

16

Robert O'Neill and the Birth of ASPI

Hugh White

On 29 August 2001, a group of people gathered in a pleasant but nondescript conference room in a pleasant but nondescript office building in the inner Canberra suburb of Barton to launch the operations of a new, government-funded but independent think tank, the Australian Strategic Policy Institute (ASPI). This was the first meeting of ASPI's Board of Directors, or Council as it was decided they should be called. They were a moderately diverse and distinctly talented group of people, including several former cabinet ministers and other senior politicians, two currently serving heads of major Commonwealth departments, a former senior public servant, a retired major general, and a distinguished senior international businessman. At the head of the table sat Professor Robert J. O'Neill AO, who thus began his time as Chairman of the ASPI Council and guiding hand for this new venture, a position in which he was to serve until 2005.

For some people, the duties of a position like that might be taken rather lightly, as an agreeable and not too onerous way to keep busy in retirement. Bob O'Neill is not one of those people. As chairman, Bob brought all the energy, acumen, tact and organising ability that he has shown throughout his remarkable career. These capacities were certainly needed, because the task of establishing ASPI was, in its own small way, quite formidable, and one to which Bob's capacities

and experience were ideally matched. Indeed, Bob's engagement with this task began several years before that first council meeting. To understand the nature of the challenge — and Bob's contribution to it — we need to go back to the origins of the idea that became ASPI and see how it developed.

Those origins can be traced to late March 1996, a few weeks after the installation of the first Howard Government following the general election that month. Howard's first defence minister was Ian McLachlan, who came to the portfolio with strong ideas about the importance of contestability in policy advice. He had been influenced especially by the quite radical experiments in contestability that had been undertaken in New Zealand by both Labour and National governments over the preceding decade, which he had got to know well in his earlier roles as a leader of farmer's organisations. These views were shared by many of his ministerial colleagues, but McLachlan, as a committed activist and Canberra outsider, was more inclined than most to push to see them implemented.

Thus it was that during one of the many introductory discussions on policy questions with senior military and civilian defence officials — conducted in this case on a government VIP plane over central Australia — McLachlan taxed his advisers to suggest alternative sources of advice on the big defence policy questions he was going to face as minister. It was explained to him that defence remained one of the dwindling number of bastions of non-contestability in public policy in Australia. While many individuals and institutions studied international relations and the diplomatic aspects of strategic policy — especially in relation to alliances — very few did detailed or authoritative work on core questions of defence and strategic policy in ways that could contribute to informing and contesting official policy advice. 'Well', said the minister, 'we will have to fix that. Prepare me some advice about how that can be done.'

It would take a careful study of defence records not yet open to the public to track the progress of this task over the years that followed, but by the time McLachlan left the portfolio following the 1998 election he had decided that the best way to enhance defence policy contestability was to establish a small, stand-alone institute. This body was to be funded from the defence budget while operating quite independently of it, with the mission to provide ministers with

alternative advice on the full range of high-level defence and strategic policy decisions. He was succeeded as minister by John Moore, who shared McLachlan's interest in policy contestability and enthusiastically took up the task of establishing the new institute. Work on establishing the new institute proceeded over the next couple of years, though perhaps inevitably it had to jostle for high level attention with major issues like the unfolding East Timor crisis of 1999 and the preparation of the Defence White Paper in 2000. A series of decisions by the minister based on submissions from defence began to lay out the broad outlines of the proposed institute.

Perhaps most importantly, the institute's roles and functions were established and, flowing from that, the basic organisational structure was determined. At a fairly early stage it was decided that the institute would have four main functions. The first three of these were clearly set out in 2001 in the charter letter sent by the then minister to council members on the occasion of that first council meeting in 2001. He wrote:

The Government has three key underlying purposes in setting up an independent strategic policy institute.

- First, to provide alternative sources of input to Government decision-making processes on major strategic and defence policy issues. The Government believes that contestability of advice is an important contributor to good public policy, and is concerned that in the strategic and defence policy arena the range of alternative views on which the government can draw is not well developed. ASPI is intended to help remedy this, both directly through its own work and indirectly by encouraging others into the field. An independent policy institute structured along the lines envisaged has the potential to be a valuable source of alternative views on a wide range of issues. By doing so it should also encourage other organisations and individuals to seek to contribute in more concrete and realistic ways to addressing our strategic and defence challenges.
- Second, ASPI is intended to help nourish public debate and understanding. The Government believes that improved public understanding of strategic and defence issues is an important long-term investment in Australia's security. Good policy must be informed by a well-informed public debate, and be supported by a sophisticated public understanding of the choices that need to be made.

