

ANNUAL REPORT

2018–2019

ASPI

ASPI

AUSTRALIAN
STRATEGIC
POLICY
INSTITUTE





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2018–2019



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Security guard watching football fans. Photo: kolvenbach/Alamy Stock Photo.

Able seaman boatswain's mate Olivia Fels at the forecastle onboard HMAS *Brisbane*, alongside Fleet Base East: Department of Defence.

Nuclear submarine in open sea: iStock photo/tsalko.

Sailor aboard HMAS *Kanimbla* keeping a lookout off the coast of Darwin: Department of Defence.

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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 2019.

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 30 August 2019.

Yours sincerely



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

Chairman

30 August 2019

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'I greatly value my longstanding engagement with the Australian Strategic Policy Institute, and I know Peter and his ASPI associates have certainly not been sitting on their hands. Since its establishment in 2001, ASPI has earned a first-class global reputation for cutting-edge strategic analysis and reporting. I am honoured to return to ASPI, now as the Minister for Defence, to address the Institute's flagship annual event.'

Minister for Defence, Senator the Honourable Linda Reynolds CSC



Senator the Honourable Linda Reynolds CSC, Minister for Defence, delivering the keynote address at the ASPI International Conference 'War in 2025', June 2019.

MESSAGE FROM THE ASPI CHAIRMAN AND THE EXECUTIVE DIRECTOR

In troubled strategic times, clarity of policy thinking and decision-making is essential. ASPI is increasingly being turned to by government, media and the private sector as a source of informed thinking on strategic matters with a flair for identifying policy opportunities for Australia. Over the course of the 2018–19 financial year, ASPI played an increasingly prominent role in vital public discussions about Australia’s defence and security. The institute takes no corporate views but pursues independent research with enthusiasm and intellectual rigour, always in support of our core mission to provide contestability of policy advice to government, the parliament and the Australian people.

The biggest strategic challenge of our generation remains the evolving international role of the People’s Republic of China. ASPI wrote extensively over 2018–19 on China–US strategic competition; the Belt and Road Initiative; China and the Pacific islands; China–Australia law enforcement cooperation; China and the security of Australian critical infrastructure, including in the gas and electricity sector; Chinese military collaboration with universities, including in Australia; and the future 5G mobile network. ASPI staff have been at the forefront of media and public debate on how best to manage Australia’s national interests in dealing with a China that is seeking to remake the international order. We see our work in this area as an important contribution to a more open and informed public debate about this centrally important strategic factor in the Indo-Pacific region.

Readers of this annual report will see that ASPI has substantially expanded its research work on cybersecurity. This has included work on how to define offensive cyber capabilities, digital identity, the security of Australia’s digital records, digital diplomacy and cyber threats to democracies and democratic elections. The cyber domain is becoming ever more central to all parts of national life, from the economy to national security and social cohesion.

ASPI identifies a critical challenge for policymakers in government to think through the challenges and opportunities that cyber technology presents. We see a growing role for the institute to work with government and the private sector in developing new thinking on cyber matters and to bring clarity and insight in explaining this complex field to a broader public.

As this report details, the institute's published work this year ranged from an incoming government brief titled *Agenda for change* and issued just before the election. Among many recommendations, the report called for government to do a better job of telling its policy story to the nation. We also released a major case study on the acquisition of the air warfare destroyer, the 17th in the annual *Cost of defence* series, which provides a plain-English analysis of the defence budget, and a compendious *Counterterrorism yearbook*. We continued to expand our reach through social media, including through our flagship *The Strategist* online journal; through specialist online databases such as our *Mapping China's Tech Giants* website and a new regular podcast appropriately titled *Policy, Guns and Money*.

The institute was active in running many events, including our annual conference, which this year was on the theme of 'War in 2025'. The title was neither a prediction nor an endorsement so much as an attempt to focus thinking on the short-term risks to security that are multiplying in the Indo-Pacific region. The conference, along with many public events and closed-door discussions with government departments and agencies, explored the emerging risks of so-called 'grey zone' conflicts and political and hybrid warfare that present particular challenges to democracies that support the international rule of law. ASPI held well-attended master classes on the global powers; China; women, peace and security; and artificial intelligence and national security. Our focus through those and indeed all our events is to provide a diversity of well-researched and forthright opinion on the emerging policy issues of the day and to stimulate discussion focused on developing interesting policy options for government. ASPI has significantly expanded its work in the area of training and professional development. In 2018–19, our offerings included bespoke programs designed for the Royal Australian Air Force and other Defence organisations.

Regular readers of our annual reports will note that ASPI continues to grow. At 30 June 2019, the institute had 55 staff in full-time, part-time and casual positions. We were delighted to enter into a new long-term funding agreement with the Department of Defence, which will provide ASPI with a \$4 million annual funding grant through to FY 2022–23. In 2018–19, the Defence grant represented 43% of our overall budget. The annual report details the sources of this income. We are grateful for the department's support and the notable personal engagement with and commitment to the institute by General Angus Campbell, the Chief of the Defence Force, and Greg Moriarty, the Secretary of Defence. Furthermore, we thank the many supporters and sponsors of ASPI's work in government, the private sector and

internationally, which is critical to our financial viability. The Australian Government's direction to us, and our intention, is to continue to grow in order to meet our objectives of operating as an independent research centre, providing policy relevant analysis to better inform government decision-making and increasing public and international understanding of Australia's strategic and defence policies.

Mr Peter Conran AM, resigned from the ASPI Council in November 2018 to take up the position of Secretary to the Cabinet. We thank Peter for his generous service to ASPI, which was marked by good humour and incisive advice. The ASPI team welcomed four new Council members. We look forward to working with Mr Stephen Brady AO CVO; Dr Denis Dragovic; Ms Jennifer Ma and the Honourable Robert Hill AC.

The entire ASPI team is committed to making a strong and constructive contribution to Australia's public policy debate. We commend this report to you.



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)



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 2018 Global Go To Think Tank Index, which is the gold standard of annual assessment of excellence in think tank performance around the world. We featured in many of the notable rankings this year. Ranked at 13 out of 111, ASPI is the highest defence and national security think tank in Australia.

ASPI operates out of an office in Canberra, with 55 staff at the end of June 2018. 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 2018–19, Senator the Honourable Marise Payne 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

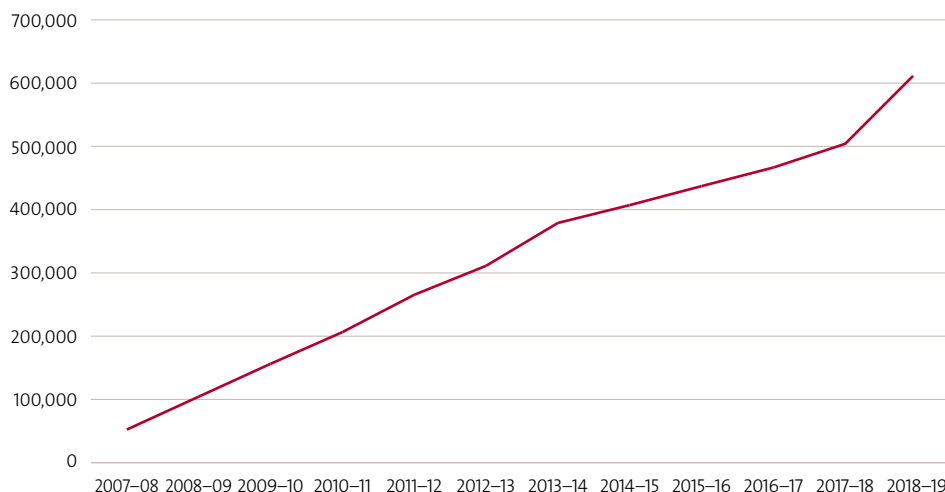
The institute produces a range of publications throughout the year dealing with the spectrum of strategic and defence policy challenges and wider national security issues. In 2018–19, we produced a total of 46 publications. Detailed information about the full range of ASPI publications, including examples 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 over half a million downloads of our publications around the world since the introduction of free PDF downloads in 2007.

The ASPI annual report has previously focused on the total cumulative number of downloads of our publications as PDF documents as a key performance metric. For many years, this has been a valid measurement of the consumption of our analysis, but that is changing.

In addition to traditional PDF downloads, we now publish a range of 'mid-length' analysis pieces called online feature reports. They are formatted to be read online using desktop PCs, phones, mobile devices and tablets. The online readership of the online feature reports has been included in this year's cumulative total of 602,722 views (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 2019, *The Strategist* had more than 3,500 daily subscribers and 5,000 weekly subscribers. In 2018–19, for the first time, it had more than 1 million visitors. *The Strategist* recorded a total of 2,348,898 unique page views during the year, compared with 1,359,050 in 2017–18, an increase of 57.8%.

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 2018–19, we published 1,059 posts from 319 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.

- Independent National Security Legislation Monitor review into citizenship loss (submission by Dr John Coyne)
- Implications of climate change for Australia's national security (Senate Foreign Affairs, Defence and Trade References Committee) (submission by Dr Paul Barnes, who also appeared as a witness).

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 received from the Department of Defence is directed to mutually agreed Defence-specific projects. During the year, those projects focused on:

- Plausible futures regarding the shifting dynamics between small, middle and great powers in the Indo-Pacific
- Deterrence and counter-coercion across domains in the Indo-Pacific region
- Challenges and opportunities posed by disruptive and converging technologies to the structure and operations of the current and future Australian Defence Force
- The nature and implications of increased competition in the Pacific, Indian and/or Southern oceans and Antarctica
- The future of major powers: strategic implications of the future of the United States' power; China's strategic interests and priorities; India's and Japan's positions; and Australia's opportunity for strengthening the Alliance and regional partnerships
- Climate change impacts on national security and their implications for defence planning in Australia and in the Indo-Pacific region
- Whole-of-government coordination, national and military mobilisation and Defence's role in building whole-of-nation resilience.

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:

- Indo-Pacific Centre for Health Security—Partners Group
- National Resilience Task Force (Department of Home Affairs) to assist the development of a risk assessment and mitigation methodology
- NSW Government Cyber Security Incident Emergency Sub Plan and NSW Cyber Incident Response Plan
- 2018 Security and Health Executive Leadership Institute (SAHELI)—the Nossal Institute for Global Health, University of Melbourne
- National Fuel Security Review (Department of the Environment and Energy)
- National Advisory Panel of the Australian Vulnerability Profile Project, Department of Home Affairs
- 2019 Defence Megatrends Study—stakeholder engagement workshop hosted by the Defence Science and Technology Group
- 2020 Asia-Pacific Ministerial Conference on Disaster Risk Reduction
- Department of the Environment and Energy workshop examining the impacts of climate change on energy security—as part of the current National Energy Security Assessment process
- Centre for Defence and Strategic Studies and design of a syndicate activity for the cohort: *Analysis of selected critical state and local planning issues ahead of possible basing of a US Marine Corps brigade in Darwin*
- National Resilience Taskforce’s National Mitigation Framework Policy Sprint
- UN Environment Programme Finance Initiative Conference, ‘Financing a Resilient and Sustainable Economy’
- the Advisory Group on Australia–Africa Relations of the Department of Foreign Affairs and Trade (DFAT)
- Regional security, DFAT-hosted visit of Asia–Pacific journalists, 20 July 2018
- ‘Practical Policy experiences and future policy challenges facing Australia’, Command and Staff College, 9 September 2018
- ADF Commander Joint Task Force Course, ‘Australia’s strategic environment out to five years’, 3 December 2018
- Regional Security, Australian Office of Financial Management, Department of the Treasury, Canberra, 22 February 2019

- ‘Overview of the way in which foreign interference can threaten Victorian interests’ at a policy workshop on managing risks associated with foreign interference organised by the Victorian Department of Premier and Cabinet, 16 April 2019.

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 programs’ 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 these programs demonstrates their confidence in our ability to provide high-quality, independent analysis and advice.

During 2018–19, ASPI received additional funds from:

- the Attorney-General’s Department
- DFAT
- Emergency Management Australia
- the Department of the Prime Minister and Cabinet
- the Australian Signals Directorate
- the Australian Civil-Military Centre
- Defence Information Warfare Division
- the Department of Human Services
- the National Archives of Australia
- the Northern Territory Department of Trade, Business and Innovation
- the ACT Chief Minister, Treasury and Economic Development Directorate.

Those funds contributed to the following research programs:

- International Cyber Policy Centre
- Risk and Resilience Program
- Counter-Terrorism Policy Centre
- The North and Australia’s Security Program and Strategic Policing and Law Enforcement Program
- International Program
- Better Policy Program 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 2018–19, we conducted a total of 142 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.

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, 81 opinion pieces by ASPI staff were published during 2018–19. 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*

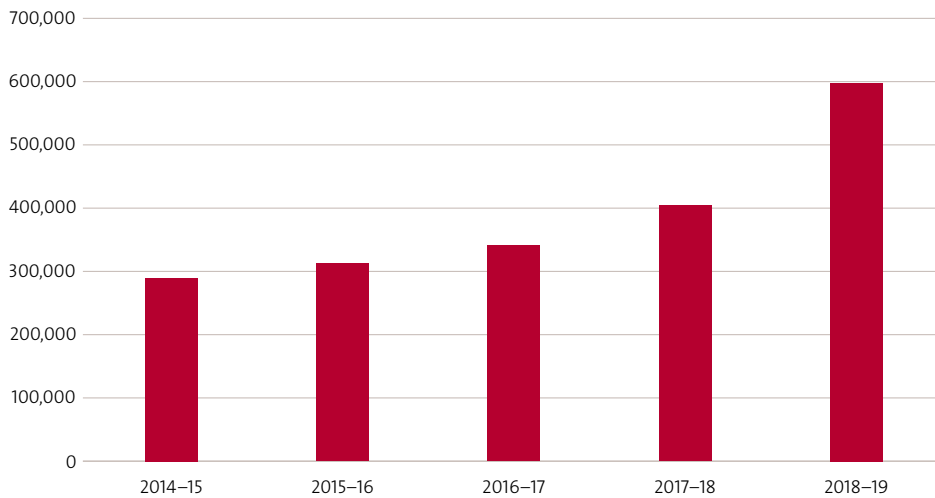
Visits to the ASPI website increased by 27.8%, from 403,770 in 2017–18 to 598,145 in 2018–19. While Australians remain the largest consumers of our online output, accounting for 47% of web visits, the trend appears to indicate that our reach is becoming steadily broader to include increasing numbers of international visitors. Table 1 shows visits from the top 10 countries of origin.

Table 1: Visitors to the ASPI website, by country of origin, 2018–19

Country	Total top 10: 95,170	Percentage of total
1. Australia	103,352	47.0%
2. United States	32,616	14.8%
3. South Korea	18,482	8.4%
4. France	11,257	5.1%
5. United Kingdom	5,667	2.6%
6. India	3,921	1.8%
7. Canada	3,535	1.6%
8. China	3,186	1.4%
9. Singapore	2,700	1.2%
10. Germany	2,536	1.0%

Figure 2 shows the number of unique page views on the ASPI website from 2014–15 to 2018–19.

