

Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

31 March 2021

Re: Submission for Inquiry into the Funding for public research into foreign policy issues

Thank you for the opportunity to make a submission on the quality and diversity of think tanks in Australia and on current Australian government funding for public research into foreign policy issues.

The Australian Institute of International Affairs (AIIA) is an independent, non-profit, community-based organisation promoting interest in and understanding of international affairs in Australia. It was formed in 1924 and established as a federal body in 1933. It is the only nationwide organisation of its kind in Australia. Its mission is to reach beyond the professional and scholarly elites and work to help all interested members of the Australian community know more, understand more and engage more with international affairs. Many prominent members of the Australian foreign affairs establishment have been involved with its operations. Its National Presidents have included Sir Ian Clunies Ross, Sir Richard Boyer, Sir Garfield Barwick, Sir Russell Madigan and the Hon. Kim Beazley AC. Its current National President is Allan Gyngell AO, former Director General of the Office of National Assessments. However, it is an organisation that exists for all Australians. For example, it has played a special role over the years in introducing school and university students across the nation to the discussions about Australia and its place in the world.

It is currently financed by members' contributions, royalties from publications, a small subvention from the Department of Foreign Affairs and Trade, tax deductible donations from individuals and businesses, and funding for work on specific projects, including an Indo-Pacific research forum.

It is the institute's goal to have an active presence in every Australian state and territory. The AIIA consists of independent branches located in six Australian states and territories, and a National Office in Canberra. It is currently in the process of setting up a branch in the Northern Territory. Precluded by its constitution from expressing any opinion of its own about international issues, it provides a forum for the presentation, discussion, and publication of a wide range of views on those issues, and also works to educate the community about them.

Given its interest in international affairs, and its important role in the dissemination of information about, and views on, these matters, the AIIA has a direct interest in discussions on public funding of think tanks and other such institutions. Along with the Lowy Institute and the Australian Strategic Policy Institute, the AIIA considers itself one of only three publicly funded foreign policy institutes in Australia with a broad research agenda. That is, beyond international affairs, these three institutes do not restrict their focus to a particular demographic, issue area, or region. This is reflected in the recognition of their output. Along with two other publications associated with universities, the AIIA's *Australian Outlook*, the *Lowy Interpreter*, and ASPI's *Strategist* were recently listed in the *South China Morning Post* as Australia's five major foreign policy commentary venues.

The quality and diversity think tanks add to the debate on foreign policy

Beyond that broad definition, the three institutions mentioned above are clearly different “types” of think tank with different levels of funding, different ways of approaching their missions, and different views on what their mission is. Indeed, the subject matter considered in think tanks in Australia is diverse. In addition to think tanks with a broad focus, a number of institutes with a narrower focus, such as the Perth USAsia Center, the US Studies Centre, AsiaLink, China Matters, and the Australian China Relations Institute contribute to the diversity of the debate on foreign policy in Australia.

The AIIA considers the quality of the debate produced by think tanks in Australia to be extremely high and varied. Think tanks in Australia produce accessible publications of a consistently high standard. The AIIA itself publishes the *Australian Journal of International Affairs* (AJIA), the nation’s foremost academic journal in the field. The AJIA plays a vital role in sustaining the study of Australian foreign policy, defence and national security issues in Australian universities by providing Australian academics the opportunity to publish in a highly rated scholarly journal which supports research on Australian subjects. Every five years, the AIIA also publishes the multi-author volume *Australia in World Affairs*, which has provided a comprehensive survey of Australian foreign policy since 1950. This is in addition to more irregular publications, such as a multi-author volume on *Australia and the Rules-based International Order*, to be published in the upcoming weeks, and an ongoing series of books on Australian diplomatic history. The AIIA is currently pursuing projects that will lead to policy brief publications on health, connectivity, and maritime security in the Indo-Pacific. The AIIA’s publications add to the rich diversity of publications on foreign policy produced by other foreign policy think tanks.

