute for China-related public diplomacy activities (December 2020); \$0.26 million to the AIIA to promote ‘public understanding of foreign affairs’ (July 2020); and \$0.1 million to the Institute for Regional Security to deliver ‘high quality policy advice’ (December 2018).⁶

The Department of Foreign Affairs and Trade has also funded specific projects at the Lowy Institute. For example, Lowy’s elaborate Pacific Aid Map – which tracks foreign assistance to fourteen Pacific Island nations – was substantially funded by DFAT (although the extent of funding cannot be directly identified). So, although the Lowy Institute is privately funded from an operational perspective, it does attract government funding on a project-specific basis. Indeed, for the year ended June 30, 2020, Lowy received 39 per cent of its gross income (equivalent to \$2.8 million) from government grants (ACNC, 2021). In aggregate, over the five years from 2016-2020, 28 per cent of Lowy’s gross income came from federal government grants (a total of \$13.6 million out of \$48.1 million) (ACNC, 2021).

In sum, Australian government funding is substantially concentrated in the hands of two foreign-policy- and security-focussed think tanks: Lowy and ASPI. The ongoing funding of the USSC is difficult to directly determine due to the government’s arms-length relationship (funding flows via the Australian American Association).

Quality and Diversity of Foreign-Policy Focussed Think Tanks

There is limited diversity in Australia’s foreign-policy-related think tank industry. Few institutes have the available resources (fiscal and intellectual) to consistently produce detailed, policy-relevant research which might reasonably attract the attention – and impact the thinking – of our policymakers.

Of the institutes listed in Table 1, only one – the Lowy Institute – provides dedicated resources to international affairs *beyond* Asia and the United States. Australia’s future is most deeply linked to the prosperity of these two jurisdictions, but the lack of attention elsewhere is striking. From where outside of government will sophisticated policy ideas flow should Europe or the Middle East – historical hotspots – again suffer conflict or hardship? The academic community is well versed in these affairs, but it is questionable whether policymakers are amenable to their offerings (or whether policymakers are indeed the intended audience of academic writing). Even those institutes which focus specifically on the Asian region – routinely of greater import to Australia – have either a limited remit (single-

⁶ All figures sourced from the GrantConnect (2019) website.

country focus), limited resources, or competing institutional requirements (university educational programs).

The quality of think tank outputs is more difficult to measure. It is apparent that both DFAT and the Department of Defence value Lowy and ASPI's outputs. Both policy institutes have established deep ties with these departments due to their regular production of sophisticated research and analysis. Importantly, these outputs are reliably policy-relevant and typically sensitive to political circumstances.

But institutes beyond Lowy and ASPI have also produced research that has purportedly influenced government thinking – perhaps a measure of research quality. Examples of such comprehensive research might include the Perth USAsia Centre's *Critical Materials for the 21st Century Indo-Pacific* (May 2019), and the United States Studies Centre's *Averting Crisis: American Strategy, Military Spending and Collective Defence in the Indo-Pacific* (August 2019).

Australia does have some quality foreign-policy-focussed think tanks with high-quality scholars housed within. The question here should therefore be, is Australia currently maximising the value of intellectual resources we possess? Based on my PhD research, the answer to that question is 'no'. We should bear in mind that Australia has established four highly-regarded think tanks with public money in the past two decades (ASPI, USSC, Grattan, and Perth USAsia Centre), in addition to one with private money (Lowy), and we have successfully resourced those entities with sophisticated scholars who have made meaningful contributions to policymaking. The most serious barrier-to-entry preventing the development of a genuine marketplace for foreign policy ideas is the adequate provision of financial, not intellectual, resources.

Enhancing Public Understanding of Foreign Policy Issues

Greater diversity in the foreign-policy-focussed think tank community will promote broader public discussion of international affairs. Think tanks engage with the media as routine. Most recognise that selling their intellectual offerings to the public – even if that is an informed public – is an important step that influences the extent to which they are involved in the policy process. It is rare that a significant new report from Lowy or Grattan (as Australia's most prominent domestic-policy institute), for example, is not accompanied by a systematic media strategy. Compare in this regard the ability of Australia's best-resourced centre of foreign-policy ideas – DFAT – to proactively explain Australia's foreign policy options and actions to the Australian public.

An exemplary case that illustrates this point is the Lowy Institute's series of reports on Australia's so-called *Diplomatic Deficit* (Blue Ribbon Panel, 2009; Oliver & Shearer, 2011). For over a decade, Lowy has been publicly arguing that DFAT is under-resourced in key areas, to the detriment of all Australians. The tangible impact of Lowy's propositions has been mixed, but the key point is that as a think tank Lowy could publicly argue a case that the department itself could not.

A key finding detailed in my PhD thesis is that governments (and oppositions) actively *make use of think tanks* to prosecute a particular policy issue. This is not to suggest that think tanks prosecute policy *on behalf of* governments. I find no direct evidence of think tanks being servants to government, despite some claims which suggest that to be the case. What I do find is that governments benefit from pointing to the research or assertions of think tanks when they are congruent with the government's views on a particular policy issue. But there is a crucial point to be made here. Governments (and oppositions) only see the benefit in doing this when the think tank is perceived to be centrist, or non-partisan. Both major political parties have employed the work of Lowy, ASPI, and Grattan in favour of their objectives. This is because, despite occasional accusations of inclinations to the left or right, these three institutes demonstrably straddle the partisan divide.