Figure 2: Number of unique page views on the ASPI website, 2014–15 to 2018–19



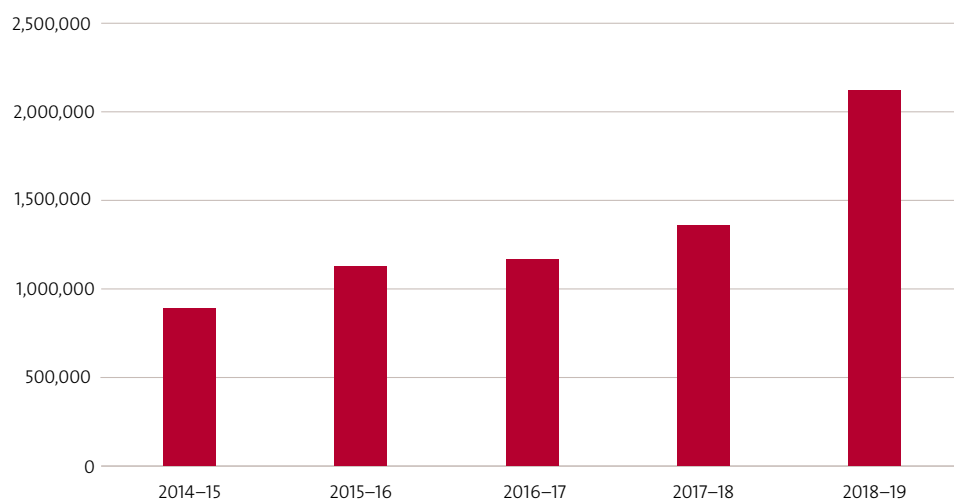
Around 50% of the readers of *The Strategist* in 2018–19 came from Australia. The top 10 countries of origin of readers differed slightly from those visiting the website (Table 2). Visits to *The Strategist* grew by 57.8%, from 1,359,050 in 2017–18 to 2,348,898 in 2018–19.

Table 2: Visitors to *The Strategist*, by country of origin, 2018–19

Top 10 countries of origin	Number of visitors	Percentage of total visitors
1. Australia	502,959	49.65
2. United States	166,984	16.48
3. India	69,380	6.85
4. United Kingdom	36,112	3.56
5. Canada	20,501	2.02
6. Indonesia	14,259	1.41
7. Pakistan	13,426	1.33
8. Singapore	12,508	1.23
9. Germany	9,246	0.91
10. New Zealand	9,077	0.90
Total visitors from top 10 countries	854,452	84.88
Total visitors	1,006,652	

Figure 3 shows the number of unique page views on *The Strategist* from 2014–15 to 2018–19.

Figure 3: Number of unique page views on *The Strategist*, 2014–15 to 2018–19.



Note: The figure for unique page views recorded in 2018–19 is higher than in previous years due in part to intense global interest in three *Strategist* posts published during the year, including a March 2019 special report on India’s airstrikes on a suspected terrorist training camp in Pakistan by ASPI researcher Nathan Ruser, which attracted more than 50,000 unique views.

Twitter—@ASPI_org

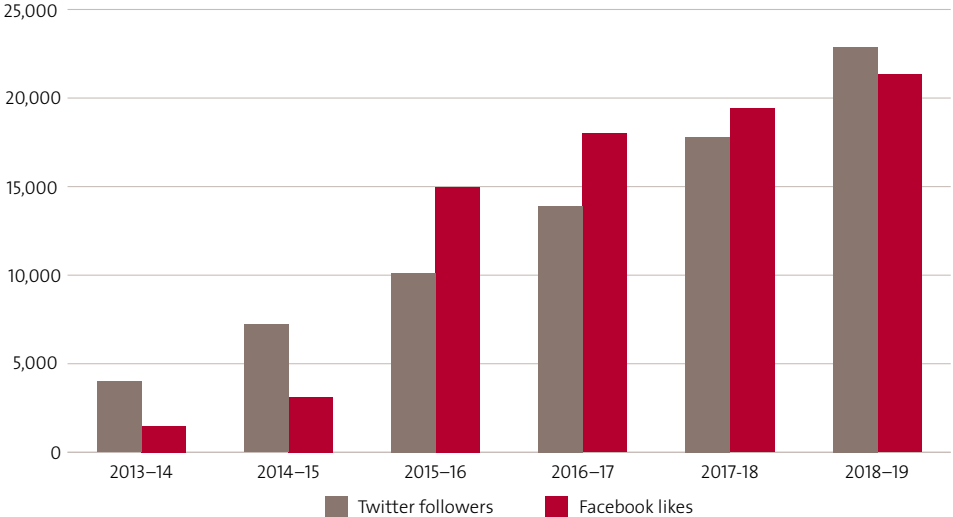
We use Twitter to inform followers of newly released reports, articles and *Strategist* pieces, as well as to alert audiences to ASPI events and other developments. We ‘live tweet’ updates, images and quotes to Australian and international followers in near real time during ASPI public events. Our Twitter followers increased by 30%, to 23,100 in 2018–19 from 17,800 in 2017–18.

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 21,340 in 2018–19, an increase of 14% from 19,407 in 2017–18.

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

Figure 4: Twitter followers and Facebook likes, 2013–14 to 2018–19



YouTube

YouTube is a strong channel for us. We routinely record many of our public events plus special interviews with experts on specific issues. During 2018–19, we attracted over 60,000 views of our videos. Just under 50% of our viewers are based in Australia, and almost 10% of all views came from the US.

In August 2018, we launched our *Policy, Guns and Money* podcast. Podcasts appeal to an increasing number of users, who are able to download and play them wherever and whenever it suits them. We are aiming to publish an episode every two weeks, including several special episodes when unique opportunities or events occur.

Since the launch of the podcast, it has attracted just under 35,000 plays from across Australia, the US and the UK.

ASPI – Professional Development

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

In 2018–19, ASPI-PD delivered a total of 37 activities to 724 personnel. Details of the full range of programs delivered are in Chapter 2. Table 3 provides a breakdown of ASPI-PD activities.

Table 3: Breakdown of ASPI-PD activities

Activity	Client	Number delivered	Total number of participants
Crafting better policy for improved decision-making workshops	Defence	10	164
Focused policy development workshops	Defence	14	287
Direct support to policy, strategy, framework development	Australian Signals Directorate	2	60
Direct support to policy, strategy, framework development	Department of Human Services	2	30
Support to the development and testing of business models	Defence	2	20
Invitation-only masterclasses	Defence	1	30
RAAF professional development programs	Defence	4	78
Regional symposiums	Defence	1	44
Defence–industry roundtables	Defence	1	11
	Totals	37	724

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 2018–19, ASPI employed eight 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 2018–19 included:

- Publication—*The Cost of Defence 2019–2020*
- Publication—*Hacking democracies*
- Publication—*Women, peace and security: defending progress and responding to emerging challenges*
- Publication—*Mapping China's tech giants*
- Publication—*Partners: Australia's private sector engagement in the Pacific*
- Publication—*Counterterrorism yearbook 2019*
- 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. This 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 2018–19, we received invitations from:

- National risk assessments and biosecurity issues roundtable invitation from Kristin Chambers, Principal Analyst, Policy Branch of the New Zealand Ministry of Defence
- Financing a resilient and sustainable economy conference supported by the UN Environment Programme
- Cairo International Center for Conflict Resolution, Peacekeeping and Peacebuilding Conference
- Institute for Security Studies
- Lawrence Livermore National Laboratory, Royal United Services Institute, Center for Strategic and International Studies (CSIS)
- RMIT – Australia Studies Forum on 'The coming war with China?'

- ‘China’s influence in Asia’ at a dialogue organised by the Royal United Services Institute and the UK Foreign and Commonwealth Office on ‘China’s Global influence: a Five Eyes think tank dialogue’.

ASPI’s International Cyber Policy Centre (ICPC) supported the development of cyber confidence-building measures across the region and worldwide through a number of activities. For example, 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. In April 2019, the centre held the first workshop of its kind in Kuala Lumpur, bringing together 18 representatives from 10 countries.

In February 2019, ICPC again participated in its regular high-level Track 1.5 dialogue with the US. The event was held in San Francisco together with our partner organisation, the CSIS. The dialogue attracted senior delegations from both sides.

International ranking

In the University of Pennsylvania’s 2017 Global Go To Think Tank Index, ASPI was the highest ranked defence and national security think tank in Australia, ranking 13th out of 111 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:

- the International Peace Institute (New York)
- Hedayah (United Arab Emirates)
- the CSIS (US)
- the Council on Foreign Relations (US)
- New America (US)
- the Citizen Lab, Munk School of Global Affairs, University of Toronto (Canada)
- the Center for New American Security (US)
- the Konrad-Adenauer-Stiftung (Germany)
- the Mercator Institute for China Studies (Germany)
- the Centre of Excellence for National Security, S. Rajaratnam School of International Studies (Singapore)
- the Institute for Strategic and International Studies (Malaysia)
- the Centre for Strategic and International Studies (Indonesia)

- the Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (Brunei Darussalam)
- ICT Faculty, Mahidol University (Thailand)
- the Cyber Security Lab, University of Computer Sciences (Myanmar)
- the Institute for Cooperation and Peace (Cambodia)
- the Diplomatic Academy (Vietnam)
- Stratbase ADR Institute for Strategic and International Studies (Philippines)
- the 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 2018–19, eight Visiting Fellows were on secondment in the ASPI office:

- Vice Admiral (Ret'd) Dr Desi Albert Mamahit—Indonesian Government (September 2018 – October 2018)
- Dr Robert Glasser (March 2018 – current)
- Yoon Shik Kim—Korean Customs Service (July 2018 – July 2019)
- Colonel Deric Holbrook—US Army War College (July 2018 – June 2019)
- Admiral (Ret'd) Mike Rogers—US (April 2019 – May 2019)
- Dr Peter Mattis—The Jamestown Foundation (US) (March 2019 – April 2019)
- Senator Vern White—Canadian Senate (March 2019)
- Dr Lennon Chang—Monash University (March 2019 – April 2019).

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 14 ASPI Fellows are:

- Kim Beazley AC—Distinguished Fellow
- Dr Andrew Davies—Senior Fellow
- Stephen Loosley AM—Senior Fellow
- Nick Kaldos—Senior Fellow
- Hon David Feeney—Senior Fellow
- Stephen Merchant PSM—Fellow
- Anne Lyons—Fellow
- Campbell Darby—Visiting Fellow

- Vern White—Non-Resident Fellow
- Elsa Kania—Non-resident Fellow
- Chris Painter—Distinguished Non-resident Fellow
- Major Nathan Finney—US Army Non-resident Fellow
- Sophia Patel—Non-resident Fellow
- Dr Samantha Hoffman—Non-resident Fellow.

International dialogues

ASPI supports Australian diplomacy by conducting regular Track 1.5 and Track 2 dialogues with international institutions and government partners. During 2018–19, we were involved in organising 10 international dialogues, while staff, ASPI Council members or Fellows attended seven dialogues overseas (Table 4).

Table 4: International Track 1.5 and Track 2 dialogues, 2018–19

No.	Date	Name of dialogue
1	3–4 September	ASPI–SWP Australia–Germany Dialogue
2	24–25 September	ASPI–RSIS Australia–Singapore Dialogue
3	2 October	Australia–Taiwan Cyber Dialogue
4	8–9 October	ASPI–RUSI Australia–UK Defence Industry Dialogue
5	22–24 October	ASPI–KAS Counter Terrorism Dialogue
6	31 October – 1 November	ASPI–BESA Australia–Israel ‘Beersheva’ Dialogue
7	20 November	ASPI–VUW Australia – New Zealand Dialogue
8	19 February	ASPI–JIIA Australia–Japan Dialogue
9	20–21 February	ASPI–Quad Dialogue
10	7 March	ASPI–CSIS Australia–US Cyber 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 2018–19, they spoke at more than 15 conferences in Europe, Asia, the Middle East, Africa, the US and Australia, often with travel assistance provided by the host institution. Further details are in Annex E.

STAFFING

At 30 June 2019, ASPI employed 55 staff: 39 were permanent staff, 9 worked part time and 7 worked on a casual basis.

During the year, 18 new staff joined ASPI and 5 departed. There were also two intakes of four interns during the year.

Figure 6 shows our organisational structure at 30 June 2019.

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 of Defence will provide 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 5: Department of Defence core funding as a proportion of ASPI's total income, 2000–01 to 2018–19

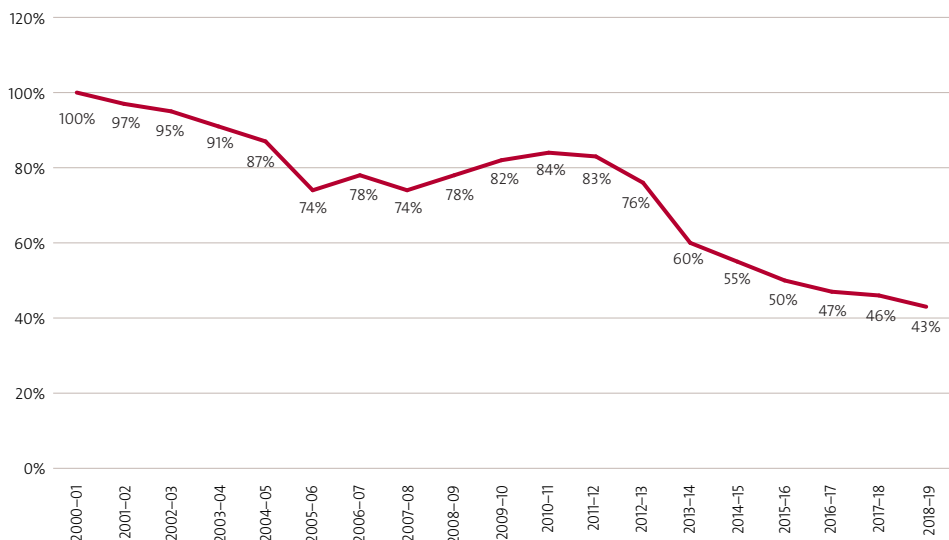
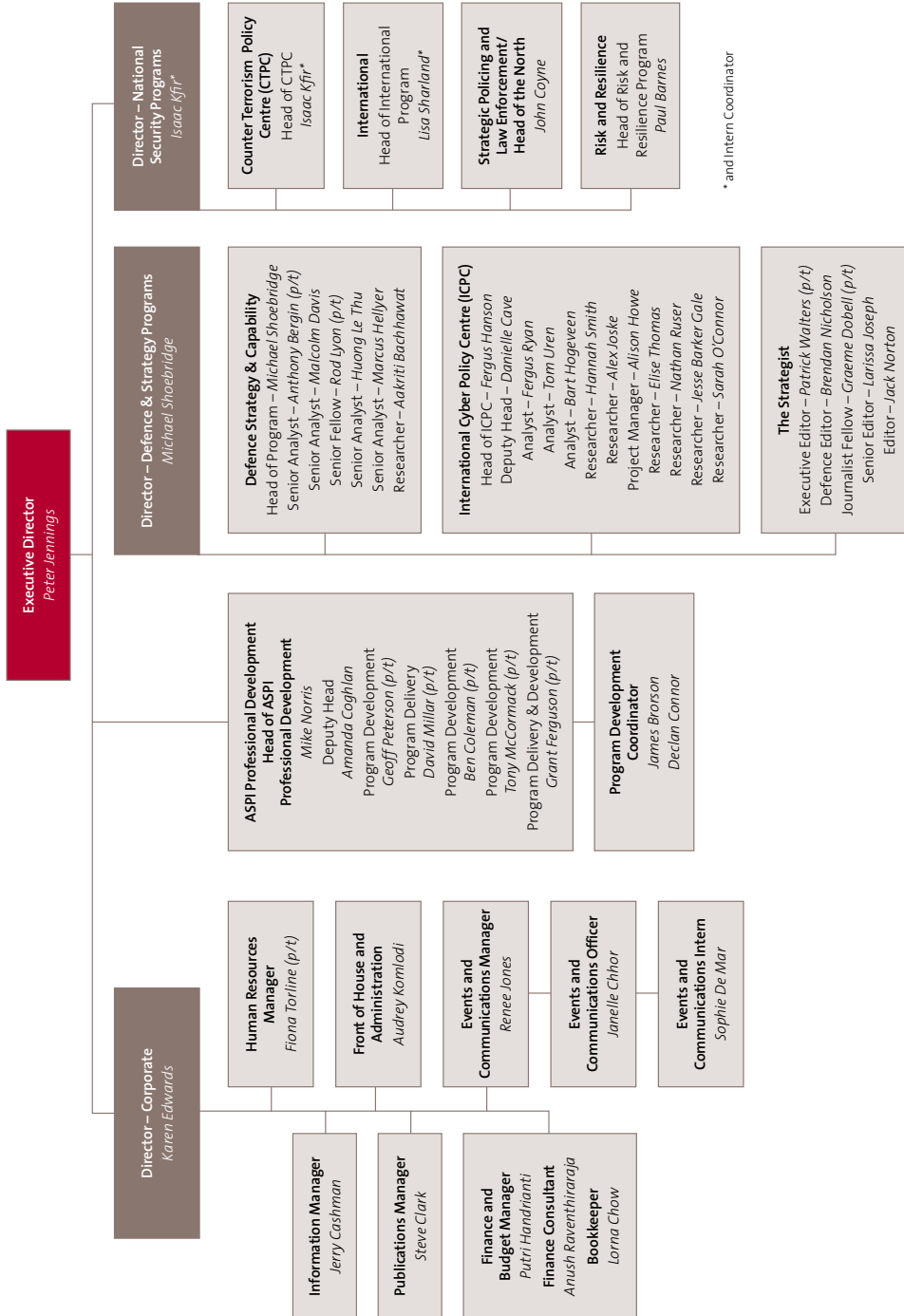