- Third, the Government believes that Australia needs to invest in nurturing a body of men and women, working both inside and outside Government, who are expert in the strategic policy issues faced by Government. The Government therefore hopes that ASPI, in fulfilling the first two objectives outlined above, will also contribute to the development of professional strategic policy expertise in Australia.¹

The fourth purpose was reflected in the words the minister quoted from ASPI's corporate constitution, which cast additional light on the other roles, as follows:

The company's object is to function as a strategic policy research centre, independent of Government, providing policy-relevant research and analysis to better inform Government decisions and public understanding of strategic and defence issues, by:

- Conducting and publishing research on issues related to Australia's strategic and defence policy choices.
- Preparing policy inputs on strategic and defence issues to Government, as requested by Government, subject to funding.
- Conducting a program of activities to increase understanding of strategic and defence policy issues among Australians, and to encourage the development of expertise in topics relevant to Australia's strategic and defence policy choices.
- Promoting international understanding of Australia's strategic and defence policy perspectives.²

The differences in these formulations are intriguing, but the key elements are very plain. Most importantly, it is very clear that the government's original key aim in establishing ASPI was to provide alternative sources of policy advice to the government itself on specific defence policy decisions. This reflected not just the somewhat doctrinaire commitment to policy contestability which McLachlan, Moore, and others had brought into government in 1996, but their experience of dealing with defence policy questions since then. For reasons that would be hard to pin down, and although relations between ministers, individual officers, and officials were professional, respectful, and even at times warm, it might be said that the Howard Government never established an easy relationship with the defence

1 ASPI (2001) 'ASPI Charter'. Available at: www.aspi.org.au/about-aspi/charter.

2 Ibid.

organisation. A few specific issues, especially on questions of defence material and acquisition, and most particularly the troubles of the Collins-class submarine, led ministers to be impatient and even suspicious of defence advice, and thus increasingly eager to find alternative ideas and arguments to test that advice against.

The second major role — very important, but clearly subordinate to the first — was to ‘nourish public debate and understanding’ of defence issues. Ministers clearly felt that building and sustaining support for good defence policy was made harder by the relatively unsophisticated way that defence issues were seen and debated by the public. The contrast was drawn here with the way public understanding of and debate about economic policy issues had evolved over recent decades, and how important that has been to building public support for major economic reforms of the kind that had been carried out in the 1980s. It was intended that ASPI would provide a source of well-informed, professional, impartial, and non-partisan commentary that would help Australians understand the real nature of defence policy choices facing the country.

The third major role was to help build professional strategic policy expertise, both in government and in the wider community. Ministers had become aware that the pool of such expertise seemed to be shrinking as the group of people who had lived and worked through the major defence policy revolutions of the 1960s, 1970s, and early 1980s began to retire. Shifts in attitudes and expectations after the Cold War especially seemed to reduce interest in the rather demanding and often arcane disciplines of defence policy, especially those related to the complex interconnections between high strategy on the one hand and specific choices about capability and operations on the other. It was never intended that ASPI should run educational courses of its own, but it was expected that its work would support and contribute to courses run by others, and that it would provide career development opportunities for people committed to working in the field.

The fourth role was to help promote international understanding of Australian strategic and defence policies. This reflected ministers’ awareness that the 1990s had seen something of a boom in the development of non-official and semi-official — ‘Second Track’ and ‘One and a Half Track’ — security dialogues in Asia. They had become a key element of the slow, tentative, but nonetheless important

process of development of regional multilateral security institutions and architectures in the post-Cold War Asia; such exchanges were favoured in a region still very wary of anything that smacked of formal alliances or defence groupings. They had also become important in the development of a number of key bilateral security relationships between Australia and Asian countries — especially those major powers beyond Southeast Asia, with which we had previously had little contact on strategic and defence questions. When the end of the Cold War began to raise new questions about the future strategic order in Asia and the roles of these major powers in it, Canberra was keen to build these relations and dialogues in a low-key way. Second Track and One and a Half Track exchanges were seen as a very effective way of doing so. Australia had already taken a big part in these exchanges and dialogues through institutions such as ANU Strategic and Defence Studies Centre, but the ministers saw merit in broadening and deepening the range of participants available from Australia. In particular, it was thought that the new institute might evolve into a fitting counterpart for the government-funded institutes of strategic studies that had been established in most ASEAN countries, and which played a central role in these dialogues.