In short, more voices in Australia's foreign-policy-focussed think tank community will lead to greater discussion of foreign policy ideas in the public sphere. An escalation of public debate will doubtlessly enhance public understanding of Australia's global, regional, and bilateral interests.

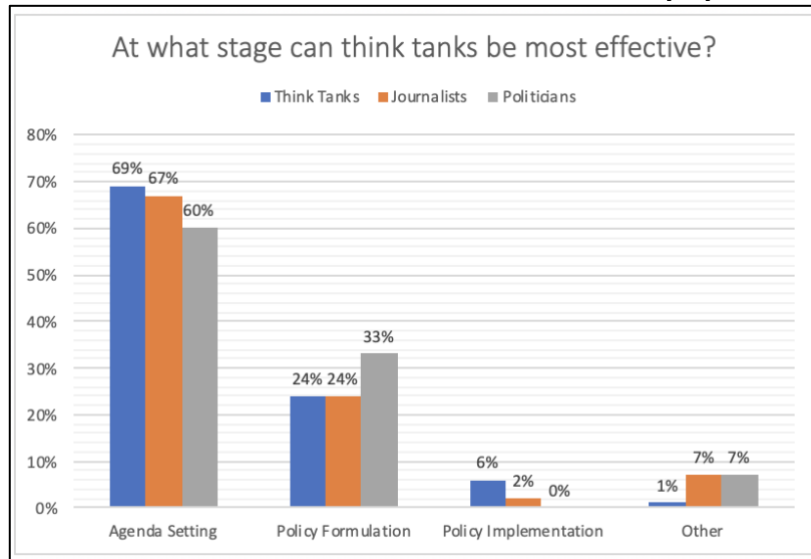
Government Engagement with Think Tanks in Developing and Implementing Policy

It is more straightforward to identify the government's engagement with think tanks on domestic policy issues than in the foreign policy arena. Fewer think tanks and a lesser profile for international affairs makes for a smaller universe of exemplar cases. Further, many think tanks do not actually seek to engage in policy development and implementation. Think tanks such as the Lowy Institute (in the international sphere) and the Grattan Institute (in the domestic sphere) emphasise the provision of policy prescriptions. But it is not always so. Instead, introducing a policy idea or perspective into the public debate can plant the seeds for future policy harvesting.

Think tanks target different parts of the policy cycle. Some are very prescriptive and specifically target policy formulation. Others instead focus their activities very early in the policy process and attempt to define issues or set agendas. As part of my PhD survey, federal parliamentarians, print media journalists, and think tanks themselves were asked where they believed think tanks could most effectively impact policy. Chart 3 details the results.

It is instructive that one-third of politician respondents consider think tanks to be most effective at the policy formulation stage; more than either journalists or think tanks themselves. Politicians believe that (some) think tanks can develop worthwhile policy proposals; one-third of the fifty federal parliamentarian respondents would not have selected this option otherwise.

Chart 3: Think Tank Effectiveness Across the Policy Cycle



It was noted earlier that some think tanks – such as Lowy and ASPI – have developed deep ties with the Australian government. In some cases, these relationships extend further than the provision of policy ideas. For example, ASPI conducts professional development training with the Royal Australian Air Force (Jennings, 2019). Lowy has hosted a lecture by every Australian Prime Minister and Minister for Foreign Affairs since its inception in 2003 (Lowy, 2019a). As highly-regarded politically-unaligned institutes, they provide a neutral ‘safe-space’ for government officials to talk directly to a public audience.

Some internationally-focussed think tanks provide the government with resources and benefits beyond policy development. The Institute for Regional Security (IFRS) and the Australian Institute of International Affairs (AIIA) have both been involved in Track 1.5 engagements, providing the government with a means to conduct arms-length diplomatic dialogues.⁷ Independent think tanks (which are well-respected and not politically aligned) are well-positioned to conduct these dialogues. They are not burdened by representing a particular constituency and can therefore act as good-faith interlocutors in foreign policy discussions.

Strategies to Build Knowledge which will Support More Effective Foreign Policymaking

This submission makes four central assertions:

- 1) Think tanks can and do play an important role in the policy process;
- 2) Successive Australian governments have provided financial support for several internationally-focussed policy institutes, and they have benefited from the institutes’ informed policy analyses and advice;

⁷ The IFRS received a government grant of \$11k specifically for a track 1.5 strategic dialogue in July 2019 (GrantConnect, 2019)

- 3) But the financial support for these internationally-focussed think tanks has been highly concentrated. Private funding has not emerged to the extent it has for domestically-focussed institutes;
- 4) The result is a striking lack of diversity in Australia's internationally-focussed think tank industry.