Figure 6: Organisational structure at 30 June 2019

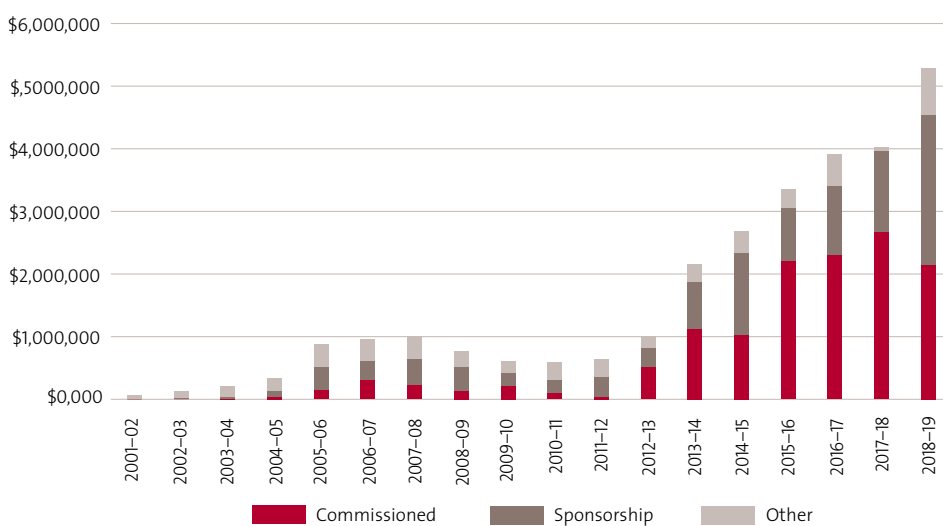


* and Intern Coordinator

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 'Commissioned' in Figure 7) and from private sector sponsorship.

Figure 7: Sources of income other than Department of Defence core funding, 2001–02 to 2018–19



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 2019–18 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.

Other additional income derives from event registration fees, the Corporate Supporter Program and interest on retained funds ('Other' in Figure 7).

Corporate sponsors during 2018–19 were:

- .au Domain
- ANU National Security College
- Australian Civil Military Centre
- Australian Computer Society
- Australian Mission to the United Nations
- BAE
- Centre for Defence and Strategic Studies
- Cyber Security CRC
- Embassy of Japan
- Emergency Management Australia
- Engineers Australia
- Glad Group
- Google
- Institute for War and Peace Reporting
- Jacobs Australia
- Lendlease Building Pty Ltd
- Lockheed Martin
- Microsoft
- National Archives of Australia
- Northrop Grumman
- NSW Department of Premier and Cabinet
- NSW Government Chief Information Security Officer
- NT Government
- Omni Executive
- Oracle Australia
- OSCE Secretariat
- Palo Alto Networks
- Pratt Foundation
- Raytheon
- Saab Australia
- Senetas Corporation Limited
- Splunk Technology
- Taipei Economic and Cultural Office
- Telstra
- Thales
- The Australian Cyber Security Growth Network
- The MITRE Corporation USA
- Unisys
- With You With Me



CHAPTER

2

PROGRAMS

In 2018–19, 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 and Strategy
- National Security.

DEFENCE AND STRATEGY

Defence and Strategy Program

Michael Shoebridge

Anthony Bergin

Malcolm Davis

Marcus Hellyer

Huong Le Thu

Rod Lyon

Aakriti Bachhawat



The Defence and Strategy 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 this is affected by the practice of grey-zone or political warfare below the threshold of armed conflict
- conventional and nuclear weapons’ role in deterring aggression and major power conflict
- regional capability developments.

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 assessment of Australia's defence budgets and the wider range of activities required to produce and support the ADF's capabilities. This includes:

- 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 the concepts for applying them in military operations.

Australia's strategic environment has deteriorated over the past year, and government policy has reacted through such measures as the 'Pacific step up' and measures to protect Australian domestic institutions from coercive, covert or corrupting foreign influence, such as the Foreign Interference Transparency Scheme.

The Defence and Strategy Program produced reports, shorter *Strategist* articles, podcasts and media commentary and used both ASPI staff and commissioned authors during 2018–19. The program contributed to ASPI's broader work on the strategic and security implications of 5G technology for Australia and our Five Eyes partners, as well as contributing to analyses of foreign interference by cyber and other means in Australia's domestic operations.

South Pacific analysis included four reports setting out recommendations for Australian policy on:

- the long-term goal of integration with Pacific island states (Australia's Pacific pivot: destiny, duty, denial and desire)
- reinforcing Australian soft power in the South Pacific (Hard news and free media as the sharp edge of Australian soft power)
- a new approach to the development partnership with Papua New Guinea (The PNG–Australia development partnership: a redesign that's about listening and transformation)
- assessing the extent of the Chinese state's soft-power influence in the South Pacific flowing from its rising economic and political presence in the region (Chinese influence in the Pacific Islands: the Yin and Yang of soft power).

The US–China balance and its effect on broader regional actors' policies and actions was another major theme. *The end of Chimerica*, which assessed how President Xi Jinping's administration and the US administration of Donald Trump have both moved towards a clearer recognition of strategic competition in their relationship, along with a series of articles

and original research on the Quadrilateral Security Dialogue, provided context for Australian policymakers. Australia's China policy was subject to a series of articles, including 'It's time to get things straight with China' and 'Detuning our China violin and dealing with the dragon'.

In addition, ASPI commissioned reports on US and Australian security partnerships in Southeast Asia (*ANZUS and alliance politics in Southeast Asia: revisiting the southern flank*), on Indonesia's likely economic and security priorities under the second-term Jokowi administration, and on the balances that Japan, Australia and Southeast Asian states have struck on security and economics.

We also began a broad analysis of defence and Australia's north, which will be a continuing program of work over the next year, as well as producing assessments of strategic developments in the Indian Ocean (on India–Pakistan relations and events, as well as a report titled *Australia's second sea: facing our multipolar future in the Indian Ocean*).

ASPI's annual conference theme of 'War in 2025' wove the Defence and Strategy Program's themes together well and demonstrated the currency of our analysis and work program.

The program led the production of ASPI's *Agenda for change* publication, which set out choices for the Australian Government after the 2019 election in strategic, defence, security and technological policy areas.

ASPI's annual *The cost of Defence budget brief* continued in its new format established in its 2018 Defence budget brief, focusing in its 2019 brief on the strategic and technological context for defence policy, capability and operations; emerging pressures in the overall budget; a stocktake on the implementation of the Naval Shipbuilding Plan; and options for breaking the trend of escalating costs and complexity in military capabilities. Capability assessments included reports on the path for nuclear submarines, submarine transition and a major report on space capabilities, as well as defence and security R&D as a source of sovereign advantage. *Strategist* articles brought out particular capability issues and challenges, including those involving artificial intelligence, the impact of autonomous systems on Australia's force structure, the future of the Anzac-class frigates, the return of combat losses, and the F-35. ASPI also produced assessments on 'Plan B' options (including 'Forward defence in depth') for Australia to have increased self-reliance in the light of the strategic environment's deterioration.

International Cyber Policy Centre

Jesse Barker-Gale

Louisa Bochner

Danielle Cave

Fergus Hanson

Samantha Hoffman, Visiting Fellow

Bart Hogeveen

Alison Howe

Alex Joske

Jocelinn Kang

Elsa Kania, Non-resident Fellow

Audrey Komlodi

Charlie Lyons-Jones

Sarah O'Connor

Nathan Ruser

Fergus Ryan

Hannah Smith

Elise Thomas

Tom Uren

Jake Wallis



ASPI's International Cyber Policy Centre (ICPC) is a leading voice in global debates on cyber and other emerging technologies and their impact on broader strategic policy. 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 on cyber and strategic policy by running an international visits program that brings leading experts to Australia.

During 2018–19, 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 April 2019, the centre launched its largest research project to date: Mapping China's Technology Giants, which included an interactive website and associated report. In 2018, ICPC researcher Alex Joske launched his report *Picking flowers, making honey: the Chinese military's collaboration with foreign universities*, which looked at military scientists sponsored by the People's Liberation Army who are studying and working overseas—including in Australia—in strategic science and technology fields. The report received wide global coverage and has directly fed into new legislative initiatives overseas.

Other notable reports included the May 2019 policy brief *Hacking democracies*, authored by Fergus Hanson, Sarah O'Connor, Mali Walker and Luke Courtois. Additionally, in November 2018 ICPC published the highly successful *Mapping Xinjiang's 're-education' camps* report, which was widely reported internationally. In December 2018, Anne Lyons, Visiting Fellow of ICPC, published the report *Identity of a nation: protecting the digital evidence of who we are*, which was an important contribution looking at future threats.

Building upon our previous publication *Australia's offensive cyber capability*, ICPC continued to contribute to the global discussion on offensive cyber operations through the publication of *Defining offensive cyber operations* by Tom Uren, Bart Hogeveen and Fergus Hanson. This paper was produced for the Global Commission on the Stability of Cyberspace (GCSC), proposed definitions of 'offensive cyber operations' and 'cyber weapons' and presented practical measures to control the proliferation of offensive cyber capabilities. The report was tailored to its distribution at the GCSC, which is a small but highly influential independent NGO. Tom Uren was subsequently invited to present the findings of the research at a GCSC meeting in Bratislava, Slovakia.

The centre also commissioned a number of research reports. In April 2019, Dave Sharma, the federal member of parliament for Wentworth, published the *Australian digital diplomacy* policy brief, and Admiral Michael Rogers wrote a policy brief on *Capabilities, competition and communication: why the West needs a strategy for technology*.

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. For example, in May 2019, ICPC hosted public and private events with Admiral Michael Rogers, former Commander of US Cyber Command and Director of the National Security Agency. Admiral Rogers presented an address to a National Security dinner at the National Gallery of Australia.

Sustained dialogues are another way in which the centre seeks to deepen debate. An example is the regular high-level Track 1.5 dialogue with the US. This was held in February 2019 in San Francisco, together with our partner organisation, the CSIS. The dialogue attracted senior delegations from both sides.

The centre supported the development of cyber confidence-building measures across the region and worldwide through a number of activities. For example, 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. In April 2019, the centre held the first workshop of its kind in Kuala Lumpur, bringing together 18 representatives from 10 countries.

International visits have allowed the centre to bring new perspectives to the Australian debate. Visitors in 2018–19 included Admiral Michael Rogers, Elsa Kania from the Center for a New American Security, New America’s Peter W Singer and Isabel Skierka from the Digital Society Institute (sponsored by the Konrad Adenauer Foundation).

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

Isaac Kfir



ASPI’s Counter-Terrorism Policy Centre (CTPC) has become one of Australia’s premier go-to facilities for information about al-Qaeda, Daesh and Salafist-jihadism. CTPC has advised, commented and engaged with policymakers on threats that terrorists pose to our national security interests.

The centre has two main goals

- Explain the counterterrorism environment, including policy, legislation, terrorist threats, cross-jurisdiction and international issues.
- Provide counterterrorism policy advice, alternatives and contestability.

In March 2019, CTPC built on the successful launch of the 2017 ASPI *Counterterrorism yearbook* by issuing the third edition, which included 17 chapters written by subject matter experts. The yearbook was launched by Major General (Ret’d) Duncan Lewis AO DSC CSC, Director-General of Security, ASIO. It included pieces on specific countries and regions, such as Australia; China; Bangladesh and India; Afghanistan and Pakistan; Southeast Asia; East Africa; and West Africa. There was also a focus on the cybersphere, social media and innovation in counterterrorism. Fifty-five per cent of the contributors to the volume were women. We received positive feedback from the Australian Government, state governments, embassies and multilateral institutions, which stated that yearbook was being used as a reference tool.

In August 2018, Isaac Kfir and Hannah Smith went on a week-long study visit and networking on cyber security in Thailand organised by the Thai Embassy, Canberra. The visit involved speaking at the Electronic Transactions Development Agency and the Anti-Money Laundering Office, and meeting with the Secretary-General of the Council of National Security of Thailand and with senior officials of the Department of Special Investigation.

In October 2018, ASPI hosted the 4th ASPI – Konrad-Adenauer-Stiftung dialogue, which was titled ‘Shifting frontiers: addressing post-caliphate terrorism dynamics’. The dialogue involved several experts from Europe and Australia meeting at ASPI to discuss the post-‘caliphate’ environment, prison radicalisation, the role and impact of social media in countering violent extremism, and emerging security threats in the region. Senator the Hon Linda Reynolds CSC (then Assistant Minister for Home Affairs, now Minister for Defence) and Dr Guenther Krings (Parliamentary State Secretary to the German Federal Minister of the Interior, Building and Community) delivered speeches at the opening reception of the dialogue.

In November 2018, Dr Anthony Bergin led a dialogue between ASPI and the Begin–Sadat Centre for Strategic Studies. The dialogue brought together experienced Israeli and Australian academics and policymakers to share perspectives and analyses on common security challenges, including discussions on Australia–Israel defence cooperation, the great power game, cybersecurity and the terrorism threat.

In June 2019, Isaac Kfir spoke at a symposium in Brussels titled ‘The future of Australia–EU relations: synergies and shared concerns’. Participants discussed how Australia and the EU could improve their working relationship in the field of humanitarianism in the South Pacific.

CTPC’s research resulted in the production of the following reports during 2018–19:

- Strategy: *18 years and counting: Australian counterterrorism, threats and responses*, written by Isaac Kfir—an assessment of Australia’s approach to counterterrorism over the past 18 years.
- Strategic Insight: *The post-caliphate Salafi-jihadi environment*, by Isaac Kfir—an assessment of what to expect of al-Qaeda and ISIL in the post-caliphate period.
- Special Report: *Jemaah Islamiyah: an uncertain future*, by Peter Chalk—a study into Jemaah Islamiyah in the post-2009 period, seeking to determine whether the group continues to pose a threat to Indonesia and the region.
- Special Report: *Safety in numbers*, by Anthony Bergin, Donald Williams and Christopher Dixon—a study into the problems that are holding the guarding sector back from being an active participant in national counterterrorist plans, including recommendations to enable the private security industry to become an effective part of our counterterrorist capability.

Risk and Resilience Program



Paul Barnes

The Risk and Resilience Program continued to provide 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 dialogues, issues papers and research on building resilience into future infrastructure
- exploring capacity needs for disaster risk reduction in the Indo-Pacific region.

Highlights of this focus were invitations to Paul Barnes to participate in a range of government advisory groups:

- He was invited to join the Partners Group of the Indo-Pacific Centre for Health Security in DFAT.
- He was an adviser to the National Disaster Resilience Task Force to assist the development of a risk assessment and mitigation methodology (Department of Home Affairs).
- He was a member of the National Advisory Panel of the Australian Vulnerability Profile Project (Department of Home Affairs).
- He consulted with the coordinating team of the National Fuel Security Review (Department of the Environment and energy).

