

ANNUAL REPORT

2019-2020

A S P I

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AUSTRALIAN
STRATEGIC
POLICY
INSTITUTE





ASPI ■ Level 2 40 Macquarie Street Barton ACT 2600 ■ T +61 2 6270 5100 ■ www.aspi.org.au ■ www.aspistrategist.org.au

ANNUAL REPORT

2019-2020



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ASPI

Level 2, 40 Macquarie Street
Barton ACT 2600
Australia

Tel + 61 2 6270 5100
Fax + 61 2 6273 9566
Email enquiries@aspi.org.au
Web www.aspi.org.au

www.aspistrategist.org.au

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Bushmaster protected mobility vehicles from 2nd Battalion, Royal Australian Regiment, travel in convoy during a patrol at Shoalwater Bay Training Area in North Queensland during Exercise Talisman Sabre 2017. Photo: Australian Department of Defence.

Illustration by Badiucao/<https://www.badiucao.com>

Australian navy ship in the Timor Sea, Darwin, Australia: iStockphoto/EAGiven

Flight Lieutenant Brittany Lovett, who is deployed to Afghanistan on Operation Highroad. Photo: Australian Department of Defence

Senator the Honourable Linda Reynolds CSC
Minister for Defence
Parliament House
CANBERRA ACT 2600

Dear Minister

The Council of the Australian Strategic Policy Institute has pleasure in submitting to you the annual report for the year ended 30 June 2020.

The report is presented to you in accordance with section 97 of the *Public Governance, Performance and Accountability Act 2013*.

The report has been prepared to conform with the requirements of the *Corporations Act 2001* and was approved by the Council at its meeting on 20 October 2020.

Yours sincerely



Lt Gen (Ret'd) Kenneth Gillespie AC DSC CSM

Chairman
20 October 2020

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'I sincerely thank Peter Jennings, the Executive Director of ASPI, for hosting this event here today. Peter and his team are critically important contributors to our national defence and also to our security dialogue. So Peter, thank you very much.'

Minister for Defence, Senator the Honourable Linda Reynolds CSC



Minister for Defence, Senator the Honourable Linda Reynolds CSC, addressing the Australian Strategic Policy Institute (ASPI) about the outcomes of the 2020 Defence Strategic Update and the 2020 Force Structure Plan, 2 July 2020. Photo: Defence image library.

MESSAGE FROM THE ASPI CHAIRMAN AND THE EXECUTIVE DIRECTOR

Clear strategic thinking and the value of contestable policy advice are never more important than in moments of crisis. With the world enduring the worst health pandemic in a century, an economic downturn second only to the Great Depression of the 1920s and 1930s, and challenges to the international rule of law from authoritarianism and from democratic malaise, 2019–20 will be remembered as a dark and difficult year. Indeed, in launching the Government’s *2020 Defence Strategic Update* and the *2020 Force Structure Plan* at the Australian Defence Force Academy on 1 July 2020, Prime Minister Scott Morrison observed: ‘This simple truth is this: even as we stare down the COVID pandemic at home, we need to also prepare for a post-COVID world that is poorer, that is more dangerous, and that is more disorderly.’

The team at ASPI worked hard during the year to meet the objectives set for the institute in its foundation Charter letter:

- First, to provide alternative sources of input to Government decision-making processes on major strategic and defence policy issues.
- Second, ASPI is intended to help nourish public debate and understanding.
- 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.

From mid-March 2020, like much of the Australian workforce, ASPI staff worked remotely for several months before a staged return to the office. We are very proud of the efforts of our staff. Despite the challenges, they have continued to produce high-quality research with an Australian and indeed global policy impact. This 2019–20 annual report shows continued growth in staff numbers, a widening funding base and a substantial upswing in our publications through many channels and covering many issues.

ASPI continues to be prominent in explaining the trajectory of Australia–China relations and locating in in the wider context of the shifting geopolitical balance. We see this as essential work, providing a broader context in which to understand government decision-making on

legislation designed to prevent covert foreign interference in Australian political and economic life. ASPI remains heavily engaged with parliamentarians, officials, the diplomatic corps, industry and the media on China and other subjects central to Australia's path to recovery from Covid-19, a return to healthy economic growth and strengthened national security.

The annual report also shows significant growth in funding support from some international partners. In common with many think tanks, universities and research institutions, ASPI depends on multiple sources of funding to grow our expertise and operations. The report shows this in detail. It is important to state that, in entering any financial relationship, ASPI insists on maintaining complete independence in its editorial judgements. Indeed, that independence is why people see value in sponsoring ASPI work and why so many people consider ASPI to be a touchstone of sound judgement and analysis.

We thank Professor Joan Beaumont AO, the Hon David Johnston and Mr Jim McDowell, who have completed their terms on the ASPI Council, for their valued contributions to the council. We welcome Ms Gai Brodtmann, Dr Lavina Lee and the Hon Dr Brendon Nelson AO to the council and look forward to working with them as ASPI looks towards the 20th anniversary of the institute's founding in 2021.

We would like to thank the Minister for Defence, Senator the Hon Linda Reynolds CSC, for her continuing close personal engagement and support, as well as the Defence Department, the Australian Defence Force and our many sponsors.



A handwritten signature in black ink, appearing to read 'K Gillespie'.

Kenneth Gillespie
(Chairman)



A handwritten signature in black ink, appearing to read 'Peter Jennings'.

Peter Jennings
(Executive Director)

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CHAPTER

1

OVERVIEW

Established by the Australian Government in 2001, the Australian Strategic Policy Institute (ASPI) has established itself as a trusted source of analysis and advice on defence, strategic policy and national security to government and the public. ASPI's constitution, charter and corporate plan guide our focus. As the international environment has changed since ASPI's establishment, that focus has broadened from defence through to a range of other strategic and national security areas.

Since its inception, the institute has developed into one of the leading independent research bodies in Australia. ASPI is unique in the scope of its research, capacity, expertise and ability to independently engage across official and public domains. The institute is recognised nationally and internationally for its significant contributions to important policy debates.

ASPI was again ranked as one of the world's best think tanks in the University of Pennsylvania's 2019 Global Go To Think Tank Index, which is the gold standard for annual assessments of think tanks' performance around the world. We featured in many of the notable rankings this year. Ranked at 13th in the Top Defence and National Security category, ASPI is the highest ranked defence and national security think tank in Australia.

ASPI operates out of an office in Canberra, with 64 staff at the end of June 2020. In addition, we have one offsite staff member and some part-time Visiting Fellows located outside of Canberra.

ASPI's work covers all aspects of national decision-making related to Australia's defence and security interests and whole-of-government policy responses, with an emphasis on political, economic and military security.

During 2019–20, Senator the Honourable Linda Reynolds CSC was the Minister for Defence, to whom we report. We thank her for her active support of the institute and thank the Opposition and parliament for their engagement with us.

PURPOSES

As outlined in our constitution, ASPI's objective 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.

Four specific purposes are included in ASPI's constitution and reflected in our corporate plan:

- 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.

Conducting and publishing research

The institute produces a range of publications throughout the year dealing with the spectrum of strategic and defence policy challenges and wider national security issues. In 2019–20, we produced a total of 57 publications. Detailed information about the full range of ASPI publications, including examples of media coverage, is in Chapter 3 and Annex A.

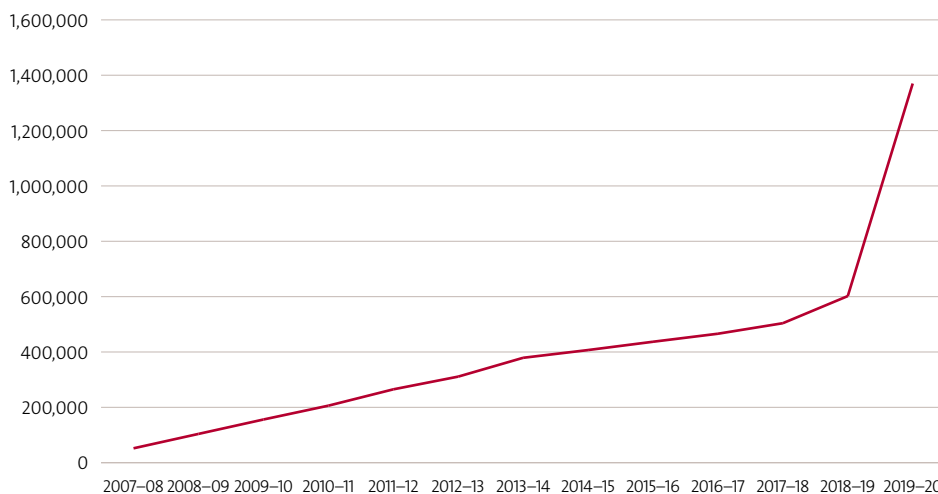
All ASPI publications are available for free download from our website. We have expanded our readership base worldwide, and there have been more than half a million downloads of our publications around the world since the introduction of free PDF downloads in 2007.

Readership of ASPI reports continues to grow year on year. In addition to the more traditional downloadable PDF reports and the newer 'feature' reports formatted to be read online, we have now produced several targeted websites that provide tools to support research efforts. Examples of our supporting sites include the *China Technology Map* and the *Chinese Defence University Tracker*.

The *Chinese Defence University Tracker* site is worth singling out this year, as it received a massive number of views following a *New York Times* story on a new US Government policy placing restrictions on scientists with defence interests from the People's Republic of China (PRC). The *New York Times* story referenced the ASPI site, and overnight a massive number of readers visited the site to check whether specific universities were referenced.

The readership of PDF and feature reports added an additional 36,000 and 328,000 views, respectively, to the cumulative total. When we add the views that the supporting sites received for the year (an additional 400,000), the new cumulative total is 1.3 million (see Figure 1).

Figure 1: Cumulative total views of ASPI reports since the introduction of free PDF downloads in 2007



ASPI continues to enjoy a substantial presence in the media landscape through our daily online publication, *The Strategist*, which allows us to examine contemporary security issues in a way that is consistent with our reputation for considered analysis. A major benefit is the ability to publish the views of analysts and commentators on current ‘hot topics’ quickly and in their own words, rather than through a media filter.

At 30 June 2020, *The Strategist* had more than 4,300 daily subscribers and 5,550 weekly subscribers. It recorded a total of 2,699,662 unique page views during the year, compared with 2,118,312 in 2018–19, an increase of 27.4%.

Strategist pieces have been quoted in other media reporting on numerous occasions. *The Strategist* is a useful vehicle for the media to easily identify ASPI analysts with particular subject-matter expertise, so pieces often lead to interviews. During 2019–20, we published 1,070 posts from 357 individual authors, covering all of the major areas of ASPI’s research interests.

ASPI staff are also frequent contributors to academic journals and other external publications. A list of selected external publications is in Annex B.

Contributing to government policy

ASPI's contribution to government policy thinking occurs at many different levels.

More formally, the following submissions were provided during the year:

- submission to the Joint Parliamentary Committee on Intelligence and Security in respect of a review of the Australian Citizenship Amendment (Citizenship Cessation) Bill 2019 (submission by Dr John Coyne)
- submission and evidence to the Independent National Security Legislation Monitor inquiry into temporary exclusion orders (submission by Dr John Coyne)
- submission to Parliamentary Joint Committee on Intelligence and Security inquiry into citizenship loss (submission by Dr John Coyne)
- submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade (full committee) as part of its inquiry into strengthening Australia's relationships with countries in the Pacific region (submission by Dr Paul Barnes)
- submission (no. 17) to the Joint Standing Committee on Foreign Affairs, Defence and Trade Defence Subcommittee inquiry into Australia's defence engagement with Pacific island nations (submission by Lisa Sharland and Genevieve Feely).

More informally, ASPI senior staff engage frequently in meetings with parliamentarians and senior bureaucrats to discuss a range of policy options.

Defence research projects

A portion of the funds that ASPI receives from the Department of Defence is directed to mutually agreed Defence-specific projects. During the year, those projects focused on:

- change in Australia's strategic environment and the implications for defence strategy and policy
- cyber policy, security and technologies and their application to Australian national decision-making and security
- capability assessment and change, including the implications of disruptive and emerging technologies for militaries and national security agencies
- defence budget analysis, including analysis of cost drivers, the implementation of the Integrated Investment Program and industry policy aspects.

Participation in government advisory committees and expert panels

Recognised for their expertise, ASPI staff have been invited to participate in a number of Australian Government advisory committees and expert panels, which include:

- member, consultative group: 2020 Asia–Pacific Ministerial Conference on Disaster Risk Reduction (DFAT)
- member of the Standards Australia committee MB-025: Security and resilience
- member of DFAT’s Advisory Group on Australia–Africa Relations
- ASEAN for the young cohort at the Department of the Prime Minister and Cabinet
- Quadrilateral Security Dialogue
- Australia – Southeast Asia Engagement Roundtable
- DFAT Diplomatic Academy
- Defence Department pre-Shangri-La Dialogue briefings.

Level of involvement by other Australian Government entities in ASPI research programs

While ASPI’s core funding for defence work comes from the Department of Defence, funding from other government entities has grown significantly. This has allowed us to expand the Defence, Strategy and National Security Program’s areas of research, to undertake specific training programs and to deliver contracted research and analysis. The commitment of other government agencies to funding ASPI for those programs demonstrates their confidence in our ability to provide high-quality, independent analysis and advice.

During 2019–20, ASPI received additional funds from:

- .au Domain Administration Ltd
- Attorney-General’s Department
- Australian Civil–Military Centre
- Australian Mission to the UN
- Australian Office Taipei
- Cyber Security Cooperative Research Centre Limited
- Department of Agriculture, Water and the Environment
- Department of Defence
- Department of Foreign Affairs and Trade

- Department of Home Affairs
- Department of the Prime Minister and Cabinet
- National Archives of Australia
- Services Australia.

Those funds contributed to the following research programs:

- International Cyber Policy Centre
- Defence, Strategy and National Security Program
- The North and Australia's Security Program and Strategic Policing and Law Enforcement Program
- International Program
- Risk and Resilience Program
- Counter-Terrorism Policy Centre
- Professional Development and Defence graduate programs.

Increasing understanding of and developing expertise in strategic and defence policy

Events

ASPI reaches a range of different audiences through a program of public and invitation-only events. During 2019–20, we conducted a total of 103 events, which included roundtable discussions, masterclasses and seminars attended by Australian and international participants. ASPI events made a valuable contribution to discussions about defence and national security issues in Australia.

The impact of Covid-19 on the events program has been significant. Most notably, the in-person annual conference was postponed from the originally planned date in June 2020 to 2020–21. Many planned public events, evening presentations and strategic international dialogues that were to be held from March 2020 through until the end of 2019–20 have been postponed or cancelled for that reason. It is anticipated the impact on Covid-19 will continue in the 2020-21 financial year.

Details about the full range of events that ASPI organises are in Chapter 4 and Annex D.

Media commentary

ASPI continues to play an important role in the media as part of our strategy for encouraging and informing public debate.

Every week, ASPI staff are contacted to provide comments or be interviewed for radio or television on the full range of research program areas. This amounts to hundreds of interviews throughout the year and reflects the standing that ASPI has established with the media as a credible and reliable source of information on what are often very complex issues.

As well as comments and interviews, 87 opinion pieces by ASPI staff were published during 2019–20. A list of the opinion pieces is in Annex C. Examples of media coverage and contributions to the national debate through our publications are in Chapter 3.

ASPI communication channels

ASPI uses a number of different tools to communicate research and analysis to a broad audience. In addition to the website and *The Strategist*, each element of our social media presence is designed to provide a unique user experience, and each channel complements the others.

Website and *The Strategist*

Visits to the ASPI website increased in 2019–20 year to a high of 1.1 million unique views, up from 598,000 the previous year (an 87% increase in views). While this increase is very encouraging, most of it related to a few specific reports that garnered wide attention; for example, the *Uyghurs for sale* report received 163,000 views on its own.

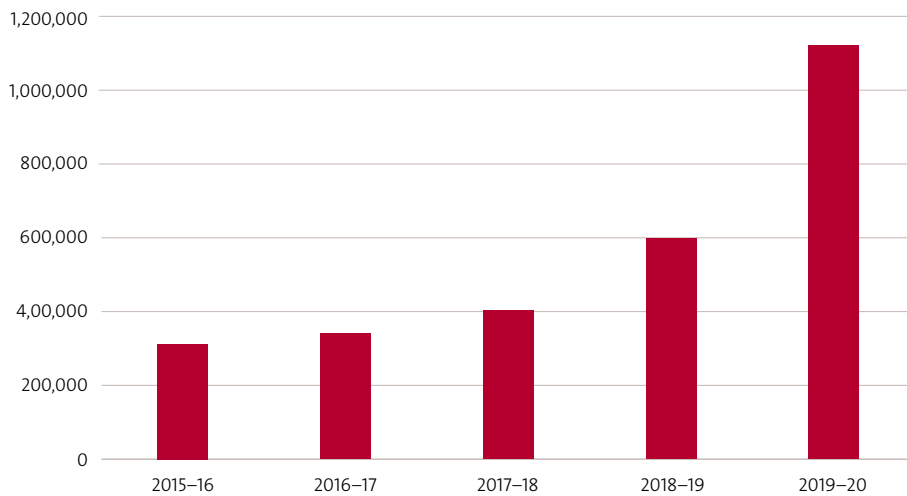
Last year, we reported a steady increase in attention to our work from international audiences. That trend appears to be continuing, as Australia was home to 32.9% of our readership in 2019–20, very closely followed by the US with 29.5%. Again, we expect that this surge in interest from the US may be because of a few specific reports; however, it is encouraging to see growth in ASPI's international profile. Table 1 shows the breakdown of website visitors from the top 10 countries of origin.

Table 1: Visitors to the ASPI website, by country of origin, 2019–20

Country	Percentage of total visitors
1. Australia	32.87
2. United States	29.47
3. United Kingdom	3.69
4. Canada	3.14
5. France	2.67
6. China	2.45
7. Japan	2.32
8. Hong Kong	2.19
9. Germany	1.63
10. India	1.50

Figure 2 shows the number of unique page views on the ASPI website from 2015–16 to 2019–20.

Figure 2: Number of unique page views on the ASPI website, 2015–16 to 2019–20



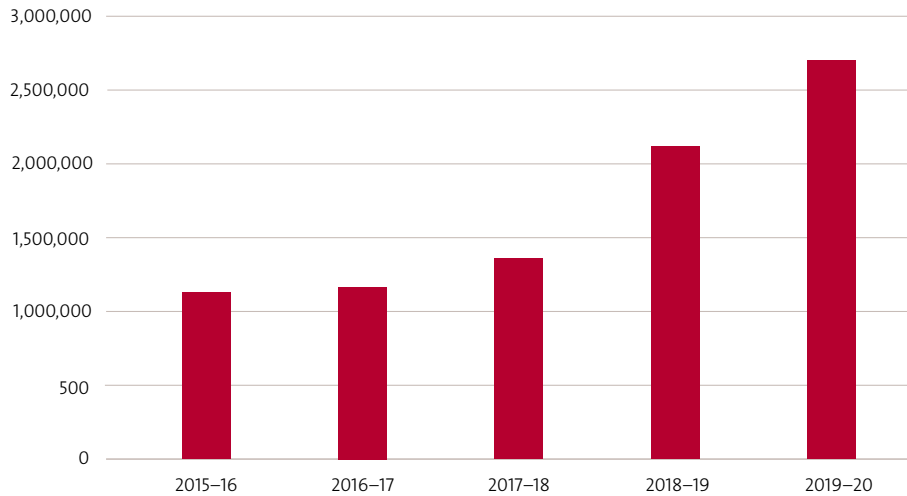
Around half of the readers of *The Strategist* in 2019–20 were in Australia. The top 10 countries of origin of *Strategist* readers (Table 2) differed slightly from those visiting the ASPI website. Visits to *The Strategist* grew by 27.4%, from 2,118,312 in 2018–19 to 2,699,662 in 2019–20. Total page views exceeded 3 million for the first time, growing by 29.1% from 2,348,898 in 2018–19 to 3,030,395 in 2019–20.

Table 2: Visitors to The Strategist, by country of origin, 2019–20

Top 10 countries of origin	Percentage of total visitors
1. Australia	46.56
2. United States	16.83
3. India	5.96
4. United Kingdom	3.71
5. Canada	2.19
6. Singapore	2.10
7. Indonesia	1.35
8. New Zealand	1.18
9. Philippines	1.04
10. Hong Kong	0.96

Figure 3 shows the number of unique page views on *The Strategist* from 2015–16 to 2019–20.

Figure 3: Number of unique page views on *The Strategist*, 2015–16 to 2019–20.



Twitter—@ASPI_org

We use Twitter to inform followers of newly released reports, articles and *Strategist* pieces, as well as to alert audiences to ASPI events and other developments. We 'live tweet' updates, images and quotes to Australian and international followers in near real time during ASPI public events. Our Twitter followers increased by 39% to 31,800 in 2019–20 from 22,888 in 2018–19.

Facebook

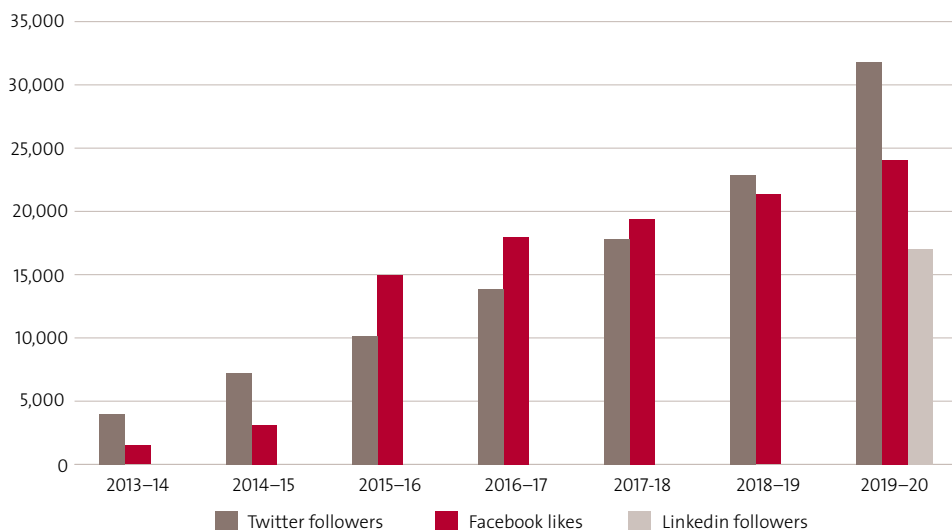
On Facebook, we post information about ASPI, internship opportunities, images, videos, event updates, news, newly released publications and *The Strategist* posts. Our Facebook followers increased to 24,068 in 2019–20, which was an increase of 13% from 21,340 in 2018–19.

Linked In

ASPI uses LinkedIn to promote information about our reports, events, job and internship opportunities and other notable developments. While data from 2018–19 is unavailable, LinkedIn has been included in this report because growth on the platform in the last quarter was significant, and interactions continue to grow. In June 2020, the page increased its followers by 24%. This will be a useful figure to measure at the close of the next financial year. In 2019–20, our page's LinkedIn followers increased to 17,016.

Figure 4 shows the significant growth in the numbers of ASPI's Twitter, Facebook and LinkedIn followers over the past five years.

Figure 4: Twitter, Facebook and LinkedIn followers, 2013–14 to 2019–20



YouTube

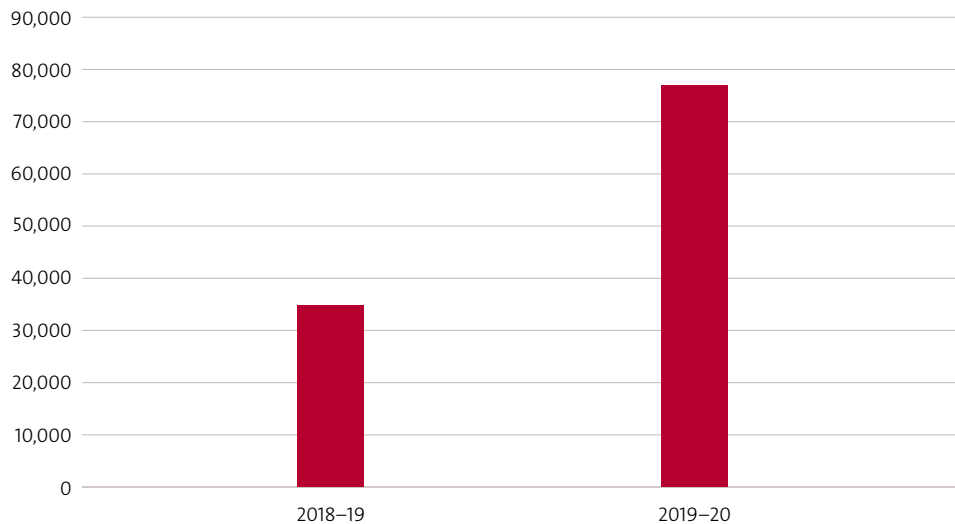
YouTube remains a strong channel for ASPI, recording over 100,000 views during 2019–20. Some of the videos that resonated the most during this period were ‘To remake Australia’s Defence force’ by Hugh White and General Angus Campbell’s address at the War in 2025 Conference.

Our videos attract a strong international audience: 13% of our viewers were based in the US, and 8% were from Indonesia.

Policy, Guns and Money: The ASPI Podcast

Policy, Guns and Money: The ASPI Podcast continues to show strong growth, proving that podcasts are an appealing channel for extending our discussions. We are attracting good speakers and commentators from among ASPI staff and an increasing number of high-quality external guests. This increase in effort and quality is being reflected in the statistics for the product (see Figure 5). In 2018–19, we logged 35,000 plays of the podcast. This doubled to 77,000 plays 2019–20.

Figure 5: The ASPI Podcast, number of plays, 2018–19 and 2019–20



ASPI – Professional Development

ASPI-Professional Development (ASPI-PD) plays an important role in strengthening understanding of strategic and defence policy issues, as well as developing the expertise of Australian Government departments and agencies to deliver strategic policy excellence, particularly the Australian Defence organisation.

In 2019–20, ASPI-PD delivered a total of 13 activities to 242 personnel (Table 3). Due to the risks posed by Covid-19, several planned activities were pushed into the 2020–21 financial year. Details of the full range of programs delivered by ASPI-PD are in Chapter 2.