If the Australian government agrees that the Lowy Institute and ASPI, as exemplars, have provided valuable public goods – as the ongoing funding of these institutes suggests – then the government should question the degree to which it leans on these institutes for their products and ideas. The development of a broader market for policy advice will benefit all Australians. But the concentrated exposure to a dominant few seems inconsistent with the idea of a vibrant, contestable market for policy ideas.

To redress this situation, I propose the following four measures.

First, the Australian government should fund the establishment of a new 'Australian Institute of Foreign Policy'. This new institute should specifically focus on foreign affairs rather than strategic policy (acknowledging that there are overlapping themes and issues). The Lowy Institute has persuasively demonstrated that Australia's instruments of foreign policy have been retarded by insufficient DFAT funding. A relatively modest investment in a new foreign policy institute will at least partially redress this deficit.

The proposed institute should have a primary focus on the Indo-Pacific region. But it should properly cover the ASEAN nations – an area currently under-served by our incumbent think tanks. In this authors view, it is imperative that the proposed institute also stretches its gaze beyond our immediate region. There is a dearth of independent policy analysis and advice on regions that have previously shaped Australia's domestic affairs.

A highly concentrated focus on a single jurisdiction is not recommended. Some Australian think tanks have been attacked for their alleged sympathies with foreign governments or ideologies. The USSC, China Matters, and the Australian China Relations Institute have all been political pawns at some time in the past decade, perhaps impinging on their effectiveness for a period of time. A broader focus would free a new institute from real or perceived cognitive biases and harmful political point-scoring.

The Australian government should have access to analysis and advice beyond that produced by the prominent incumbent institutes. A modest government investment would encourage a healthier marketplace for ideas by creating a capable intellectual challenger to the existing protagonists.

Second, the government should jointly fund this new think tank with a private partner or a willing state government (similar to the establishment of the Grattan Institute). A private partner is likely to be one of Australia's leading commercial organisations or a wealthy individual philanthropist. The Lowy Institute has demonstrated that a think tank's intellectual outputs can be isolated from a major benefactor's personal interests.

Importantly, the funding of the proposed institute should not impact the financial commitments to existing think tanks. To be clear, this submission does not suggest that those institutes currently enjoying government funding should have their fiscal circumstances tested by a redirection of funds. Any reduction in current levels of support – beyond that already imagined – would be entirely counterproductive. This submission advocates in favour of new public money in support of the expansion of the industry.

The findings from the *‘Review of the Department of Foreign Affairs and Trade Annual Report – 2009/10’* (Foreign Affairs Sub-Committee, 2011) and the inquiry into *‘Australia’s Overseas Representation’* (Foreign Affairs Sub-Committee, 2012) strongly recommended augmentation of Australia’s foreign policy infrastructure. This augmentation was to be manifested in the form of increased DFAT funding. An alternate means to bolster our intellectual infrastructure is to invest in a new foreign-policy-focussed think tank, as proposed here. This alternative would come at a fraction of the cost.

Third, if sufficiently sized, the initial capital injection could be one-off (like it was for Grattan). Alternatively, a smaller initial investment coupled with recurrent contributions over successive years would be equally effective (as per ASPI). For guidance, the average annual expenses incurred by the Lowy Institute between FY2015 and FY2019 were \$9.2 million (Lowy, 2015, 2016, 2017, 2018, 2019b). Over the same period, ASPI averaged \$7.3 million, and Grattan averaged \$5.3 million (ASPI, 2015, 2016, 2017, 2018, 2019; Grattan, 2015, 2016, 2017, 2018c, 2019b). The expense differentials are substantially explained by operational differences (ASPI conducts professional development training; Lowy invests heavily in digital and online technology; Grattan concentrates on research production).

The contention here is that the Grattan Institute represents the appropriate benchmark for expense modelling. A wholly research-focussed foreign-policy equivalent to Grattan is what is envisaged by this author. It is important to note that Grattan was seeded with \$35 million (over several years) with the Australian government contributing \$15 million. That capital balance has remained largely intact since. As at the financial year-end June 30, 2020, the Grattan capital balance was \$31 million – the largest capital balance of any Australian think tank by a substantial margin (CEDA comes second with approximately \$10 million) (CEDA, 2020; Grattan, 2020).

Fourth, the new institute should be structured in a manner consistent with that of ASPI.

The governance structure of ASPI has considerable appeal and has ensured the institute has remained non-partisan since its inauguration. Particularly attractive, the ASPI Board of Directors must include nominees from both the Australian Prime Minister and the Leader of the Opposition (ASPI, 2002). The caveat here is ASPI was not part-privately-funded, as is proposed in the present case.

The additional benefit of this structure (and proposal overall) is that it promotes the development of a so-called ‘revolving-door’ between government and the independent think tank industry. Think tanks can be both incubators and ‘holding pens’ for highly-capable future public administrators, ultimately benefiting both major political parties. Stand-out examples in this regard are two Lowy Institute alumni – Allan Gyngell (who went from government, to the founding Executive Director of Lowy, to the Director-General of the

ONA), and Andrew Shearer (who went from government, to Lowy, and is now Director-General of ONI).

There is no reason why a comparable cultivation of intellectual resources cannot be repeated in a new foreign-policy-focussed institute seeded by the Australian government.

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