Throughout 2018–19, the program continued its engagement with private and public sector institutions nationally through facilitated public dialogues. The following public events were curated and delivered:

- **'Surviving the Era of Disasters'**, 1 November 2018

Dr Robert Glasser, ASPI Visiting Fellow and Former Assistant Secretary-General and Special Representative of the Secretary-General for Disaster Risk Reduction, United Nations Office for Disaster Risk Reduction.

- **'Promoting Disaster Resilience: Domestic and International'**, 12 July 2018.
Panellists: Mark Crosweller AFSM, First Assistant Secretary, Head of the National Resilience Taskforce, Department of Home Affairs; Jamie Isbister, First Assistant Secretary and Humanitarian Coordinator, DFAT.
- **'Resilience, Weather and Infrastructure'**, 20 August 2018, co-hosted with the Centre for Environment and Population Health, Nathan Campus, Griffith University, Brisbane.
Panellists: Dr Kees Hulsman, Environmental Futures Research Institute, Griffith University; Professor Roger Street, Research Fellow, Environmental Change Institute, Oxford University, and Adjunct, Centre for Environment and Population Health, Griffith University; Luke Sawtell, Manager Business Resilience, Queensland Urban Utilities.

The Risk and Resilience Program continued to produce opinion pieces and *The Strategist* posts, to provide media commentary, commission papers on national resilience building and to deliver invited presentations at national and international forums on emerging issues in this field.

Strategic Policing and Law Enforcement Program

Simon Norton



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 2018–19, the program examined anti-money-laundering, counterterrorism financing, digital currencies, and public–private sector information sharing to disrupt financial crime.

The program has been heavily involved in counterterrorism financing initiatives in Australia and overseas.

It was particularly active in lifting the level of public policy dialogue and research. During the year, we made significant policy and opinion contributions to domestic and international print, radio and television media, including five opinion pieces in Australia's media, and seven posts on *The Strategist*.

The program's research resulted in the production of the following reports during the year:

- Special Report: *Australia–China law enforcement cooperation*. This paper outlined existing law enforcement cooperation between Australian and Chinese authorities, highlighted the risks and limitations in working with China, and suggested areas where future cooperation can be enhanced.
- Special Report: *'I can see clearly now!' Technological innovation in Australian law enforcement: a case study of anti-money laundering*. This report explored technological innovation in law enforcement through a specific crime type case study of anti-money laundering (AML) provisions. It analysed the factors that support or restrict technological innovation in federal law enforcement's AML efforts and argued that the current ecosystem for innovation for AML needs to be enhanced to engage with the dual challenge of disruptive technology and the integration of existing pockets of AML excellence into a holistic whole-of-government innovation program. The initial steps for responding to this challenge should include an analysis of the central assumptions that underpin innovation, policymaking, strategy and finance in this space.

Border Security Program

John Coyne



ASPI's Border Security Program provides independent, policy-relevant research and analysis to better inform government decisions on and public understanding of border security and related fields. Its research focuses on issues relevant to managing the border continuum to help to support and facilitate legitimate trade and travel and protect the Australian community from a range of border risks. The program concentrates on all-hazard national security threats and risks.

The program has four objectives:

- Lift the level of Australian and regional understanding and dialogue on border security.
- Create a space and forum for the development of high-quality public policy on border security related issues.
- Create a sustained dialogue between the private and public sectors on border security.

During 2018–19, the Border Security Program continued to make substantive contributions to each of its four objectives:

- The program was particularly active in lifting the level of public policy dialogue and research. During the year, we made significant policy and opinion contributions to domestic and international print, radio and television media, including 19 opinion pieces in Australia's media and 29 *Strategist* pieces.

- We contributed to and provided speakers at eight domestic and five international conferences.
- We made several submissions to formal government inquiries, including the Independent National Security Legislation Monitor's inquiry into citizenship loss.
- We supported the United Arab Emirates Dubai Government Excellence Awards Program.
- We supported a Visiting Fellow from the Korean Customs Service and enhanced cooperation with the Thai Institute for Justice.

The program's research resulted in the production of the following reports during the year:

- Special Report: *Mice that roar: patrol and coastal combatants in ASEAN*. This report argued that there has been an increase in coastguard and maritime border response capabilities across much of ASEAN over the past five years. ASEAN states have primarily focused their new capabilities on enhancing physical presence patrols and response within their respective exclusive economic zones. Coastguards have become important strategic cushions between navies in ASEAN.
- Special Report: *Weapons of mass (economic) disruption: rethinking biosecurity in Australia*. This report highlighted the importance Australia's effective and successful plant and animal biosecurity systems and border protection services to our wellbeing and economy and added a further perspective on new and emerging threats that need to be addressed.

The North and Australia's Security Program

John Coyne

ASPI established The North and Australia's National Security Program in January 2019. The 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. The program has three aims:

- Maintain a strong public policy focus on the role of the north in the broader security of Australia.
- Develop a modernised way of thinking about the north and security by updating strategic frameworks that remain anchored in the 1980s 'defence of Australia' context.
- Situate the north in a broader discussion about national security interests beyond defence, encompassing home affairs; border security and customs; space; cybersecurity; humanitarian assistance and disaster response; biosecurity; and energy security.

The program has developed the highly successful 'North of 26 degrees south' *Strategist* series, publishing some 17 pieces.

International Program

Lisa Sharland

Jacqueline Westermann



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 2018–19, the program focused on four strands of work:

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

In the context of work on women, peace and security, the program worked closely with the ASPI events and communications team to facilitate and deliver an inaugural 'Masterclass on women, peace and security: in policy and on operations' in February 2019. The keynote speaker for the masterclass was Clare Hutchinson, the NATO Secretary-General's Special Representative on WPS. More than 100 participants from across government and civil society took part in the masterclass, the presenters of which included the then Assistant Minister for Home Affairs, Senator Linda Reynolds, as well as representatives from the ADF, the Australian Government, the UN, academia, the private sector and civil society.

Drawing on some of the themes of the masterclass, the program worked closely with *The Strategist* team to commission another series of posts on WPS to coincide with International Women's Day in 2019. This was the third time that ASPI has run a series on WPS in *The Strategist*, which featured pieces of analysis from many of the presenters at the masterclass, including Clare Hutchinson. The posts were incorporated into an anthology Strategic Insights publication, *Women, peace and security: defending progress and responding to emerging challenges*. NATO, Australian Government departments and Defence training institutions have requested copies of the publication for use in their programs.

The program also contributed to other activities that fostered engagement and debate on WPS, including by delivering presentations at workshops, hosting roundtables and engaging with the gender adviser network in Canberra. 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*.

Analysis on WPS also extended into the program's work on peacekeeping. The program head, Lisa Sharland, authored a paper for the International Forum for the Challenges of Peace Operations Annual Forum held in Stockholm in November 2018, examining the intersection between WPS and the UN's Action for Peacekeeping Agenda (A4P) in *Women, gender and the A4P agenda*. The program also engaged in a series of international workshops in Egypt and South Africa to inform the drafting of an international guide for leadership in UN peacekeeping. Throughout the first half of 2019, the program also commissioned work by several experts to contribute chapters to a forthcoming publication on the *Evolution of the protection of civilians in UN peacekeeping*.

In terms of Australia–Africa engagement, the Head of the International Program, Lisa Sharland, commenced her appointment to DFAT's Advisory Group on Australia–Africa Relations. She also contributed to discussions on international security issues at the annual Africa Down Under conference in Perth in September 2018, as well as at an international conference on West African mining security in Ghana in March 2019.

In order to inform discussion on Australia's engagement with the UN, UN peace operations reform, and Australia's relationships with Africa and Europe, the program engaged in a range of other activities throughout 2018–19:

- International Program researcher Jacqueline Westermann authored an ASPI Special Report on *Remaining plugged into European defence and security after Brexit: Australia and Germany*, and regularly contributed commentary to *The Strategist* and defence publications on European security issues.
- The program hosted roundtables and public events in collaboration with institutions such as Monash University's Centre for Gender, Peace and Security on issues related to WPS.
- The Head of the International Program delivered presentations on a range of topics, including the future of UN peacekeeping, the security of UN peacekeepers, the protection of civilians and Australia–Africa engagement to the Defence Strategic Studies Course, the Australian Command and Staff Course, the ADF Peace Operations Training Centre and the ASEAN ADMM Plus Expert Working Group on Peacekeeping Operations.
- The program contributed three pieces to ASPI's *Agenda for change 2019*, examining Australia's approach to WPS, multilateralism and the rules-based global order, and Australia's engagement with Africa.

ASPI PROFESSIONAL DEVELOPMENT

Staff

Mike Norris
Amanda Coghlan
Grant Ferguson
Tony McCormack
David Millar
Anne Lyons
James Brorson
Declan Connor

Senior Fellows

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

ASPI Professional Development (ASPI-PD) delivers a unique capability designed to build Australia's capacity for strategic policy excellence.

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. Scenarios, case studies, simulations and desktop exercises actively engage participants in addressing real-world, complex and multifaceted 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.

The programs are delivered by a core team of specified personnel, supplemented by 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 Australia and internationally.

ASPI-PD programs are tailorable and designed to meet participants' needs and deliver on key outcomes. Flexible program design ensures that facilitators and presenters are carefully matched to each activity and that participants engage with relevant experts, leading-edge thinking on the most complex security challenges, and best practice in policymaking.

All ASPI-PD 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 the 2018–19 financial year, ASPI-PD designed and delivered a diverse range of programs and services for Australian Government departments and agencies, facilitated 37 workshops and intensive programs for 724 personnel, and supported the development of strategies, policies and frameworks. Key programs delivered are highlighted below.

Crafting Better Policy for Improved Decision-Making Workshops

These are one-day, practically focused and highly flexible workshops designed to enhance participants' understanding of policymaking in the changing strategic environment and to develop policymaking skills.

The Better Policy Workshop is delivered for Defence in two variants. The Strategy variant examines policymaking focused on 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 for Improved Decision-Making 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 2018–19, ASPI-PD delivered 10 workshops for 164 Defence public service and military personnel in Canberra and Sydney; 94% of participants stated that the program improved their knowledge of policy processes and the Australian system of defence policymaking.

Focused workshops and programs

Focused workshops and programs are designed in partnership with individual Australian Government departments and agencies, groups and services to meet specific requirements and achieve specific outcomes.

They are designed to build discrete policy skills; deliver direct support to the development of policies, frameworks, strategies and plans; develop and test new ways of doing business; or foster senior executive policy leadership:

- **Development of discrete policy skills designed to address specific problems or requirements of government departments and agencies, groups and services**

In 2018–19, workshops were designed and delivered for Defence Strategic Policy and Intelligence, Defence Science and Technology, and the Australian Army.

A one-day workshop delivered for 16 Defence Strategic Policy and Intelligence personnel focused on enhancing effective relationships between the intelligence and policy communities.

The workshop was identified as very valuable by participants. The real-life scenario case studies and the opportunity to interact with staff from different divisions and agencies were seen as particular highlights.

Six workshops delivered for the Australian Army included participants from the RAN, the RAAF and the Department of Defence. Three workshops were delivered for Defence Science and Technology: a one-day workshop for 19 personnel in Canberra and two two-day workshops delivered in Adelaide and Melbourne for 33 personnel.

In 2018–19, ASPI-PD also designed and facilitated the delivery of the Policy and Politics module for Defence Strategic Studies Course students at the Australian War College. ASPI-PD also delivered three Strategic Environment for Special Operations workshops as part of the Special Operations Basic Course, with a total of 82 participants.

- **Direct support to the development of specific policies, strategies, plans or frameworks**

During 2018–19, ASPI-PD delivered a focused program of activities for the Australian Signals Directorate to support its transition to a statutory authority. The program including design and facilitation of a strategic planning day for 41 Senior Executive Service personnel and support in the development of a strategic plan and an internal communications strategy.

During the year, ASPI-PD commenced a focused program of work with the Department of Human Services, supporting the development of the Framework for Cyber Security Shared Services. The framework will offer a road map to guide the department in the development, standardisation and delivery of cybersecurity shared services to smaller, portfolio or functionally alike government agencies.

Phase 1 of this project, completed in June 2019, included the facilitation of two highly interactive stakeholder workshops and the delivery of the initial draft of the framework. Phase 2, which will be completed in 2019–20, will include in-depth research, interviews and a series of workshops designed to facilitate broader stakeholder engagement, the finalisation of the Framework for Cyber Security Shared Services and the development of a strategic communications plan.

- **Support to the development and testing of new business models for new areas or areas that are transitioning to new roles, delivered as either a stand-alone workshop or a series of activities**

In 2018–19, a focused workshop series was designed and delivered for the Military Strategic Plans Division of Defence. The program focused on strengthening understanding of policy, strategic analysis and whole-of-government planning requirements and assisted the division in establishing itself within the Defence organisation.

Invitation-only masterclass

Invitation-only masterclasses bring together subject matter experts and senior leaders for an in-depth examination of an emerging strategic policy issue 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 thought leaders facilitate the day, which combines framing presentations and panel discussions on the selected policy challenge with substantive opportunity for participant discussion and debate in small groups.

In 2018–19, ASPI-PD delivered an Invitation-only masterclass for 30 participants on ‘Grey zone challenges: implications for deterrence and warfare’. The masterclass successfully stimulated debate, building on the expertise and unique perspectives offered by the expert presenters.

Defence–industry roundtable

In 2018–19, ASPI-PD worked closely with the Director of Military Strategic Analysis to design and facilitate a Defence–industry roundtable on ‘Strategic risk in a rapidly changing world’. The roundtable brought together representatives from key industry sectors and Defence strategic policy experts for an open dialogue on the strategic change drivers and risk trends affecting the commercial sector over the next 5–10 years, and the potential implications for national, regional and global security.

The roundtable provided an opportunity for senior Defence representatives to engage with non-Defence industry experts to inform the development of Defence’s annual strategic review.

Royal Australian Air Force Professional Development

In 2018–19, ASPI-PD partnered with the RAAF to design, pilot and deliver two levels of tailored professional development—a two-week senior officer program and a two-week junior officer program.

- **Senior Officer Professional Development Program—Niagara**

In 2018–19, ASPI-PD designed and piloted the Senior Officer Professional Development Program for the RAAF, also known as Niagara. Following the success of the pilot program, a mature Niagara program was delivered in May 2019 to a second cohort of selected senior officers. Both iterations received outstanding feedback from participants.

This two-week program is designed to prepare selected group captain level officers for employment in single-service, joint and whole-of-government positions. Niagara equips participants with a contemporary understanding of national and military strategic policy through to force design, force posture and the employment of air power in support of the national security of Australia.

Participants actively engage with senior presenters, facilitators and mentors with extensive experience of working in complex environments and with leading strategic thinkers who have in-depth knowledge of contemporary security challenges.

To enhance the development experience, RAAF personnel are joined in the program by selected individuals from the Navy, the Army and Australian Government departments and agencies.

- **Junior Officer Professional Development Program**

In 2018–19, ASPI-PD designed and piloted the Air Practitioners in a Joint Environment professional development program for RAAF officers selected for the Australian Command and Staff Course. Feedback indicates that it was a resounding success.

This two-week program is designed to enhance the air power mastery of high-performing squadron leader level officers and to prepare them for attendance at the Australian War College Command and Staff Course in the following year. It provides participants with the knowledge, tools, context and awareness to communicate with influence on air power and develops participants' strategic comprehension, thinking and communication skills. The program also includes an essay writing and mentorship element to assist participants with their writing skills.

The program is currently being refined, and two iterations of the mature program will be delivered by ASPI-PD in October and November 2019.

Regional Intelligence Analysts Symposium

In 2018–19, ASPI-PD designed and delivered the Regional Intelligence Analysts Symposium. The three-day symposium brought together 44 intelligence analysts and policy officers from Southeast Asia and the Pacific, along with Australian Government representatives, to discuss key regional security issues and mutual challenges.