Table 3: Breakdown of ASPI-PD activities, 2019–20

Activity	Client	Number delivered	Total number of participants
Crafting better policy for improved decision-making workshops	Defence	2	31
Focused policy development workshops	Defence	4	55
Advanced better policy workshops	Defence	2	26
Red teaming activities	Defence	1	10
Royal Australian Air Force professional development programs	Defence	2	37
Regional symposiums	Defence	1	50
Royal Australian Corps of Signals Army modernisation workshop	Defence	1	33
Totals		13	242

Internships

The ASPI paid internship program gives recent graduates an opportunity to contribute to our research projects and also to conduct their own research projects for future publication, either by ASPI or independently. By attending many of ASPI's events, they make contact with senior officials, researchers and diplomats from Canberra and elsewhere as they begin to form professional networks for their careers in strategic policy.

A strong field of capable applicants applies twice a year for internships. During 2019–20, ASPI employed nine interns in two intakes for six-month placements.

Interns make important contributions to research projects, publications and *The Strategist* and gain hands-on experience in strategic policy development. Examples of reports, publications and *The Strategist* articles authored by or contributed to by interns in 2019–20 included:

- publication—*Retweeting though the Great Firewall*
- publication—*National security agencies and the cloud: an urgent capability issue for Australia*
- publication—*Covid-19 disinformation and social media manipulation trends*
- publication—*Covid-19 attracts patriotic troll campaigns in support of China's geopolitical interests*
- publication—*ID2020, Bill Gates and the Mark of the Beast: how Covid-19 catalyses existing online conspiracy movements*
- publication—*Running on empty? A case study of fuel security for civil and military air operations at Darwin Airport*
- publication—*After Covid-19: Australia and the world rebuild* (volume 1)
- publication—*Hacking democracies*
- *The Strategist*—'New crisis, same old problems for the EU'
- *The Strategist*—'Women's rights in China and the legacy of the Feminist Five'
- *The Strategist*—'India–China tensions flare up on new front: TikTok'
- *The Strategist*—'Northern Australia needs to be ready to meet climate-change-driven security challenges'
- *The Strategist*—'Australia must fast-track new domestic storage to ensure fuel security'
- *The Strategist*—'In a crisis, Australians might soon be running on empty'
- *The Strategist*—'Renewable energy exports could be vital for Australia's post-fossil-fuel future'
- *The Strategist*—'Thailand's hashtag activism targets political change'
- *The Strategist*—'Is Thailand heading for another political crisis?'
- *The Strategist*—'Russia's growing interests in the South China Sea'
- Weekly wraps—Five domains wrap and national security wrap
- Monthly wraps—Women, peace and security.

Promoting international understanding of Australia's strategic and defence policy perspectives

ASPI's standing as a respected source of analysis is recognised both internationally and domestically. It can be measured by our international ranking in a global index of think tanks, being selected to co-host Track 1.5 dialogues with international institutions and government partners on a regular basis, strengthening links with overseas think tanks through exchanges and fellowships, and being invited to speak at international conferences.

Readers from around the world are increasingly accessing our website and *The Strategist*, and our counterparts in other countries help us to foster the next generation of strategic policy thinkers by inviting our staff to attend their meetings and conferences. In 2019–20, we received invitations from:

- International Military Council on Climate and Security, Washington DC
- Geneva Centre for Security Policy
- World Economic Forum Expert Network (Risk and Resilience)
- International Association of Peacekeeping Training Centres via video conference in Lima, Peru (on ASPI's *Evolution of the protection of civilians in UN peacekeeping* report)
- 'Protection of civilians in UN peacekeeping' at the UN's Senior Mission Leaders' Course in Seoul, Republic of Korea
- Mercator Institute for China Studies (MERICS) think tank on the Xi Jinping ideologies, Berlin, Germany
- University of Zurich, Zurich, Switzerland
- Indo-Pacific Strategies Conference hosted by the Japanese Embassy and the National Security College
- Observer Research Foundation Raisina Dialogue
- International Institute for Strategic Studies Shangri-La Dialogue and Fullerton Forum
- Stimson Center's workshop (video conference) on Mekong Hydro-politics
- US State Department funded US–ASEAN Partnership Forum
- Australia – New Zealand ASPI-CSS Track 1.5 strategic dialogue
- ASPI – S Rajaratnam School of International Studies Track 1.5 strategic dialogue in Singapore
- ASPI – National Institute for Defense Studies (Japan) senior exchange
- National Institute for Defense Studies, Tokyo, Japan, 19–20 November
- Australia–Japan–India Track 1.5 dialogue, hosted by the Griffith Asia Institute
- Indo-Pacific Strategic Futures: dialogue and simulation co-hosted by the US State Department, the Australian Department of Defence and the US Studies Centre

- Asian–Australian Leadership Summit
- ‘Development of the South China Sea’ at the DFAT-initiated Lawfare and South China Sea Strategy workshop, University of New South Wales
- US State Department Intelligence Research Unit
- Southeast Asia and Regional Security desks at the Pentagon
- Australia–US–ASEAN Trilateral Dialogue
- DFAT–UNSW closed-door workshop on infrastructure competition in Southeast Asia and the Pacific
- Track 1.5 dialogue with the Vietnamese Academy of Social Sciences, ANU National Security College
- Closed-door workshop on the Indo-Pacific, Embassy of the Republic of Korea
- Harvard–Columbia China and the World annual conference
- Raisina Dialogue in India
- National Security College, Crawford School of Public Policy, Australian National University (ANU)
- Crawford Leadership Forum, ANU
- Center for Strategic and International Studies conference, Washington DC
- Center for a New American Security
- Stimson Center, Washington DC
- Thammasat University, Thailand
- UKM, Malaysia
- Griffith Asia Institute, Griffith University
- US State Department in combination with the United States Studies Centre
- Western Australian Indo-Pacific Defence Conference
- S Rajaratnam School of International Studies, Singapore
- National Chengchi University, Taipei.

International ranking

In the University of Pennsylvania’s 2019 Global Go To Think Tank Index, ASPI was the highest ranked defence and national security think tank in Australia, ranking 13th out of 110 think tanks.

Links with overseas think tanks

Our links with overseas think tanks take a number of forms. We engage formally through hosting or co-hosting a range of Track 1.5 dialogues, exchanges or visiting fellowships, co-writing publications, and visits to the institutes. The think tanks we engage with include:

- International Peace Institute (US)
- Hedayah (United Arab Emirates)
- Center for Strategic and International Studies (US)
- Council on Foreign Relations (US)
- New America (US)
- Citizen Lab, Munk School of Global Affairs, University of Toronto (Canada)
- Center for a New American Security (US)
- Konrad-Adenauer-Stiftung (Germany)
- Mercator Institute for China Studies (Germany)
- Centre of Excellence for National Security, S Rajaratnam School of International Studies (Singapore)
- Institute for Strategic and International Studies (Malaysia)
- Centre for Strategic and International Studies (Indonesia)
- Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (Brunei Darussalam)
- ICT Faculty, Mahidol University (Thailand)
- Cyber Security Lab, University of Computer Sciences (Myanmar)
- Institute for Cooperation and Peace (Cambodia)
- International Military Council on Climate and Security (US)
- Geneva Centre for Security Policy (Switzerland)
- World Economic Forum Expert Network (Switzerland)
- Diplomatic Academy (Vietnam)
- Stratbase ADR Institute for Strategic and International Studies (Philippines)
- Stimson Center (US).

Visiting Fellows

Expert Visiting Fellows exchange information and engage with ASPI, deepening our understanding of a range of domestic and international defence and national security matters.

In 2019–20, five Visiting Fellows were on secondment in the ASPI office:

- Dr Robert Glasser (July 2019 – July 2020)
- Dr Yoedhi Swastano, Indonesia Defense University (September 2019 – October 2019)
- Dr MHD Halkis, Indonesia Defense University (September 2019 – October 2019)
- Colonel Ned Holt, US Army War College (July 2019 – June 2020)
- Associate Professor James Leibold, La Trobe University (January 2020 – July 2020)

In addition, ASPI appoints people with long and distinguished careers as ASPI Fellows. They produce a range of written analyses, contribute to ASPI program areas and provide mentoring for staff. The 18 ASPI Fellows are:

- Vice Admiral Timothy Barrett—Senior Fellow
- Dr Anthony Bergin—Senior Fellow
- Dr Andrew Davies—Senior Fellow
- Hon David Feeney—Senior Fellow
- Simeon Gilding—Senior Fellow
- Stan Grant—Senior Fellow
- Nick Kaldas—Senior Fellow
- Stephen Loosley AM—Senior Fellow
- Dr Rod Lyon—Senior Fellow
- Bill Paterson—Senior Fellow
- Campbell Darby—Fellow
- Anne Lyons—Fellow
- Stephen Merchant PSM—Fellow
- Dr Rajiv Shah—Fellow
- John Garnaut—Non-Resident Fellow
- Sophia Patel—Non-resident Fellow
- Senator (Canada) Vern White—Non-Resident Fellow
- Graeme Dobell—Journalist Fellow

International dialogues

ASPI supports Australian diplomacy by conducting regular Track 1.5 and Track 2 dialogues with international institutions and government partners; however, many dialogues planned for 2020 were postponed due to Covid-19.

During 2019–20, we were involved in organising six international dialogues (Table 4).

Table 4: International Track 1.5 and Track 2 dialogues, 2019–20

No.	Date	Dialogue
1	22–23 July 2019	Australia–Indonesia Track 1.5 dialogue co-hosted with foreign policy community of Indonesia
2	26 September 2019	Australia–Pakistan Track 1.5 security dialogue
3	8–11 October 2019	Australia–Indonesia–US–Japan Quadrilateral Track 1.5 security dialogue
4	14–18 October 2019	ASPI – Konrad-Adenauer-Stiftung Track 1.5 counterterrorism dialogue
5	29–30 October 2019	Australia–Israel Track 1.5 ‘Beersheba’ dialogue
6	5 November 2019	ICPC Australia–Taiwan Track 1.5 cybersecurity dialogue

Invitations to speak at international conferences

ASPI’s international standing is reflected in the number of invitations that staff receive to speak at international conferences. In 2019–20, they spoke at more than five conferences in the US, India, Singapore, Thailand and Vietnam. Further details are in Annex E.

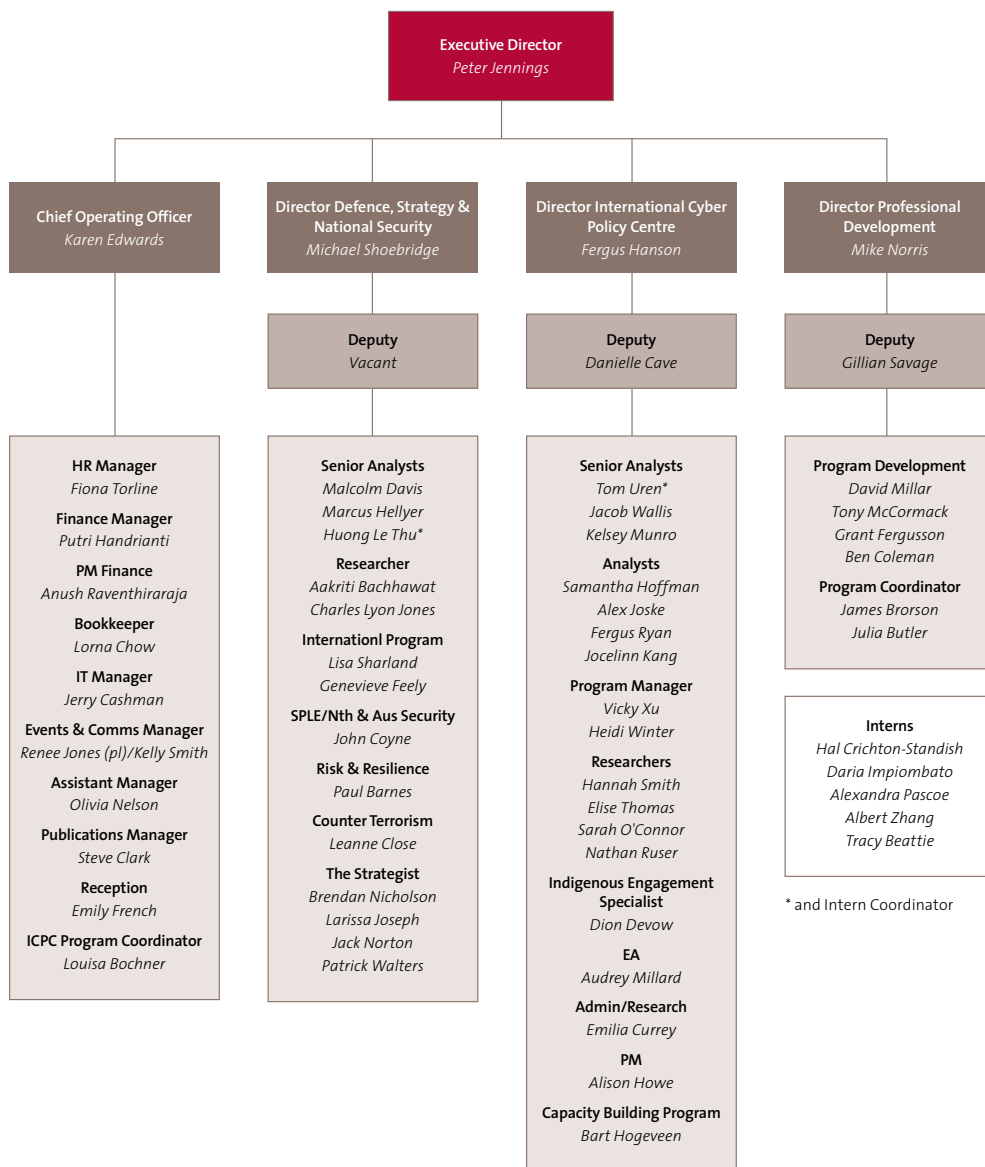
STAFFING

In 2019–20, ASPI employed 64 non-ongoing staff: 45 were full time (22 female and 23 male) and 15 were part time (11 female and four male). ASPI employed four casual staff (all male).

During the year, 16 new staff joined ASPI and 13 staff members departed. There were also two intakes of interns during the year (nine in total).

Figure 6 shows our organisational structure at 30 June 2020.

Figure 6: Organisational structure at 30 June 2020



* and Intern Coordinator

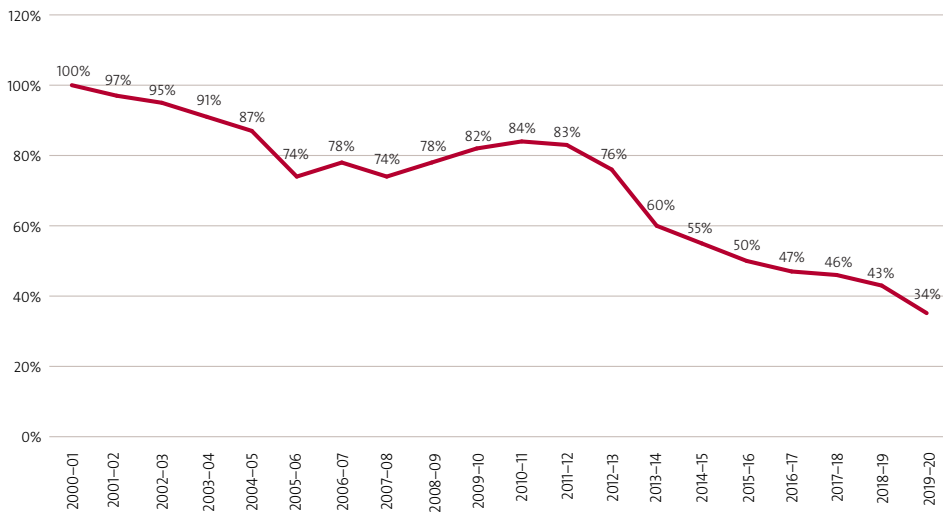
FUNDING

Department of Defence

ASPI entered into a five-year funding agreement with the Australian Government through the Department of Defence. Under the agreement, the department provides ASPI with a one-off grant of \$4 million for each of financial years 2018–19, 2019–20, 2020–21, 2021–22 and 2022–23.

Australian Government funding is a key enabler of our operations. It covers much of our annual employee costs and operating overheads and those elements of the research and events programs that are defined in the funding agreement.

Figure 7: Department of Defence core funding as a proportion of ASPI's total income, 2000–01 to 2019–20

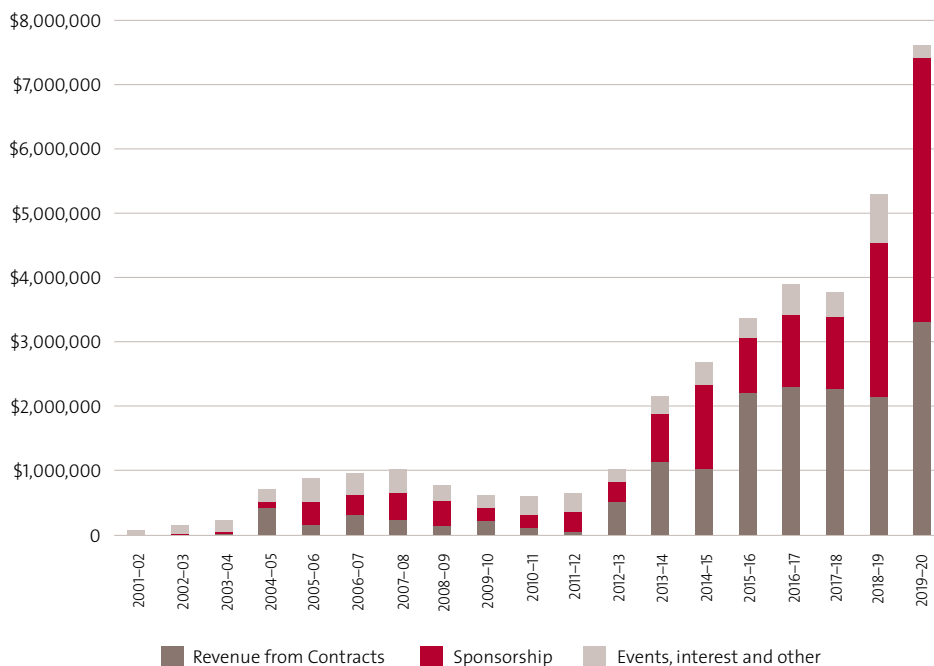


* During FY2019–20, ASPI adopted two new accounting standards for the recognition of sponsorship income. For comparison, had we treated sponsorship income in the same way to previous financial years, the result would have been 39%.

Other sources of funding

The government requires ASPI to develop funding options in addition to the Defence funding agreement to enable the institute to grow and pursue additional research. With the growth of ASPI's areas of research, the percentage of income provided by Defence has been diminishing (Figure 7). Our wider work on non-Defence national security is sustained by other sources of funding, most notably other government entities, through contributions for specific program areas or projects (shown as 'Revenue from Contracts' in Figure 8) and from private-sector sponsorship.

Figure 8: Sources of income other than Department of Defence core funding, 2001–02 to 2019–20



Sponsorship is also an important source of additional funding for ASPI and is the key enabler for many events. We have worked hard to secure sponsors and in 2019–20 continued to foster deeper relationships with sponsors through our corporate sponsorship program. Under the program, ASPI seeks continuing commitments from private enterprises that share our objectives for national security and public debate, while unambiguously maintaining our independence in research, publications, advice and comment.

During FY2019-2020, ASPI adopted two new accounting standards (AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*) for the recognition of our revenue. As a result, sponsorship agreements signed during the financial year were immediately recognised as revenue upon receipt, rather than gradually throughout the 12 months period. For comparison, under the old standard, the result would have been approximately \$6.3M or 61% of total funding.

Other additional income derives from event registration fees and interest on retained funds ('Other' in Figure 8).

Corporate sponsors during 2019–20 were:

- .au Domain Administration Ltd
- Alion Science and Technology Corporation
- Amazon Web Services Australia Pty Ltd
- Attorney-General's Department
- Australian Civil–Military Centre
- Australian Computer Society
- Australian Mission to the UN
- Australian National University
- Australian Office Taipei
- Bond University
- Carnegie Endowment for International Peace
- Cisco Systems Australia Pty Ltd
- CT Intelligence and Insights
- Cyber Security Cooperative Research Centre Limited
- Defence Portfolio
- Department of Agriculture, Water and the Environment
- Department of Defence
- Department of Foreign Affairs and Trade
- Department of Home Affairs
- Department of the Prime Minister and Cabinet
- Embassy of Israel
- Embassy of Japan
- Embassy of the Kingdom of the Netherlands
- Engineers Australia
- Facebook Australia Pty Ltd
- Fortinet
- German Marshall Fund
- Google Australia Pty Limited
- Institute for War and Peace Reporting
- IQPC Ltd
- Jacobs Australia
- Japan Institute of International Affairs
- Kiah Consulting
- Lendlease
- Lockheed Martin
- Macquarie Telecom Pty Ltd
- Microsoft Pty Ltd
- National Archives of Australia
- NATO Strategic Communications Centre of Excellence
- Naval Group Australia
- Northern Territory Airports Pty Ltd
- Northern Territory Government
- Northrop Grumman
- Omni Executive
- Oracle Australia
- Palo Alto Networks (Australia) Pty Ltd
- Queensland Police Service
- Rafael
- Raytheon
- Saab Australia
- Senetas Corporation Limited
- Services Australia
- Splunk Technology
- Thales Australia
- The Pratt Foundation
- UK Embassy in China
- University of Melbourne
- Twitter Inc.
- UK Foreign and Commonwealth Office
- University of British Columbia
- UpGuard, Inc
- US State Department
- US Embassy Canberra



CHAPTER

2

PROGRAMS

In 2019–20, ASPI’s core work in the strategic policy field focused on broad strategic policy settings, the global and regional security environments, the operational needs of the Australian Defence Force (ADF), the development of defence capabilities, and issues associated with defence funding and budgets. Over the years, ASPI has made nationally recognised contributions in all those fields. They remain central to our work agenda even as we expand to embrace new programs and responsibilities.

Research staff conduct their work in program areas organised under two themes:

- Defence, Strategy and National Security
- International Cyber Policy Centre (ICPC).

DEFENCE AND STRATEGY

Defence, Strategy and National Security Program

Michael Shoebridge

Rod Lyon

John Coyne

Isaac Kfir/Leanne Close

Lisa Sharland

Marcus Hellyer

Huong Le Thu

Malcolm Davis

Genevieve Feely

Aakriti Bachhawat

Charlie Lyons Jones



The Defence, Strategy and National Security Program analyses shifts and developments in Australia’s strategic environment, including in the balance and uses of military capabilities. It covers topics including:

- the interaction between economics and security, where the connection with technology and investment is intense and where the international and domestic boundaries are blurring
- developments and trends in the Indo-Pacific strategic environment, driven by increasingly assertive authoritarian regimes such as China, Russia and North Korea, and by the policies and actions of states such as India, Japan, the US and Indonesia, with a focus on strategic relationships, military calculations, risks of escalation and conflict, and Australia’s national interests

- Australia's near region, with a particular focus on the impact of broad political, economic and strategic engagement by China in the South Pacific and the Indian Ocean
- deterrence, including how it is affected by the practice of grey-zone or political warfare below the threshold of armed conflict
- the role of conventional and nuclear weapons in deterring aggression and major-power conflict
- regional capability developments
- counter terrorism, law enforcement and peacekeeping.

The program also analyses the capability of the ADF and the broader Defence organisation through all stages of the capability life cycle, including by assessing capability programs, options and implementation, and analyses the management of the Defence organisation. This involves assessments of Australia's defence budgets and the wider range of activities required to produce and support the ADF's capabilities, including:

- defence funding over the short and long terms
- policies and capabilities of the defence industry, with a focus on the implementation of the new suite of defence industry policies and programs
- defence economic trends, especially as they apply to materiel
- emerging capability issues and challenges, including from powerful new technologies, and concepts for applying them in military operations.

Over 2019–20, the program's analysis and policy recommendations for Australian decision-makers focused on:

- the further deterioration in Australia's strategic environment and the deepening explicit strategic, technological and economic struggle between China and the US
- a Chinese state growing in assertiveness and willingness to conduct interference in other states, including Australia
- a US more likely to act unilaterally in transactional ways than in coalition with allies and partners.

Boundaries between international and domestic issues blurred, and the rate of technological change, including in the defence and national security spheres, continued at a pace that challenged the Australian Defence organisation and the broader national security community's processes and structures.

A core implication flowing from our work over the year is that Australia's national interests are engaged and affected by those broad developments in ways that go beyond any US–China construct and require Australia to decide and act in our own national security interests, working with like-minded partners and influencing global debates as we do so. Enhancing national cohesion, notably between the federal and state levels of government, is an essential element in this approach. The coronavirus pandemic's impact on strategic and defence issues has been covered in ASPI's *After Covid* series, of which volume 1 was published in 2019–20, and has been incorporated into a range of other articles and products from the Defence, Strategy and National Security Program.

Orbiting around those themes, the program produced reports, shorter *Strategist* articles, podcasts and media commentary and used both ASPI staff and commissioned authors during 2019–20.

NATIONAL SECURITY

Five interlinked program areas combine to provide comprehensive coverage of national security issues. A modern approach to national security must be designed to respond to major security threats as they affect citizens, rather than just the institutions of the state.

Counter-Terrorism Policy Centre

Leanne Close



ASPI's Counter-Terrorism Program was established in late 2015. The program aims to:

- explain the counter-terrorism environment, including policy, legislation, terrorist threats, and cross-jurisdictional and international issues
- provide counter-terrorism policy advice, alternatives and contestability.

The program undertakes research across the spectrum of counterterrorism topics, facilitates dialogue and discussion among stakeholders and provides advice to government, community and industry stakeholders, with a particular focus on what can be done to counter terrorism.

Isaac Kfir led the program from July to December 2019 and is now engaged at Charles Sturt University as an adjunct instructor. Leanne Close commenced as head of the Counter-terrorism Policy Centre in April 2020. Before joining ASPI, she spent over 33 years as a police officer in the Australian Federal Police, rising to become Deputy Commissioner National Security. Leanne is also a member of the ACT Sentence Administration Board and the Victorian Expert Advisory Panel on Countering Violent Extremism.

In July 2019, three written submissions were provided to the Parliamentary Joint Committee on Intelligence and Security regarding its review of the mandatory data retention regime, and, jointly with Dr John Coyne, on the operation, effectiveness and implications of sections 33AA, 35, 35AA and 35A of the *Australian Citizenship Act 2007*.