The nation’s foreign policy discourse is also greatly enhanced by the weekly publication of foreign policy articles from authors of different backgrounds in *Australian Outlook* (10 articles per week including a weekly “round-up” on Australian foreign policy), the *Lowy Interpreter* (12-13 articles per week) and the *ASPI Strategist* (20 articles per week).

Events also enrich the debate on international affairs in Australia, and this is an area where the AIIA excels. The institute usually hosts about 200 events on international affairs per year across the country. The move to online and hybrid events after the onset of the COVID pandemic, while it slowed the overall delivery of events, has had a marked positive effect on the visibility of the AIIA. Now all AIIA members across the country can access all branch events for free. Moreover, most of the 120 lectures, roundtables, panel discussions, interviews, debates and other events it has hosted since the onset of the pandemic—and the many more to come—will be available permanently online for free at [Youtube.com/aiiavision](https://www.youtube.com/aiiavision). The roughly 35 and 30 public events advertised respectively on the ASPI and the Lowy Institute websites during the same period will also serve as a valuable resource on international affairs.

In addition to its expansive programme of online events, the AIIA organises a national conference each year that serves as the nation’s premier conference on Australian foreign policy. The conference attracts close to 400 participants and features experts and practitioners from parliament, government, academia, and business. Ministers and shadow ministers have consistently presented the keynotes at the conference. It is priced specifically so that members of the public can attend, and various sponsorship packages enable young participants to also benefit from masterclasses the day before the conference. While the conference was cancelled due to the pandemic in 2020, the AIIA intends to hold it again in October this year. The institute’s Victoria branch also hosts an annual careers conference that attracts around 200 students and early career professionals.

Think tanks also aid expert foreign policy discussion and ensure Australian voices are heard in international venues through in-person international events in Australia and overseas. For example, the last such event the AIIA organised before the pandemic was a roundtable in Tokyo on maritime security and institutions in the Indo-Pacific. That event brought Australian academics into contact with their colleagues from Japan, South East Asia, South Korea, Europe, New Zealand, India, and the United States. The AIIA maintains similar ongoing projects with international partners, and it has supported major international conferences, such as the EU-Australia Leadership Forum.

Australian Government Funding for Think Tanks is Uneven

Think tanks clearly enrich the debate on foreign policy in Australia. However, government funding of foreign policy think tanks varies greatly in Australia. The AIIA, which has modest funding to begin with, recently renewed a three-year contract with the Department of Foreign Affairs and Trade for an annual subvention of \$80,000, amounting to six percent of its overall income in 2018-19, calculated across its National Office and branches. In all, the AIIA received \$122,900 (or 9.3 percent of its 2018-19 income) from the Australian government. In contrast, the Lowy Institute received \$2.6 million (21 percent of its income) in 2018-19. ASPI maintains yearly core funding of \$4 million representing 43 percent of its overall budget in 2018-19. This is in addition to commissioned government grants. In all, ASPI's Australian Government funding totals around 65 percent of its total budget. All three institutions state in their publicly available materials that they value a diversified funding structure, but there are clearly different results.

Australian Government funding for publicly funded foreign policy think tanks

Institution	Status	Australian Government Funding 2018-19	percentage of total income
Australian Institute of International Affairs	Independent charity	\$122,900	9%
Lowy Institute	Independent charity	\$2.6 million	21%
Australian Strategic Policy Institute	Commonwealth Company	\$6.2 million	65%

AIIA figures taken from internal information. Lowy Institute figures taken from ACNC register. ASPI figures are approximate and taken from the ASPI Annual Report.

What explains this divergence? First, the missions of the various organisations surveyed here may sometimes align, but their organisational cultures are different. The AIIA and the Lowy Institute were established as private entities. To speak for the AIIA: while it has a very close working relationship with DFAT, the institute values its independence from *all* governments. The AIIA throughout its history has worked efficiently to achieve its mission, while relying on grants and projects that were not sourced from the Australian Government. Meanwhile, it relies on a significant reservoir of goodwill among both the general community and senior figures within the foreign policy establishment. Many of the activities of its branches are supported by enthusiastic volunteers, and many of the products of the institute, such as its popular podcast *Australia in the World* and much of *Australian Outlook*, is produced at cost to the institute as a service to the public.