The 2018 symposium was highly regarded by participants, all of whom agreed that the program facilitated the sharing of perspectives on regional security issues, promoted professional skills and strengthened relationships with regional counterparts. The program was rated as very satisfactory or higher by 98% of participants.

Cyber Hygiene Program

The greatest vulnerability in cybersecurity remains the human factor: individual people. The Cyber Hygiene Program, a joint initiative between ASPI-PD and ASPI's International Cyber Policy Centre (ICPC), has been developed to address this vulnerability. This half-day workshop is designed to build a 'cyber smart' workforce across Australian Government departments and agencies.

In 2018–19, ASPI-PD and ICPC designed and piloted the Cyber Hygiene Program, delivering an initial workshop to internal ASPI staff in May 2019.

The Cyber Hygiene Program is relevant for personnel at all levels and is specifically designed for the Australian Public Service work environment, tailored to individual agency requirements, aligned with standing government safety guidelines and focused on practical advice on 'what to do' and 'what not to do'.

The pilot phase is now complete and the program is being further developed and refined based on feedback. It will be ready for delivery to Australian Government departments and agencies in 2019–20.

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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 2018–19, 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 produces an annual analysis of the defence budget, titled *The cost of Defence: ASPI defence budget brief*. It has made a permanent impact on the transparency and quality of the debate on the budgetary and management aspects of the Defence portfolio and has gained the attention of members of parliament and senators, interested government agencies and media commentators. ASPI's third *Counterterrorism yearbook* was produced in 2018–19. 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 second publication in this series was titled *Air warfare destroyer: the game-changer*. 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 new seventh style of publication introduced during 2018–19 is a series titled *Strategist Selections*. This series brings together contributions on a specific theme or by a single author. The first issue was published in December 2018 and featured Kim Beazley's writings for *The Strategist* during his time as a Distinguished Fellow at ASPI.

ASPI also occasionally produces discussion papers for distribution within the policy community. These 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 2017–18 and 2018–19.

Table 5: ASPI publications, by format, 2017–18 and 2018–19

Publication type	2017–18	2018–19
Strategy	4	3
Strategic Insights	15	9
Special Report	15	17
Annuals	3	2
Discussion paper	1	0
International Cyber Policy Centre	8	13
ASPI Case Study	1	1
CT Quick Look	1	0
Strategist Selections	0	1
Total	48	46
<i>The Strategist posts</i>	1,046	1,059

A complete list of ASPI’s 2018–19 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

Agenda for change 2019: strategic choices for the next government

Marcus Hellyer et al.

26 February 2019



In 2018, many commentators pronounced the rules-based global order to be out for the count. This presents serious challenges for a country such as Australia, which has been an active contributor and clear beneficiary of that order. The government that we elected in 2019's federal election will be faced with difficult strategic policy choices unlike any that we have confronted in the past 50 years.

This volume contains 30 short essays that cover a vast range of subjects, from the big geostrategic challenges of our times, through to defence strategy; border, cyber and human security; and key emergent technologies.

The essays provide busy policymakers with policy recommendations to navigate this new world, including proposals that 'break the rules' of traditional policy settings. Each of the essays is easily readable in one sitting—but their insightful and ambitious policy recommendations may take a little longer to digest.

Strategic insights

Women, peace and security: defending progress and responding to emerging challenges

Lisa Sharland and Genevieve Feely

27 June 2019



This is ASPI's third annual Strategic Insight framed around the women, peace and security (WPS) agenda. This paper compiles the articles from the year's WPS series run by The Strategist to coincide with International Women's Day and analyses current trends both domestically and internationally for the agenda.

This paper was compiled from contributions received for the 2019 The Strategist series on WPS from practitioners, policymakers and academics working in this field.

While framing this year's series, the editors, Lisa Sharland and Genevieve Feely, considered the upcoming 20th anniversary of UN Security Council Resolution 1325 as an important anchor for reflecting on progress but also considering the challenges that lie ahead for the agenda.

Contributions to this year's series cover a wide range of themes and topics—including emerging security challenges such as health security, cybersecurity, climate instability and resource management for the first time.

Additionally, there was a strong focus on Australia's engagement with the Pacific in the light of the government's recent 'step up' in this region.

Overall, the report highlights the importance of governments, NGOs and individuals alike remaining strongly committed to upholding and implementing the agenda. It recommends factoring in diverse gender perspectives in Australia's approach to foreign policy, defence operations and national security.

The report attracted much interest from international organisations, government departments and training institutions, which requested copies for training purposes. They included the Department of Defence, NATO, HQJOC, the ADF Peace Operations Training Centre, DFAT, Griffith University and Monash Gender, Peace and Security Centre.

Special report

Thinking through submarine transition

Dr Marcus Hellyer

8 October 2018



The transition from the Collins-class submarines to the future submarine fleet will be more complex than any previous capability transition that Defence has undergone. The submarine enterprise will be in constant transition, rather than completing a short, bounded transition process. Traditional distinctions between design and build, between upgrade and sustainment, and indeed between different classes of vessel will not be as absolute, requiring Defence and its industry partners to think differently.

Even if the Australian Government tries to get out of the Collins business as soon as possible, it will still need to extend at least three Collins submarines and operate them to around 2042 to prevent a capability gap. However, that approach would not provide a greater number of submarines until around 2044. Extending all six Collins would provide more submarines from 2032 and also help to mitigate one of the key challenges in the transition: the development of a much larger number of submariners. Under this option, the last Collins would be in service until around 2048, and it would be 45 years old. Regardless of which option the government chooses, it is likely that some Collins boats are not even halfway through their service lives, and some members of the last Collins-class crew have not yet been born.

The report was widely reported in the media, including the *Australian Financial Review*, *The Guardian* and *Sky News*.

It also elicited comments from senior speakers at the biennial Submarine Institute of Australia conference, such as the Chief of Navy and Head Future Submarine Program, DG Submarines.

Annuals

The cost of Defence: ASPI defence budget brief 2019–2020

Marcus Hellyer

5 June 2019



This report gives interested readers greater access to the complex workings of the defence budget and promotes informed debate on defence budget issues.

As in previous years, the 2019 paper by Marcus Hellyer received extensive media coverage. The launch was attended by a capacity crowd, including parliamentarians, the media, government officials, members of the diplomatic community, academics and defence industry representatives. The event was recorded and is available on our YouTube channel for those who were unable to attend. This publication has been heavily downloaded.

Counterterrorism yearbook 2019

Edited by Isaac Kfir and Georgia Grice

5 March 2019



The annual *Counterterrorism yearbook* was published for the third time in 2019. The publication was launched at a public event held at ASPI in March 2019 by Duncan Lewis, Director-General of Security, Australian Security Intelligence Organisation. Mr Lewis's introductory remarks were followed by a discussion between the editors of the yearbook: Dr Isaac Kfir (Director, Counter-Terrorism Policy Centre) and Georgia Grice (ASPI intern). 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. At present, the yearbook is the 13th most popular download from ASPI's online publication database, and has had over 2,500 unique views.

International Cyber Policy Centre

Picking flowers, making honey: the Chinese military's collaboration with foreign universities

Alex Joske

30 October 2018



This report finds that China's PLA is expanding its research collaboration with universities around the world. This collaboration covers technologies with clear military applications and involves the PLA sending thousands of its scientists to study abroad. Some PLA scientists have used deception to hide their military affiliations while studying and working overseas.

Author Alex Joske said:

While research collaboration with China is beneficial, we have to make a distinction between beneficial collaboration and collaboration with the Chinese military that is not in Australia's national interest.

It is crucial for universities and governments to recognise and seek to better understand both the overt and covert nature of this ongoing collaboration with the PLA. Importantly, governments and universities must work together to develop better measures to manage the risks associated with it.

Despite the fact that helping the Chinese military is not in Australia's strategic interest, these ties have not been effectively managed by universities and the government. Joske recommends that governments introduce clear policies on collaboration with the PLA, amend the *Defence Trade Controls Act 2012* to restrict technology transfer to PLA members who are in Australia, and strengthen visa screening for Chinese military scientists.

This report was based on original research using Chinese-language sources, data on academic publications, interviews with scientists and meetings across government and civil society.

The report attracted widespread attention from the media, including interviews and coverage in *ABC News*, *Matter of Fact with Stan Grant*, *Radio National*, *AM*, the *Sydney Morning Herald*, *The Australian*, *The Financial Times*, *Quartz*, *CNN*, the *Wall Street Journal*, *The Times*, the *Telegraph*, the *New York Times*, the *Globe and Mail*, *Voice of American Mandarin*, *Times Higher Education*, and China's *Global Times* and *China Daily*. It also attracted strong interest from governments, informing discussions on technology transfer and export controls across the globe. The online report has received over 23,000 unique views, making it the most downloaded report from the ASPI website.

Mapping China's technology giants

Danielle Cave, Samantha Hoffman, Alex Joske, Fergus Ryan and Elise Thomas

18 April 2019



ASPI's International Cyber Centre has created a public database to map the global expansion of 12 key Chinese technology companies. The aim is to promote a more informed debate about the growth of China's tech giants and to highlight areas where this expansion is leading to political and geostrategic dilemma. It is a tool for journalists, researchers, policymakers and others to use to understand the enormous scale and complexity of China's tech companies' global reach.

The dataset is inevitably incomplete, and we invite interested users to help make it more comprehensive by submitting new data through the online platform.

Our research maps and tracks:

- 17,000+ data points that have helped to geolocate 1700+ points of overseas presence for these 12 companies

- 404 university and research partnerships, including 195+ Huawei Seeds for the Future university partnerships
- 75 ‘Smart City’ or ‘Public Security Solution’ projects, most of which are in Europe, South America and Africa
- 52 5G initiatives across 34 countries
- 119 R&D labs, the greatest concentration of which is in Europe
- 56 undersea cables, 31 leased cables and 17 terrestrial cables
- 202 data centres and 305 telecommunications and ICT projects spread across the world.

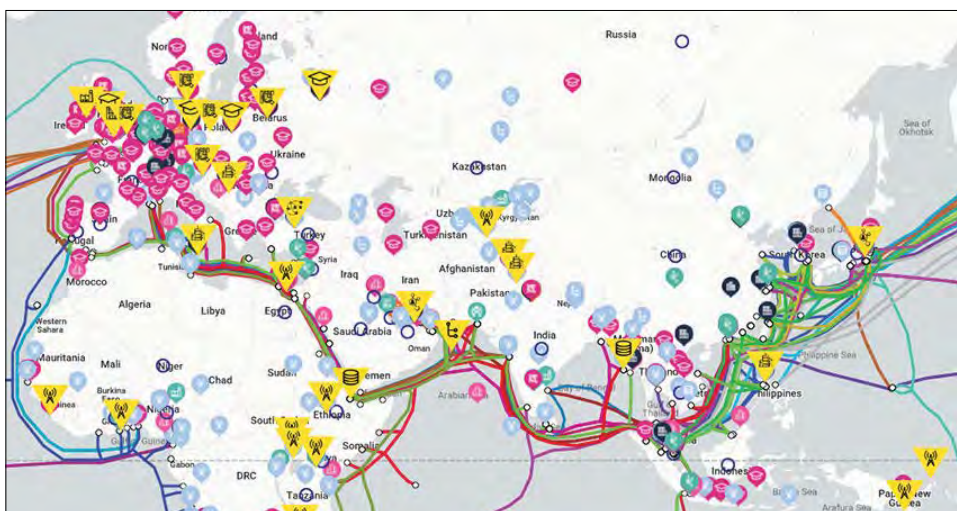
ASPI’s ICPC designed and built a website to display and track the global expansion of Chinese telecommunications and high-tech companies.

Accompanying the website was a policy-focused report and a pamphlet that outlined the key takeaways.

ICPC analysts promoted the website and the report in op-eds, briefings, speeches and roundtables and have been discussing the project in meetings with governments, businesses, universities and media throughout the year.

The report was covered in the UK *Telegraph*, *The Times*, the *Sydney Morning Herald*, *BBC News* and *Sky News*.

Figure 8: Screenshot from the new mapping database



ASPI Case Studies

Air warfare destroyer: the game-changer

Robert Macklin

29 August 2018



The ASPI Case Studies in Defence Projects series is dedicated to telling the ‘warts and all’ stories of major undertakings in Australian defence procurement and project management.

Robert Macklin’s second monograph for the series brings out the human drama and dilemmas of decision-making in what is a multi-billion-dollar, high-stakes business to equip the ADF. Our aim, which he delivers on superbly, is to present a balanced account of the challenges involved in getting these decisions right. There is so much more to complex project management than simply cost, schedule and capacity. Robert shows how politics (both big and little *p*), technology, budgeting and the fallibility of human decision-making all intersect to make the defence capability development and acquisition business one of the most demanding of all public-sector tasks.

Strategist Selections

Kim Beazley on the US alliance and Australia’s defence and international security

Kim Beazley

10 December 2018



From May 2016 to July 2018, Kim Beazley was a Distinguished Fellow at ASPI and, freed from the constraints of his ministerial, political and ambassadorial roles, he wrote with relish and spoke at ASPI events with flair and great enjoyment about Australia’s defence and international security.

Here we collect Kim’s writing for *The Strategist*, ASPI’s commentary and analysis site, because the depth of his knowledge and the urgency of his message are simply too valuable to be consigned to the cyber wasteland.

Kim has spent a professional lifetime being deeply immersed in the design and implementation of Australia’s defence and security policy. He steered his side of politics through the global anti-nuclear unrest of the early 1980s to craft an approach to Australia’s alliance with the US that still enjoys immense support across Australia’s political divide.

Beazley thought his way through the challenges of designing the right force structure for the ADF and, largely, this is the force we have today: bigger and better equipped but still reliant on the alliance at a time when Washington has turned inward.

CONTRIBUTIONS TO THE NATIONAL DEBATE, BY SELECTED TOPIC

Plausible futures regarding the shifting dynamics between small, middle and great powers in the Indo-Pacific

Publications

Southeast Asian perceptions of the Quadrilateral Security Dialogue: survey findings

Dr Huong Le Thu

23 October 2018



This study tested perceptions of the Quadrilateral Security Dialogue among the Southeast Asian policy and expert communities through a quantitative survey. It collected 276 answers from staff from government agencies, militaries, academia, think tanks, businesses, media and university students from all 10 ASEAN countries.

This is the first and so far the only comprehensive study of Southeast Asian perceptions of the Quad. Using original data, it provides an accurate overview of regional sentiments and informs Southeast Asians about the existing gaps between their views. Based on the findings, this report suggests recommendations for Quad members on how to develop the Quad initiative in ways that complement regional cooperation. It also provides recommendations for the ASEAN countries on how they should further engage with the Quad for common benefit.

Southeast Asian perceptions of the Quad are diverse. There is no such thing as one 'ASEAN view'. Some findings confirm expectations; for example, Vietnamese and Filipino respondents were most supportive, while Indonesian respondents were among the most sceptical or undecided. Surprisingly, Singaporean respondents are least enthusiastic about the Quad.

Selected posts from *The Strategist*

- Aakriti Bachhawat, 'No longer in a cleft stick: India and Australia in the Indo-Pacific', 25 June 2019
- Peter Varghese, 'Constructing a new strategic equilibrium in the Indo-Pacific', 21 June 2019
- Graeme Dobell, 'Second track on Indo-Pacific and the Quad', 4 March 2019
- Andrew O'Neill and Lucy West, 'Why the Quad won't ever be an Asian NATO', 24 January 2019

Selected *Agenda for Change* paper:

- Huong Le Thu, 'How can we engage more productively with Southeast Asia?', February 2019

Deterrence and counter-coercion across domains in the Indo-Pacific region

Publications

Grey zone operations and the maritime domain

James Goldrick

30 October 2018



The 'grey zone' has received much publicity in recent years as certain nation-states have employed indirect methods to achieve advantage over their opponents without recourse to open kinetic warfare.