From 14 to 18 October 2019, the fourth ASPI – Konrad-Adenauer-Stiftung (KAS) Australia–Europe Counter-Terrorism Dialogue was held in Germany and Belgium. The theme of the dialogue was ‘Terrorism realities old and new: assessing and continuing evolving challenges’. The annual ASPI–KAS dialogue brings together senior government representatives, policymakers, academic experts, practitioners and members of the diplomatic corps to share their views, develop better understandings and explore how cooperation could be strengthened. The participants worked together through a combination of roundtables, an in-depth seminar and meetings at various relevant institutions and ministries at federal, state and EU levels.

ASPI’s *Counterterrorism yearbook 2020*, edited by Isaac Kfir and Dr John Coyne, was published in March. This edition of the annual yearbook continued to provide assessments of various international approaches to managing terrorist threats. It also included thematic chapters on mental health, strategic policing, the media and the terror–crime nexus. The key themes that emerged from the yearbook include the decline in *Salafi-jihadi* terrorist activities and the resultant need for the international community to adopt a united, cohesive approach to deal with foreign fighters and their families, the increase of right-wing extremist activity, deradicalisation approaches in prisons, and the role of technology, particularly social media, in the evolution of violent extremism.

In April, Leanne Close contributed a chapter on policing in ASPI’s publication *After Covid-19: Australia and the world rebuild* (volume 1) and participated in a webinar event on 13 May 2020, discussing her findings.

A special ASPI publication by Professor Boaz Ganor titled *Terrorism is terrorism: the Christchurch terror attack from an Israeli perspective* was released on 19 May 2020. Professor Ganor is the Ronald S Chair for Counter-Terrorism at the Interdisciplinary Centre (IDC Herzliya), Israel, and the founder and executive director of the International Institute for Counter-Terrorism. In 2019–20, on sabbatical from IDC Herzliya, he served as a Visiting Fellow at ASPI. An overview of his report was published in *The Strategist* on 19 May and republished in *The Mandarin* on 20 May. Professor Ganor participated in an ASPI podcast to discuss his findings on 27 May.

Leanne Close published several articles in *The Strategist* on various topics including:

- Australia’s police need priority access to fuel in times of crisis
- ASIO powers to question children – a difficult balancing act—jointly with Michael Shoebridge
- Militarisation of Policing in America and lessons for trust and legitimacy in Australia
- Militarisation of Policing in America and lessons for accountability in Australia.

On 10 June, Steven R Casstevens, who is the president of the International Association of Chiefs of Police, participated in an ASPI podcast regarding the civil unrest in the US following the death of George Floyd through the actions of police officers in Minnesota.

On 20 June, Leanne Close participated in a podcast, on behalf of the ACT Bar Association, for its professional development series. The other panellists included the president of the ACT Bar Association, barrister Steve Whybrow, ACT barrister Jack Pappas and Anthony Dowsley, who is a journalist for the *Herald Sun*. The panel discussed various topics, including legal professional privilege, ethics, integrity and media engagement.

Risk and Resilience Program

Paul Barnes



The Risk and Resilience Program continued to provide opinion and commentary on and develop ideas about managing the impacts of natural and sociotechnical hazards in Australia. This work included developing advice and commentary informing policy choices in Australia's federal, state and local governments and the private sector, as well as enhancing the assessment of vulnerability and mitigation options to promote resilience in human systems.

The program continued to pursue its key aims, which include:

- promoting inclusive dialogues on ensuring readiness for complex emergencies through better planning and preparation, and considering capability needs for future emergency events
- engaging practitioner and industry groups (including the civilian services and the ADF) with practical discussions aimed at improving policies and planning
- sponsoring issues papers and research on building resilience into future infrastructure
- exploring capacity needs for disaster risk reduction in the Indo-Pacific region.

In addition to numerous media engagements and publications on issues ranging from fuel security vulnerabilities, the 2019–20 bushfire crises and implications of Covid-19 for national risk exposures and biosecurity issues, publishing highlights included:

- a co-sponsored report with Engineers Australia, *Designing for resilient energy systems: choices in future engineering*, which gathered the thoughts of a younger generation of Australian engineers on future developments on energy resilience in Australia
- a DFAT-supported edited volume, *A Pacific disaster prevention review*, which examined independent views on the challenges to implementing the Sendai Disaster Risk Reduction Framework across eight Pacific island economies.

Other highlights of the program's work in 2019–20 were invitations to Dr Paul Barnes to participate in a number of international advisory groups.

He was appointed as a council member of the International Military Council on Climate and Security, which is based in Washington DC. The council is supported by a consortium that includes the Netherlands Institute of International Relations (Clingendael), the French Institute for International and Strategic Affairs, the Hague Centre for Strategic Studies and the Center for Climate and Security. A key role of the council is commentary and advocacy on the national security implications of a changing climate and related environmental and weather crises.

He was also invited to participate in the working groups of the UN Global Risk Assessment Framework. The working groups enhance decision-making and advisory capabilities for the UN across a range of sectors to enable all-source risk reduction globally.

Both Dr Barnes and Visiting Fellow Dr Robert Glasser supported DFAT as members of an intergovernmental consultative planning group for the 2020 Asia–Pacific Ministerial Conference on Disaster Risk Reduction.

ASPI's focus on risk and resilience outcomes will continue with the production of opinion pieces, media commentary and targeted views for *The Strategist*, the completion of more detailed papers on national resilience building and the delivery of invited presentations at national and international forums on emerging issues in these nationally important areas.

Strategic Policing and Law Enforcement Program

John Coyne



ASPI's Strategic Policing and Law Enforcement Program examines the contribution of law enforcement to national security and to broader strategic policy. The program has three main aims:

- Develop understanding of the link between law enforcement issues and national security concerns.
- Explain the contribution of law enforcement agencies to Australia's international strategic objectives.
- Help law enforcement agencies position themselves for the future.

In 2019–20, the program focused on technological innovation, regional security-sector reform and illicit drug production in the Mekong region. The program contributed to a security-sector reform analysis in the Philippines, illicit drug production discussions in the Mekong and national assessments for the Global Initiative Against Transnational Organised Crime.

During the year, we made significant policy and opinion contributions to domestic and international print, radio and television media.

Our research resulted in the production of the following reports during the year:

- Special Report: *Towards a Commonwealth law enforcement innovation framework*
- a chapter for the 2020 *Counterterrorism yearbook*
- a chapter for the book *After Covid-19: Australia and the world rebuild* (volume 1)
- Special Report: *National security agencies and the cloud: an urgent capability issue for Australia.*

The program continued to produce opinion pieces and *The Strategist* posts, to provide media commentary on law enforcement and organised crime issues and to deliver invited presentations at national and international forums on emerging issues in this field.

The North and Australia's Security Program

John Coyne

The North and Australia's Security Program provides a sustained research focus on the security of Australia's north and the north's critical role in contributing to the broader security of Australia.

Established in 2019, the program concentrates on:

- maintaining a strong public policy focus on the role of the north in the broader security of Australia at a time when strategic circumstances are driving new policy thinking in Canberra
- developing a modernised way of thinking about the north and security by updating strategic frameworks that remain anchored in the 1980s 'defence of Australia' context
- situating the north in a broader discussion about national security interests beyond defence—encompassing home affairs, border security and customs; space; cybersecurity; humanitarian and disaster response; biosecurity; and energy security.

The strategic importance of Australia's north to Australia's defence has long been recognised by government and policymakers. Despite strategic policy commitments to northern Australia, there is a growing body of evidence indicating that the gap between strategic policy and Defence's activities and presence in the north is widening. This could well be symptomatic of a gap in Australia's northern development policies.

Since the publication of the 2016 *Defence White Paper*, Australia's strategic environment has deteriorated significantly and can be characterised as increasingly unpredictable. For a third time since federation, Australia's government must seriously consider continental defence and national security. But that thinking must go well beyond continental defence to include force projection, enhanced regional surveillance and support for the new US approach to force posture in the Pacific and contribute to national resilience and broader defence capabilities.

To date, Australia's defence strategy remains focused on taking advantage of the country's strategic geography. In this construct, maritime security is critical to the defence of Australia. Similarly, self-reliance through the support of a sovereign defence industry has been central. Of course, much thought has also been applied to the challenge of war's newest domains: the cybersphere and space.

Today, there is an increasing body of public discourse on Australia's strategic outlook, its defence strategy and the ADF's future force structure and posture. In sharp contrast, there has been no substantial public policy dialogue on the role of northern Australia in defence strategy and national security since the late 1980s.

In addition to the establishment of the highly successful North of 26 Degree South *Strategist* series, the program's research resulted in the production of the following reports during the year:

- Strategic Insights report: *North of 26 degrees south and the security of Australia: views from 'The Strategist'* (volume 1)
- Special Report: *Strong and free? The future security of Australia's north*
- Special Report: *Running on empty? A case study of fuel security for civil and military air operations at Darwin Airport*
- a chapter for ASPI's *After Covid* report (volume 1)
- Strategic Insights report: *North of 26° south and the security of Australia: views from 'The Strategist'* (volume 2).

The program continued to produce opinion pieces and *The Strategist* posts, to provide media commentary on the north and Australia's security and to deliver invited presentations at national forums on emerging issues in this field.

International Program

Lisa Sharland

Genevieve Feely



ASPI's International Program explores challenges and opportunities for Australia as they relate to maintaining international peace and security. It also contributes to broader international research efforts on multilateral security issues. The program aims to:

- deepen understanding within Australia and internationally of global security issues and multilateral peace operations
- facilitate engagement among key stakeholders in government, the private sector and civil society on issues relating to international peace and security
- provide policy advice on emerging challenges and opportunities for Australia to contribute to efforts to maintain international peace and security.

In 2019–20, the program focused on three strands of work:

- multilateralism and the UN peace and security agenda, with a focus on the reform of UN peace operations and the protection of civilians
- women, peace and security (WPS)
- Australia's relationship and engagement with Africa.

The program focused on a major project throughout 2019–20 examining the contributions of countries in the Pacific to UN peacekeeping. The project, which is being undertaken with the support of the Australian Civil-Military Centre, examined the different objectives and priorities of countries in the region when it comes to deploying personnel to UN peace operations. The head of the International Program, Lisa Sharland, and researcher Genevieve Feely conducted research in Timor-Leste, Tonga, Fiji, Vanuatu, Papua New Guinea and Solomon Islands before Covid-19 restricted international travel. While the timeline for the project was delayed due to Covid-19, preliminary research findings from the project informed a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Defence engagement with Pacific Island nations in June 2020. A research report on the findings from the research will be published by early 2021.

Program staff also continued to engage in collaborative research projects with other think tanks and researchers. Lisa Sharland co-authored a research paper for the International Peace Institute titled *Partners and competitors: forces operating in parallel to UN peace operations*, presenting at a launch of the paper to member states and UN officials in New York in November 2019. She also engaged in research for a project for the Effectiveness of Peace Operations Network examining the UN missions in Cyprus, which will continue into

2020–21. The program also continued to deliver analysis on the protection of civilians in the context of UN peacekeeping missions, publishing a Special Report on *Protection of civilians in UN peacekeeping* in July 2019, and Lisa Sharland presented to participants at a UN Senior Mission Leaders' Course on the topic in November 2019.

WPS remained an ongoing priority for research and engagement. In March 2020, the program published a Special Report by external contributor Louise Allen titled *Australia's implementation of women, peace and security: promoting regional security*. For the fourth year in a row, the program worked closely with *The Strategist* team to commission another series of posts on WPS to coincide with International Women's Day in 2020, as well as the 20th anniversary of the agenda. The series included analysis from UN Institute for Disarmament Research director Renata Dwan, as well as a range of academics and practitioners. The series will be published in a forthcoming Strategic Insights report. Lisa Sharland also contributed a chapter on gender equality and international security to the first volume of *After Covid-19*.

Plans to host masterclasses on WPS and gender, cyber and technology were postponed due to Covid-19; however, the International Program continued to work closely with the International Cyber Policy Centre to further research on the intersection of gender and cybersecurity with a range of international stakeholders.

The program's engagement on WPS continues to complement activities being undertaken as part of ASPI's Women in Defence and Security Network, as well as interviews on ASPI's podcast Policy, Guns and Money. For example, the program facilitated the delivery of a podcast with three gender advisers from the ADF in early 2020 to facilitate a broader discussion on the role of gender advice in the ADF.

The program continued to foster public debate and discussion through the delivery of presentations on a range of topics, including the protection of civilians and peacekeeping and women, peace and security at seminars and conferences hosted by the Australian War College, the Australian Civil-Military Centre, the Australian Council for International Development annual conference, the International Association of Peacekeeping Training Centres and the International Forum for the Challenges of Peace Operations.

In terms of Australia–Africa engagement, Lisa Sharland continued to engage as a member of DFAT's Advisory Group on Australia–Africa Relations and take part in discussions on security at the annual Africa Down Under conference in Perth. The program also initiated the delivery of a special episode of the ASPI podcast for Africa Day 2020.

ASPI PROFESSIONAL DEVELOPMENT

Staff

Mike Norris
Gillian Savage
Amanda Coghlan (until December 2019)
Grant Ferguson
Tony McCormack
David Millar
Anne Lyons
James Bronson
Declan Connor (until April 2020)
Julia Butler

Senior Fellows

Campbell Darby
Vice Admiral Tim Barrett AO CSC RAN (Ret'd)
William Paterson
David Feeney
Stephen Merchant
Steve Meekin

ASPI Professional Development (ASPI-PD) programs and workshops are short, intense and highly interactive, fostering close engagement between facilitators, expert presenters and participants to explore current and emerging policy challenges and build effective policymaking and strategic analysis skills. This experience is enhanced through our use of real-world scenarios, case studies, simulations and desktop exercises, in which participants address current and emerging strategic policy and operational issues. These practical exercises provide an opportunity for participants to directly develop and apply a range of strategic policy development skills, bringing context and meaning to the learning objectives and ensuring relevance for their current and future roles.

Delivered by a core team of specified personnel, ASPI-PD programs are supplemented by subject-matter experts from across ASPI and the Australian national security community. Facilitators and presenters include current and retired senior government and Defence personnel, leading industry experts and the best academics from across Australia and internationally.

ASPI-PD has the unique capability to build Australia's capacity for strategic policy excellence. Programs are tailorable and designed to meet the needs of our government partners to deliver key outcomes on some of the most complex security and policy challenges. Bespoke program design ensures that facilitators and presenters are carefully matched to each activity so that participants engage with relevant experts, leading-edge thinking and best practice.

All programs are delivered in a purpose-built, state-of-the-art facility that enables open and candid discussion, reinforced through controlled swipe and coded access, which enables sensitive conversations to be conducted throughout the day, including during catered breaks.

Throughout 2019–20, ASPI-PD designed and delivered a diverse range of programs and services for government departments and agencies. We facilitated 13 workshops and intensive programs for 242 personnel, supporting the development of strategies, policies and frameworks.

Despite the difficulties presented by the Covid-19 crisis and the resulting postponement of several workshops, the ASPI-PD team pursued an active period of development and planning during which program content was updated in preparation for the resumption of activities, as well as designing, planning and developing new programs for 2020–21. We will continue to look for new opportunities over the next 12 months to expand our programs and deliver outcomes for Australian governments.

ASPI-PD is continuing to build on our existing programs and well-known reputation for collaboratively and innovatively applying our diverse expertise to design and deliver tailored, outcomes-driven programs and solutions. Taking advantage of emerging opportunities, ASPI-PD is looking to develop new programs to assist the evolving priorities and challenges facing government.

Key programs delivered in 2019–20 are highlighted below.

Crafting Better Policy for Improved Decision-Making workshops

The Crafting Better Policy workshops are delivered to Defence personnel in two variants: Strategy and Administration. The Strategy variant examines policy through the lens of Defence's contribution to national and international security and government decision-making. The Administration variant focuses on developing internal Defence policy.

A third variant of the Crafting Better Policy workshop is tailored for delivery to Defence graduates. The workshop provides an effective introduction to Defence policymaking in the Canberra environment, stakeholder engagement, and the practical application of policymaking tools.

In 2019–20, ASPI-PD delivered two workshops for 31 Defence public service and military personnel. Workshop participants advised that the program and practical exercises vastly improved their understanding of policymaking.

Advanced Better Policy workshops

Advanced Better Policy workshops span two days and offer a more in-depth and hands-on experience. By expanding the workshop into two days, we were able to give participants greater insights into policy analysis and the opportunity to work with practical policymaking tools to a greater extent through a full-day, real-world practical scenario.

In 2019–20, ASPI-PD worked with Defence Strategic Policy to deliver two Advanced Better Policy workshops. Feedback from participants indicated that the course successfully consolidated and increased their knowledge of essential policymaking tools. Participants also stated that they believed the course should be an essential professional development program for policymakers and felt they benefited from this targeted training.

Focused workshops and programs

Focused workshops and programs are designed in partnership with individual government departments and agencies, groups or services to meet specific requirements and produce targeted outcomes.

They are designed to build discrete policy skills, provide direct support to the development of policies, frameworks, strategies and plans, develop and test new business models, or foster senior executive policy leadership.

In 2019–20, a one-day workshop was delivered for 11 Defence Strategic Policy personnel centred on the design of a new program combining leadership skills and strategic thinking within the group's immediate policy environment.

ASPI-PD also designed and delivered a one-day workshop for the Australian Army that covered topics such as strategic planning, the current strategic environment and practical policy advice. Participants agreed that the workshop enhanced their knowledge of Defence policy processes and how Defence works within the whole of government.

A focused workshop was designed and delivered for the Military Strategic Plans Division within Defence. The program focused on developing a framework for critical stakeholder engagement.

ASPI-PD delivered a focused workshop for Defence Honours and Awards. The workshop facilitated the development of high-level policy and supporting guidance documents for the ADF and the Australian Public Service Rewards and Recognition Program. The 12 participants included key project leads, as well as essential stakeholders.

Invitation-only masterclass

ASPI-PD's invitation-only masterclasses bring together subject-matter experts and senior leaders for an in-depth examination of an emerging strategic policy challenge facing Australia and to identify options to address that challenge. The theme and design for each masterclass are developed in close consultation with key stakeholders and target their highest priority challenges.

Senior ASPI staff, subject-matter experts and strategic leaders facilitate the day, which provides expert and timely advice and facilitates open and frank discussions on portfolio-wide issues in a non-public setting.

In 2019–20, ASPI-PD designed and developed a masterclass to address a challenge presented by the Chief of the Defence Force. However, due to the impact of Covid-19, the delivery of the masterclass was postponed.

Red teaming

Red teaming is designed to test and evaluate the development of strategies, policies, frameworks and strategic-level plans. In 2019–20, a red teaming exercise was delivered to Defence's Military Strategic Plans Division to establish and test effective policymaking processes. Participants were guided by highly experienced facilitators and guest presenters who provided expert insight into whole-of-government interactions.

Royal Australian Air Force professional development

In 2019–20, ASPI-PD partnered with the RAAF to design and deliver two levels of tailored professional development: a 10-day senior officer program and an 11-day junior officer program.

Senior Officer Professional Development Program—Niagara

ASPI-PD designed the Niagara program for senior air force personnel. Unfortunately, due to the limits imposed by the Covid-19 pandemic, the 2019–20 program was pushed back to 2020–21. Details are currently being finalised in preparation for delivery in September 2020.

Junior Officer Professional Development Program

ASPI-PD designed and delivered two sessions of the Air Practitioners in a Joint Environment program for RAAF officers selected for the Australian Command and Staff Course.

This 11-day program was designed to enhance the air power mastery of high-performing squadron leaders and to prepare them for attendance at the Australian War College Command and Staff Course in the following year. It provided participants with the knowledge, tools, context and awareness to communicate with influence on air power and developed participants' strategic comprehension, thinking and communication skills. The program also included an essay-writing and expert mentorship element to assist participants with their academic skills.

Feedback provided by participants demonstrated an appreciation for ASPI's access to an impressive range of expert speakers, as well as acknowledging how valuable the course was for their professional development by expanding their understanding of government processes and current domestic and international issues.

Services Australia Shared Services Cyber Security Governance Framework

In 2018–19, ASPI-PD and staff from ICPC commenced a focused program of work with the Department of Human Services (now Services Australia) supporting the development of a model and framework for cybersecurity shared services governance. The framework guides Services Australia and its partners in the development, standardisation and delivery of cybersecurity governance for shared services across smaller portfolio or functionally alike government agencies.

Phase 1 of this project, completed in June 2019, included the development of the governance model and initial draft of the framework in consultation with key stakeholders. Phase 2, which concluded in June 2020, included in-depth research, interviews and a series of workshops designed to facilitate broader stakeholder engagement and to finalise the model and framework for cybersecurity shared services governance and the development of implementation guidance.

International Cyber Policy Centre

Louisa Bochner

Danielle Cave

Emilia Currey

Dion Devow

Audrey Fritz

Fergus Hanson

Samantha Hoffman

Bart Hogeveen

Alison Howe

Alex Joske

Jocelinn Kang

Elsa Kania, Non-resident Fellow

James Leibold, Non-resident Senior Fellow

Audrey Millard

Kelsey Munro

Sarah O'Connor

Nathan Ruser

Fergus Ryan

Hannah Smith

Elise Thomas

Tom Uren

Jake Wallis

Heidi Winter

Vicky Xu



ASPI's International Cyber Policy Centre (ICPC) is a leading voice in global debates on technology, security and democracy. ICPC informs public debate and supports sound public policy by producing original empirical research. To develop capability in Australia and our region, the centre has a capacity-building team that conducts workshops, training programs and large-scale exercises in Australia and overseas for the public and private sectors. ICPC also enriches the national debate by running an international visits program that brings leading experts to Australia.

Conduct and publish research

During 2019–20, ICPC published a wide range of publications that sparked and fed into national and international debates. Many of them were the most read ASPI publications of the year. In March 2020, the centre released *Uyghurs for sale* (authored by Vicky Xu, Danielle

Cave, Dr James Leibold, Kelsey Munro and Nathan Ruser), which became ASPI's most read report of all time, producing 212,000 unique page views as of August 2020. The report has been raised and discussed in the US Congress and other legislatures by politicians in the US, the UK, Australia and Europe. A bipartisan bill to ban all imports to the US from Xinjiang or otherwise involving forced Uyghur labour was tabled in Congress days after the report's release, citing ASPI's work. In June 2020, ICPC Senior Fellow Dr James Leibold published a report titled *Genomic surveillance: inside China's DNA dragnet*.

In 2020, ICPC published a range of other reports, including reports on 'clean pipes' that looked at whether internet service providers should provide a more secure internet, on *Cyber Crime in Southeast Asia* by Jonathan Lusthaus, on Facebook diplomacy by Dr Damien Spry, on Pacific islands ICT issues by Bart Hogeveen, and on foreign interference and the Chinese Communist Party's united front system, by Alex Joske.

Tweeting through the Great Firewall was released in September 2019 (Tom Uren, Elise Thomas and Dr Jacob Wallis), was the first report to analyse the 3.6 million tweets linked by Twitter to a Chinese disinformation campaign targeting Hong Kong, and received global coverage. Following on from that in June 2020, *Retweeting through the Great Firewall* (Dr Jacob Wallis, Tom Uren, Elise Thomas, Dr Samantha Hoffman, Alert Zhang, Alexandra Pascoe, Danielle Cave) analysed a persistent, large-scale influence campaign linked to Chinese state actors on Twitter and Facebook. This team is continuing to analyse online disinformation and information operations taking place during the Covid-19 pandemic and has conducted research into information operations conducted by other state actors, including Russia, and by non-state actors involved in pushing conspiracy theories online.

In November 2019, *The China Defence Universities Tracker* (Alex Joske) was released as a tool to help universities and researchers make more informed decisions about their collaboration partners. It provided details on the defence links of 160 Chinese universities. The report has been used to inform policy in several countries, including Australia, the US and Japan.

Building upon our previous publication, *Mapping China's tech giants*, ICPC continued to contribute to the global discussion on the expansion of key Chinese technology companies through the publication of *Mapping more of China's tech giants: AI and surveillance*.

In April 2019, we published a policy report on weaponised deep fake technologies, including their implications for national security and democracies, authored by former ICPC researcher Hannah Smith and ANU National Security College adviser Katherine Mansted. The report was launched via an oversubscribed online event and attracted a lot of online debate.

In October 2019, Dr Samantha Hoffman released *Engineering global consent: the Chinese Communist Party's data-driven power expansion*, which revealed that the party is using technology to understand and control global debate in a far more sophisticated manner than previously thought.

Provide an alternative source of strategic policy ideas and advice

Our written research was supplemented by ongoing engagement with government, industry and civil society across Australia and with key Australian partners internationally. This included public events, private roundtables and closed-door meetings. In October 2019, Fergus Hanson facilitated two consultations, in Sydney and Melbourne, on behalf of the Department of Home Affairs. The consultations were held to give industry experts the opportunity to discuss and provide advice and direction on the next national cyber strategy.

In October 2019, ICPC hosted public and private events with Peter W Singer, who is a strategist and Senior Fellow at the New America think tank.

The centre's growing focus on information operations and information warfare—across a range of countries in the Indo-Pacific—was credited multiple times during the ADF's Information Warfare Conference (iWar), and ICPC's input is regularly sought by government officials, politicians and the media in Australia and overseas.

In December 2019, ICPC launched the new Indigenous Engagement Program, running a cybersecurity workshop for Aboriginal and Torres Strait Islander children. ICPC has received Australian Government grants to expand and continue that work through to 2022.

Promote international understanding

Before the Covid-19 lockdown, the ICPC supported the development of cyber confidence-building measures across the region and worldwide through a number of activities. From February 2019 to March 2021, through a project supported by DFAT and the UK's Foreign and Commonwealth Office, the centre is promoting international cyber norms and confidence building in the ASEAN region via in-country training workshops. During 2019–20, we held workshops in Hanoi and Jakarta.

We also hosted a Track 1.5 cyber dialogue in Taiwan which included representatives from government, social media and cybersecurity organisations. Staff also conducted trips to Europe, India, Singapore and the US to talk about 5G, foreign interference, online disinformation and defending democracy initiatives.