Once these functions had been broadly agreed, attention turned to the structure and organisation of the institute intended to fulfil them. Clearly this was something that had to be approached very carefully. To achieve the first of its goals — independent policy advice to government — the new institute would need to be independent of defence, and some consideration was given to it being established within or attached to another department, such as finance. But to achieve its second goal — to contribute to public debate — it was clearly essential that it should be, and be seen to be, independent of government as a whole. At the same time, the government needed to be sure that the institute would fulfil the functions for which it was being established and funded. Some initial consideration was given to the idea of establishing it within an existing university, but preliminary exchanges with potential hosts clearly indicated that it would be hard to strike the right balance between independence of output and fulfilment of broad purposes under that kind of arrangement.

An extensive survey was undertaken by defence into different organisational models for the institute. It examined the institutional structures of government-funded but independent policy research

institutes and think tanks in the strategic and defence policy field and more broadly in Australia and overseas. The conclusion was reached that the best approach would be to establish the institute as a company limited by guarantee under the *Corporations Act*. The key features of this model were that the Commonwealth would be the sole member — shareholder and owner — of the company with the right to appoint members of the board or council, while the council would be independently responsible for fulfilling the purposes for which it had been established. The government could fund the institute via a straightforward contract between itself (in this case, defence) and the company. In order to absolutely clarify the government's intentions to the council, a charter letter could be issued from the minister, as shareholder, setting out these intentions — including its intentions in regard to independence. The key passage on this issue in the charter letter addressing this issue is as follows:

[T]he Government places high priority on the development of ASPI as a centre of excellence in strategic thinking which both is, and is seen to be, independent of Government. At the same time, the Government will want to ensure that its significant investment in the establishment of ASPI is being used effectively to achieve the aims outlined in this letter. The Government will therefore seek, through the mechanisms outlined earlier in this letter, to have a regular input into the setting of ASPI's research agenda.

The Government's aim through those mechanisms will be to ensure that the Institute's research program generally addresses the kinds of strategic issues that confront Australian policymakers, and that specific issues of high interest are addressed. It will not seek to exercise a veto over the study of any particular topic, nor will it seek to direct the conclusions that might be published on any topic.³

Though this could hardly have been expressed more clearly, it was nonetheless very evident, as it had been from the time the idea for the institute had first been put forward, that the job of leading and steering the institute would fall very heavily on the chairman of the council. The chairman would have to be able both to guide the work of the institute in the fulfilment of its roles, and to steer it through the inherent complexities of its relationships with government and a wide range of key stakeholders. This was going to demand a rare

3 Ibid.

combination of skills and attributes. First, the chair would need to have real expertise and standing in Australian defence and strategic policy issues. Second, the chair would need experience in the leadership and management of centres of research and think tanks working in the strategic and defence fields. Third, the chair would need a strong public reputation, both in Australia and internationally, and a network of contacts around the world to establish the new institute's standing and help it build connections within Australia and beyond. And, finally, the chair would need high order political and diplomatic skills to manage the delicate balancing of the institute's unusual position and status.

It is immediately clear from this list of attributes why Bob O'Neill was not just the most obvious and best possible candidate for the role of chairman, but in a very real sense was the only possible candidate. There is no need here to elaborate on just how perfectly Bob met the demands of the position. His credentials as an army officer, an official historian, a major contributor to debates on defence policy, and a noted public intellectual; his leadership of SDSC, and later of IISS, both as director and chairman; his contribution to international strategic debates in these roles and at Oxford; his phenomenal international standing and network; and his renowned skill in the delicate and principled management of complex personal relations and organisational politics — all of these made him the ideal person to become Chairman of the ASPI Council. By great good fortune the timing worked well with Bob's plans to return to Australia after his retirement from the chair at Oxford.

All this was clear long before the final arrangements for the establishment of ASPI had taken shape. Bob was first approached about taking on the chair over dinner in the Berkeley Hotel, London, by John Moore during a visit to the UK in November 1999, and a public announcement was made about his willingness to take up the position soon after. The ensuing delays in getting the institute up and running were a little frustrating, but they did mean that by the time of the first council meeting, Bob had finished at Oxford and had returned to Australia, having in the meantime built his remarkable house at Long Gully. The final cabinet considerations regarding the structure, organisation, and funding of ASPI were concluded in August 2000, and it remained only for the defence minister — now Peter Reith, following Moore's resignation in January 2001 — to nominate and

appoint the remaining council members before the work of creating the institute could commence. This final step took far longer than anyone expected, and it was not until the middle of 2001 that the minister, in close consultation with the prime minister, settled on a list of names.