The maritime domain has had its share of grey-zone campaigns, which almost always relate to claims to sovereignty or sovereign rights over areas of sea. All maritime nations, including Australia, can be vulnerable to grey-zone aggression at sea, since disruptions to offshore resource exploitation, fisheries or even merchant shipping can quickly create significant economic costs. Grey-zone operations can have legitimate motives, but they are often a cloak for the coercion of a weaker power by a stronger. As China's activities in the East and South China seas show, they can also involve ulterior motives and be symptomatic of much wider strategic conflicts.

Responding to a grey-zone campaign in the maritime domain will never be easy. Nevertheless, nations like Australia need to work out how they can deal with such a threat on a national basis and in partnership with other countries. A properly coordinated and resolute response can bring the situation under control, while a demonstration of readiness to maintain such a response can force the aggressor to rethink its plans.

Effective management of information flows and domination of the local and global narrative will be key to ensuring a successful outcome, but even more important will be a nation's demonstration of its willingness to stay the course in the event of an extended confrontation, and the support of international partners in such circumstances.

Selected posts from *The Strategist*

- Sylvia Mishra, 'Could unmanned underwater vehicles undermine nuclear deterrence?', 8 May 2019
- Rod Lyon, 'Extended (nuclear?) deterrence: what's in a word?', 22 January 2019
- Hugh White, 'Deterrence debate ignores the hard questions about nuclear war', 5 September 2018
- Rod Lyon and Aakriti Bachhawat, 'Ugly stability: our nuclear future', 8 April 2019

Selected *Agenda for Change* paper:

- Rod Lyon, 'Strengthening the nuclear order', February 2019

Challenges and opportunities posed by disruptive and converging technologies to the structure and operations of the current and future Australian Defence Force

Publications

Huawei and Australia's 5G network: views from ASPI

Danielle Cave

10 October 2018



Over the course of 2018, ASPI staff and writers for *The Strategist* participated in a dynamic public debate about the participation of Chinese telecommunications equipment manufacturer Huawei in Australia's 5G network.

Australia's 5G network is critical national infrastructure, and this was one of the most important policy decisions the government had to make during 2018–19.

ASPI felt it was vital to stimulate and lead a frank and robust public discussion, in Australia and throughout the wider region, which analysed and debated the national security, cybersecurity and international implications of Huawei's involvement in this infrastructure.

In this report, in chronological order, you will read a range of views written up in *The Strategist*, *The Australian* and *The Financial Times*. These articles tackle a variety of issues surrounding the decision, including the cybersecurity dimension, the broader Australia–China relationship, other states’ experiences with Huawei, the Chinese Government’s approach to cyber espionage and intellectual property theft and, importantly, the Chinese party-state’s view of state security and intelligence work.

Defence and security R&D: a sovereign strategic advantage

Martin Callinan et al.

23 January 2019



This report builds on the 2015 ASPI Special Report, *Defence science and innovation: an affordable strategic advantage*. It takes into account recent domestic and international R&D policy developments and considers trends in relation to whole-of-government national security innovation.

To inform consideration about progress since 2015, a joint ASPI – Australian Industry Group (AI Group) survey was undertaken in 2018 of companies, universities and research entities about R&D in support of defence, intelligence and domestic security interests.

Selected posts from *The Strategist*

- Malcolm Davis, ‘Preparing for stormy skies (parts 1–3): the RAAF’s strike power beyond 2040’, August 2018
- Marcus Hellyer, ‘Plan “B” for the F-35’, 29 January 2019
- Malcolm Davis, ‘China’s space mission (part 1): dominating a contested domain’ and ‘China’s space mission (part 2): aiming to control the high ground’, April 2019
- Marcus Hellyer, ‘What exactly is the Collins life of type extension? Parts 1 and 2—a policy and a mindset’, November 2018
- Malcolm Davis, ‘“Loyal Wingman” to take Australia’s airpower into the next era’, 7 March 2019
- Marcus Hellyer, ‘Evolution in action: Army at Land Forces 2018’, 11 September 2018
- Michael Shoebridge, ‘AI and autonomous systems are urgent priorities for today’s defence force’, 29 April 2019
- Michael Shoebridge, ‘The return of combat losses?’, 18 September 2018
- Michael Shoebridge, ‘AI and national security: lethal robots or better logistics?’, 20 July 2018
- Marcus Hellyer, ‘Submarine transition plan takes shape’, 12 March 2019

Selected *Agenda for Change* papers:

- Marcus Hellyer, 'What should a Plan B force structure look like?', February 2019
- Malcolm Davis, 'Future technologies and Australia's defence industry', February 2019

The nature and implications of increased competition in the Pacific, Indian and Southern oceans and Antarctica

Publications

Australia's second sea: facing our multipolar future in the Indian Ocean

David Brewster

19 March 2019



This report argues that Australia needs a comprehensive strategy for the Indian Ocean that articulates our regional objectives and outlines a whole-of-government approach to the challenges and opportunities presented by the region.

Australia is a major Indian Ocean state. We have by far the longest coastline and by far the largest area of maritime jurisdiction of any country in the region. In one way or another, we rely on the Indian Ocean for much of our wealth.

But, despite the magnitude of its interests, Australia tends to see itself as an Indian Ocean state only in a secondary sense—literally, the Indian Ocean is Australia's second sea. We have long seen ourselves as principally a Pacific Ocean state, reflecting our history and demography. Most Australians have probably only seen the Indian Ocean out of the window of a plane, *en route* to a holiday in Bali or Europe.

But it is no longer 'business as usual' in the Indian Ocean. It is clear that the region has a much more multipolar future that will require Australia to take a much more active role. We can no longer afford to just 'muddle through'. Priorities remain unprioritised, potential threats might not be properly planned for, and opportunities are unpursued. As this report details, there are compelling reasons why Australia must pursue a more clear and coherent approach towards the Indian Ocean as part of an integrated Indo-Pacific strategy.

Partners: Australian private sector engagement in the Pacific

Anthony Bergin and Rebecca Moore

28 November 2018



The South Pacific is becoming a more strategically crowded and contested space. But, despite the strong aid and defence relations that Australia maintains with the island states, little attention has been given to date to the role of Australia's private sector in the Pacific islands. That is in many ways surprising. Elements of Australian business have had longstanding connections in the Pacific, and the spread of business across borders is now a powerful international and regional political and economic force.

Such business networks knit communities together.

Given the crowded and complex South Pacific, there's now a critical need for the Australian Government and business to get their collective act together in stepping up engagement in the region

Selected posts from *The Strategist*

- Joanne Wallis, 'China and the geopolitics of the Pacific islands', 28 June 2019
- Ewen Levick, 'Is China using its South China Sea strategy in the South Pacific?', 18 June 2019
- Anthony Bergin, 'Pacific infrastructure development: stepping up without stamping out', 14 June 2019
- Patrick Kaiku, 'The internal dimensions of sovereignty in the Pacific islands', 13 June 2019
- Blake Herzinger, 'US plans in the Pacific islands could undermine Australia's efforts', 12 June 2019
- Claire Young, 'What's China up to in Antarctica?', 20 September 2018
- Anthony Bergin, 'Freeze change: strengthening Australia's Antarctic efforts', 2 July 2018
- Michael Shoebridge, 'Australia in the South Pacific: growing the yabby's second claw', 24 July 2019
- Michael Shoebridge, 'Australia's engagement in the South Pacific: thinking beyond the incremental', 14 August 2018
- Michael Shoebridge, 'Three realities for the Pacific family and Australia's step-up agenda', 29 May 2019

Selected *Agenda for Change* papers:

- Stephanie Copus-Campbell, 'A new approach to development and human security in Papua New Guinea', February 2019
- Richard Herr, 'Australia and the Pacific islands: a partner of choice?', February 2018
- Sam Bateman, 'Assisting Papua New Guinea with maritime and border security', February 2019

The future of major powers: strategic implications of the future of US power; China's strategic interests and priorities; India's and Japan's positions; and Australia's opportunity for strengthening the alliance and regional partnerships

Publications

Hard news and free media as the sharp edge of Australian soft power

Graeme Dobell, Geoff Heriot and Jemima Garrett

26 September 2018



Three Asia–Pacific media specialists have produced three perspectives on the history, dynamics and politics of funding of the ABC's international efforts over the past two decades. Their work is collected here in this ASPI publication.

They show that, while Australian politicians and ABC leaders themselves have been distracted by domestic and institutional issues, other state-owned media organisations—such as China's—have expanded their footprint across Southeast Asia and the South Pacific. Australian Government decisions over the past decade have not just meant that Australia has trod water while this happened—in fact, we have stepped back and silenced broadcasts and local content while others have stepped up.

Taken together, these three contributions set out a compelling, urgent case for investment in a new approach to engaging with the peoples of our near region through a new Australian International Broadcast Corporation.

This is timely work, given the current review of Australian broadcasting services in the Asia–Pacific (conducted by the Communications and Foreign Affairs departments) and the parallel review of Australia's soft power (by Foreign Affairs).

The end of Chimerica: the passing of global economic consensus and the rise of US–China strategic technological competition

John Lee

1 May 2019



This Strategic Insights report argues that Australia has been slow or else reluctant to accept that the previous global economic consensus that free and open trade (especially with China) is an unmitigated good is over.

Chinese economic and trade malpractices over a long period are having profound distorting effects on the global economic system, and US dissatisfaction is deepening and irreversible. Advanced economies such as the EU and Japan share identical concerns.

There is little prospect of Australia ‘waiting out’ the US–China economic dispute. We can help shape and improve elements of a US-led collective effort to impose carrots and sticks on China to persuade Beijing to play by the rules or we can sit and wait for a world that has already passed.

This paper was produced in partnership with the US Studies Centre at the University of Sydney.

Selected posts from *The Strategist*

- Rod Lyon, ‘Strategic personalities and a changing world’, 16 May 2019
- Rod Lyon, ‘Can “revisionists” rule the world?’, 14 March 2019
- Malcolm Davis, ‘Will India’s anti-satellite weapon test spark an arms race in space?’, 29 March 2019
- Aakriti Bachhawat, ‘India should play the Tibet card with China’, 2 April 2019
- Aakriti Bachhawat, ‘The impact of the Kashmir crisis on the Indian election’, 8 March 2019
- Malcolm Davis, ‘After the INF Treaty: whither arms control?’, 29 October 2018
- Rod Lyon, ‘Russia, China and the US Missile Defense Review: the shape of strategic competition’, 24 January 2019
- Malcolm Davis, ‘If the US nuclear umbrella folds ... The choices for Australia’, 24 July 2018
- Malcolm Davis, ‘Space force on the horizon ... maybe’, 7 August 2018
- Michael Shoebridge, ‘Morrison’s symbolic visit to Indonesia must be backed by action’, 31 August 2018
- Michael Shoebridge, ‘It’s time to get things straight with China’, 20 September 2018

- Michael Shoebridge, 'Despite successful maintenance, AUSMIN needs an upgrade', 26 July 2018
- Rod Lyon, 'ANZUS in the age of disruption', 6 December 2018
- Michael Shoebridge, 'Strategic momentum shifts at APEC', 19 November 2018
- Rod Lyon, 'Hard times in Australian strategic thinking', 19 October 2018
- Michael Shoebridge, 'The US strategic shift: big news for Australia, but are we prepared?', 17 October 2018
- Michael Shoebridge, 'My way or the Huawei: US–China competition steps up a gear', 7 December 2018
- Rod Lyon and Michael Shoebridge, 'Defending Taiwan: the deterrent effect of uncertainty', 19 February 2019
- Michael Shoebridge, 'Beijing and Moscow lay the groundwork for a digital authoritarian future', 13 June 2019

Selected *Agenda for Change* papers:

- Michael Shoebridge, 'How to progress the US–Australia alliance in a time of great-power competition', February 2019
- Michael Shoebridge, 'A sustainable China policy', February 2019
- Patrick Walters, 'Australia and Indonesia: towards a dual partnership', February 2019

Climate change impacts on national security and their implications for defence planning in Australia and the Indo-Pacific region

Publications

Preparing for the Era of Disasters

Robert Glasser

6 March 2019



Preparing for the Era of Disasters, by Dr Robert Glasser, warns that we are entering a new era in the security of Australia, not because of terrorism, the rise of China or even the cybersecurity threat, but because of climate change.

The report surveys the features of this emerging 'era of disasters', including an increase in concurrent extreme weather events and in events that follow in closer succession. Communities may manage the first few but, in their weakened state, be overwhelmed by those following. Large parts of the country that are currently marginally viable

for agriculture are increasingly likely to be in chronic crisis from the compounding impacts of the steady rise of temperature, floods, drought and bushfires. Dr Glasser contends that the scale of those impacts will be unprecedented, and the patterns that the hazards take will change in ways that will be difficult to anticipate.

He notes that this emerging Era of Disasters will not only increasingly stretch emergency services, undermine community resilience and escalate economic costs and losses of life, but also have profound implications for food security in our immediate region, with cascading impacts that will undermine Australia's national security.

Selected posts from *The Strategist*

- Paul Barnes, 'Preventing disaster from striking Australia's economy', 13 April 2019
- Robert Glasser and Paul Barnes, 'Innovation in Philippine disaster management: keeping up with the neighbours', 1 March 2019
- Paul Barnes, 'Avoiding surprises: technology assessment and foresight', 6 December 2018
- Paul Barnes, 'Black swans and how to find them: national approaches to managing risk', 25 October 2018

Selected *Agenda for Change* paper:

- Paul Barnes, 'Climate change and national security', February 2019

Whole-of-government coordination, national and military mobilisation and Defence's role in building whole-of-nation resilience

Publications

Safety in numbers: Australia's private security guard force and counterterrorism

Anthony Bergin, Donald Williams and Christopher Dixon

17 October 2018



The private security guarding sector is a vital piece of the national security puzzle that has not been drawn into Australia's counterterrorism planning.

There are more than 120,000 licensed security guards in Australia. The security industry has more than double the personnel of Australia's combined police agencies and permanent ADF. Private security staff provide the 'eyes, ears and hands' before any terrorist attack and an ability to be first responders after any security-related incident.

This report outlines the problems that are holding the guarding sector back from being an active participant in national counterterrorist plans and presents recommendations to enable the private security industry to become an effective part of our counterterrorist capability.

Selected posts from *The Strategist*

- John Coyne and Paul Barnes, 'Rethinking Australia's biosecurity', 27 September 2018
- Rebecca Hoile and Paul Barnes, 'Eyes "wired" open: preparing for chemical and biological threats', 5 July 2018

Selected *Agenda for Change* paper:

- Anthony Bergin and Paul Barnes, 'Joining national security strategy and risk assessment for perilous times', February 2019

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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.

Several events, including the Formal Dinners series, are limited to invited attendees who are drawn from various sections of the Australian community.

Public events, such as ASPI international conferences, report launches 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.

Table 6 summarises the major events conducted by ASPI in 2017–18 and 2018–19. More detailed descriptions of the events held during 2018–19 are outlined in this section, while a detailed listing of the 2018–19 events program is in Annex D.

Table 6: ASPI events, 2017–18 and 2018–19

Events	2017–18	2018–19
Conferences	1	1
Formal dinners	4	5
Dinner with the Chiefs	1	0
International strategic dialogues	3	10
Roundtable discussions and forums	49	65
Public events and workshops	36	45
Special meetings	14	16
Total	108	142

ASPI INTERNATIONAL CONFERENCE

From 12 to 14 June 2019, ASPI hosted an international conference titled 'War in 2025'. The conference brought together a group of distinguished international and Australian speakers for two days of debate on the future of warfare.

The conference was attended by senior policymakers, high-level military officials and leading industry representatives from Australia and around the world.

Topics included:

- Geopolitical realities—trends that will shape the world of 2025
- Geopolitical realities—the key players’ power trajectories to 2025
- Multi-domain warfare now and in 2025
- Technologies that will shape future warfare
- Information Age warfare in 2025—cyber, space and information operations
- Multi-domain warfare beyond 2025: ‘The US vision for 2028’
- Australian defence industry as an enabler of multi-domain warfare
- Do we need a Plan B White Paper?