CHAPTER

3

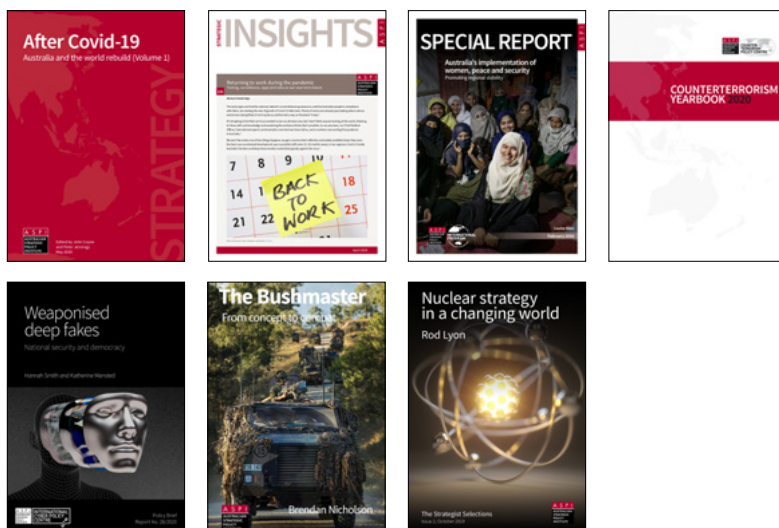
PUBLICATIONS

ASPI's publications program offers practical and influential policy advice through publications that are:

- accessible and readable
- accurate and authoritative
- well presented and cost-effective.

The key performance indicators for the program of published research are:

- Publication of the program of major studies and annuals according to schedule and within budget.
- Each publication meeting the following criteria to a high degree:
 - independent and non-partisan
 - rigorous, accurate and well informed
 - innovative and original
 - well presented and accessible to wide and diverse audiences
 - integrated into wider national debates within government and in the public arena.
- Responses to publications from our customer groups and stakeholders are monitored by staff and reported to the Research Committee:
 - Government's evaluation of the products, in terms of their contribution to policy development—to be evaluated on the basis of responses and structured feedback.
 - Public responses, gauged by the extent to which the publications are used and discussed in further public comment.



In 2019–20, ASPI publications were produced in seven major formats.

The flagship publications are in the Strategy series, which provides detailed analyses of major strategic policy questions of critical importance to Australia and our region and informed recommendations for consideration by government and the broader community.

Strategic Insights are shorter papers providing background information or comment on specific issues and considering policy ramifications as those issues arise in the public debate.

The Special Report series is a vehicle for the dissemination of analyses and comment on a wide range of issues. Special reports are usually focused on specific issues that require more detailed or quantitative information for deeper analysis.

The fourth style of publication is the Annual series. ASPI's fourth *Counterterrorism yearbook* was produced in 2019–20. This annual report looks at those areas around the world where terrorism and counterterrorism are in the sharpest focus.

The fifth style of publication is for our International Cyber Policy Centre. Through its publications, the centre aims to facilitate conversations between governments, the private sector and academia across the Asia–Pacific region to increase constructive dialogue on cyber issues and do its part to create a common understanding of problems and possible solutions in cyberspace.

The sixth style is the ASPI Case Studies series. The third publication in this series was titled *Sticking to our guns: a troubled past produces a superb weapon*. The fourth publication in this series was titled: *The Bushmaster: from concept to combat*. This series of publications is dedicated to telling the 'warts and all' stories of major undertakings in Australian defence procurement and project management. The 'dates and dollars' of defence projects are available in reporting from Defence and the Australian National Audit Office, so this series explores the less-quantified but nonetheless crucial aspects of project management—the organisational, human and technological challenges that occur along the way. ASPI hopes that future project managers will be able to turn to this series to see how their predecessors dealt with the problems they faced and be able to see how outcomes—good or bad—were shaped by events.

The seventh style of publication is a series titled *Strategist Selections*. This series brings together contributions on a specific theme or by a single author. The second issue was published in October 2019 and featured Rod Lyon's writings for *The Strategist* during his time at ASPI.

ASPI also occasionally produces discussion papers for distribution within the policy community. Those reports usually deal with near-term planning and management issues and discuss options, often including some not previously considered by officials.

Table 5 shows the numbers of each publication type published in 2018–19 and 2019–20.

Table 5: ASPI publications, by format, 2018–19 and 2019–20

Publication type	2018–19	2019–20
Strategy	3	2
Strategic Insights	9	11
Special Report	17	19
Annuals	2	1
Discussion paper	0	0
International Cyber Policy Centre	13	20
Case Studies	1	2
<i>Strategist</i> Selections	1	1
Other		1
Total	46	57

A complete list of ASPI’s 2019–20 publications is in Annex A.

CONTRIBUTIONS TO THE NATIONAL DEBATE, BY PUBLICATION TYPE

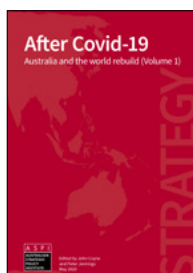
The following pages describe some selected ASPI publications and outline how they have contributed to the national debate.

Strategy

After Covid-19: Australia and the world rebuild (volume 1)

Edited by John Coyne and Peter Jennings

2 May 2020



This Strategy report offers policy-focused analysis of the world we will face once the pandemic has passed. At a time when all our assumptions about the shape of Australian society and the broader global order are being challenged, we need to take stock of likely future directions.

The report analyses 26 key topics, countries and themes, ranging from Australia’s domestic situation through to the global balance of power, climate and technology issues. In each case, we asked the authors

to consider four questions. What impact did Covid-19 have on their research topic? What will recovery mean? Will there be differences in future? What policy prescriptions would you recommend for the Australian Government?

Strategic Insights

Indo-Pacific election pulse 2019: Thailand, Indonesia, India and Australia:

Views from *The Strategist*

Edited by Huong Le Thu

14 August 2019



With democracy under stress globally, a deeper understanding of the impact that elections in the Indo-Pacific in 2019 will have on the region's strategic direction is crucial.

The editor of this volume, Dr Huong Le Thu, identified the consequential elections in 2019 as those in India, Indonesia, Australia and Thailand.

This Strategic Insight is a collection of articles from *The Strategist* that delves into the complexities and implications of the democratic elections, including the issues of foreign interference, populism and the effect of technology on voting behaviours.

The report is one of the more popular Strategic Insights produced. It was a popular download from the ASPI website, it generated international media attention, and parts of it have been republished in many online publication outlets as well as being referenced in academic articles.

The publication is well read across different government departments and training, education and research centres in Australia and abroad. It has featured in the resources of DFAT, the Defence Department, the Department of the Prime Minister and Cabinet, the Parliamentary Research Unit, all major Australian universities, the National Library of Australia and many high-ranking international universities and think tanks.

Special Report

Strong and free? The future security of Australia's north

John Coyne

19 August 2019



This report argues that 'there is a need to reconceptualise northern Australia ... as a single scalable defence and national security ecosystem'. This ecosystem should be developed to 'deliver integrated support to current and future ADF and national security operations'.

With significantly reduced warning times of future conflict, it is likely that the north of Australia will increasingly become either Australia's forward operating base (FOB) or a 'lily pad' to another forward location within the Pacific or the first or second island chain.

The northern Australian industry base needs to be enhanced to be able to provide a permanent and scalable civilianised replenishment and depot repair capacity for Defence capabilities deployed across the various physical nodes of FOB North. If the northern Australian industry base is not scalable, then the ADF might not be able to optimally configure to undertake 'defence of Australia' tasks or short-notification joint expeditionary operations in our regional neighbourhood.

The development of FOB North needs to be part of, and supported by, Australia's sovereign nation building efforts. As both a sovereign defence and a national security concept, FOB North is an integral part of building national resilience in northern Australia and therefore should not be simply planned and delivered through a Defence White Paper. This kind of ambitious national approach will involve Defence working with a diverse array of stakeholders and partners. It will also allow Defence to make a significant and lasting contribution to its most basic strategic interest; a secure, resilient Australia.

The report was widely reported in the media over several days, including on the front page of *The Australian*, in an opinion piece in *The Australian* with a response from the Northern Territory Chief Minister, in the *Adelaide Advertiser*, and in several reports on *Sky News*, *ABC RN Drive*, *ABC Radio*, *ABC TV*, *3AW*, *Northern Territory News*, *Taipei Times*, *Daily Mail UK*. Both the Defence Minister and the shadow defence minister responded to the report.

Annuals

Counterterrorism yearbook 2020

Edited by Isaac Kfir and John Coyne

20 March 2020



The annual *Counterterrorism yearbook* was published for the fourth time in 2020. This year's yearbook draws upon 19 contributing authors, each a renowned thought leader in their field, to promote practical counterterrorism solutions by reviewing a global range of terrorism developments and counterterrorism responses.

ASIO Director-General Mike Burgess commended the publication for its 'valuable contribution to the public discourse on counterterrorism'.

While maintaining its geographical focus, the yearbook now includes thematic chapters on mental health, strategic policing, the media, the terror–crime nexus and terrorist innovation.

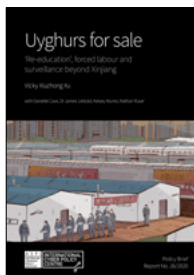
Those new thematic chapters have been included to encourage governments to consider more proactive counterterrorism agendas that move beyond the current focus on disrupting plots and discouraging people from joining and supporting terrorist groups. The focus here has been on promoting new thinking on how to deal with emergent areas of concern, such as the comorbidity of mental health, the use of gaming platforms, and artificial intelligence.

Feedback from the federal and state governments, embassies and think tanks indicates that the publication is being used as a reference tool in defence and foreign policy circles.

Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang

Vicky Xiuzhong Xu et al

1 March 2020



This report found that the Chinese Government has facilitated the mass transfer of Uyghur and other ethnic minority citizens from the far west region of Xinjiang to factories across the country. The report revealed that, under conditions that strongly suggest forced labour, Uyghurs are working in factories in the supply chains of at least 83 well-known global brands in the technology, clothing and automotive sectors, including Apple, BMW, Gap, Huawei, Nike, Samsung, Sony and Volkswagen.

The report found that more than 80,000 Uyghurs were transferred to work in factories across China between 2017 and 2019, and some of them were sent directly from detention camps. The estimated figure is conservative, and the real figure is likely to be far higher. The workers typically live in segregated dormitories, undergo organised Mandarin and ideological training outside working hours, are subject to constant surveillance, and are forbidden to participate in religious observances. Numerous sources, including government documents, show that transferred workers are assigned minders, work under 'military style management' and have limited freedom of movement.

This report, drawing on open-source Chinese documents, exposed a new phase in China's social re-engineering campaign targeting minority citizens, revealing new evidence that some factories across China are using forced Uyghur labour under a state-sponsored labour transfer scheme that is tainting the global supply chain.

The report became the most read ASPI report of all time within 24 hours of being published on 1 March. It received global news coverage in top-tier media, including an exclusive in *The Washington Post*, and post-publication coverage from the *BBC*, *CNN*, *PBS*, *The Financial Times*, *The Economist*, *al-Jazeera*, *South China Morning Post*, *Le Monde*, *The Straits Times*, *The Guardian* and *The Jakarta Post*, among others.

The authors have since been invited to brief Australian and European parliamentary committees; large US industry groups with corporate members that manufacture in China; US officials; and ministers and

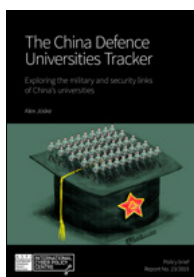
political advisers in a wide range of countries. US members of Congress and members of the European Parliament have written to the CEOs of companies named in the report, demanding that they take action on forced labour supply-chain risks in China. The authors have contributed expert opinions to draft legislation on the issue in foreign parliaments.

Lead author Vicky Xu said, ‘This is now a global problem. We’re seeing the practices of the “re-education camps” in Xinjiang being exported to major factories across China and implicating both global brands and their hundreds of millions of consumers. Regardless of where these factories are in a company’s supply chain, what these global brands all have in common is a supply chain that appears to be tainted by forced and surveilled labour. And at no stage can we forget this forced and surveilled labour is coming from one of the most repressed regions of the world where huge parts of the population remain under active surveillance, house arrest or arbitrary detention.’

The China Defence Universities Tracker: Exploring the military and security links of China’s universities

Alex Joske

25 November 2020



This project analysed the growing ties between China’s People’s Liberation Army and Chinese universities, companies and research institutes. It produced a unique online database of the military links of Chinese institutions and a report analysing the project’s findings. The project found that Chinese universities are increasingly engaged in military research, and many have been implicated in cases of illegal exports or espionage. Seven of China’s leading universities are particularly close to the military and are often referred to as the ‘Seven Sons of National Defence’.

The project was designed as a tool to address the high level of concerning collaboration with Chinese military-linked entities that was identified in earlier ASPI research. By providing greater transparency about ‘military–civil fusion’ in China’s university sector, it aims to encourage better practices by universities as they partner with Chinese institutions.

The China Defence Universities Tracker project has been highly influential since its November 2019 launch. Its dedicated website has attracted more than 300,000 readers worldwide, who have totalled over 750,000 unique page views, making it the most viewed single resource that ASPI has published. The report also received 52,214 unique views, which was the second most of any ASPI report. It has been consulted by governments and universities in Australia, the US, Canada, Switzerland, the Czech Republic, the UK and Japan. In particular, it informed the recent US Government decision to restrict visas for Chinese military-linked scientists.

ASPI Case Studies

Sticking to our guns: a troubled past produces a superb weapon

Chris Masters

31 October 2019



ASPI case studies in defence projects is a series dedicated to telling the ‘warts and all’ stories of major undertakings in Australian defence procurement and project management. The ‘dates and dollars’ of defence projects are available in reporting from Defence and the Australian National Audit Office, so this series explores the less quantified but nonetheless crucial aspects of project management—the organisational, human and technological challenges that occur along the way. ASPI hopes that future project managers will be able to turn to this series to see how their predecessors dealt with the problems they faced, and be able to see how outcomes—good or bad—were shaped by events along the way.

In *Sticking to our guns*, Chris Masters delivers a cracking read about the ‘funny plastic weapon’ that replaced the Vietnam-era L1A1 assault rifle in the 1980s, the successors to which remain the ADF’s primary personal weapon. And what a history it is. Chris skilfully weaves the political, design, industrial, economic and battlefield factors that have driven decision-making about the weapon earlier known as the Steyr AUG, F88 and Austeyr and now known as the EF88.

The Bushmaster: from concept to combat

Brendan Nicholson

12 December 2019



This account of the Bushmaster protected mobility vehicle by Brendan Nicholson is the classic story of an ugly duckling—an ‘armoured Winnebago’—transformed, swan-like, into a vital lifesaver for Australian and Dutch troops on combat operations in Afghanistan. It was never designed to play that role. Based on South African and Rhodesian experiments with landmine-blast-deflecting V-shaped hulls, the Bushmaster was first conceived as a lightly armoured truck. In 1980s ‘defence of Australia’ planning, the Bushmaster would move troops around the vastness of northern Australia pursuing ‘thugs in thongs’ bent on harassing locals.

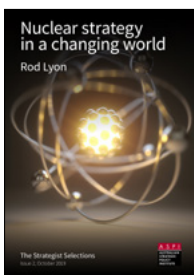
As with earlier ASPI case studies on defence projects, *The Bushmaster: from concept to combat* is designed to help those in Defence, industry and parliament and other interested observers to better understand the complexities of the business, all with the aim of improving how Australia equips its defence force.

Strategist Selections

Nuclear strategy in a changing world

Rod Lyon

24 October 2019



The immense destructive power of nuclear weapons continues to shape the international strategic balance, not least Australia’s place as a close ally of the US in an increasingly risky Indo-Pacific region.

What is the continuing utility to America’s allies of extended nuclear deterrence? Where is the risk of nuclear proliferation greatest? How should the world deal with the growing nuclear capabilities of North Korea? Is the nuclear order as sturdy and stable as it needs to be? These and other pressing issues are addressed in this volume by one of Australia’s leading thinkers on nuclear weapons and the global strategic balance, Rod Lyon.

Rod's career spans academic research and teaching at the University of Queensland and strategic analysis for Australia's peak intelligence agency, the Office of National Assessments (now the Office of National Intelligence). Since 2006, he has been a senior analyst at ASPI and a frequent contributor on nuclear issues to *The Strategist*, Australia's best online source of analysis on defence and strategic issues.

The 36 pithy articles in this volume offer Rod Lyon's distilled wisdom on critical nuclear issues, which are increasingly occupying the minds of Australia's best policy and intelligence thinkers.

CONTRIBUTIONS TO THE NATIONAL DEBATE, BY SELECTED TOPIC

Change in Australia's strategic environment and the implications for defence strategy and policy

Publications

How the geopolitical partnership between China and Russia threatens the West

Paul Dibb

29 November 2019



We are in an era when the risks of major-power conflict are growing. The most likely contenders are China, the rising power, and the US, the formerly dominant power that's now in relative decline.

The other worrying contingency is conflict between Russia and US-led NATO. But what about the third possibility: the prospect of China and Russia collaborating to challenge American power? The most dangerous scenario for America would be a grand coalition of China and Russia united not by ideology but by complementary grievances.

This paper examines Russian and Chinese concepts of great-power war in the 21st century, their views of the West and its military capabilities, and what risks they might both take to regain lost territories.

The paper concludes by examining how America might react, the implications of all this for the West, including Australia, and what sort of armed conflict might be involved.

Selected posts from *The Strategist*

- 'Blowing up diplomacy on the Korean peninsula', Malcolm Davis, 22 June 2020
- 'White Paper update must not be about defending the 2016 status quo', Michael Shoebridge, 8 June 2020
- 'The US and Hong Kong: a chance to contrast freedom with repression', Michael Shoebridge, 3 June 2020
- 'Global action needed as Beijing ramps up pressure on Hong Kong and Taiwan', Michael Shoebridge, 29 May 2020
- 'Victoria's Belt and Road Initiative deal undermines cohesive national China policy', Michael Shoebridge, 22 May 2020
- 'China won't save the global economy this time', Michael Shoebridge, 20 May 2020
- 'Resolution, recovery and reinvention: how Australia can help Southeast Asia respond to Covid-19', Huong Le Thu, 20 May 2020
- 'How to deal with the increasing risk of doing business with China', Michael Shoebridge, 16 May 2020
- 'Is China in breach of its nuclear-testing commitments?', Rod Lyon, 14 May 2020
- 'US–China rivalry must not derail international inquiry into Covid-19', Michael Shoebridge, 8 May 2020
- 'Australia and New Zealand should plan to expand the trans-Tasman bubble to the Pacific islands', Michael Shoebridge, 7 May 2020
- 'Why Singapore, Taiwan and Vietnam have been effective in fighting Covid-19', Huong Le Thu, 16 April 2020
- 'Geopolitics in the time of corona', Rod Lyon, 1 April 2020
- 'How much will coronavirus change the global strategic balance?', Brendan Nicholson and Michael Shoebridge, 1 April 2020
- 'Will the Nuclear Non-Proliferation Treaty survive the 2020s?', Rod Lyon, 20 February 2020
- 'Solomon Islands and Kiribati switching sides isn't just about Taiwan', Michael Shoebridge, 24 September 2019
- 'How Hong Kong plays out will define both China and our world', Michael Shoebridge, 7 August 2019
- 'China's Cambodia gambit', Malcolm Davis, 29 July 2019

Cyber policy, security and technologies and their application to Australian national decision-making and security

Publications

National security agencies and the cloud: an urgent capability issue for Australia

John Coyne, Michael Shoebridge and Albert Zhang

27 May 2020



This report argues for a rapid, large-scale investment in secure cloud infrastructure for Australia's national security community, making the intelligence agencies an early focus. The report seeks to shift perceptions of new technology as capabilities, rather than as business enablers, and calls on agency executives to drive the required change.

US national security agencies already have at least five years lead over their Australian partner agencies. Decisions in the US now are not about whether to adopt cloud infrastructure and functionality, but how best to orchestrate and manage what has become a reasonably crowded and chaotic multi-cloud environment.

A major investment in secure national cloud capabilities must be made by at least the intelligence organisations, with big defence and other less agile agencies following suit. This report identifies four obstacles that agencies will need to overcome.

First, they have not planned or budgeted for a move such as this. Treasurer Josh Frydenberg said he has already kicked in to raise the defence budget and is hesitant to increase government spending further.

Second, agencies usually function independently. Cloud infrastructure, however, will be most effective as a joint initiative, at least between the intelligence agencies and defence organisations. This will require massive organisational and cultural shifts towards greater collaboration and interdependence. In addition, by leveraging the purchasing power across the national security community, Australia can get the best bang for its buck and share the responsibility for security.

Third, there is a lack of knowledge and skills in cloud computing in Australia that is part of a broader shortage of skills in science, technology, engineering and maths. To be able to operate cloud

infrastructure efficiently and effectively in the long term, agencies will need to be able to build and retain expertise in those areas.

Last, establishing trust and assessing risk will be key issues. The number of providers that could work with the Australian national security community to build a cloud foundation is relatively limited. It includes global providers as well as credible Australian cloud providers that have designed their approaches with security and sovereignty in mind.

To succeed, organisational and cultural changes to overcome these obstacles need to be driven by ministers and agency heads. Chief information and technology officers and security staff have important and useful internal roles to keep systems and services running and identify new risks. Security, however, is merely one important factor in the decision-making process. The capability benefits of cloud infrastructure and services that we all understand when looking at the world's tech giants must weigh heavily in the decision-making.

The report attracted widespread attention from industry and government. The authors continue to be actively engaged with both the public and private sectors on developing Australia's national security cloud.

Selected posts from *The Strategist*

- 'Cloud computing transformation must be led by ministers and agency heads', John Coyne, Michael Shoebridge and Albert Zhang, 27 May 2020
- 'Harnessing Defence's technological strengths for combat and coronavirus', Michael Shoebridge, 23 April 2020
- 'Democratisation of technology: Iran shows Australia what's possible', Michael Shoebridge, 9 December 2019
- 'How China's 5G ascent could herald the end of big tech', Michael Shoebridge, 3 December 2019
- 'Lessons from the ANU cyberattack', Michael Shoebridge, 4 October 2019
- 'The cyber threat to satellites', Malcolm Davis, 9 September 2019
- 'Why Australia's national security agencies need the cloud', Michael Shoebridge, 30 July 2019

Capability assessment and change, including the implications of disruptive and emerging technologies for militaries and national security agencies

Publications

Accelerating autonomy: autonomous systems and the Tiger helicopter replacement

Marcus Hellyer

11 December 2019



Accelerating autonomy: autonomous systems and the Tiger helicopter replacement examines how Defence can jump start the transition to greater use of autonomous systems.

Report author Dr Marcus Hellyer said that ‘Defence has slowly been developing trust in unmanned systems. It’s laid a foundation; now it’s time to do a lot more.’ The report argues that Defence needs to identify areas of capability in which autonomous systems can deliver disruptive innovation. Investing in those systems can deliver more capability at less cost than traditional manned systems.

The report makes the following recommendations for Defence:

- Double the budget of the Next Generation Technologies Fund and Defence Innovation Hub to boost investment in the development of emergent technologies—around \$850 million over the next six years.
- Continue to prioritise autonomous systems and their enablers, such as artificial intelligence, for innovation funding.
- Retain the Tiger armed reconnaissance helicopter in service beyond 2025 to at least 2030 and invest a portion of the funding saved in obsolescence management and limited upgrade of the Tiger—indicatively, around \$750 million.
- Redefine the Tiger replacement in its Integrated Investment Program to clearly set out the effects sought rather than specify a particular platform solution, so that a full range of options to deliver those effects can be identified and explored; avoid acquiring another manned helicopter to replace the Tiger unless it can be clearly demonstrated after extended development, acquisition and evaluation that autonomous systems combined with other capabilities in or entering service will not be able to deliver the effects sought by 2030.

- Acquire a broader range of small, precision-guided munitions for the Reaper and other capabilities already in service or currently being acquired, at an indicative cost of around \$300 million.
- Explore whether munitions these systems use can be domestically designed and manufactured. The munitions could also be integrated onto the autonomous battlefield aviation systems to be developed and acquired under other recommendations.
- Establish a funding line of \$1 billion over the next decade in its investment plan to support experimentation with and acquisition of unmanned autonomous systems to deliver disruptive battlefield aviation effects.

Defence budget analysis, including analysis of cost drivers, implementation of the Integrated Investment Program and industry policy aspects.

Publications

Defence projects and the economy

Rob Bourke

21 August 2019



This report examines what the national economy stands to gain from nearly \$100 billion of planned investment in new defence capital equipment, including submarines, frigates and military vehicles.

The report emphasises that, although the general public has been informed about some of the economic benefits of those projects, it has limited access to reliable information on most of their economic costs. Nor has the public been fully informed of how much of what goes into the projects will be produced in Australia.

The picture emerging from information available publicly contrasts with the image of vessel and vehicle projects as a major source of 'jobs and growth'. At best, the projects appear to have a small positive impact on economic activity due to the substantial economic costs involved.

Author Rob Bourke said that 'for such large projects whose economic benefits have been portrayed as being far above their economic costs, it's surprising how little supporting evidence has been made available to Australian taxpayers.

‘With the economic upside of projects touted widely but the economic downside largely hidden from public view, it’s difficult to assess the merits of investments of national significance.

‘Government messaging suggests that projects add much more to the economy than they take away. The evidence available publicly paints a different picture: Australia potentially paying a lot to protect a little.

‘Vessel and vehicle acquisitions might now be difficult to alter. Nonetheless, the lessons in transparency that they provide are important to consider for future investments by Defence, especially with calls for its budget to move well above the current target of 2% of GDP.’

Selected posts from *The Strategist*

- ‘Australia’s defence budget in the age of Covid-19: unsustainable sustainment?’, Marcus Hellyer, 23 June 2020
- ‘Australia needs to ensure it has the advanced missiles it needs’, Michael Shoebridge, 30 Jun 2020
- ‘Australia’s defence budget in the age of Covid-19: room for a cut?’, Marcus Hellyer, 1 June 2020
- ‘Australia’s defence budget in the age of Covid-19: where are we now?’, Marcus Hellyer, 15 May 2020
- ‘Urgent lessons for Australia in US defence budget’, Michael Shoebridge, 10 March 2020
- ‘Has the cost of Australia’s future submarines gone up?’, parts 1 and 2, Marcus Hellyer, April 2020

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CHAPTER

4

EVENTS

ASPI's events program embraces a range of different audiences and tailors events for each type. By-invitation events, which include roundtables and strategic dialogues, involve mainly members of the security community, address specific issues related to policy development and are normally conducted under the Chatham House rule.

Public events, such as ASPI report launches, panel discussions and public addresses, are designed to allow the widest possible audience to engage with leading Australian and international strategic thinkers, to exchange different perspectives on strategic and security matters and to network with like-minded attendees.