The group that assembled for the first council meeting were, as we have seen, an interesting and impressive body. The Deputy Chairman was Major General (Retd) Adrian Clunies-Ross, former Deputy Chief of Army. The prime minister's nominee was former senior minister Jim Carlton, and the leader of the opposition's nominee was former Senator Stephen Loosely. Alan Hawke and Ashton Calvert were members *ex officio* as secretaries of defence and foreign affairs. Other members included former cabinet minister and shadow defence spokesperson, Jocelyn Newman; Roland Williams, a leading businessman and former senior Shell executive; and former Treasury Deputy Secretary and prominent economics commentator, Des Moore. Over the next few years this proved to be a capable and generally harmonious group, though the task of chairing it was not always a simple one, and there were occasions in which Bob's formidable skills as chairman were needed to keep things moving forward.

At that first meeting, the council confirmed the appointment of ASPI's first director — that was me — and approved initial plans, which had been developed under Bob's guidance, for the establishment of the institute, including its organisational structure, staffing, recruitment, premises, and financing. Following that meeting, a contract was signed with defence for funding of around \$2.7 million per year over seven years. The institute was to consist of three major research programs — strategic and international, capability and operations, and resources and management — reflecting ASPI's remit to work across the whole range of defence policy questions. Each program would be headed by a program director. The permanent staff would be kept quite small, with a lot of research work to be contracted out. Total staff would number about 12, and recruitment would get underway immediately, with a view to the office opening for business and commencing work in early 2002. After some consideration of whether the institute should be located somewhere other than Canberra, it was confirmed that it would operate from the office suite which defence had leased in Arts House, Braddon. This location was chosen because it was

close to Parliament House, the Press Gallery, and major departments, and it was convenient to, but symbolically across the lake from the Department of Defence on Russell Hill.

While all this work was underway, of course, the world moved on. Within a few weeks of the first council meeting, and before ASPI had begun operations, the terrorist attacks of 11 September 2001 transformed many aspects of strategic and defence debates in Australia and around the world. Moreover, a federal election in November 2001 returned the Howard Government, and immediately thereafter Robert Hill replaced Peter Reith as defence minister. These changes had complex implications for ASPI's early years, and for Bob's role at the helm. On the one hand, the 9/11 attacks and all that followed ensured that defence and security questions would loom large in public and policy debates over the following years, and thus provided a very receptive environment for ASPI's launch and early work. On the other hand, the highly contested nature of some of those debates made the task of locating ASPI's role, and navigating bureaucratic, political, and ideological currents, more demanding than it might otherwise have been. Minister Robert Hill in many ways proved less receptive to ASPI's role and potential than his predecessors. While not in any sense hostile to the new institute, it would be fair to say that he was less interested in policy contestability and alternative sources of advice than his predecessors. This did nothing to prevent ASPI from flourishing, but it did mean that the nature of its role soon diverged somewhat from that envisaged at its original conception.

By the end of 2001, almost all the staff had been appointed. The three program directors were Dr Ellie Wainwright in the Strategic and International Program, Mr Aldo Borgu in the Capability and Operations Program, and Dr Mark Thomson in the Budget and Management Program. Mr Brendan McRandle, who had laid the organisational foundations for the institute as project manager for the establishment of ASPI in defence, became company secretary and outreach manager. Janis Johnston, recruited as librarian and publications officer, took on the major task of developing the look and feel of ASPI's publications and the creation of its website. From mid-January 2002, the staff began to assemble at the Arts House office, and ASPI was officially launched at a gala dinner, hosted by Bob, held at the Australian War Memorial on 13 March 2002. The keynote speech was delivered by the new Defence Minister, Robert Hill, who spoke warmly of ASPI's role.

'ASPI's success will depend on its ability to make a real contribution to the Government's thinking and to public understanding on the questions and choices that confront Australia in the defence and strategic area', Senator Hill said. 'It is an important and exciting task. I wish Chairman Bob O'Neill and his council and Hugh White and his staff success with their mission.'⁴

Well before this formal launch, the staff had begun work on ASPI's first publications. The first was released on 20 May 2002, the day East Timor's independence from Indonesia was formalised after the crisis of 1999. The report, *New Neighbour, New Challenge: Australia and the Security of East Timor*, was prepared by Ellie Wainwright.⁵ It explored the security challenges that East Timor would face as an independent state, and the role Australia might have to play in supporting it, including specific recommendations. It was launched by the Deputy Prime Minister Tim Fischer, and was very positively received in Canberra, Dili, and elsewhere. ASPI's second publication was released just a few days later. It was a highly ambitious attempt to analyse and explain the government's annual defence budget as it was presented on budget night in terms that laypersons could understand.⁶ The official presentation of the defence budget had always been notoriously opaque and incomprehensible, even to people within government and defence. ASPI believed that it would be impossible to foster a more rational and better-informed debate on defence priorities without a clear understanding of how the money was being spent and what things cost. Moreover, it was decided that, for maximum impact and benefit, this analysis should be published in time to help inform the senate committee budget hearings which begin just a few weeks after the budget is brought down in early May. After an astonishing marathon effort, Mark Thomson duly produced the first of what has become an annual series of ASPI defence budget briefs, which was launched in Parliament House in late May. This laid out in clear terms just what the defence budget was being spent on, and how well the