Second, and related to the first point, there is a significant capacity gap when it comes to writing grant applications. Think tanks which may be highly effective in organising events and projects and publishing a steady stream of online articles, may nevertheless be time poor. Many of the more lucrative Australian Government tenders are for specific innovative projects whose parameters are determined by the government. Organisations that do not have base funding and, therefore, staff with time dedicated to researching and responding to specific tenders will prefer to either stick to their familiar sources of funding or to create their own projects and seek funding for them. This may well create a vicious cycle where only certain institutes have the capacity to apply for tenders. This would decrease the diversity of thinking on foreign policy.

- Recommendation: The Australian Government should allocate staff associated with the departments offering tenders and task them specifically with approaching time- and resource-poor institutions to explain both what is available and the requirements of tender applications.

Third, and more relevant to the standing committee's inquiry into funding on foreign policy, it is clear that the rate of increase in funding for defence has outpaced that for the foreign service in Australia in recent years. This may well be justified by the fact that increases in the cost of technology to field a first-rate military expand faster than the staffing costs to fund the diplomatic service. There is no authoritative measure that the AIIA knows of to indicate total government spending on think tanks or to track think tank spending according to departments. However, it is clear that the Department of Defence has significantly more funding overall, and therefore more to allocate in this area than DFAT. This naturally leads to greater

funding for think tanks that focus on defence-related issues.

However, there is little reason why a government, in its allocation of funding, should prioritise think tanks that focus on defence over those that focus on foreign policy. Militaries might well have increased technology costs, but the costs for think tanks focusing on either foreign policy or defence are in staff, office rent, communications technology, and travel. These costs, *ceteris paribus*, should be roughly the same between think tanks that focus on foreign affairs and defence respectively. Both types of institutions focus on intellectual problems that require the same level of brainpower.

- Recommendations: The Australian government should establish a whole-of-government register to show which Australian Government departments are contributing resources to which think tanks. This would not only allow for greater public oversight, it would allow important committees such as the joint standing committee on foreign affairs defence and trade to better assess the efficacy of think tank funding and the rationale for funding by different departments.
- There is little reason to suppose that the costs associated with thinking on defence are any greater than those associated with thinking on foreign policy. The Australian government should therefore reassess its funding to think tanks to achieve a greater balance in favour of foreign policy research and solutions.
- A “rebalancing” in terms of funding should also reflect institutional imperatives. That is, not only should relatively more funding be provided to projects that focus on foreign policy, DFAT should be in control of relatively more funding for think tanks and similar organisations, to ensure that the institutional needs of the foreign service are better catered for in the discussion on foreign policy.

There is no doubt that Australia faces a profoundly changed international environment and this will require not just innovative policy approaches from the government but the engagement of the broader community as well. The AIIA’s origins lie in the discussions held between allied delegations at the Paris peace conference in 1919 after the First World War who asked themselves how such a catastrophe could be prevented in future. The answer they came to is again highly relevant at this time – deeper our communities of the issues at stake and the discussions about our responses.

The AIIA believes that funding for public research into current and emerging foreign policy issues affecting Australia needs to be recalibrated to ensure that it is more broadly spread. Australia is not the only country facing this problem. The interim National Security Strategic Guidance for the United States released by the Biden Administration notes that “because the federal government does not, and never will, have a monopoly on expertise, we will develop new processes and partnerships to ensure that state, municipal, tribal, civil society, nonprofit, diaspora, faith-based, and private sector actors are better integrated into policy deliberations.”

We are better served when Australians, that is, *all* Australians, not merely experts, politicians, and public servants, know more, understand more, and engage more in international affairs.

Yours sincerely,

Dr Bryce Wakefield
National Executive Director