The impact of Covid-19 on the events program has been significant. Most notably, the in-person annual conference was postponed from the originally planned date in June 2020 to 2020–21. All planned public events, evening presentations and many strategic international dialogues that were to be held from March 2020 through until the end of 2019–20 have been postponed or cancelled for that reason.

ASPI has adapted the events and communications delivery model to ensure that the goal of promoting discussion in the defence and strategic space is still achieved. The events team has introduced a series of webinars (akin to public events) to allow space for discussions and for engagement with audiences to continue. This format has allowed those interested in participating in or attending ASPI events to not be constrained by location. The webinars have continued to grow in impact and will remain a useful capability until the end of the pandemic and beyond.

Table 6 summarises the major events conducted by ASPI in 2018–19 and 2019–20. More detailed descriptions of the events held during 2019–20 are given in this section, while a detailed listing of the 2019–20 events program is in Annex D.

Table 6: ASPI events, 2018–19 and 2019–20

Events	2018–19	2019–20
Conferences	1	0
Evening presentations	5	0
International strategic dialogues	10	6
Roundtable discussions and forums	65	50
Public events and workshops	45	22
Special meetings	16	14
Webinars	0	11
Total	142	103

ASPI PODCAST

As in-person events and travel were made increasingly impossible due to the pandemic, the events and communications team increased the communications output and pivoted to use online communications to a much more significant degree. That included increasing newsletters to our growing list of subscribers to update them on report launches, online events, podcast episodes, notable *Strategist* pieces and ASPI media content, such as op-eds and television or radio interviews. The impact of the newsletter and the increase in curated communications on our social media platform has been large, as more people and a broader global audience engage with our content.

The ASPI podcast, *Policy, Guns and Money*, continues to go from strength to strength, as the frequency of the series was increased from fortnightly to weekly. With ever-increasing listenership, we continue to develop the podcast as an important format for discussions of strategic issues, reaching new audiences with a variety of content.

In 2019–20, ASPI produced a four-part podcast series titled 'Australia's next steps'. The series' exceptional guests attracted a great listenership and much media interest.

As opportunities to expand ASPI's online events and communications grow, the audience for such content is extended, reinforcing ASPI's role as a thought leader.

Table 7 shows number of podcasts in 2019-20.

Table 7: ASPI podcasts, 2019–20

Communications	Numbers
Podcast regular episodes	34 episodes
Average listenership per regular episode	2,070 average listeners per episode on soundcloud
Podcast special episodes	7 special episodes
Podcast short series	4 episodes in 1 short series

ASPI'S INTERNATIONAL CONFERENCE

ASPI holds an international conference annually in June. Unfortunately, this year's conference was postponed due to Covid-19. A reimaged, virtual conference was held in lieu of this event in July–August 2020, outside of the reporting period for this annual report.

WOMEN IN DEFENCE AND SECURITY NETWORK

The Women in Defence and Security Network (WDSN) is designed to support the career development of women in the defence and security communities in Australia.

It provides networking opportunities and facilitates discussion on issues related to women's participation and gender perspectives in the context of defence, national security and foreign policy.

Interest in the WDSN continued to grow in 2019–20, but Covid-19 disrupted planned events. WDSN events are being adapted to be delivered from a distance to ensure that the network remains strong.

The WDSN continues to publish profiles of women working within the sector, showcasing talent and career options to those in the network.

Table 8 shows the WDSN events held in 2019–20

Table 8: WDSN events, 2019–20

Date	Event
1 August	Public event: ASPI – Young Australians in International Affairs speed mentoring
4 November	Public event: In conversation with Assistant Secretary-General Michele Coninx, Executive Director of the UN Counter-Terrorism Executive Directorate
7 November	Event: Melbourne speed mentoring

EVENING PRESENTATIONS

Due to Covid-19, evening presentations planned for 2019–20 were postponed, cancelled or turned into virtual events.

INTERNATIONAL STRATEGIC DIALOGUES

ASPI supports Australian diplomacy by conducting Track 1.5 and Track 2 dialogues with international institutions and government partners on a regular basis. In 2019–20, we conducted six such dialogues. Unfortunately, many have been postponed due to Covid-19 and may now take virtual forms.

ROUNDTABLE DISCUSSIONS AND FORUMS

ASPI hosted many roundtable discussions at our Canberra premises during 2019–20, engaging a wide range of international and Australian experts in discussions about strategic and national security affairs. Many roundtables were convened at the request of overseas visitors seeking direct interaction with ASPI staff. Others were initiated by ASPI in support of our research program. Details of the roundtables held in 2019–20 are in Annex D.

ASPI PUBLIC EVENTS AND WORKSHOPS

ASPI hosted many public events in the form of keynote speaker or panel discussions throughout the year. Our public events are very popular, are officially moderated and attract media attention.

Our public event schedule was disrupted by Covid-19, so many events were postponed or cancelled. Some events were adapted into webinars (see below).

Details of ASPI's public events in 2019–20 are in Annex D.

WEBINARS

While Covid-19 meant that ASPI was unable to host in-person events, the events and communications team pivoted to host events such as panel discussions, publication launches and in-conversations online. Eleven webinars were delivered between April and June 2020. Participants, both panel guests and attendees, have been able to participate from across the globe and watch either live or on demand after the webinar has aired. This has allowed us to develop the capability to deliver webinars. As the world returns to normal once the pandemic concludes, this will be a useful capability to continue to use, as it increases our reach well beyond Canberra. More details of webinars in 2019–20 are in Annex D.

OTHER EVENTS

From year to year, ASPI hosts a range of other events on topical issues, including panel discussions and workshops. Further details are in Annex D.



CHAPTER

5

CORPORATE GOVERNANCE

The ASPI Council is the governing body of ASPI, which is a Commonwealth company. The council reports annually to the Australian Securities and Investments Commission. As well as meeting legislative requirements, a governance framework guides the development of policies, plans and strategies that are approved by the council, covering areas such as risk, fraud and business continuity. A number of internal policies for staff are reviewed as required or scheduled.

The council comprises up to twelve directors with experience, expertise and excellence in a range of professions, including business, academia, government and the military. Provision is also made to have council members who are nominees of the Prime Minister and the Leader of the Opposition, emphasising that ASPI is politically non-partisan.

COUNCIL MEETING ATTENDANCE

During 2019–20, the following directors completed their terms on the ASPI Council:

- the Hon David Johnston
- Professor Joan Beaumont
- Mr Jim McDowell

The following directors were appointed to the ASPI Council:

- Ms Gai Brodtmann
- Dr Brendan Nelson AO
- Dr Lavina Lee

Table 9 lists meeting attendance by ASPI Council members throughout the year.

Mr Peter Jennings is the only executive member of the council. All other council members are non-executive directors.

Table 9: Attendance at ASPI Council meetings, 2019–20

	30 August 2019	29 November 2019	6 March 2020	30 June 2020
Lieutenant General (Ret'd) Kenneth Gillespie AC DSC CSM (Chair)	✓	✓	✓	✓
Mr Peter Jennings PSM	✓	✓	✓	✓
Air Vice Marshal (Ret'd) Margaret Staib AM CSC	✓	✓	✓	✓
Professor Joan Beaumont	✓	×	✓	-
Ms Jane Halton AO PSM	✓	✓	✓	✓
Mr Jim McDowell	×	×	×	-
The Hon Stephen Conroy	✓	✓	✓	✓
The Hon David Johnston	✓	×	✓	-
The Hon Robert Hill AC	✓	✓	×	✓
Mr Stephen Brady AO CVO	✓	✓	✓	✓
Dr Denis Dragovic	✓	✓	✓	✓
Ms Jennifer Ma	✓	✓	✓	✓
The Hon Dr Brendan Nelson AO	-	-	-	✓
Ms Gai Brodtmann	-	-	-	✓
Dr Lavina Lee	-	-	-	✓

CURRENT COUNCIL MEMBERS

CHAIRMAN

Lt Gen (Ret'd) Kenneth J Gillespie AC DSC CSM

Grad Dip Strat Studies



Kenneth Gillespie is an experienced and highly decorated national leader. Formerly Chief of the Australian Army, he has had a diverse range of practical experience, including military high command, diplomacy and private and public sector leadership. He has an enviable and successful track record for strategic review, structural reform, team building and leadership in diverse and challenging work environments and workforces.

Lt Gen Gillespie currently sits on several boards, both public and not-for-profit, and provides consulting services to government departments, corporations and small companies. He possesses a strong network of contacts in government, defence, security and commercial fields and has considerable experience communicating with and building consensus among diverse stakeholder groups.

Lt Gen Gillespie was appointed to the ASPI Council in January 2015 and was appointed as ASPI Council Chairman in December 2016.

MEMBERS

Mr Stephen Brady AO CVO

BA (Hons)



Stephen Brady completed his 36-year career with the Australian Government as Ambassador to France, coinciding with a series of terrorist attacks and the government's decision to buy 12 French-designed submarines. He was also accredited to Morocco, Algeria and Monaco.

Before then, he was Official Secretary to two Governors-General of Australia. He has also served as Ambassador to the Netherlands (2004–07) where he was responsible for handling Australia's political cooperation with the Netherlands in Afghanistan. He was also Permanent Representative to the Organisation for the Prohibition of Chemical Weapons, the International Court of Justice, the International Criminal Court and the Permanent Court of Arbitration.

Mr Brady has been Australia's Ambassador to Sweden, where he was accredited to Denmark, Norway, Finland, Iceland, Latvia, Lithuania and Estonia. On two occasions, he served as a Senior Adviser to Prime Minister John Howard.

In 2013, the Queen made him a Commander of the Royal Victorian Order, and in 2015 he was appointed an Officer of the Order of Australia for 'distinguished service to successive governments in the area of international affairs'. At the conclusion of his posting in Paris, the French Government awarded him a Commander of the Legion d'Honneur. He is currently the only Australian civilian to hold that honour.

Mr Brady now serves as Adjunct Professor of International Relations at Bond University and is a director on the boards of the European Australian Business Council, The Ethics Centre and Bangarra, and is Chairman of the National Gallery of Australia Foundation and a member of the NGA Council.

Mr Brady was appointed to the ASPI Council in February 2019.

Ms Gai Brodtmann

BPR (RMIT), GradCertBus (Monash), BA (ANU)



In addition to being an ASPI Council member, Gai Brodtmann is a member of the boards of Old Parliament House and Endometriosis Australia and the Sapien Cyber advisory board.

She is also an occasional presenter and panellist at the National Security College and Australian Defence College and a contributor to *The Strategist*.

Ms Brodtmann served as the Member for Canberra from 2010 to 2019. She was shadow Assistant Minister for Cyber Security and Defence from 2016 to 2019 and shadow Parliamentary Secretary for Defence from 2013 to 2016.

She is a former member and deputy chair of the joint parliamentary committees on Public Accounts and Audit and the National Capital and External Territories and a former member of the Joint Standing Committee on Foreign Affairs, Defence and Trade and the Defence subcommittee.

Before her political career, Ms Brodtmann ran her own small business for 10 years and was a federal public servant, primarily with Foreign Affairs and Trade and Attorney-General's, for a decade.

From 2000 to 2009, she consulted in Defence in a broad range of areas, including capability acquisition and sustainment; financial and personnel management; youth development; science and technology; and cultural change and diversity policy.

During her time in Foreign Affairs and Trade, Ms Brodtmann was posted to New Delhi and served on the Middle East desk, where she worked on the normalisation of the relationship with Iran and bilateral policy on Iraq, Jordan, Syria and Lebanon.

Her national security policy interests include cybersecurity (across a broad range of fields); the women, peace and security agenda; critical infrastructure; capability sustainment; sovereign capacity; and community education.

Ms Brodtmann is a member of the Australian Institute of Company Directors and a Fellow of the Public Relations Institute of Australia.

Ms Brodtmann was appointed to the ASPI Council in June 2020.

The Hon Stephen Conroy

BEC (ANU)



Stephen Conroy served as a Senator for Victoria in the Australian Parliament for more than 20 years, including as the Leader of the Government in the Senate and as Deputy Leader of the Opposition in the Senate.

During his time in parliament, Mr Conroy worked in multiple portfolio areas, most notably as the Minister for Broadband, Communications and the Digital Economy, when he was responsible for the design and implementation of the National Broadband Network between 2007 and 2013.

Before entering parliament, he worked at the Transport Workers Union. In 1993, he was elected to Footscray City Council.

In November 2016, Mr Conroy was appointed as the Executive Director of Responsible Wagering Australia.

Mr Conroy was appointed to the ASPI Council in March 2017.

Dr Denis Dragovic

BEng (Hons), MSFS, PhD



Denis is a former humanitarian aid worker with experience in war zones around the world, a scholar of religion and society, public commentator and currently sits on Australia's Administrative Appeals Tribunal.

A graduate from the University of Adelaide with a degree in civil engineering Denis relocated to Singapore to work on major construction projects before moving to Washington D.C. to complete the Master of Science in Foreign Service degree at Georgetown University.

Following the 1999 civil war in East Timor, Denis was hired as a shelter engineer for the International Rescue Committee, a leading US humanitarian organisation. Over the subsequent twelve years Denis worked in war zones and disaster-stricken areas in South East Asia, the Middle East and Africa running humanitarian and development programs including in Iraq where he led one of the world's largest community development programs. During this period, he led the successful efforts to release the first aid worker kidnapped by militants in Iraq, provided consulting services to various United Nations agencies and helped establish an Iraqi NGO.

Drawing on his experiences working in conflict and post-conflict environments Denis completed a PhD from the University of St Andrews' School of Divinity which led to the book *Religion and Post-Conflict Statebuilding: Roman Catholic and Sunni Islamic Perspectives*. His second book, *No Dancing, No Dancing: Inside the Global Humanitarian Crisis*, is a narrative non-fiction based on his return journey to Iraq, South Sudan and East Timor to see what happened to the people and aid projects.

He is currently a senior member on the Administrative Appeals Tribunal hearing asylum claims, a regular commentator in the media on the intersection of religion and society as well as an honorary senior fellow at the University of Melbourne.

Dr Dragovic was appointed to the ASPI Council in February 2019.

Jane Halton AO PSM

BA (Hons) Psychology, FAIM, FIPAA, Hon FAHMS, Hon FACHSE, Hon Dr Letters (UNSW), GAICD



Jane Halton has had a 33-year public sector career, having served as Secretary of the Department of Finance (2014–2016), Secretary of the Department of Health (and Ageing) (2002–2014) and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet.

In her most recent role as Secretary of the Department of Finance, she was responsible for a range of significant services delivered by the department, including the delivery of the Australian Government Budget; oversight of the financial framework of Australian Government agencies; shareholder aspects of government business enterprises; the ongoing management of the Australian Government's non-defence domestic property portfolio and key asset sales; and key projects, including the Air Warfare Destroyer Project.

Ms Halton is currently the Chair of Board Vault Systems, the Coalition for Epidemic Innovations and COTA Australia.

She is a board member of ANZ Bank; Crown Resorts; Clayton Utz and Ngamuru Advisory; the Institute of Health Metrics and Evaluation, University of Washington; the Australian Genomics Advisory Board; and the Corporate Council of the European Australian Business Council. She is also an adjunct professor at the University of Sydney and the University of Canberra.

She has had significant experience in global health governance, playing key roles in global health security, and has held leadership roles with the Organisation for Economic Co-operation and Development and the World Health Organization.

Ms Halton has been awarded the Public Service Medal (2002), the Centenary Medal (2003) and the Order of Australia (2015).

Ms Halton was appointed to the ASPI Council in December 2016.

Mr Peter Jennings PSM

BA (Hons), MA, MSc



Peter Jennings is the executive director of ASPI—a position he has held since May 2012.

Mr Jennings has worked at senior levels in the Australian Public Service on defence and national security. Career highlights include being Deputy Secretary for Strategy in the Defence Department (2009–12), Chief of Staff to the Minister for Defence (1996–98) and Senior Adviser for Strategic Policy to the Prime Minister (2002–03).

Since 2012, Mr Jennings has expanded ASPI's role from its original high-quality research on defence to include research on cybersecurity; policing and international law enforcement; border security; national resilience; and counterterrorism studies. Now with around 60 staff and close working relations with government, parliament, industry and international partners, ASPI is Australia's leading think tank on national security.

Mr Jennings's research interests include Australian and regional defence policies, military operations, crisis management, government decision-making and future defence capabilities.

He led the External Expert Panel appointed by government in early 2014 to advise ministers and the Defence Department on the *Defence White Paper* released in February 2016. He was a member of the Australia–Germany Advisory Group appointed by the Prime Minister and German Chancellor in 2015 to develop closer bilateral relations. He has also been a member of the Advisory Group on Australia–Africa Relations, advising DFAT.

Mr Jennings has previously held a number Senior Executive Service positions in Defence, including as First Assistant Secretary International Policy Division and First Assistant Secretary Coordination and Public Affairs.

He was Director of Programs at ASPI between late 2003 and January 2006 and has taught postgraduate studies on terrorism at the Australian Defence Force Academy (ADFA).

In the Defence Department, Mr Jennings has been the Deputy Director of the then titled Defence Imagery and Geospatial Organisation (2002) and head of the Strategic Policy Branch (1998–1999). In late 1999,

he was co-director of the East Timor Policy Unit, responsible for developing Australia's policy approaches to the international peacekeeping operation in East Timor.

Mr Jennings studied at the London Business School in 2000 and 2001 as a Sloan Fellow and was awarded a Masters of Science (Management) with Distinction. He has a Master of Arts degree in International Relations from the Australian National University (1987) and a BA (Honours) in History from the University of Tasmania (1980–1984). He has been a Fulbright Fellow at the Massachusetts Institute of Technology (1985). He taught politics and international relations at the University of New South Wales / ADFA (1987–1990).

He was awarded the Public Service Medal in the Australia Day 2013 Honours list for outstanding public service through the development of Australia's strategic and defence policy, particularly in the areas of ADF operations in East Timor, Iraq and Afghanistan. In February 2016, he was awarded the French decoration of Knight in the National Order of Legion d'Honneur.

Dr Lavina Lee

BComm/LLB, MA, PhD



Lavina Lee is a Senior Lecturer in the Department of Politics and International Relations at Macquarie University, Sydney. She has commerce and law degrees from the University of NSW, an MA in International Peace and Security from King's College, University of London, and a PhD in International Relations from Sydney University. Prior to joining Macquarie University, she was a political risk consultant with Control Risks Group.

Dr Lee has been an academic at Macquarie University since 2007, teaching both undergraduate and postgraduate students in the field of international relations. At Macquarie, she has served as the Convenor of the Master of International Relations program, and is currently Director of Higher Degree Research for the department as well as an appointed member of the University Academic Standards and Quality Committee.

Dr Lee is the author of the book *US hegemony and international legitimacy: norms, power and followership in the wars on Iraq* (Routledge, 2010), and has published numerous articles, book chapters, research reports and commentary on Indian foreign and security policy, nuclear proliferation, US foreign policy and security relations

in the Indo-Pacific. She also periodically publishes opinion pieces in *The Australian*, the *Australian Financial Review*, the *Hindustan Times* and the *New Straits Times*, as well as with specialist policy outlets such as the Lowy Institute's *The Interpreter* and ASPI's *The Strategist*.

She has led projects for the Australian Government and think tanks on opportunities and weaknesses of the 'Quad', Chinese influence in Southeast Asia, the role of democracy promotion in the free and open Indo-Pacific strategy and the role of India in the Indo-Pacific. Her work integrates academic and policy approaches, and she speaks widely to expert and lay audiences on international and security issues.

Before joining the ASPI Council, Dr Lee was a Director of the Institute for Regional Security.

Dr Lee was appointed to the ASPI Council in June 2020.

The Hon Dr Brendan Nelson AO

MBBS, FAMA, FRACP (Hons), MRACGP



Brendan Nelson is president of Boeing Australia, New Zealand and South Pacific. He is the senior company leader in the Oceania region and is the chairman of the board for Boeing Australia Holdings. In that role, he coordinates all Boeing activities, leads government relations and directs the implementation of Boeing's strategy to expand its local presence and grow the business. Appointed in February 2020, he is based in Sydney.

Dr Nelson is also Chairman of the American Chamber of Commerce in Australia (AmCham), a board director of the United States Studies Centre at the University of Sydney and a member of the Space Industry Leaders Forum and the Business Council of Australia.

Before joining Boeing, he served as director of the Australian War Memorial for seven years. Prior to that, he was the Australian Ambassador to Belgium, Luxembourg, the European Union and NATO (2010–12). Apart from overseeing a major transformation in Australia's relationships with the European Union and NATO, Dr Nelson forged deep links with the communities of Flanders, where almost 14,000 Australians lost their lives during World War I.

Born in Coburg, Victoria, in 1958, Dr Nelson studied at Flinders University, South Australia, where he graduated with a Bachelor of Medicine and Surgery degree. He worked as a medical practitioner in Hobart from

1985 to 1995. In 1993, he was elected unopposed as National President of the Australian Medical Association (AMA), becoming the youngest person ever to hold that position. He had previously served as National Vice President and Tasmanian Branch President of the AMA. In 1995, he retired as president of the AMA following his preselection as the Liberal candidate for the Sydney seat of Bradfield.

Dr Nelson was elected to the federal parliament in March 1996. After the 2001 election, he was promoted from Parliamentary Secretary to the Minister for Defence to cabinet in the senior portfolio of Minister for Education, Science and Training. There, he drove major reforms to universities and a focus on school standards and reporting. In 2006, he was appointed Minister for Defence when troops were deployed to Iraq, Afghanistan, East Timor and Solomon Islands. In November 2007, Dr Nelson was elected leader of the Liberal Party of Australia, serving as Leader of the Opposition until September 2008. The following year, he retired from federal politics before taking up his ambassadorial appointment.

In 1995, Dr Nelson was awarded the AMA's highest honour: the Gold Medal for Distinguished Service to Medicine and Humanity. In recognition of his commitment to public health, he was awarded an Honorary Fellowship of the Royal Australasian College of Physicians. He is the recipient of three honorary doctorates: from the Flinders University of South Australia in 2011, the Australian National University in 2017 and the University of South Australia in 2019. He is a Fellow of the Royal Society of NSW (2017), a Rotary Paul Harris Fellow and a Sydney University John Lowenthal Medallist.

Dr Nelson was appointed an Officer of the Order of Australia in January 2016 for his services to the community, the parliament of Australia, diplomacy and cultural leadership.

In 2018, the Returned and Services League (RSL) conferred Honorary Life Membership upon Dr Nelson for his services to and support of veterans and ex-service organisations. He was also awarded honorary citizenship of the Belgian city of Ypres in recognition of his support for the city, its commemorations and Last Post Association.

Dr Nelson was appointed to the ASPI Council in June 2020.

Air Vice Marshal (Ret'd) Margaret Staib AM CSC GAICD

BBus, MBusLog, MA Strat Studies



Margaret Staib is a non-executive director of the Commonwealth Superannuation Corporation and the Australian Royal Aeronautical Society, and a member of the Industry Advisory Board for the Centre for Supply Chain and Logistics at Deakin University. She was recently appointed as Chair of the Strategic Defence Advisory Board to the Chief Minister of the Northern Territory and the Northern Territory Defence and National Security Advocate.

Ms Staib is a certified practising logistician, a Fellow of the Chartered Institute of Logistics and Transport, a Fellow of the Royal Aeronautical Society and a member of the RAAF Active Reserve.

She commenced her professional career as a military logistician with the RAAF after completing a business degree at the University of South Queensland. Her military service included an exchange with the US Air Force in the Pentagon and a period as Commandant of the Australian Defence Force Academy. In 2009, she was promoted to the rank of Air Vice Marshal and assumed the role of Commander Joint Logistics Australian Defence Force.

From the Air Force, Ms Staib continued her executive career as the CEO and Managing Director of Airservices Australia—the air navigation and air traffic management organisation for Australia. There, she led significant transformation in air safety, air navigation technology and cultural change. She has subsequently pursued a career as a non-executive director.

Her expertise is in defence; national security; transport, infrastructure and logistics; aviation and aerospace; cultural change; and organisational transformation.

In addition to her business degree, Ms Staib holds a Master of Business Studies (Logistics) and a Master of Arts (Strategic Studies). She was awarded the Conspicuous Service Cross and is a member of the Order of Australia. She was also a finalist in the Telstra Business Women's Awards (2012) and AFR 100 Women of Influence (2012), and a participant in the 2017–18 AICD Chairs Mentoring Program.

Ms Staib was appointed to the ASPI Council in January 2015.

COUNCIL COMMITTEES

Audit Committee

The functions of the ASPI Audit Committee include reviewing the appropriateness of ASPI's financial reporting; performance reporting; the risk oversight and management system; and the internal control system.

The committee's members in 2019–20 were:

- Kate Freebody, FreebodyCogent Pty Ltd, Chair
- Geoff Brown, Chief Audit Executive, Department of Defence
- Air Vice Marshall (Ret'd) Margaret Staib AM CSC, ASPI Council member

The Audit Committee invites the Executive Director and Director Corporate of ASPI and a representative from the Australian National Audit Office to its meetings.

During 2019–20, the committee met four times.

Research Committee

The ASPI Research Committee comprises senior ASPI staff, ASPI Council members and at least one senior representative from the Department of Defence. Under the current funding agreement, a portion of the funds received from the Department of Defence is directed to mutually agreed Defence-specific projects. Due to Covid-19 restrictions, the Research Committee did not meet during 2019–20. ASPI's Executive Director met with the Secretary of the Department of Defence and agreed on seven research themes for the 2020–21 financial year.

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CHAPTER

6

FINANCIALS

Australian Strategic Policy Institute Limited**DIRECTORS' REPORT**

The directors of the Australian Strategic Policy Institute Limited (ASPI) present this report on the financial year ended 30 June 2020.

Directors

The names of each person who has been a director during the year and to the date of this report are listed below.

LtGen (Ret'd) Kenneth J Gillespie AC DSC CSM (Chairman)
Mr Peter Jennings PSM
AVM (Ret'd) Margaret Staib AM, CSC
Ms Jane Halton AO, PSM
Mr Jim McDowell
Prof Joan Beaumont
The Hon Stephen Conroy
The Hon David Johnston
Mr Stephen Brady AO CVO
Dr Denis Dragovic
Ms Jennifer Ma
Former Senator the Hon Robert Hill AC
Dr Lavina Lee
Ms Gai Brodtmann
The Hon Dr Brendan Nelson AO

Company Secretary

The following person held the position of the ASPI Company Secretary during the financial year:
Ms Karen Edwards

Principal Activities

The principal activity of ASPI during the financial year was to:

- encourage and inform public debate and understanding of Australia's strategic and defence policy choices;
- provide an alternative source of policy ideas to government;
- nurture expertise in defence and strategic policy; and
- promote international understanding of Australia's strategic and defence policy perspectives.