WOMEN IN DEFENCE AND SECURITY NETWORK (WDSN)

The Women in Defence and Security Network (WDSN) is designed to support the career development of women in the defence and security community 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 2018–19, with a focus on events examining developments in research and policy that relate to WPS and women’s participation in the defence and national security sector, as well career-focused speed mentoring events, which were expanded to Sydney and Perth (see Table 7).

The network has largely relied on the partnership and collaboration of external stakeholders to deliver events. Mentors and mentees included participants from the ADF, Defence APS, DFAT, defence industry, academia and university students. The level of ADF engagement in these events has been considerable in terms of mentors and mentees, as well as support.

During the year, the WDSN established a presence on the ASPI website (www.aspi.org/wdsn) to share its profiles and other content.

Table 7: WDSN events, 2018–19

Date	Subject	Notes
6 September 2018	Gender, peace and security—experiences from academia and the field	Co-hosted with Monash University’s Gender, Peace and Security Centre
5 November 2018	In conversation: Women in defence—Australian and Swedish experiences	Supported by Swedish Embassy
29 November 2018	Speed mentoring (Sydney)	Supported by KPMG
13 February 2019	Women, Peace and Security Masterclass: in policy and on operations	Supported by Defence
21 February 2019	Film screening: On the basis of sex	Co-hosted with ANU College of Law
14 March 2019	Speed mentoring (Canberra)	Co-hosted with ANU Gender Institute
26 March	Next generation NAPs on women, peace and security: in conversation with Inclusive Security’s Miki Jacevic	Opening remarks by PM&C
28 March 2019	Speed mentoring (Perth)—HMAS Stirling and in the CBD	Supported by the Navy and PwC

ASPI FORMAL DINNERS

ASPI formal dinners facilitate interaction between cabinet ministers (or their Opposition and foreign counterparts), senior government officials and selected audiences on matters of national and regional security interest. In 2018–19, ASPI’s guest speakers included Mike Burgess, Director-General of the Australian Signals Directorate; Stephanie Copus-Campbell, Executive Director of Papua New Guinean Oil Search Foundation; Michael S Rogers, former head of the US National Security Agency and US Cyber Command; and General Angus Campbell, Chief of the Defence Force.

INTERNATIONAL STRATEGIC DIALOGUES

We support Australian diplomacy by conducting Track 1.5 and Track 2 dialogues with international institutions and government partners on a regular basis. In 2018–19, we conducted 10 such dialogues.

ROUNDTABLE DISCUSSIONS AND FORUMS

We hosted many roundtable discussions at our Canberra premises throughout the year, 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 all the roundtables held in 2018–19 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 and officially moderated and attract media attention. Details of ASPI’s public events in 2018–19 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.



General Angus Campbell AO DSC, Chief of the Defence Force, delivering the keynote address at the ASPI International Conference ‘War in 2025’ Dinner.



Dr Elizabeth Buchanan, Research Fellow, Centre for European Studies, Australian National University, Peter Jennings, Executive Director, Australian Strategic Policy Institute, Michael Baranowski, Director, German Marshall Fund's Warsaw Office, and Penny Burt, Group Chief Executive Officer, Asialink, participating in a panel discussion on 'Geopolitical realities—trends that will shape the world of 2025' at the ASPI International Conference 'War in 2025'.



Senator the Hon Linda Reynolds CSC, Minister for Defence, delivering the keynote address at the ASPI International Conference 'War in 2025'.



Stephanie Copus-Campbell, Executive Director, Papua New Guinean Oil Search Foundation, delivering the keynote address at the ASPI 2019 Annual Gala Dinner.



Professor Richard Herr OAM, Parliamentary Internship Coordinator, School of Social Sciences, University of Tasmania, Graeme Dobell, Fellow, ASPI's *The Strategist*, and Stephanie Copus-Campbell, Executive Director, Papua New Guinean Oil Search Foundation pictured with ASPI's interns: Luke Courtois, Mali Walker, Genevieve Feely, Rhys De Wilde and Sophie de Mar.



The mentors from the Perth Speed Mentoring event, 28 March 2019.



Mentors Dr Gorana Grgic (left) and Eleanor Hall (right) at the Sydney Speed Mentoring event, 29 November 2018.

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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 nine 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 the reporting period, the following resignations and appointments occurred:

1. Mr Peter Conran, November 2018
2. Mr Stephen Brady AO CVO—appointed February 2019
3. Dr Denis Dragovic—appointed February 2019
4. Ms Jennifer Ma—appointed February 2019
5. Former Senator the Hon Robert Hill AC—appointed 2019.

Table 8 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 8: Attendance at ASPI Council meetings, 2018–19

	31 August 2018	30 November 2018	8 March 2019	24 May 2019
Lieutenant General (Ret'd) Kenneth Gillespie AC DSC CSM (Chair)	✓	✓	✓	✓
Mr Peter Conran AM	✓	×	×	×
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				×
The Hon Stephen Brady AO CVO				×
Dr Denis Dragovic				✓
Ms Jennifer Ma				✓

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 Peter Conran AM

Solicitor (Solicitors Admission Board, Queensland)



During the year, Peter Conran retired as the Director General of the Western Australian Department of the Premier and Cabinet. He is a lawyer and has had over 30 years experience in senior positions with the Western Australian, Northern Territory and Australian governments.

Mr Conran was the Secretary to Cabinet and Head of the Cabinet Policy Unit in the office of Prime Minister John Howard from 2003 to 2007 and a senior adviser in the Prime Minister's Office from 2001 to 2003. From December 1998 to February 2001, he was employed in the Western Australian Department of the Premier and Cabinet, first as a consultant on native title issues and then as Deputy Director General.

Before that, he held various positions with the Northern Territory Government, including as Secretary to the Chief Minister's Department and Secretary to the Attorney-General's Department.

Mr Conran was appointed to the ASPI Council in January 2015.

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 of the 2017–18 AICD Chairs Mentoring Program.

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

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 50 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).

Mr Jennings 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.

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.

He was appointed to the ASPI Council in March 2017.

Mr Jim McDowell

LLB Laws (Hons)



Born in Belfast, Northern Ireland, Jim McDowell completed a law degree with honours at the University of Warwick in England in 1977. He worked in legal, commercial and marketing roles with aerospace company Bombardier Shorts for the next 18 years.

Mr McDowell joined British Aerospace in Singapore in August 1996. In 1999, he was appointed Regional Managing Director of BAE Systems for Asia following the merger of British Aerospace and Marconi Electronic Systems and was based in Hong Kong. Upon taking over at BAE Systems Australia, he established the company's headquarters in Adelaide, where he lives.

He was the CEO of BAE Systems Saudi Arabia, a \$6 billion company, from September 2011 to December 2013.

Jim McDowell commenced as Chancellor of the University of South Australia on 1 January 2016. He left that post in 2018 to become the Chief Executive of the South Australian Department of the Premier and Cabinet.

Mr McDowell is a passionate supporter of continuing education. He has in-depth experience in corporate governance, having served, mainly as chair, on a range of boards, including those of the Australian Nuclear Science and Technology Organisation, the Air Warfare Destroyer Principals Council, The du Monde Group Pty Ltd, Total Construction Pty Ltd and Australian Defence Accelerator Ltd. He is a non-executive director of both Codan Ltd and Austal Ltd and a board member of the Royal Automobile Association and St Peter's College Council of Governors.

During his long career, he has lived and worked in the UK, the US, Korea, Singapore, Hong Kong and the Kingdom of Saudi Arabia.

Mr McDowell acts in a number of advisory roles to the Defence Minister and the Department of Defence as a member of the First Principles Review of the Department and the Expert Advisory Panel for the Future Submarine Project. In December 2016, he was appointed as government adviser for the Naval Shipbuilding Plan Development.

He was appointed to the ASPI Council in January 2017.

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).

She was appointed to the ASPI Council in December 2016.

The Hon David Johnston

BJuris



Born and educated in Perth in Western Australia, David Johnston graduated from the University of Western Australia in 1981 with law degrees.

He was in the Australian Parliament as a senator for Western Australia for 15 years.

Before that, he was a barrister and solicitor in Western Australia, practising in the areas of mining and crime, and lived and worked on the Eastern Goldfields for 12 years before returning to Perth to continue in the law.

In parliament, he was chair of the Senate Foreign Affairs, Defence and Trade Committee, was appointed by Prime Minister Howard as Minister for Justice and Customs in 2007, was Opposition spokesperson on Defence from 2009 to 2013 and was Minister for Defence in 2013 and 2014.

Mr Johnston has a strong commitment to the Australian defence industry and the current Australian Government's budgetary support for naval ship and submarine building. He sits on several defence- and mining-related boards.

He was appointed to the ASPI Council in March 2017.

Professor Joan Beaumont

BA (Hons), PhD



Joan Beaumont is Professor Emerita, Strategic and Defence Studies Centre, Coral Bell School of Asia and Pacific Affairs, ANU.

Born in Adelaide, South Australia, she completed a Bachelor of Arts with Honours in 1969 at the University of Adelaide. She was awarded a British Commonwealth scholarship in 1971 and completed her PhD in the Department of War Studies, King's College, University of London, in 1975.

Returning to Australia, she took up an academic career in history, working at La Trobe, Deakin and Monash universities between 1976 and 2008. From 1998 to 2008, she was Dean of Arts at Deakin University.

In 2008, Professor Beaumont moved to the ANU, where she served as Director of the Faculty of Arts and Dean of Education in the College of Arts and Social Sciences, before joining the Strategic and Defence Studies Centre in the College of Asia and the Pacific.

Professor Beaumont is an eminent historian of Australia in the two world wars, Australian defence and foreign policy, the history of prisoners of war, and the memory and heritage of war.

Her publications include the critically acclaimed *Broken nation: Australians and the Great War* (Allen & Unwin, 2013), the joint winner of the 2014 Prime Minister's Literary Award (Australian History), the 2014 NSW Premier's Prize (Australian History), the 2014 Queensland Literary Award for History, and the Australian Society of Authors' 2015 Asher Award. Her other books include *Ministers, mandarins and diplomats: Australian foreign policy making, 1941–1969* (ed., 2003); *Australia's war, 1939–45* (ed., 1996); *Gull Force: survival and leadership in captivity, 1941–1945* (1988); and *Comrades in arms: British aid to Russia, 1941–45* (1980). From 2011 to 2013, she led the research team for the Department of Veterans' Affairs commemorative website, *The Thai–Burma Railway and Hellfire Pass*.

Professor Beaumont is a Fellow of the Academy of Social Sciences of Australia, a Fellow of the Australian Institute of International Affairs and a member of the Editorial Advisory Board of DFAT.

She is currently funded by the Australian Research Council to research a history of the Great Depression and the legacy of World War I in Australia and, with Mick Dodson and eight other historians, a history of Australian Aboriginal and Torres Strait Islander people in the defence of Australia.

She was appointed to the ASPI Council in December 2016.

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 this honour.

He 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, Bangarra, and is Chairman of the National Gallery of Australia Foundation and a member of the NGA Council.

Dr Denis Dragovic

BEng (Hons), MSFS, PhD



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

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

Following the 1999 civil war in East Timor, Dr Dragovic was hired as a shelter engineer for the International Rescue Committee, a leading US humanitarian organisation. Over the subsequent 12 years, he worked in war zones and disaster-stricken areas in Southeast 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 UN agencies and helped establish an Iraqi NGO.

Drawing on his experiences working in conflict and post-conflict environments, Dr Dragovic 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, and an honorary senior fellow at the University of Melbourne.

COUNCIL COMMITTEES

Audit Committee

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

The committee's members in 2018–19 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 2018–19, 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. The Research Committee met once during 2018–19.



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 2019.

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
Mr Peter Conran AM
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

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 2018-2019 was a deficit of \$70,587 (2017-2018: surplus of \$449,073).

Review of Operations

Revenue has increased by \$1,217,668 from the previous financial year, due mainly to increased sponsorship, commissioned income and event related income. Correspondingly, expenses were up by \$1,737,328 from the previous financial year due to increased program operations and additional administrative overheads.

Significant Changes in State of Affairs

No significant changes in ASPI's state of affairs occurred during the financial year.

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 2019.

Future Developments

ASPI expects to maintain a steady growth in output and activities, in the context of a tight fiscal 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

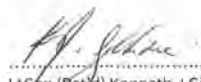
No person has applied for leave of Court to bring proceedings on behalf of ASPI or intervene in any proceeding to which ASPI is a party for the purpose of taking responsibility on behalf of ASPI for all or any part of those proceeds.

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 2019 was received on 30 August 2019.

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


.....
LtGen (Ret'd) Kenneth J Gillespie AC DSC
Chair
30 August 2019



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 for the year ended 30 June 2019 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Australian Strategic Policy Institute Limited's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the Australian Strategic Policy Institute Limited, which I have audited, comprises the following statements as at 30 June 2019 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 statements, 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 Australian Strategic Policy Institute Limited 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* (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 Australian Strategic Policy Institute Limited, 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 Australian Strategic Policy Institute Limited 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 Australian Strategic Policy Institute Limited 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 Australian Strategic Policy Institute Limited or to cease operations, or have no realistic alternative but to do so.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial report

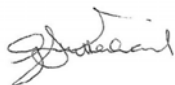
My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 Australian Strategic Policy Institute Limited '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 Australian Strategic Policy Institute Limited'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 Australian Strategic Policy Institute Limited 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



Garry Sutherland
Audit Principal
Delegate of the Auditor-General
Canberra
30 August 2019



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

**AUSTRALIAN STRATEGIC POLICY INSTITUTE LIMITED
FINANCIAL REPORT 2018–19
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 2019, to the best of my knowledge and belief, there have been:

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

Australian National Audit Office

Garry Sutherland
Audit Principal
Delegate of the Auditor-General
Canberra
30 August 2019

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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

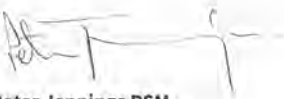
In our opinion:

- a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and:
 - i) give a true and fair view of the Company's financial position as at 30 June 2019 and of the Company's performance for the year ended on that date; and
 - ii) comply with the Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; 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.

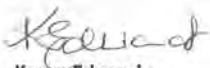
This declaration is made in accordance with a resolution of the directors.