4 Hill, Robert, Minister for Defence (2002) 'Launch of the Australia Strategic Policy Institute', Media Release, 13 March. Available at: pandora.nla.gov.au/pan/33784/20030619-0000/www.minister.defence.gov.au/Hilltpl73be.html?CurrentId=1322.

5 Wainwright, Elsina (2002) *New Neighbour, New Challenge: Australia and the Security of East Timor*, Canberra: ASPI. Available at: www.aspi.org.au/publications/new-neighbour,-new-challenge-australia-and-the-security-of-east-timor/aspi-east-timor-book.pdf.

6 ASPI (2002) *The Cost of Defence: ASPI Defence Budget Brief 2002–2003*, Canberra: Australian Strategic Policy Institute.

numbers added up, as well as including clear recommendations for what could be done better. This immediately established ASPI as the authoritative source of information on and analysis of the hard nuts and bolts of defence policy.

Many more reports were to follow, each reflecting some basic principles that Bob had helped establish: that ASPI would only write on issues that had a clear *Australian* dimension, that it would focus on issues which were predominantly *strategic* in nature — in the narrower sense of that word — and that it would aim always to engage directly in policy debates by addressing questions on which Australia was facing clear choices and would not shy away from giving a well-reasoned, evidence-based view of what choice should be made. In these exciting early days, Bob played a crucial role in shaping the broad direction and tone of our research and publication program, and in scrutinising each publication as it evolved. He read everything in draft and offered invaluable guidance on matters large and small. More broadly, he was closely engaged in every aspect of the setting to work of ASPI as a live operation.

This was not all he had to do in those early days. ASPI quickly found itself drawn into some quite difficult and contentious issues. Over those first few months, while ASPI's first reports were being prepared and launched, Australians — like others around the world — were starting to debate an issue which became unquestionably the most divisive question of national strategic policy since Vietnam — the proposal to invade Iraq. There was no way that ASPI staff could or should have avoided participating in that debate, but it naturally raised serious challenges as the new institute was looking to establish its position and role as a government owned and funded but independent policy player. The potential for ASPI to find itself embroiled in intense and difficult public debates had, of course, been recognised and accepted from the outset, and some important principles had been established and embodied in ASPI's charter: that ASPI as an institution would hold no view, but present the views of staff and others who contributed to its work, and that it would seek to publish a range of views on contentious issues. These principles served ASPI well, but it was nonetheless a stern test to find that, within a few months of its launch, ASPI staff were among those arguing against an invasion of Iraq for which the government was doing all it could to build support. It is worth noting that John Howard never, at least

to my knowledge, made any criticism of the role ASPI staff played in the debates over Iraq, which is a telling testament to his commitment to the concept on which it was established. Bob's steady hand no doubt played a big part in that. Bob played an enormously important role — including within the ASPI Council — in ensuring that these waves did not swamp the little ASPI craft so early in its voyage.

In all this, Bob showed perfect judgment in calibrating his role with mine as director. It helped enormously, of course, that in earlier times he had served on both sides of that line with great distinction, as Director and then Chairman of IISS. He always insisted scrupulously on the director's responsibilities for running the institute day to day, and was quite firm in resisting any attempt by other council members to intrude on the director's role. On the other hand, he was extremely generous with advice, encouragement, and support, and took very seriously his responsibilities, with his council colleagues, to set the parameters within which the institute should operate. No one could have brought as much experience, expertise, gracious generosity, and strength of character to the task of establishing ASPI as Bob. And it perhaps goes without saying that his standing as a major international figure in the world of strategic studies, his high public profile here in Australia, and the respect in which he was held by senior figures in the government did perhaps more than anything to establish ASPI's credibility in those early days, as it did throughout his five years as chairman. We were very lucky indeed to have him.

This text is taken from *War, Strategy and History: Essays in Honour of Professor Robert O'Neill*, edited by Daniel Marston and Tamara Leahy, published 2016 by ANU Press, The Australian National University, Canberra, Australia.