Operating Results

The operating result for 2019-2020 was a surplus of \$581,893 (2018-2019: deficit of \$70,587).

Review of Operations

Revenue has increased by \$2,321,907 from the previous financial year, due to increased sponsorship and project income as ASPI continues to grow. It is important to note \$1M of the increase is due to the adoption of a new accounting standard of revenue recognition (AASB15 and AASB1058). ASPI recognised \$1M in sponsorship that had been received during the financial year. In prior years, the sponsorship amount relating to the next financial year were carried over as a liability.

Correspondingly, expenses increased \$1,669,247 from the previous financial year due to increased salary, additional administrative overheads and the adoption of AASB16 Leases accounting standard (\$100K). Additional staff were recruited in line with ASPI's growth strategy earlier in the year. Due to Covid-19 projects that required overseas travel had to be delayed – although this impacted only a few projects. Before and during lockdown, ASPI exercised different budget scenarios to assess its viability to continue operations during the pandemic. ASPI has moved to working remotely and changed to virtual delivery for majority of the projects.

Significant Changes in State of Affairs

As a direct impact of Covid-19, the National conference was cancelled and major projects with travel requirements were delayed. ASPI also moved into virtual based conferences, meetings and changed its face-to-face delivery, with 50% of staff working remotely on a rotating schedule.

After Balance date Events

There were no after balance date events that have occurred and need to be brought to account in the financial statements at 30 June 2020.

Future Developments

ASPI expects to maintain a steady growth in output and activities, even in the context of Covid-19 environment.

Environmental Issues

ASPI's operations are not regulated by any significant environment regulation under a law of the Commonwealth or of a State or Territory.

Options

No options over issued shares or interests in ASPI were granted during or since the end of the financial year and there were no options at the date of this report.

Indemnifying Officers or Auditor

ASPI's insurance policy with Comcover includes cover for Directors' and Officers' Liability.

Proceedings on Behalf of ASPI

No person has applied for leave to attend court proceedings on behalf of ASPI or intervene in any proceeding to which ASPI is a party for the purpose of taking responsibility on behalf of ASPI for all or any part of those proceeds.

ASPI was not a party to any such proceeding during the year.

Auditor Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 was received on 20 October 2020.

Signed in accordance with a resolution of the Board of Directors.



LtGen (Ret'd) Kenneth J Gillespie AC DSC
Chair
20/10/2020



INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Strategic Policy Institute Limited

Opinion

In my opinion, the financial report of the Australian Strategic Policy Institute Limited (the Company) for the year ended 30 June 2020 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards including the Australian Accounting Interpretations, and the Corporations Regulations 2001.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2020 and for the year then ended:

- Statement by the Directors, Executive Director and Company Secretary;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial report, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jennifer Carter

Senior Director

Delegate of the Auditor-General

Canberra

20 October 2020



LtGen (Ret'd) Kenneth J Gillespie AC DSC
Chairman
Australian Strategic Policy Institute Limited
Level 2, 40 Macquarie Street
BARTON ACT 2600

**AUSTRALIAN STRATEGIC POLICY INSTITUTE LIMITED
FINANCIAL REPORT 2019–20
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Australian Strategic Policy Institute Limited for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Jennifer Carter
Senior Director
Delegate of the Auditor-General

Canberra
20 October 2020

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

**STATEMENT BY THE DIRECTORS,
EXECUTIVE DIRECTOR AND COMPANY SECRETARY**

In our opinion:

- a) the financial report and notes of the Company are in accordance with the *Corporations Act 2001* and:
 - i) comply with the Accounting Standards (including Australian Accounting Interpretations), and the *Corporations Regulations 2001*; and
 - ii) give a true and fair view of the Company's financial position as at 30 June 2020 and of the Company's performance for the year ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



LtGen (Ret'd) Kenneth J Gillespie AC DSC
Chairman
20 October 2020



Peter Jennings PSM
Executive Director
20 October 2020



Karen Edwards
Company Secretary
20 October 2020

Australian Strategic Policy Institute Ltd

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	6,912,975	5,310,297
Suppliers	1.1B	2,940,454	3,825,739
Depreciation and amortisation	2.2A	1,137,195	230,368
Finance charge on lease liability		64,058	-
Foreign exchange (gain)/loss		(18,020)	13
Bad-debt written off		-	818
Total expenses		11,036,662	9,367,235
OWN SOURCE REVENUE			
Own source revenue			
Department of Defence core funding	1.2A	4,000,000	4,000,000
Revenue from contracts	1.2A	3,307,575	2,145,207
Sponsorship, events and miscellaneous income	1.2A	4,252,739	3,068,000
Interest	1.2B	58,241	83,441
Total own-source revenue		11,618,555	9,296,648
Net contribution/(cost) by services		581,893	(70,587)
Surplus/(deficit) attributable to the Australian Government		581,893	(70,587)

The above statement should be read in conjunction with the accompanying notes.

Australian Strategic Policy Institute Ltd

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	2.1A	2,954,180	3,580,232
Trade and other receivables	2.1B	1,000,942	1,193,210
Total Financial assets		3,955,122	4,773,442
Non-financial assets			
Prepayments		22,592	44,694
Total Non-financial assets		22,592	44,694
Total current assets		3,977,714	4,818,136
Non-current assets			
Non-financial assets			
Property, Plant and Equipment	2.2A	1,428,757	1,237,237
Building right of use asset	2.2A	4,898,983	-
Intangibles	2.2A	67,932	88,194
Total non-financial assets		6,395,672	1,325,431
Total non-current assets		6,395,672	1,325,431
Total assets		10,373,386	6,143,567
LIABILITIES			
Current liabilities			
Payables			
Suppliers	2.3A	176,209	369,775
Other payables	2.3B	127,649	901,768
Lease liability	2.3C	847,976	-
Unearned Income	2.3D	642,094	1,827,388
Total payables		1,793,929	3,098,930
Provisions			
Employee provisions	3.1A	403,453	559,246
Total provisions		403,453	559,246
Total current liabilities		2,197,381	3,658,177

Non-current liabilities**Payables**

Lease liability	2.3C	<u>4,142,886</u>	-
Total payables		<u>4,142,886</u>	-

Provisions

Other provisions	2.3E	445,970	448,761
Employee provisions	3.1A	<u>697,404</u>	<u>447,540</u>
Total provisions		<u>1,143,374</u>	<u>896,301</u>

Total non-current liabilities		<u>5,286,260</u>	<u>896,301</u>
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Total liabilities		<u>7,483,641</u>	<u>4,554,478</u>
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Net assets		<u>2,889,745</u>	<u>1,589,091</u>
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EQUITY

Contributed equity		172,060	172,060
Retained surplus		<u>2,717,685</u>	<u>1,417,031</u>
Total equity		<u>2,889,745</u>	<u>1,589,091</u>

The above statement should be read in conjunction with the accompanying notes.

Australian Strategic Policy Institute Ltd
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

	Contributed equity		Retained earnings		Total equity	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Opening balance						
Balance carried forward from previous period	172,060	172,060	1,417,032	1,487,619	2,307,852	1,659,678
Adjustment for changes in accounting policies	-	-	718,760	-	-	-
Adjusted opening balance	172,060	172,060	2,135,792	1,487,619	2,307,852	1,659,678
Comprehensive income						
Surplus/(Deficit) for the period	-	-	581,893	(70,587)	581,893	(70,587)
Closing balance as at 30 June 2020	172,060	172,060	2,717,685	1,417,032	2,889,745	1,589,091

The above statement should be read in conjunction with the accompanying notes.

Australian Strategic Policy Institute Ltd

CASH FLOW STATEMENT

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
OPERATING ACTIVITIES			
Cash received			
Defence funding		4,000,000	4,000,000
Revenue from contracts		6,952,988	6,066,691
Interest		65,011	78,014
Total cash received		11,017,999	10,144,705
Cash used			
Employees		(6,848,320)	(5,281,917)
Suppliers		(3,347,841)	(3,930,154)
Net GST paid		(167,263)	(398,182)
Total cash used		(10,363,424)	(9,610,254)
Net cash from operating activities	2.3F	654,576	534,451
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(404,020)	(451,612)
Total cash used		(404,020)	(451,612)
Net cash (used by) investing activities		(404,020)	(451,612)
FINANCING ACTIVITIES			
Cash used			
Principal and interest payment of lease liability		(876,608)	-
Total cash used		(876,608)	-
Net cash (used by) financing activities		(876,608)	-
Net increase/(decrease) in cash held		(626,052)	82,840
Cash and cash equivalents at the beginning of the reporting period		3,580,232	3,497,393
Cash and cash equivalents at the end of the reporting period	2.1A	2,954,180	3,580,232

The above statement should be read in conjunction with the accompanying notes.

The financial report of the Australian Strategic Policy Institute (ASPI) Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors.

ASPI is a Commonwealth Government wholly owned not for profit company established in 2001. It is one of Australia's leading independent research bodies in the area of strategic and defence policy.

The Basis of Preparation

The financial report is general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and Urgent Issues Group that apply for the reporting period.

The financial report has been prepared on an accrual basis and are in accordance with the historical cost convention. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and values are rounded to the nearest dollar.

New Accounting Standards

Adoption of new Australian Accounting Standard requirements

AASB 15 - Revenue from Contracts with Customers

ASPI assessed revenue using the five-step model under AASB 15. AASB 15 allows Not-For-Profit Entities to defer income recognition, where there is a transfer of benefit to a third party, until the associated performance obligation has been satisfied. Revenues meeting the criteria of AASB 15 have been classified as Revenue from Contracts in the financial report. Where these revenues have been received in advance, the revenue is recognised as Unearned Revenue (contract liability). There has been no change to the recognition of Revenue from Contracts.

AASB 1058 - Income of Not-For-Profit Entities

AASB 1058 is applied to Not-For-Profit Entities recognising income that either does not arise from an enforceable contract with customers or which does not have sufficiently specific performance obligations to meet the requirements of AASB 15. ASPI sponsorship revenues have been assessed as AASB 1058 revenue and therefore recognised as income on receipt. AASB 15 and AASB 1058 are effective from 1 July 2019. ASPI has adopted the modified retrospective option and therefore no adjustment to retained earnings at 1 July 2019 was made and comparatives have not been restated.

The impact of the adoption of AASB 15 and AASB 1058 has resulted in a material one-off adjustment of \$1.06m to Sponsorship Revenue (income) and Unearned Revenue (liability) due to the recognition of sponsorship receipts received in advance as income for the financial year ended 30 June 2020. This has resulted in ASPI reporting a surplus of \$.58m.

AASB 16 – Leases

ASPI has adopted AASB 16 effective from 1 July 2019 in this financial report. ASPI has recognised the ASPI office premises lease as a Right-of-Use Asset and a corresponding lease liability for the term of the lease (to 11 November 2025). The impact of the adoption of AASB 16 has resulted in a material one-off adjustment of \$.72m to Retained Earnings being the reversal of prior year lease incentives and straight lining lease payables. Refer to note 2.3C.

Taxation

ASPI is exempt from all forms of taxation except fringe benefits tax (FBT), the goods and services tax (GST) and payroll tax.

Events after the reporting period

There are no known events after the reporting period that have occurred and need to be brought to account in the financial statements at 30 June 2020 (2019: nil).

Impact of COVID-19

The impact of the COVID-19 pandemic on the financial performance and position of ASPI was largely a result of the need to cancel and/or defer the National Conference and other ASPI face to face events. ASPI migrated a number of these events to an on-line forum where practical. A significant number of ASPI staff transitioned to working remotely during the pandemic with negligible or no loss in productivity. It is anticipated the impact on COVID-19 will continue in the 2020-21 financial year.

Australian Strategic Policy Institute Ltd**FINANCIAL PERFORMANCE**

*This section analyses the financial performance of the company
for the year ended 30 June 2020*

	2020	2019
	\$	\$
1.1 - Expenses		
1.1A - Employee benefits		
Wages and salaries	5,300,788	4,095,985
Superannuation	707,637	539,550
Long service leave	99,336	74,827
Annual leave	418,493	331,046
Other employee expenses	386,721	268,889
Total employee benefits	6,912,975	5,310,297
Accounting policy		
Accounting policies for employee related expenses is contained in the People and relationships section.		
1.1B - Suppliers		
Goods and services supplied or rendered		
Auditors remuneration	33,000	32,000
Internal audit fee	30,306	33,941
Consultants	701,241	655,119
Contractors	22,939	146,682
Communications	516,934	322,197
Travel	914,215	799,275
IT services	190,269	107,327
Office management & activities	495,685	945,610
Other	18,723	25,984
Total goods and services supplied or rendered	2,923,312	3,068,135
Goods supplied	1,945,558	2,093,066
Services rendered	977,754	975,069
Total goods and services supplied or rendered	2,923,312	3,068,135

Australian Strategic Policy Institute Ltd**FINANCIAL PERFORMANCE**

*This section analyses the financial performance of the company
for the year ended 30 June 2020*

	2020	2019
	\$	\$
Other suppliers		
Minimum lease payment	-	737,020
Workers' Compensation	<u>17,142</u>	<u>20,584</u>
Total other suppliers	<u>17,142</u>	<u>757,604</u>
Total suppliers	<u><u>2,940,454</u></u>	<u><u>3,825,739</u></u>

Australian Strategic Policy Institute Ltd**FINANCIAL PERFORMANCE**

This section analyses the financial performance of the company for the year ended 30 June 2020

	2020	2019
	\$	\$
1.2A - Own Source Revenue		
Department of Defence Core Funding	4,000,000	4,000,000
Revenue from Contracts	3,307,575	2,145,207
Sponsorship Income	4,104,521	2,388,847
Events Income	85,718	675,247
Miscellaneous Income	62,500	3,906
Total own source revenue	11,560,315	9,213,207

Accounting policy

Revenue from contract with customers (AASB15) is recognised when the performance obligations have been met.

All other revenue is recognised immediately upon receipt payment (AASB1058 Income of Not-for-Profit Entities).

Receivables for services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance (2019: 30 days). Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.2B - Interest

Deposits	58,241	83,441
Total interest	58,241	83,441

Australian Strategic Policy Institute Ltd

FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$
2.1 - Financial Assets		
2.1A - Cash and cash equivalents		
Cash on hand or on deposit	2,954,180	3,580,232
Total cash and cash equivalents	2,954,180	3,580,232
Accounting policy		
Cash is recognised at its nominal amount. Cash and cash equivalents include:		
a) cash on hand;		
b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and		
c) cash in everyday accounts.		
2.1B - Trade and other receivables		
Trade and services receivables		
Goods and services	910,849	1,159,609
Accrued Interest	1,116	7,887
Accrued Income	88,977	25,714
Total trade and other receivables	1,000,942	1,193,210

All receivables are expected to be recovered in no more than 12 months. Settlement terms for receivables is usually within 30 days of invoice date (2019: 30 days).

Australian Strategic Policy Institute Ltd

FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$
Trade and other receivables aged as follows:		
Not due	657,214	33,601
Overdue by:		
0 to 30 days	207,366	843,734
31 to 60 days	118,341	278,538
61 to 90 days	-	37,337
more than 90 days	18,021	-
Total trade and other receivables	<u>1,000,942</u>	<u>1,193,210</u>

Accounting policy

Trade and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Australian Strategic Policy Institute Ltd

FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

2.2 Non-Financial Assets

2.2A - Reconciliation of the opening and closing balances for Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2020

	Furniture and Fittings \$	Leasehold Improvements \$	Plant and Equipment \$	Building ROUs	Capital WIP \$	Total property plant and equipment \$	Computer software \$	Website \$	Total intangibles \$	Total \$
As at 1 July 2019										
Gross book value	221,714	2,064,841	422,374	-	12,860	2,721,789	10,637	117,200	127,837	2,849,626
Accumulated depreciation, amortisation and impairment	(96,400)	(1,168,972)	(219,177)	-	-	(1,484,549)	(2,674)	(36,968)	(39,642)	(1,524,191)
Total as at 1 July 2019	125,314	895,869	203,197	-	12,860	1,237,240	7,963	80,232	88,195	1,325,435
Recognition of right of use asset on initial application of AASB 16	-	-	-	5,803,411	-	5,803,411	-	-	-	5,803,411
Adjusted total as at 1 July 2019	125,314	895,869	203,197	5,803,411	12,860	7,040,651	7,963	80,232	88,195	7,128,846
Additions										
Purchase	83,778	226,001	42,988	-	36,353	389,120	-	14,900	14,900	404,020
Transfer to/from WIP	-	12,860	-	-	(12,860)	-	-	-	-	-
Depreciation and amortisation	(18,309)	(104,228)	(75,066)	(904,428)	-	(1,102,031)	(3,510)	(31,653)	(35,163)	(1,137,195)
Total as at 30 June 2020	190,783	1,030,502	171,119	4,898,983	36,353	6,327,740	4,453	63,479	67,932	6,395,672
Total as at 30 June 2020 represented by										
Gross book value	305,493	2,303,702	465,362	5,803,411	36,353	8,914,320	10,637	132,100	142,737	9,057,057
Accumulated depreciation, amortisation and impairment	(114,709)	(1,273,200)	(294,243)	(904,428)	-	(2,586,580)	(6,184)	(68,621)	(74,805)	(2,661,385)
Total as at 30 June 2020 represented by	190,783	1,030,502	171,119	4,898,983	36,353	6,327,740	4,453	63,479	67,932	6,395,672

Australian Strategic Policy Institute Ltd

FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result.

2.2 Non-Financial Assets

2.2A - Reconciliation of the opening and closing balances for Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2019

	Furniture and Fittings \$	Leasehold Improvements \$	Plant and Equipment \$	Capital WIP \$	Total property plant and equipment \$	Computer software \$	Website \$	Total intangibles \$	Total \$
As at 1 July 2018									
Gross book value	94,099	1,132,056	246,676	-	1,472,831	10,927	79,200	90,127	1,562,958
Accumulated depreciation, amortisation and impairment	(77,922)	(1,040,766)	(200,043)	-	(1,318,731)	(10,927)	(15,398)	(26,325)	(1,345,056)
Total as at 1 July 2018	16,177	91,290	46,633	-	154,100	-	63,802	63,802	217,902
Additions									
Purchase	127,616	46,498	216,002	12,860	402,976	10,637	38,000	48,637	451,613
Lease incentives and make good provisions	-	886,288	-	-	886,288	-	-	-	886,288
Depreciation	(18,479)	(128,207)	(59,438)	-	(206,124)	(2,674)	(21,570)	(24,244)	(230,368)
Disposals									
Disposal			(40,304)	-	(40,304)	(10,927)	-	(10,927)	(51,231)
Write down of assets									
Total as at 30 June 2019	125,314	895,869	203,197	12,860	1,237,240	7,963	80,232	88,195	1,325,435
Total as at 30 June 2019 represented by									
Gross book value	221,714	2,064,841	422,374	12,860	2,721,789	10,637	117,200	127,837	2,849,626
Accumulated depreciation, amortisation and impairment	(96,400)	(1,168,972)	(219,177)	-	(1,484,549)	(2,674)	(36,968)	(39,642)	(1,524,191)
Total as at 30 June 2019 represented by	125,314	895,869	203,197	12,860	1,237,240	7,963	80,232	88,195	1,325,435

Australian Strategic Policy Institute Ltd

FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result.

Accounting policy

Assets are recorded at cost on acquisition.

ASPI acquired assets at no cost from the Department of Defence in 2001/2002. These assets were initially recognised as contributions by owners at their fair value at the date of acquisition.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up where there exists an obligation to restore the property to its original condition. These costs are included in the value of leasehold improvements with a corresponding provision for the 'make good' recognised.

Depreciation

Depreciable property plant and equipment assets are written off to their estimated residual values over their estimated useful lives to ASPI using, in all cases, the straight line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<u>Asset class</u>	2020	2019
Furniture & Fittings	5 to 20 years	5 to 10 years
Leasehold Improvements	5 to 12 years	5 to 12 years
Building right-of-use asset	5 years	-
Plant & Equipment	4 to 10 years	3 to 10 years
Computer software	3 years	3 years
Websites	4 years	4 years

Impairment

All assets were assessed for impairment at 30 June 2020. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. No indicators of impairment were identified (2019: Nil).

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ASPI were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Intangibles

ASPI's intangibles comprise purchased software, an internally developed database and website. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight line basis over its anticipated useful life. The useful lives of ASPI's software are 3 to 4 years (2019: 3 to 4 years). All software assets were assessed for indications of impairment as at 30 June 2020 and no indicators of impairment were identified, (2019: Nil).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. No property, plant, equipment and intangibles are expected to be disposed in the next 12 months.

Building right-of-use asset

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by ASPI as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned. On initial adoption of AASB 16 ASPI has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset. As at 30 June 2020, no indicators of impairment were identified. Leased ROU assets continue to be measured at cost after initial recognition in the financial report.

Australian Strategic Policy Institute Ltd**FINANCIAL POSITION**

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$

2.3 - Payables**2.3A - Suppliers**

Trade creditors	136,400	179,029
Accruals	39,809	190,746
Total suppliers	176,209	369,775

All suppliers are expected to be settled in no more than 12 months. Settlement terms for suppliers is usually within 30 days of invoice date (2019: 30 days).

2.3B - Other payables

Salaries and wages	101,175	178,232
Superannuation	7,313	995
GST liabilities	19,161	55,675
Lease incentive	-	666,866
Total other payables	127,649	901,768

Lease incentives balance on 1 July 2019 had been reversed on transition to the new accounting standard AASB16 Leases.

Other payables expected to be settled

No more than 12 months	127,649	339,686
More than 12 months	-	562,082
Total other payables	127,649	901,768

Australian Strategic Policy Institute Ltd**FINANCIAL POSITION**

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$
2.3C - Lease Liability		
Lease liability	4,990,862	-
Total lease liability	<u>4,990,862</u>	<u>-</u>

ASPI has a financial lease in place for office premise at Level 2 and conference facilities on the Ground Floor of 40 Macquarie Street Barton ACT 2600. The term of the lease is for seven years commencing 12 November 2018 with annual 3% rate increases.

Lease liability expected to be settled

Within 1 year	847,976	-
Between 2 to 5 years	3,770,467	-
Greater than 5 years	372,418	-
Total lease liability	<u>4,990,862</u>	<u>-</u>

Accounting policy

From 1 July 2019, ASPI has adopted AASB 16 - Leases and recognised the full lease liability discounted using the incremental borrowing rate (IBR) method until the end of the lease on 11 November 2025. On transition to AASB 16, ASPI recognised additional right-of-use asset and additional lease liabilities. Lease incentive and straight-line payables recognised as at 1 July 2019 were cleared to retained earnings. The impact on transition is summarised below:

Right-of-use asset recognised - Building	5,803,411
Lease liabilities recognised	(5,803,411)
Lease incentives cleared	666,866
Lease straight-lining payable cleared	51,840
Balance to retained earnings	(718,760)

The following table reconciles the minimum lease commitments disclosed in the 30 June 2019 financial report to the amount of lease liabilities recognised on 1 July 2019.

Minimum operating lease commitment as at 30 June 2019	6,050,492
IBR as at 1 July 2019	(247,081)
Lease liabilities recognised at 1 July 2019	<u>5,803,411</u>

The following table reconciles opening and closing balances of lease liabilities

Lease liabilities recognised at 1 July 2019	5,803,411
Principal payment of lease	(812,550)
Lease liabilities balance at 30 June 2020	<u>4,990,862</u>

Australian Strategic Policy Institute Ltd**FINANCIAL POSITION**

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$
2.3D - Unearned Income		
Unearned Income	<u>642,094</u>	<u>1,827,388</u>
Total unearned income	<u><u>642,094</u></u>	<u><u>1,827,388</u></u>
Accounting policy		
AASB 15 - Revenue from Contracts, ASPI has adopted AASB 15 to recognise revenue received in advance as at 30 June 2020 as per the agreements, where the performance obligations have not yet been met as at 30 June 2020.		
2.3E - Other provisions		
Provision for restoration	<u>445,970</u>	<u>448,762</u>
Total other provisions	<u><u>445,970</u></u>	<u><u>448,762</u></u>
Other provisions expected to be settled		
No more than 12 months	-	-
More than 12 months	<u>445,970</u>	<u>448,762</u>
Total other provisions	<u><u>445,970</u></u>	<u><u>448,762</u></u>
As at 1 July 2019	<u>448,762</u>	
Unwinding of discount	<u>(2,792)</u>	
Total as at 30 June 2020	<u><u>445,970</u></u>	

ASPI currently has one (2019:1) agreement for the leasing of premises which have provisions requiring the restoration of the premises to their original condition at the conclusion of the lease. ASPI has made a provision to reflect the present value of this obligation.

Australian Strategic Policy Institute Ltd
FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2020.

	2020	2019
	\$	\$
2.3F - Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per statement of financial position and cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	2,954,180	3,580,232
Statement of financial position	<u>2,954,180</u>	<u>3,580,232</u>
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating and financing activities		
Net contribution by/(cost of) services	581,893	(70,587)
Adjustments for non-cash items		
Depreciation / Amortisation	1,137,195	230,368
Disposal and write down of non financial assets	-	51,231
Bad-debt write off	-	818
	<u>1,137,195</u>	<u>282,417</u>
Cash flows from financing activities		
Payment of principal and interest of lease liability	(876,608)	-
Net cash from financing activities	<u>(876,608)</u>	<u>-</u>
Movements in assets and liabilities		
Assets		
Decrease/(Increase) in Net receivables	192,268	(447,192)
Decrease/(Increase) in Prepayments	22,102	(30,722)
Decrease/(Increase) in Non-financial assets including Building ROU	(5,083,097)	-
Liabilities		
Increase/(Decrease) in Supplier payables	(193,566)	219,004
Increase/(Decrease) in Other payables	(774,119)	417,654
Increase/(Decrease) in Unearned income	(1,186,848)	709,902
Increase/(Decrease) in Lease liability	4,990,862	-
Increase/(Decrease) in Provisions	91,279	340,264
Increase/(Decrease) in Lease Incentives	-	(886,288)
Net cash from operating activities	<u>654,576</u>	<u>534,451</u>

Australian Strategic Policy Institute Ltd

PEOPLE AND RELATIONSHIPS

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2020.

	2020 \$	2019 \$
3.1 - Employee Provisions		
3.1A - Employee provisions		
Annual leave	524,817	467,053
Long service leave	576,039	539,733
Total employee provisions	1,100,856	1,006,786
Employee provisions expected to be settled		
No more than 12 months	403,453	559,246
More than 12 months	697,403	447,540
Total employee provisions	1,100,856	1,006,786

Accounting policy

Liabilities for short term employee benefits and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Leave

ASPI has changed its policy for recognising long service leave (LSL) liability in 2019-20 by adopting the employee-by-employee analysis method; which is based on the organisation's staffing policy and the historical tenure of staff to allocate a probability to each staff member. This has resulted in corporate staff including heads of department and staff who have joined with recognised prior service being recognised in the LSL liability calculation while the employees under short term contracts (Senior Analysts, Analysts, and Researchers) have been excluded unless they are expected to accrue long service leave. ASPI uses a discount factor reflecting long term salary growth rate and 10 year bond rate (in line with the Department of Finance standard parameters) and suitable probability weights to reflect the present value of the future obligation.

Superannuation

ASPI's staff are members of the Public Sector Superannuation Scheme, or the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government. The PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

ASPI makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. ASPI accounts for the contributions as if they were contributions to defined contribution plans.

Australian Strategic Policy Institute Ltd

PEOPLE AND RELATIONSHIPS

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2020.

3.2 - Directors and Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. ASPI has determined the key management personnel to be its Council members and the Executive Director. Key management personnel remuneration is reported in the table below:

	2020	2019
	\$	\$
Short term employee benefits		
Salary	313,319	279,353
Performance bonuses	53,342	48,434
Annual leave	23,277	21,446
Total short term employee benefits	389,938	349,234
Other long term employee benefits		
Long Service Leave	6,576	4,649
Total other long term employee benefits	6,576	4,649
Post Employment Benefits		
Superannuation	59,130	54,117
Total post employment benefits benefits	59,130	54,117
Total key management personnel remuneration	455,644	408,000

The total number of directors and key management personnel that are included in the above table are 13. (2019: 9)

12 of the 13 executives are part time Council members and the remaining member is the full time Executive Director of ASPI. Remuneration for both Council members and the Executive Director are subject to Remuneration Tribunal Determinations.

The above key management personnel remuneration excludes the remuneration and other benefits of the Defence Minister. The Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Company.

Australian Strategic Policy Institute Ltd

PEOPLE AND RELATIONSHIPS

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2020.

3.3 - Related Party Disclosures

Related party relationships

ASPI is a Commonwealth Government wholly owned not for profit company. Related parties to this entity are ASPI's Council members, the ASPI Executive Director and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

During the year, ASPI received sponsorship from the following company which an ASPI Council member is non-executive director:

Senetas Corporation Limited

Boeing Australia, NZ and South Pacific

Boeing Australia Holdings Ltd

Naval Group Australia

ASPI transacts with other Australian Government controlled entities and other Australian government entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. Other than Department of Defence core funding of \$4,000,000 received in FY2019-2020, these are not considered individually significant to warrant separate disclosure as related party transactions.

Refer to Note 3.1 Employee Provisions for details on superannuation arrangements with the Public Sector Superannuation Scheme (PSS) and the PSS accumulation plan (PSSap). A key management personnel was a Director of the Commonwealth Superannuation Corporation which is trustee to the PSS and PSSap superannuation schemes.

Australian Strategic Policy Institute Ltd

MANAGING UNCERTAINTIES

This section analyses how ASPI manages financial risks within its operating environment.

4.1 Contingent Assets and Liabilities

ASPI had no contingent assets or contingent liabilities as at 30 June 2020. (2019: Nil)

Accounting policy

Contingent liabilities are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or represent a liability in respect of which the amount cannot be reliably measured. Contingent liabilities are disclosed when settlement is greater than remote.

2020	2019
\$	\$

4.2 - Financial Instruments

4.2A - Categories of financial instruments

Financial assets

Financial assets measured at amortised cost

Cash at bank	2,954,143	3,580,181
Cash on hand	37	51
Receivables for goods and services	1,000,942	1,193,210
Total financial assets measured at amortised cost	3,955,122	4,773,442

Financial liabilities

Financial liabilities measured at amortised cost

Trade creditors	136,400	179,029
Accrued supplier expenses	39,809	190,746
Total financial liabilities measured at amortised cost	176,209	369,775

4.2B - Net gains or losses on financial assets

Financial assets measured at amortised cost

Interest revenue	58,241	83,441
Net gains on financial assets measured at amortised cost	58,241	83,441
Net gains on financial assets	58,241	83,441

Australian Strategic Policy Institute Ltd

MANAGING UNCERTAINTIES

This section analyses how ASPI manages financial risks within its operating environment.

Accounting policy

Financial Assets

ASPI classifies its financial assets in accordance to AASB 9 *Financial Instruments* in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost

According to AASB 9, the classification depends on both ASPI's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when ASPI becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. ASPI's trade receivables that do not contain a significant financing component, for which ASPI has applied the practical expedient are measured at the transaction price.

Derecognition of Financial Assets

Financial assets are assessed for write-off at the end of each reporting period.

If there is objective evidence or no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of the financial asset will be reduced through profit or loss.

Financial Liabilities

Financial liabilities are recognised and derecognised based upon trade date. All financial liabilities are measured at amortised cost, which is determined using the effective interest method, with interest expense recognised on an effective interest basis. Supplier and other payables are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

There has been no reclassification of financial instruments during the period (2019: none).

Australian Strategic Policy Institute Ltd

MANAGING UNCERTAINTIES

This section analyses how ASPI manages financial risks within its operating environment.

4.2C - Credit risk

ASPI has exposure to credit risk in respect to receivables for services rendered. The financial assets consist of cash and receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor.

This amount is equal to the total amount of receivables for services (2019-2020: \$1,000,942 and 2018-2019: \$1,193,210). ASPI has assessed the risk of default on payment as negligible.

ASPI holds no collateral to mitigate against credit risk.

ASPI manages its credit risk by entering into contractual arrangements for supplies where the monetary consideration is significant, and through adoption of policy and procedures guiding debt recovery techniques.

Credit quality of financial assets not past due or individually determined as impaired

	Not Past Due Nor Impaired 2020 \$	Not Past Due Nor Impaired 2019 \$	Past Due or Impaired 2020 \$	Past Due or Impaired 2019 \$
Cash at bank	2,954,143	3,580,181	-	-
Cash on hand	37	51	-	-
Trade and other receivables	657,214	33,601	343,727	1,159,609
Total	3,611,395	3,613,833	343,727	1,159,609

Ageing of financial assets for 2019-2020

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	864,580	118,341	-	18,021	1,000,942
Total	864,580	118,341	-	18,021	1,000,942

Ageing of financial assets for 2018-2019

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	877,335	278,538	37,337	-	1,193,210
Total	877,335	278,538	37,337	-	1,193,210

Australian Strategic Policy Institute Ltd

MANAGING UNCERTAINTIES

This section analyses how ASPI manages financial risks within its operating environment.

4.2D - Liquidity risk

ASPI's financial liabilities consist only of payables.

It is highly unlikely that ASPI will encounter difficulty in meeting obligations associated with its financial liabilities as it is substantially funded under a funding agreement with the Department of Defence. ASPI supplements its funding with revenue from contracts with customers. In addition, ASPI has adopted internal procedures to ensure there are appropriate resources to meet financial obligations and timely payments are made.

ASPI has no past experience of default.

ASPI's financial liabilities for 2020 - other than the lease liability and make-good provision are all payable within 1 year. ASPI's financial liabilities for 2019 were all payable within 1 year.

4.2E - Market risk

ASPI holds basic financial instruments that do not expose it to certain market risks. ASPI has very minor exposure to 'currency risk' or 'other price risk'. In addition, ASPI has no interest bearing financial liabilities.

ASPI has an interest bearing financial asset, being cash at bank. Cash at bank is subject to a floating interest rate. It is considered that the impact of changes in the market interest rate would have an immaterial effect on ASPI's profit and loss. No assets have been pledged or are held as collateral (2019: nil)

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ANNEXES

Annex A

ASPI PUBLICATIONS

STRATEGIES

The Australian Defence Force and contested space

Malcolm Davis

15 August 2019

After Covid-19: Australia and the world rebuild (volume 1)

John Coyne and Peter Jennings et al

2 May 2020

STRATEGIC INSIGHTS

North of 26 degrees south and the security of Australia: views from *The Strategist*

John Coyne, Paul Barnes, Malcolm Davis, Rhys De Wilde, Paul Dibb, Genevieve Feely, Michael Shoebridge, Dr Richard Brabin-Smith AO, Chris Clark, Michael Crane, Len Notaras and Scott Wallis

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John Coyne et al.

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Thitinan Pongsudhirak

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Professor Boaz Ganor

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Dr Paul Barnes

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Bart Hogeveen

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Vicky Xiuzhong Xu, with Danielle Cave, Dr James Leibold, Kelsey Munro and Nathan Ruser

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Covid-19 disinformation and social media manipulation trends

Jacob Wallis

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Covid-19 attracts patriotic troll campaigns in support of China's geopolitical interests

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Damien Spry

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Alex Joske

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Emile Dirks and James Leibold

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ID2020, Bill Gates and the Mark of the Beast: how Covid-19 catalyses existing online conspiracy movements

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25 June 2020

ANNUALS

Counterterrorism yearbook 2020

Isaac Kfir and John Coyne (eds)

30 March 2020

ASPI CASE STUDIES

Sticking to our guns: a troubled past produces a superb weapon

Chris Masters

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Brendan Nicholson

12 December 2019

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Nuclear strategy in a changing world

Rod Lyon

24 October 2019

OTHER

Australia-Afghanistan relations

William Maley

10 September 2019

Annex B

ARTICLES AND BOOK CHAPTERS BY ASPI STAFF

Paul Barnes

- *Increasing disaster resilience through coordination and collaboration*, Committee for Economic Development of Australia (CEDA), February 2020
- *Preparing for climate catastrophe (The policy possibilities of climate security—a matter for the whole Indo-Pacific?)*, 28 January 2020

Lisa Sharland

- Alexandra Novosseloff and Lisa Sharland, *Partners and competitors: forces operating in parallel to UN peace operations*, International Peace Institute, November 2019
- Charles T Hunt and Lisa Sharland, 'Implementing R2P through United Nations peacekeeping operations', in Cecilia Jacobs and Martin Mennecke (eds), *Implementing the Responsibility to Protect: a future agenda*, Routledge, September 2019

John Coyne

- *Exploring security and policing reform options in the Bangsamoro Autonomous Region in Muslim Mindanao*, UN Office on Drugs and Crime
- *UNODC transnational organised impact assessment framework*, UN Office on Drugs and Crime
- *Roadmap for security and economic integration*, ASEAN
- 'Australia—you have a drug problem', *Policing Insights*, 18 March 2020
- 'Surveillance of the north', *Australian Security Magazine*
- 'The north and national security', *Australian Defence Magazine*

Huong Le Thu

- 'China's feverish overreach wasted an opportunity offered by Covid', *The Straits Times*, 26 June 2020
- 'Vietnam shows ASEAN's valuable new form of leadership', *Nikkei Asian Review*, 25 June 2020
- 'Fishing while the water is muddy: China's newly announced administrative districts in the South China Sea', *Asia Maritime Transparency Initiative*, 6 May 2020

- 'Vietnam: a successful battle against the virus', *Asia Unbound*, Council on Foreign Relations, 30 April 2020
- 'Vietnam draws lines in the sea', *Foreign Policy*, 6 December 2019
- 'Vietnam asserts its maritime sovereignty', *Real Clear World*, 9 December 2019
- 'Vietnam's approach to South China Sea disputes and the test of the Haiyang Dizhi 8', *Australian Outlook*, Australian Institute of International Affairs, 1 December 2019
- 'Why Tsai's victory in Taiwan has China very worried', *The National Interest*, 25 January 2020 (republishing a *Strategist* piece)
- 'As America worries about China, Russia eyes the South China Sea', *The National Interest*, 14 January 2020 (republishing a *Strategist* piece)
- 'Russia: Another great power interested in the South China Sea?', *The National Interest*, 21 December 2019 (republishing a *Strategist* piece)
- 'Duterte pivots away from the US in South China Sea', *The Maritime Executive*, 21 February 2020 (republishing a *Strategist* piece)
- 'China's incursion into Vietnam's EEZ and lessons from the past', *Asia Maritime Transparency Initiative*, 8 August 2019
- 'What Vietnam is looking for from Scott Morrison's visit', *Australian Financial Review*, 21 August 2019
- 'A collision of cybersecurity and geopolitics: why Southeast Asia is wary of a Huawei ban', *Global Asia*, October 2019.
- 'China's sharp power in Southeast Asia: different tactics, same outcome', *Defence Security Brief*, Institute for National Defense and Security Research, Taiwan, April 2019, 8(1)
- 'Why the region has given up on "shaping China"', *Asia Society Australia*

Annex C

OPINION PIECES BY ASPI STAFF

July 2019

- 'Why is the Morrison government pushing for new terrorism legislation?', Coyne, *ABC*
- 'Wise to bolster our regional French connection', Bergin and Brewster, *The Australian*
- 'The unspoken threat that's hurting Australians', Coyne, *APPS Policy Forum*
- 'Moscow is making friends in the Middle East', Kfir, *APPS Policy Forum*
- 'The AFP is at a crossroads, and Peter Dutton's "old school" style isn't what it needs', Coyne, *ABC*
- 'Corporations must co-operate on security', Bergin, *The Australian*
- 'Morrison's ineffective proposal to counter online extremism', Kfir, *APPS Policy Forum*

August 2019

- 'AUSMIN sets the stage for Morrison's White House visit', Shoebridge, *Australian Financial Review*
- 'What's China up to in the Arab world?', Kfir, *APPS Policy Forum*
- 'China's incursion into Vietnam's EEZ and lessons from the past', Le Thu, Asia Maritime Transparency Initiative
- 'New Cold War traps Australia between our traditional rock and global hard case', Jennings, *The Weekend Australian*
- 'Illicit drugs—how can Australia protect its people?', Coyne, *APPS Policy Forum*
- 'How should the world tackle far-right extremism?', Kfir, *APPS Policy Forum*
- 'What Vietnam is looking for from Scott Morrison's visit', Le Thu, *Australian Financial Review*
- 'Balancing secrecy and openness: getting it right and getting it wrong', Shoebridge, *Canberra Times*.

September 2019

- 'Pacific islanders' boots would help defence step up', Bergin, *The Australian*
- 'It's going to cost us to point in the right direction', Shoebridge, *The Australian*
- 'Britain as a failed state? Don't laugh, it's that serious', Dobell, *The Sydney Morning Herald*
- 'Morrison must make most of his "golden opportunities" in US', Jennings, *The Australian*
- 'Here's a plan to break volunteer drought', Bergin and Barnes, *The Australian*
- 'Australia's northern surveillance', Coyne, *Asia Pacific Security Magazine*

October 2019

- 'A collision of cybersecurity and geopolitics: why Southeast Asia is wary of a Huawei ban', Le Thu, *Global Asia*
- 'Clarifying expectations on protection of civilians', Sharland, *IPI Global Observatory*
- 'In naval warfare, just zapping attacking missiles can be cheap and effective', Davis, *The Australian*
- 'Autonomous military and naval logic gains life of its own', Davis, *The Australian*
- 'Royal Australian Navy is under-gunned for denying long-range attackers', Davis, *The Australian*
- 'Peacekeeping and the evolving Australia–Fiji relationship', Sharland and Wyeth, *The Diplomat*

November 2019

- 'Victoria takes wrong track with China's Belt and Road Initiative', Bergin, *The Australian*
- 'Defence forces can play a broader role in disaster management', Bergin and Templeman, *The Australian*
- 'Security challenges rule the waves in Pacific', Bergin, *The Australian*
- 'Defections are messy and we may never know the full story', Joske, *The Age*
- 'Political parties must take foreign interference seriously', Shoebridge, *Australian Financial Review*
- 'Cyber risk rising with Internet of Things', Hanson, *Australian Financial Review*

December 2019

‘Category collapse—making governing hard and leadership essential’, Shoebridge, *The Canberra Times*

‘Vietnam draws lines in the sea’, Le Thu, *Foreign Policy*

‘Bushfire crisis demands a rethink on defence’s role in national disasters’, Bergin and Barnes, *Sydney Morning Herald*

January 2020

‘Bold decision puts ADF specialists to work’, Barnes, *Sydney Morning Herald*

‘National bushfires emergency? Let’s have a national response’, Bergin and Templeman, *The Australian*

‘Ending secrecy key to filling the void on cybersecurity’, Bergin, *Australian Financial Review*

‘Recant or die: alleged threat to self-confessed Chinese spy Wang Liqiang’, Joske and McKenzie, *The Age*

‘Middle East tensions: so many pathways to conflict, so few off-ramps to peace’, Jennings, *The Australian*

‘What the US must do next to avoid war with Iran’, Shoebridge, *Herald Sun*

‘Northern Australia’s value not lost on friends and rivals’, Jennings, *The Australian*

‘Preparing for climate catastrophe’, Barnes, *APPS Policy Forum*

‘Australia should take the next steps to be a new and importance space power’, Davis, *Canberra Times*

February 2020

‘If we’re at war with nature, let’s call in the military professionals’, Jennings, *Weekend Australian*

‘Business’ role in disaster response needs to be planned’, Bergin, *Australian Financial Review*

‘Australia will pay for PM’s about-face on \$1000 Wuhan co-payment’, Coyne, *The Sydney Morning Herald*

‘Nothing federal about disasters’, Bergin, *The Australian*

‘Increasing disaster resilience through coordination and collaboration’, Barnes, Committee for Economic Development

'Australia's war on drugs is a failure', White, *APPS Policy Forum*

'Tales of military heroism', Loosley, *The Australian*

'Israel's president is a powerful supporter of peace and unity', Bergin, *The Australian*

'Letting the Beijing bully know this is our neighbourhood', Jennings, *The Australian*

'Far-right groups and conspiracy theories are being brought together through the internet', Thomas, *ABC*

March 2020

'ASIO sounds the alarm', Coyne, *APPS Policy Forum*

'Australia, you have a drug problem', Coyne, *APPS Policy Forum*

'Your favourite Nikes might be made from forced labour. Here's why', Xiuzhong Xu and Leibold, *The Washington Post*

'Spanish flu lessons can help combat coronavirus', Bergin and Feim, *The Australian*

'Military must find a new balance', Shoebridge, *The Australian*

'The heart of a reconnected world', Dobell, *Inside Story*

'Don't kick China's propagandists off Twitter', Ryan, *Foreign Policy*

April 2020

'Coronavirus response a chance to reimagine future for Australia', Shoebridge, *The Canberra Times*

'Should I download the coronavirus tracing app? Here's how to decide', Coyne, *ABC*

'Coronavirus: China wants to be saviour of the world', Jennings, *The Australian*

'We can't just go with the floe in Antarctica', Bergin and Press, *The Australian*

'China threatens boycott in response to Australia's call for COVID-19 inquiry', Shoebridge and Kelly, *ABC*

May 2020

'We need to reduce our dependence on China, and have the courage to call it out when required', Jennings, *The Guardian*

'National security strategy can help us build key alliances to counter China', Jennings, *The Australian*

'Fishing while the water is muddy', Le Thu, Asia Maritime Transparency Initiative

'Better safe than sorry on China', Jennings, *The Australian*

'Australia is not the only country asking questions about the origins of coronavirus, and China is not happy', Jennings, *The Guardian*

'Why Australia must not bow to China but seek wider trade options', Xiuzhong Xu, *Sydney Morning Herald*

'Party's over for the bullies of Beijing', Jennings, *The Australian*

'How COVID-19 is driving a booming conspiracy industry', Thomas, *Sydney Morning Herald*

'Our universities must rethink their broken business model or risk failure', Hellyer and Jennings, *Canberra Times*

'Should Defence Department take a budget hit?', Hellyer, *The Australian*

June 2020

'On anniversary of Tiananmen, time for Australia to open its heart again', Ruser, *Sydney Morning Herald*

'China will be surprised how long it took us to act on foreign investment laws', Jennings, *The Australian*

'Vietnam shows ASEAN valuable new form of leadership', Le Thu, *Nikkei Asian Review*

'China's feverish overreach wasted an opportunity offered by Covid-19', Le Thu, *The Straits Times*

'Defence faces up to China threat', Jennings and Shoebridge, *The Australian*

Annex D

ASPI EVENTS

Women in Defence and National Security Network events

1	1 August	Public event: ASPI – Young Australians in International Affairs speed mentoring
2	4 November	Public event: In conversation with Assistant Secretary-General Michele Coninx, Executive Director of the UN Counter-Terrorism Executive Directorate
3	7 November	Event: Melbourne speed mentoring

International Strategic Dialogues

1	22–23 July	Australia–Indonesia Track 1.5 dialogue co-hosted with foreign policy community of Indonesia
2	26 September	Australia–Pakistan Track 1.5 security dialogue
3	8–11 October	Australia–Indonesia–US–Japan Quadrilateral Track 1.5 security dialogue
4	14–18 October	ASPI–KAS Counterterrorism Track 1.5 dialogue
5	29–30 October	Australia–Israel Track 1.5 ‘Beersheba’ dialogue
6	5 November	ICPC Australia–Taiwan Track 1.5 cybersecurity dialogue

Roundtables

1	4 July	Protecting critical national infrastructure in an era of IT and OT convergence paper
2	25 July	Professor Ihsan Yilmaz
3	1 August	Brian Adeba, Deputy Director of the Enough Project
4	7 August	Dr Jim Boutilier
5	8 August	Quarterly TSOC with Troels Vester, Country Manager for UNODC in Myanmar

6	15 August	Singaporean defence officials
7	3 September	Brigadier General Bonifasius Widiyanto, Director of Strategic Policy, Indonesian Ministry of Defence, and delegation
8	6 September	Vernon White, Senator in the Senate of Canada and Visiting Fellow at ASPI
9	9 September	Mr Babar Amin, High Commissioner for Pakistan
10	24 September	Sofia Patel, Non-Resident Fellow, ASPI
11	24 September	Mainland Affairs Council, Republic of China (Taiwan)
12	25 September	Mr Wang Yiwei, Renmin University of China and Belt and Road Initiative experts
13	26 September	Professor Andrew Wilson, John A van Beuren Chair of Asia–Pacific Studies at the US Naval War College
14	26 September	Maya Wang, China Senior Researcher, Human Rights Watch
15	2 October	Captain Mike Macarthur, Commander Australian Maritime Warfare Centre and Visiting Five-Eyes heads of delegation for Maritime Warfighting Forum
16	4 October	Inaugural ASEAN–Australia Defence Postgraduate Scholarship Program cohort
17	11 October	Mr Hidetaka Hamada, Deputy Director, Minerals and Mining Division, METI
18	21 October	Dr Robbin Laird
19	22 October	German–Australian Chamber of Industry and Commerce
20	23 October	Ehud Yaari, Lafer International Fellow, Washington Institute
21	23 October	Mr Andries Oosthuizen and Mr Munzhelele, South African Department of International Relations and Cooperation
22	24 October	Patrick Hamilton, ICRC Head of Project for the Supporting Relationships in Armed Conflict Initiative and Elpida Papachatzi, ICRC’s Head of the Protection Global Affairs Unit
23	30 October	Swedish regional defence attachés
24	11 November	Mr Matsumoto, Director of Strategic Planning Division, Japanese Ministry of Defence
25	14 November	Dr Michito Tsuruoka, Associate Professor, Keio University

26	19 November	Governor's strategic roundtable: Dr Samantha Hoffman
27	20 November	Jagello 2000 Chairman Zbynek Pavlacik and former Czech Republic Deputy Foreign Minister Amb Tomas Pojar
28	25 November	Dr Ganeshan Wignaraja, Executive Director, Lakshman Kadrigamar Institute of International Relations and Strategic Studies
29	2 December	Delegation of pan-democratic leaders in Hong Kong
30	4 December	Alex Pinfield, Head of China Department for UK Foreign and Commonwealth Office
31	4 December	Dr Elnigar Iltebir
32	5 December	Rushan Abbas, Director of Campaign for Uyghurs
33	5 December	Visiting Indonesian counterterrorism delegation
34	6 December	Jan Rudolph, head of the Political Department at the German Embassy in Beijing
35	10 December	Dr Oriana Skylar Mastro
36	13 December	Dr Courtney J Fung, Assistant Professor of Politics and Public Administration, University of Hong Kong
37	13 December	Defence attaché from the South Korean Ministry of Defence budgeting team
38	17 December	Justin Brown, Australian Ambassador to the EU, NATO, Belgium and Luxembourg
39	22 January	High Commissioner Designate to New Delhi
40	3 February	Mr Hirokazu Kobayashi
41	6 February	Ambassador Ted Osius, Google's Head of Public Policy for the Asia Pacific and former US Ambassador to Vietnam
42	11 February	Dr Ahmed Al-Dawoody, Legal adviser for Islamic law, ICRC
43	12 February	Mr Ehud Yaari
44	17 February	Samantha Custer and Mihir Prakash, report launch (AidData)
45	19 February	Mr Heino Klink, Deputy Secretary of Defense for East Asia (US)
46	3 March	National Bureau of Asian Research
47	16 April	'Global Voices'

48	30 April	Blavatnik Interdisciplinary Cyber Research Center
49	1 May	Australia's future cybersecurity resilience
50	14 May	Antony Dapiran

Public events

1	2 July 2019	Publication launch: <i>Protecting critical national infrastructure in an era of IT and OT convergence</i>
2	1 August	Public event: ASPI – Young Australians in International Affairs speed mentoring
3	19 August	Publication launch: <i>Strong and free</i>
4	10 September	Publication launch: <i>Australia–Afghanistan relations: reflections on a half-century</i>
5	25 September	Publication launch, Kabul: <i>Australia–Afghanistan relations: reflections on a half-century</i> (hosted by Australian Embassy in Kabul)
6	3 October	Public event: The digital revolution in the Pacific
7	9 October	WDSN Sydney event: ASPI and Navy speed mentoring at Sea Power Conference
8	9 October	Melbourne publication launch: <i>Designing for resilient energy systems</i>
9	29 October	Public event: In conversation with Peter W Singer
10	31 October	Publication launch: <i>Sticking to our guns: a troubled past produces a superb weapon</i>
11	4 November	WDSN public event: In conversation with Assistant Secretary-General Michele Coninsx, Executive Director of the UN Counter-Terrorism Executive Directorate
12	7 November	WDSN event: Melbourne speed mentoring
13	12 November	Public event: In conversation with Megan Clark AC, head of the Australian Space Agency
14	26 November	Public event: Launch of China Defence Universities Database
15	28 November	Public event: Panel discussion: 'Violent extremism and terrorist content online'

16	5 December	Public event: 'Ocean horizons: strengthening maritime security in Indo-Pacific island states'
17	10 December	Public event: ASPI film screening: <i>Danger close: the Battle of Long Tan</i>
18	12 December	Publication launch: <i>The Bushmaster: from concept to combat</i>
19	5 February	Public event: In conversation with Kim Beazley and Paul Dibb

Masterclasses

1	14 August	State of the Region 2019 masterclass
2	3 December	ASPI Space Policy masterclass

Webinars

1	13 April	ASPI Presents: Covid-19 and radicalisation (pre-recorded)
2	16 April	Roundtable: ICT and the emerging technologies in the Pacific (live)
3	16 April	ASPI Presents: Covid-19 and the Asia Pacific (pre-recorded)
4	29 April	Publication launch: <i>Weaponised deep fakes</i>
5	7 May	Publication launch: <i>After Covid-19: Australia and the world rebuild</i> (volume 1)
6	13 May	Publication launch: 'After Covid-19': national security in focus (part 2)
7	10 June	Publication launch: <i>National security agencies and the cloud</i>
8	11 June	Hong Kong and Beijing: why now and what does it mean?
9	16 June	The changing nature of Philippines–US defence relations
10	18 June	Publication launch: <i>Unravelling the CCP's overseas influence</i>
11	25 June	UN cyber negotiations—What they mean for Australian diplomacy

Special meetings

1	25 July	ICPC Advisory Council
2	27 August	Zohar Palti
3	1 October	IKAHAN Visiting Fellow, Lieutenant General Yoedhi
4	16 October	The Hon Melissa Price MP, Minister for Defence Industry
5	17 October	ICPC: Mr Andrew Hastie MP, Member for Canning and Chair of the Parliamentary Joint Committee on Intelligence and Security
6	24 October	Australia's 2020 Cyber Security Strategy
7	29 October	Peter W Singer
8	8 November	The Hon Dan Tehan MP, Minister for Education
9	13 November	Training our future cyber warfighters
10	4 December	<i>Ocean horizons: strengthening maritime security in Indo-Pacific island states</i> report
11	25 February	ICPC Advisory Council
12	1–2 March	ASPI's 2020 Five Eyes seminar
13	3 March	Vietnamese Ambassador to Australia
14	5 March	Official Histories project, Australian War Memorial

Annex E

KEY ROLES AT INTERNATIONAL CONFERENCES

Staff member	Conference
Dr Paul Barnes	<ul style="list-style-type: none">• Presented 'Navigating the future risk landscape', an online discussion at the 2020 Australian Securities Investment Corporation (Markets) Senior Leadership Group Forum• Presented 'Managing national crises (policy level issues)' with Robert Cameron (Director General EMA), Prof. Jane McAdam (Scientia Professor of Law, UNSW) and Cheryl Durrant, hosted by Vice Admiral Paul Maddison (Ret'd), 7 May 2020• Presented 'Bolstering national disaster resilience—what can be done?', 44th annual conference of the Environmental Health Association Australia, Adelaide, 7 November 2019• Spoke in 'Designing resilient infrastructure', roundtable discussion, Jo Da Silva, Arup Fellow and acting director of the Resilience Shift, London, 4 November 2019• Presented 'Addressing critical infrastructure challenges: a national risk and resilience lens', 2019 Industrial Control System Security Conference, Sydney, 1 October 2019• Presented 'Many moving parts—the challenges of crisis readiness in airports' in a panel session at the APAC Airport Security Summit, Sydney, 31 July 2019• Participated in a UNSW (Canberra) alumni webinar 'Managing national crises at a policy level' with Robert Cameron (Director General EMA) and Prof. Jane McAdam (Scientia Professor of Law and Director of the Andrew and Renata Kaldor Centre for International Refugee Law at UNSW), hosted by Vice Admiral Paul Maddison (Ret'd), 7 May 2020• Presented at a breakfast seminar on 'Managing mission critical communications' with Nick Kaldas and Rob Cameron (Department of Home Affairs), hosted by <i>The Mandarin</i>• Member of a taskforce actioning a Track 2.0 track process to design an independent 'National Resilience Institute' for Australia, coordinated by the Global Access Partners and Gravity iLabs; taskforce members included Prof. John Hewson, Philip Ruddock, Ian Irving, Kate Lundy. AdmDC, 13–14 November 2019

Staff member	Conference
Lisa Sharland	<ul style="list-style-type: none"> • Presented via video on ASPI's <i>Evolution of the protection of civilians in UN peacekeeping</i> report at the annual conference of the International Association of Peacekeeping Training Centres, Lima, Peru, October 2019 • Presented on 'Protection of civilians in UN peacekeeping' at UN Senior Mission Leaders' Course, Seoul, Republic of Korea, November 2019
Huong Le Thu	<ul style="list-style-type: none"> • Spoke at Australia – New Zealand ASPI–CSS Track 1.5 strategic dialogue, Wellington, 19–21 November 2019 • Spoke at ASPI–RSIS Track 1.5 strategic dialogue, Singapore, 24–27 September 2019 • Spoke at ASPI – National Institute for Defense Studies (Japan) senior exchange, Canberra, 3 October 2019 • Invited to participate in Australia–Indonesia Track 1.5 dialogue, 24 July 2019, Canberra • Represented ASPI at the ASPI – National Institute for Defense Studies of Japan forum, Tokyo, 19–20 November 2019
Peter Jennings	<ul style="list-style-type: none"> • Participated in the Australian American Leadership Dialogue forum, 9–10 August 2019 • Attended and presented at the 5th GSAG of KAS, Cadenabbia, Milan, 4–6 September 2019 • Presented at the China Choices Workshop, Vancouver, Canada, 19–21 September 2019 • Facilitated the Joint Heads of Pacific Security Forum, 9–11 October • Attended the KAS–ASPI closed-door RT Workshop on China, Berlin and Brussels 20–22 October 2019 • Attended the first Tokyo Global Dialogue and participated in 'Seeking out a new order in the Indo-Pacific region' panel discussion, 1–4 December 2019 • Presented at the SEB Nordic CEO Conference, 10–11 February 2020 • Attended the American Chamber of Commerce in Australia Council of Governors Dialogue (virtual), 21 May 2020 • Presented at the New Zealand High Commissioner Covid-19 Roundtable (virtual), 25 May 2020

Annex F

ACHIEVING ASPI'S PURPOSES

Table 10 outlines how ASPI worked in 2019–20 to achieve our purposes, as listed in our corporate plan. It provides either specific information or references to the relevant chapter of the annual report.

Table 10: How ASPI achieved its purposes, 2019–20

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2019–20
Conduct and publish research	The number and type of publications and <i>The Strategist</i> pieces produced by ASPI, together with examples of how the publications have contributed to the national debate	ASPI informs the public by publishing information and analysis on a full range of strategic, defence and national security issues that bear on the choices facing Australia over coming years.	Through seven series of publications, 57 publications were produced. There were 1,070 pieces on <i>The Strategist</i> from 357 individual authors. Information about the contribution to the national debate of some of ASPI's publications is in Chapter 3 of this report.
Provide an alternative source of strategic policy ideas and advice	Participation in government advisory committees and expert panels	ASPI is a source of new ideas and innovative solutions for government, both through our published work and through policy analyses specifically commissioned by government.	ASPI staff were invited to participate in eight government advisory committees and expert panels.
	Submissions to parliamentary inquiries		ASPI provided five submissions to parliamentary inquiries. A list of the submissions is in Chapter 1.

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2019–20
Stimulate public discussion	Number and range of ASPI public events	ASPI informs the public by hosting several events open to the public and through readily accessible online material on ASPI’s website each year, including opinion pieces, reports, podcasts and <i>The Strategist</i> .	ASPI conducted 103 events during 2019–20. A list of the events is in Chapter 4 and Annex D.
	Published opinion pieces		87 opinion pieces written by ASPI staff were published.
	Examples of media coverage contributing to the national debate		Examples of media commentary are in Chapter 3.
	Website, <i>The Strategist</i> and social media usage		Information and graphs on social media usage are in Chapter 1.
Promote international understanding	Ranking in University of Pennsylvania’s Global Go To Think Tank Index	ASPI’s standing as a respected source of analysis is recognised globally. This allows us to strengthen links and engage regularly with overseas think tanks to inform the international community of Australia’s strategic and defence policy perspectives.	Information about ASPI’s ranking in the University of Pennsylvania’s Global Go To Think Tank Index is in Chapter 1.

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2019–20
	Invitations to speak at international conferences		ASPI staff attended three international conferences as speakers. See Annex D for more details.
	Links with overseas think tanks		Information about ASPI's links to other think tanks is in Chapter 1.
	International Visiting Fellowships		ASPI hosted five Visiting Fellows.
	Participation in and hosting of international dialogues.		ASPI hosted six Track 1.5 and Track 2 dialogues. A list of the dialogues is in Chapter 1.
Develop expertise	Number of interns whom ASPI supports		ASPI has an internship program that engages four interns on a six-monthly rotation.
	Published pieces by interns		<p>Reports, publications and <i>The Strategist</i> pieces with sole and co-authorship by interns in 2019–20 included:</p> <ul style="list-style-type: none"> • Publication: <i>Retweeting though the Great Firewall</i> • Publication: <i>National security agencies and the cloud: an urgent capability issue for Australia</i> • Publication: <i>Covid-19 disinformation and social media manipulation trends</i> • Publication: <i>Covid-19 attracts patriotic troll campaigns in support of China's geopolitical interests</i>

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2019–20
			<ul style="list-style-type: none"> • Publication: <i>ID2020, Bill Gates and the Mark of the Beast: how Covid-19 catalyses existing online conspiracy movements</i> • Publication: <i>Running on empty? A case study of fuel security for civil and military air operations at Darwin Airport</i> • Publication: <i>After Covid-19: Australia and the world rebuild</i> (volume 1) • Publication: <i>Hacking democracies</i> • <i>The Strategist</i> post: 'New crisis, same old problems for the EU', Alexandra Pascoe, 18 May 2020 • <i>The Strategist</i> post: 'Women's rights in China and the legacy of the Feminist Five', Daria Impiombato, 8 May 2020 • <i>The Strategist</i> post: 'India–China tensions flare up on new front: TikTok', Daria Impiombato, 4 June 2020 • <i>The Strategist</i> post: 'Northern Australia needs to be ready to meet climate-change-driven security challenges', Hal Crichton-Standish, 20 March 2020

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2019–20
			<ul style="list-style-type: none"> • <i>The Strategist</i> post: ‘Australia must fast-track new domestic storage to ensure fuel security’, Hal Crichton-Standish, 7 May 2020 • <i>The Strategist</i> post: ‘In a crisis, Australians might soon be running on empty’, Hal Crichton-Standish, 13 May 2020 • <i>The Strategist</i> post: ‘Renewable energy exports could be vital for Australia’s post-fossil-fuel future’, Hal Crichton-Standish, 26 June 2020 • <i>The Strategist</i> post: ‘Thailand’s hashtag activism targets political change’, Tracy Beattie, 20 April 2020 • <i>The Strategist</i> post: ‘Is Thailand heading for another political crisis?’, Tracy Beattie, 29 May 2020 • <i>The Strategist</i> post: ‘Russia’s growing interests in the South China Sea’, Sunny Cao, 18 December 2019 • Weekly wraps: Five domains wrap and national security wrap • Monthly wraps: Women, peace and security
	Participants in ASPI professional development courses		ASPI conducted 13 courses and workshops. A detailed list is in Chapter 2.

Annex G

INFORMATION ABOUT EXECUTIVE REMUNERATION

Australian Strategic Policy Institute Ltd

The following three tables in this section describe a range of employment and post employment benefits provided to our key management personnel, Senior Executives and other highly paid staff.

Table 11: Remuneration information for key management personnel

Name	Position title	Short-term benefits			Other long-term benefits		Post-employment benefits	Total Remuneration
		Salary	Bonuses	Annual leave ¹	Long service leave ²	Superannuation contribution		
Mr Peter Jennings PSM	Executive Director	286,974.54	53,342.10	23,277.45	6,576.17	56,247.57	426,417.83	
Lieutenant General (Ret'd) Kenneth Gillespie AC DSC CSM	Chair of Council	3,560.00				391.60	3,951.60	
Air Vice Marshal (Ret'd) Margaret Staib AM CSC	Council member	2,848.00				313.28	3,161.28	
Professor Joan Beaumont	Council member	2,136.00				234.96	2,370.96	
Mr Stephen Brady AO CVO	Council member	2,848.00				313.28	3,161.28	
The Hon Stephen Conroy	Council member	2,848.00				313.28	3,161.28	
Ms Jane Halton AO PSM	Council member	2,848.00				313.28	3,161.28	
Mr Jim McDowell	Council member	712.00				78.32	790.32	
The Hon David Johnston	Council member	1,424.00				156.64	1,580.64	
Ms Gai Brodtmann	Council member	712.00				-	712.00	
The Hon Robert Hill AC	Council member	2,136.00				234.96	2,370.96	
Dr Lavina Lee	Council member	712.00				152.00	864.00	
Ms Jennifer Ma	Council member	3,560.00				380.92	3,940.92	
Total		313,318.54	53,342.10	23,277.45	6,576.17	59,130.09	455,644.35	

Notes:

1. Annual leave is calculated on an accrual basis as 20 working days per year based on the salary as at 30 June 2020
2. Long service leave is calculated on an accrual basis as 4.33 working days per year based on the salary as at 30 June 2020

Table 12: Remuneration information for Senior Executives

Total remuneration bands	Number of Senior Executives	Short-term benefits		Post-employment benefits		Other long-term benefits		Average total remuneration
		Average base salary	Annual leave ¹	Average superannuation contributions	Average long service leave ²	Average long service leave ²		
\$ 0 to \$250,000	4	180,771.02	15,063.83	28,272.66	3,261.32	3,261.32	227,368.82	

Notes:

1. Annual leave is calculated on an accrual basis as 20 working days per year based on the salary as at 30 June 2020
2. Long service leave is calculated on an accrual basis as 4.33 working days per year based on the salary as at 30 June 2020

Table 13: Remuneration information for other highly paid staff

Total remuneration bands	Number of other highly paid staff	Short-term benefits		Post-employment benefits		Other long-term benefits		Average total remuneration
		Average base salary	Other benefits	Average superannuation contributions	Average long service leave	Average long service leave		
\$200,000 to \$250,000	0							

Annex H

ASPI BY THE NUMBERS

The Australian Strategic Policy Institute is a wholly owned Commonwealth company formed in 2001 as an independent, non-partisan think tank. ASPI receives funding from Australian and overseas governments, industry and civil society groups for sponsorship, research and project support. ASPI remains independent in the content of our research and in all editorial judgements and employs a rigorous internal and external peer review process.

ASPI's sources of funding are identified in our annual report, online at www.aspi.org.au and in the 'Acknowledgements' section of individual publications.

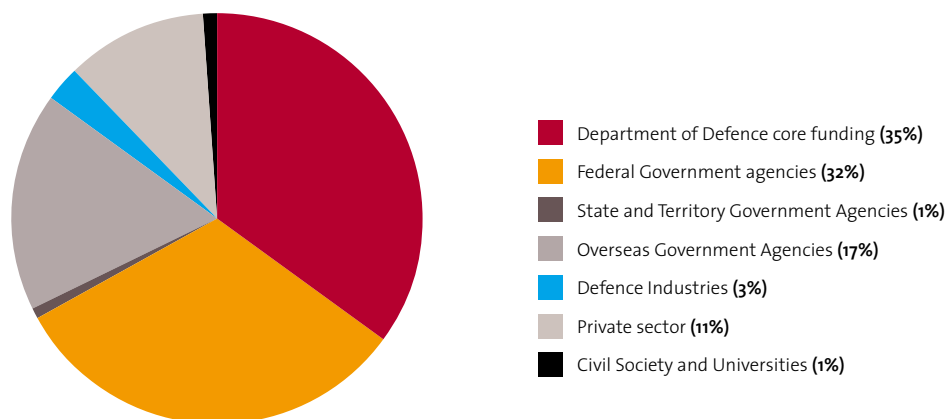
For the 2019–20 financial year, this funding is broken down as shown in Table 14 and Figure 9.

Table 14: Revenue, 2019–20

Funding source	Amount	% of total
Department of Defence core funding	\$4,000,000.00	35%
Federal government agencies	\$3,636,542.91	32%
State and territory government agencies	\$121,525.00	1%
Overseas government agencies	\$1,891,206.43	17%
Defence industries	\$369,924.91	3%
Private sector	\$1,241,364.20	11%
Civil society and universities	\$151,533.26	1%
Total	\$11,412,096.71	

* In addition, ASPI received a total of \$148,218.00 from events and miscellaneous income.

Figure 9: Sources of revenue, 2019–20



2019–20 Funding breakdown, by sector

1: Australian Department of Defence

The Australian Department of Defence makes a single annual core funding payment of \$4,000,000.

2: Other Australian federal government agencies

In addition to the core funding provided by the Department of Defence, the following Australian federal government departments and agencies provided funding, as shown in Table 15.

Table 15: Australian federal government funding (non-Defence), 2019–20

Department or agency	Purpose	Amount
.au Domain Administration Ltd	.auDA test tool project	\$276,969.66
Attorney-General’s Department	Counterterrorism and ICPC sponsorship	\$205,000.00
Australian Civil-Military Centre	Pacific Peacekeeping project	\$90,724.55
Department of Defence	ICPC sponsorship	\$105,645.13
Australian Mission to the UN	Protection of Civilians in UN Peacekeeping project	\$11,444.00
Australian Office Taipei	Taiwan track dialogue sponsorship	\$12,000.00
Cyber Security Cooperative Research Centre Limited	ICPC sponsorship	\$40,000.00

Department or agency	Purpose	Amount
Department of Agriculture, Water and the Environment	ASPI advisory service	\$25,000.00
Defence Portfolio	Professional development: Symposium and Better Policy Program	\$341,183.78
Defence Portfolio	NA Think Tank Symposium, IKAHAN Fellows	\$111,100.00
Defence Portfolio	Sydney Quadrilateral Dialogue	\$210,000.00
Defence Portfolio	Professional development: Senior Executive program	\$9,000.00
Defence Portfolio	Professional development: Executive program	\$334,000.00
Defence Portfolio	ICPC project	\$253,950.00
Defence Portfolio	ASPI–CASG Austeyr rifle book	\$65,000.00
Defence Portfolio	ASPI–CASG Bushmaster book	\$45,454.55
Defence Portfolio	Skilling Northern Australia project	\$8,455.85
Department of Foreign Affairs and Trade	e-Governance workshops Indo-Pacific, UNGGE ASEAN project, critical technology project	\$477,153.83
Department of Foreign Affairs and Trade	Risk and Resilience Pacific project	\$40,000.00
Department of Home Affairs	Media project	\$150,000.00
Department of the Prime Minister and Cabinet	ICPC sponsorship	\$50,000.00
Federal government	ASPI research and projects	\$198,863.64
National Archives of Australia	ICPC sponsorship	\$20,833.33
Services Australia	ICPC sponsorship and professional development Strategic Framework project 2.1	\$554,764.59
Total		\$3,636,542.91

3: Australian state and territory government agencies

The following funding was received from Australian state and territory government departments and agencies, as shown in Table 16.

Table 16: Australian state and territory governments, funding, 2019–20

Department or agency	Purpose	Amount
Northern Territory Government	North of 26 degrees south project	\$112,000.00
Queensland Police Service	Counterterrorism workshop	\$9,525.00
Total		\$121,525.00

4: Overseas government agencies

The following funding was received from overseas government agencies, as shown in Table 17. Where appropriate, ASPI reports funding under the Foreign Influence Transparency Scheme at <https://www.ag.gov.au/integrity/foreign-influence-transparency-scheme>.

Table 17: Overseas government agencies, funding, 2019–20

Department or agency	Purpose	Amount
Embassy of Israel	Beersheba Dialogue preparation meeting	\$909.09
Embassy of Japan	Defence and Strategy Pacific project	\$39,364.96
Embassy of the Kingdom of the Netherlands	Support for ‘The party speaks for you’ research project	\$20,000.00
Foreign and Commonwealth Office—UK Embassy in China	Support for ‘Uyghurs for sale’ research project	\$18,334.00
US State Department (via Institute for War and Peace Reporting)	Multiple research projects, including ‘Mapping China’s technology giants’	\$762,559.52
US Department of Defense (via Alion Science and Technology Corporation)	Smart tech project	\$201,136.68
NATO Strategic Communications Center of Excellence	Social media research project	\$5,799.12

Department or agency	Purpose	Amount
UK Foreign and Commonwealth Office	Multi-year UNGGE ASEAN cyber capacity-building project	\$437,026.04
US Department of State	Travel sponsorship	\$5,500.26
US Embassy, Canberra	Project support for research, including the 'China defence universities tracker'	\$400,576.76
Total		\$1,891,206.43

5: Defence industries

The following funding was received from defence-related private-sector organisations, as shown in Table 18.

Table 18: Defence-related private sector organisations, funding, 2019–20

Organisation	Purpose	Amount
Lockheed Martin	<i>The Strategist</i> sponsorship	\$25,000.00
Naval Group Australia	ASPI sponsorship	\$100,000.00
Northrop Grumman	ASPI sponsorship	\$67,500.00
Rafael	Bersheeba Dialogue sponsorship	\$20,000.00
Raytheon	ASPI Sponsorship	\$19,090.91
Saab Australia	ASPI sponsorship	\$25,000.00
Thales Australia	ASPI conference, ICPC and <i>The Strategist</i> sponsorship	\$113,334.00
Total		\$369,924.91

6: Private sector

The following funding was received from private-sector organisations, as shown in Table 19.

Table 19: Private-sector organisations, funding, 2019–20

Organisation	Purpose	Amount
Amazon Web Services Australia Pty Ltd	ICPC sponsorship	\$125,000.00
Cisco Systems Australia Pty Ltd	ICPC sponsorship	\$50,000.00
CT Intelligence and Insights	Speakers' fees	\$569.02
Engineers Australia	Risk and Resilience project	\$32,272.73
Facebook Australia Pty Ltd	ICPC sponsorship	\$100,000.00
Fortinet	ICPC sponsorship	\$50,000.00
Google Australia Pty Limited	ICPC sponsorship	\$75,000.00
IQPC Ltd	Travel sponsorship	\$4,409.95
Jacobs Australia	ICPC sponsorship	\$40,000.00
Kiah Consulting	Professional development: workshop	\$45,000.00
Lendlease	ASPI sponsorship	\$10,000.00
Macquarie Telecom Pty Ltd	Cyber policy brief and report launch	\$70,000.00
Microsoft Pty Ltd	ICPC sponsorship	\$158,272.74
Northern Territory Airports Pty Ltd	Fuel Reserve project	\$45,000.00
Omni Executive	Risk and Resilience Project	\$19,520.53
Oracle Australia	National Security research project and podcast sponsorship	\$70,000.00
Palo Alto Networks (Australia) Pty Ltd	ICPC sponsorship	\$80,000.00
Senetas Corporation Limited	ICPC sponsorship	\$25,000.00
Splunk Technology	ICPC sponsorship	\$50,000.00
Twitter Inc.	ICPC research support and sponsorship	\$147,319.23
UpGuard, Inc	ICPC sponsorship	\$44,000.00
Total		\$1,241,364.20

7: Civil society and universities

The following funding was received from civil society organisations and Australian and overseas universities, as shown in Table 20.

Table 20: Civil society organisations and universities, funding, 2019–20

Organisation	Purpose	Amount
Australian Computer Society	ICPC project	\$39,000.00
Australian National University	ICPC staff secondment fee	\$3,030.30
Bond University	Travel sponsorship	\$366.36
Carnegie Endowment for International Peace	Research collaboration	\$11,119.96
German Marshall Fund	Travel sponsorship	\$1,801.09
German Marshall Fund	Travel sponsorship	\$2,393.28
Japan Institute of International Affairs	Travel sponsorship to participate in Japan Track 1,5 dialogue	\$5,603.79
The Pratt Foundation	Bersheeba dialogue sponsorship	\$70,000.00
The University of Melbourne	Travel sponsorship to participate in counterterrorism workshop in Brussels	\$1,857.26
University of British Columbia	Workshop in Vancouver	\$16,361.22
Total		\$151,533.26

Annex I

INDEX OF ANNUAL REPORT REQUIREMENTS

This index is included to meet the requirements of section 28E of the Public Governance, Performance and Accountability Rule 2014.

Content	Location in the Rule	Location in this report
ASPI's purposes	s 28E(a)	Chapter 1
Responsible minister	s 28E(b)	Chapter 1
Ministerial directions and government policy orders	s 28E(c) – (e)	Not applicable
Information about directors	s 28E(f)	Chapter 5
Organisational structure	s 28E(g)	Chapter 1
Location of organisation	s 28E(h)	Chapter 1
Corporate governance	s 28E(i)	Chapter 5
Related entity transactions	s 28E(j) – (k)	Not applicable
Significant activities and changes affecting the company	s 28E(l)	Not applicable
Judicial decisions and decisions by administrative tribunals	s 28E(m)	Not applicable
Reports by the Auditor-General, parliament, Commonwealth Ombudsman, Australian Information Commissioner or Australian Securities and Investments Commission	s 28E(n)	Not applicable
Information from subsidiaries	s 28E(o)	Not applicable
Index identifying requirements of section 28E	s 28E(p)	Annex G

The audited financial statements have been prepared in accordance with the requirements under the *Corporations Act 2001*; see *Chapter 6*.

Annex J

ACRONYMS AND ABBREVIATIONS

ADF	Australian Defence Force
ANU	Australian National University
APS	Australian Public Service
ASEAN	Association of Southeast Asian Nations
ASPI-PD	ASPI – Professional Development
DFAT	Department of Foreign Affairs and Trade
EL	Executive Level
EU	European Union
ICPC	International Cyber Policy Centre
KAS	Konrad-Adenauer-Stiftung
NATO	North Atlantic Treaty Organization
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
SES	Senior Executive Service
UK	United Kingdom
UN	United Nations
UNODC	UN Office on Drugs and Crime
WDSN	Women in Defence and Security Network
WPS	Women, Peace and Security