LtGen (Ret'd) Kenneth J Gillespie AC DSC
Chairman
30 August 2019



Peter Jennings PSM
Executive Director
30 August 2019



Karen Edwards
Company Secretary
30 August 2019

Australian Strategic Policy Institute Ltd

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	5,310,297	4,598,352
Suppliers	1.1B	3,825,739	2,799,065
Depreciation and amortisation	2.2A	230,368	220,004
Disposal and write down of assets	1.1C	-	12,410
Foreign exchange (gain)/ loss	1.1D	13	76
Bad-debt written off	1.1E	818	-
Total expenses		9,367,235	7,629,907
OWN SOURCE INCOME			
Own source revenue			
Sale of goods and rendering of services	1.2A	9,213,207	7,988,574
Interest	1.2B	83,441	90,406
Total own-source revenue		9,296,648	8,078,980
Net contribution by services		(70,587)	449,073
Surplus/(deficit) attributable to the Australian Government		(70,587)	449,073

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 2019

	Notes	2019 \$	2018 \$
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	3,580,232	3,497,393
Trade and other receivables	2.1B	1,193,210	746,018
Prepayments	2.1C	44,694	13,972
Total Financial assets		4,818,136	4,257,383
Non-financial assets			
Property, Plant and Equipment	2.2A	1,237,237	154,098
Intangibles	2.2A	88,194	63,801
Total non-financial assets		1,325,431	217,899
Total assets		6,143,567	4,475,282
LIABILITIES			
Payables			
Suppliers	2.3A	369,775	150,771
Other payables	2.3B	901,768	432,065
Unearned Income	2.3C	1,827,388	1,117,486
Total payables		3,098,930	1,700,322
Provisions			
Employee provisions	3.1A	1,006,785	824,395
Other provisions	2.3D	448,761	290,887
Total provisions		1,455,546	1,115,282
Total liabilities		4,554,476	2,815,604
Net assets		1,589,091	1,659,678
EQUITY			
Contributed equity		172,060	172,060
Retained surplus		1,417,031	1,487,618
Total equity		1,589,091	1,659,678

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 2019

	Contributed equity		Retained earnings		Total equity	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Opening balance						
Balance carried forward from previous period	172,060	172,060	1,487,618	1,038,545	1,659,678	1,210,605
Comprehensive income						
Surplus/(Deficit) for the period	-	-	(70,587)	449,073	(70,587)	449,073
Closing balance as at 30 June 2019	172,060	172,060	1,417,031	1,487,618	1,589,091	1,659,678

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 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Defence funding		4,000,000	3,528,000
Sale of goods and rendering of services		6,066,691	4,742,764
Interest		78,014	88,979
Total cash received		10,144,705	8,359,743
Cash used			
Employees		(5,281,917)	(4,542,797)
Suppliers		(3,930,154)	(2,960,889)
Net GST paid		(398,182)	(177,479)
Total cash used		(9,610,254)	(7,681,166)
Net cash from operating activities	2.3E	534,451	678,577
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		-	500
Total cash received		-	500
Cash used			
Purchase of property, plant and equipment		(451,612)	(49,457)
Total cash used		(451,612)	(49,457)
Net cash (used by) investing activities		(451,612)	(48,957)
Net increase in cash held		82,840	629,620
Cash and cash equivalents at the beginning of the reporting period		3,497,393	2,867,773
Cash and cash equivalents at the end of the reporting period		3,580,232	3,497,393

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

Australian Strategic Policy Institute Ltd

OVERVIEW

The financial report of the Australian Strategic Policy Institute (ASPI) Limited for the year ended 30 June 2019 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 statements are general purpose financial statements, which have 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 statements have 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 statements are presented in Australian dollars and values are rounded to the nearest dollar.

New Accounting Standards

The financial report complies with Australian Accounting Standards.

Adoption of new Australian Accounting Standard requirements

AASB 9 - Financial Instruments was adopted in the financial statements in relations to financial assets, liabilities and write-off.

Future Australian Accounting Standard requirements

AASB 16 - Leases effective from 1 July 2019 will be adopted in the next financial statements, this standard will have a future material impact on ASPI's financial position for the year ended 30 June 2020.

Taxation

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

Australian Strategic Policy Institute Ltd**FINANCIAL PERFORMANCE**

This section analyses the financial performance of the company for the year ended 2019

	2019	2018
	\$	\$
1.1 - Expenses		
1.1A - Employee benefits		
Wages and salaries	4,095,985	3,580,463
Superannuation	539,550	480,913
Long service leave	74,827	22,322
Annual leave	331,046	284,340
Other employee expenses	268,889	230,314
Total employee benefits	5,310,297	4,598,352
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	65,941	64,789
Consultants	655,119	487,309
Contractors	146,682	27,459
Communications	322,197	316,149
Travel	799,275	761,550
IT services	107,327	50,397
Office management & activities	943,955	517,857
Other	21,232	20,329
Interest	6,407	5,256
Total goods and services supplied or rendered	3,068,135	2,251,095
Goods supplied	2,093,066	1,621,141
Services rendered	975,069	629,954
Total goods and services supplied or rendered	3,068,135	2,251,095

Australian Strategic Policy Institute Ltd

FINANCIAL PERFORMANCE

This section analyses the financial performance of the company for the year ended 2019

	2019	2018
	\$	\$
Other suppliers		
Operating lease rentals in connection with		
Minimum lease payments	737,020	531,181
Workers' Compensation	20,584	16,789
Total other suppliers	<u>757,604</u>	<u>547,970</u>
Total suppliers	<u><u>3,825,739</u></u>	<u><u>2,799,065</u></u>

Leasing commitments

ASPI has an operating lease in place for office accommodation 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.

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

Within 1 year	965,302	175,791
Between 2 to 5 years	4,159,618	-
Greater than 5 years	1,530,622	-
Total operating lease commitments	<u>6,655,541</u>	<u>175,791</u>

Accounting policy

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the lease assets.

1.1C - Disposal and write down of assets

Disposal and write down of property, plant and equipment	-	12,410
	<u>-</u>	<u>12,410</u>

1.1D - Foreign exchange (gain)/ loss

Non-speculative	13	76
	<u>13</u>	<u>76</u>

1.1E - Bad-debt written off

Bad-debt written off	818	-
	<u>818</u>	<u>-</u>

Australian Strategic Policy Institute Ltd**FINANCIAL PERFORMANCE**

This section analyses the financial performance of the company for the year ended 2019

	2019	2018
	\$	\$
1.2A - Own Source Revenue		
Goods and services		
Defence Core Funding	4,000,000	3,528,000
Commissioned Income	2,145,207	2,725,863
Total Commissioned Income	6,145,207	6,253,863
Sponsorship Income	2,388,847	1,295,390
Events	675,247	380,371
Subscriptions	-	12,226
Miscellaneous Income	3,906	46,724
Total sale of goods and rendering of services	9,213,207	7,988,574

Accounting policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) ASPI retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to services performed to date as a percentage of total services to be performed.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance. 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	83,441	90,406
Total interest	83,441	90,406

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.

	2019	2018
	\$	\$
2.1 - Financial Assets		
2.1A - Cash and cash equivalents		
Cash on hand or on deposit	3,580,232	3,497,393
Total cash and cash equivalents	3,580,232	3,497,393
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 special accounts.		
2.1B - Trade and other receivables		
Goods and services receivables		
Goods and services	1,159,609	726,889
Other	25,714	16,669
Accrued Interest	7,887	2,460
Total goods and services receivables	1,193,210	746,018
Total trade and other receivables	1,193,210	746,018
Trade and other receivables expected to be recovered		
No more than 12 months	1,193,210	746,018
Total trade and other receivables	1,193,210	746,018

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.

	2019	2018
	\$	\$
Trade and other receivables aged as follows:		
Not due	33,601	76,437
Overdue by:		
0 to 30 days	843,734	520,073
31 to 60 days	278,538	149,508
61 to 90 days	37,337	-
more than 90 days	-	-
Total trade and other receivables	<u>1,193,210</u>	<u>746,018</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.

2.1C - Prepayments

Event related prepayments	-	8,761
Other prepayments (subscriptions and professional development)	44,694	5,211
Total prepayments	<u>44,694</u>	<u>13,972</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.

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 and equipment for 2019

	Furniture and Fittings \$	Leasehold Improvements \$	Plant and Equipment \$	Capital WIP \$	Total property plant and equipment \$	Computer software \$	Web Site \$	Total intangibles \$	Total \$
As at 1 July 2018									
Gross book value	94,098	1,132,055	246,676	-	1,472,829	10,927	79,200	90,127	1,562,956
Accumulated depreciation	(77,922)	(1,040,766)	(200,043)	-	(1,318,731)	(10,927)	(15,399)	(26,326)	(1,345,057)
Total as at 1 July 2018	16,176	91,289	46,633	-	154,098	-	63,801	63,801	217,899
Additions									
Purchase	127,616	46,858	216,001	12,500	402,975	10,637	38,000	48,637	451,612
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)	(51,231)
Write down of assets									
Total as at 30 June 2019	125,313	896,228	203,196	12,500	1,237,237	7,963	80,231	88,194	1,325,431
Total as at 30 June 2019 represented by									
Gross book value	221,714	2,065,201	422,373	12,500	2,721,788	10,637	117,200	127,837	2,849,625
Accumulated depreciation and impairment	(96,401)	(1,168,973)	(219,177)	-	(1,484,551)	(2,674)	(36,969)	(39,643)	(1,524,194)
Total as at 30 June 2019 represented by	125,313	896,228	203,196	12,500	1,237,237	7,963	80,231	88,194	1,325,431

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 and equipment for 2018

	Furniture and Fittings	Leasehold Improvements	Plant and Equipment	Capital WIP	Total property plant and equipment	Computer software	Web Site	Total intangibles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2017									
Gross book value	94,098	1,132,055	238,936		1,465,089	10,927	210,425	221,352	1,686,441
Accumulated depreciation	(71,562)	(872,202)	(179,016)		(1,122,780)	(10,927)	(151,378)	(162,305)	(1,285,085)
Total as at 1 July 2017	22,536	259,853	59,920	-	342,309	-	59,047	59,047	401,356
Additions	-	-	-	-	-	-	-	-	-
Purchase	-	-	14,007	-	14,007	-	35,450	35,450	49,457
Depreciation	(6,360)	(168,564)	(26,599)	-	(201,523)	-	(18,481)	(18,481)	(220,004)
Disposals	-	-	-	-	-	-	-	-	-
Disposal	-	-	(695)	-	(695)	-	(12,215)	(12,215)	(12,910)
Write down of assets	-	-	-	-	-	-	-	-	-
Total as at 30 June 2018	16,176	91,289	46,633	-	154,098	-	63,801	63,801	217,899
Total as at 30 June 2018 represented by									
Gross book value	94,098	1,132,055	246,676	-	1,472,829	10,927	79,200	90,127	1,562,956
Accumulated depreciation and impairment	(77,922)	(1,040,766)	(200,043)	-	(1,318,731)	(10,927)	(15,399)	(26,326)	(1,345,057)
Total as at 30 June 2018 represented by	16,176	91,289	46,633	-	154,098	-	63,801	63,801	217,899

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:

	2019	2018
Property, plant and equipment	2 to 15 years	2 to 15 years

Impairment

All assets were assessed for impairment at 30 June 2019. 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.

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.

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.

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 (2018: 3 to 4 years). All software assets were assessed for indications of impairment as at 30 June 2019.

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.

	2019 \$	2018 \$
2.3 - Payables		
2.3A - Suppliers		
Trade creditors	179,029	56,030
Accruals	190,746	94,741
Total suppliers	369,775	150,771
Suppliers expected to be settled		
No more than 12 months	369,775	150,771
Total suppliers	369,775	150,771
Settlement terms for suppliers is usually within 30 days of invoice date.		
2.3B - Other payables		
Salaries and wages	178,232	265,522
Superannuation	995	34,073
GST liabilities	55,675	118,799
Lease incentive	666,866	13,671
Total other payables	901,768	432,065
Lease incentive has been recognised for the ASPI ground floor conference facility.		
Other payables expected to be settled		
No more than 12 months	339,686	432,065
More than 12 months	562,082	-
Total other payables	901,768	432,065

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.

	2019	2018
	\$	\$
2.3C - Unearned Income		
Unearned Income	<u>1,827,388</u>	<u>1,117,486</u>
Total unearned income	<u><u>1,827,388</u></u>	<u><u>1,117,486</u></u>
Income has been received in advance for sponsorship of ASPI programs for the financial year 2019/2020.		
2.3D - Other provisions		
Provision for restoration	<u>448,762</u>	<u>290,887</u>
Total other provisions	<u><u>448,762</u></u>	<u><u>290,887</u></u>
Other provisions expected to be settled		
No more than 12 months	-	290,887
More than 12 months	<u>448,762</u>	<u>-</u>
Total other provisions	<u><u>448,762</u></u>	<u><u>290,887</u></u>
As at 1 July 2018	290,887	
Additional provision made	152,764	
Unwinding of discount	<u>5,111</u>	
Total as at 30 June 2019	<u><u>448,762</u></u>	

ASPI currently has one (2018:1) 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.

	2019	2018
	\$	\$
2.3E - 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	3,580,232	3,497,393
Statement of financial position	<u>3,580,232</u>	<u>3,497,393</u>
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities		
Net contribution by/(cost of) services	(70,587)	449,073
Adjustments for non-cash items		
Depreciation / Amortisation	230,368	220,004
Disposal and write down of non financial assets	51,231	12,910
Bad-debt write off	818	-
Unrealised Foreign Exchange (Gain)/Loss	-	-
Proceeds from sale of property, plant and equipment	-	(500)
	<u>282,417</u>	<u>232,414</u>
Movements in assets and liabilities		
Assets		
Decrease/(Increase) in Net receivables	(447,192)	(502,369)
Decrease/(Increase) in Prepayments	(30,722)	50,492
Decrease/(Increase) in Lease Incentives and Make Good Provision	(886,288)	-
Liabilities		
Increase/(Decrease) in Supplier payables	219,004	(107,476)
Increase/(Decrease) in Other payables	417,654	243,530
Increase/(Decrease) in Unearned income	709,902	303,125
Increase/(Decrease) in Provisions	340,264	9,788
Net cash from operating activities	<u><u>534,451</u></u>	<u><u>678,577</u></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.

	2019	2018
	\$	\$
3.1 - Employee Provisions		
3.1A - Employee provisions		
Annual leave	467,053	380,753
Long service leave	539,733	443,642
Total employee provisions	1,006,786	824,395
Employee provisions expected to be settled		
No more than 12 months	559,246	186,569
More than 12 months	447,540	637,826
Total employee provisions	1,006,786	824,395

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.

Other long term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including ASPI's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

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.

3.2 - Directors and Senior 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:

	2019	2018
	\$	\$
Short term employee benefits		
Salary	279,353	271,600
Performance bonuses	48,434	47,397
Total short term employee benefits	327,788	318,997
Other long term employee benefits		
Annual leave	21,446	20,855
Long Service Leave	4,649	4,521
Total other long term employee benefits	26,096	25,377
Post Employment Benefits		
Superannuation	54,117	53,712
Total post employment benefits benefits	54,117	53,712
Total senior executive remuneration expenses	408,000	398,086

The total number of directors and senior management personnel that are included in the above table are 9. (2018: 9)

8 of the 9 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.

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.

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

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. 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 2019. (2018: 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.

	2019 \$	2018 \$
4.2 - Financial Instruments		
4.2A - Categories of financial instruments		
Financial assets		
Loans and receivables		
Cash at bank	3,580,181	3,497,093
Cash on hand	51	300
Receivables for goods and services	1,193,210	746,018
Total loans and receivables	4,773,442	4,243,411
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	179,029	56,030
Accrued supplier expenses	190,746	94,741
Total financial liabilities measured at amortised cost	369,775	150,771
4.2B - Net gains or losses on financial assets		
Loans and receivables		
Interest revenue	83,441	90,406
Net gains on loans and receivables	83,441	90,406
Net gains on financial assets	83,441	90,406

There is no interest income from financial assets not at fair value through the Statement of Comprehensive Income for 2019 or 2018.

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, clause 4.1.5 in the following categories:

- a) financial assets at fair value through profit or loss;
- b) held to maturity investments;
- c) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

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 upon trade date. Current financial liabilities are measured at fair value through profit or loss. Non-current liabilities are measured at amortised cost. Liabilities are recognised to the extent that the goods or services have been received.

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 some exposure to credit risk in respect to receivables for goods and services rendered. However, the majority of loans and receivables are cash. 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 goods and services (2018-2019: \$1,193,210 and 2017-2018: \$746,108). ASPI has assessed the risk of default on payment as nil.

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 2019 \$	Not Past Due Nor Impaired 2018 \$	Past Due or Impaired 2019 \$	Past Due or Impaired 2018 \$
Cash at bank	3,580,181	3,497,093	-	-
Cash on hand	51	300	-	-
Trade and other receivables	33,601	76,437	-	-
Total	3,613,833	3,573,830	-	-

Ageing of financial assets that were past due but not impaired for 2018-2019

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	843,734	278,538	37,337	-	1,159,609
Total	843,734	278,538	37,337	-	1,159,609

Ageing of financial assets that were past due but not impaired for 2017-2018

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	520,073	149,508	-	-	669,581
Total	520,073	149,508	-	-	669,581

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 income from sales of goods and services. 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 2019 are all payable within 1 year. ASPI's financial liabilities for 2018 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.

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Annexes

ANNEXES

Annex A

ASPI PUBLICATIONS

STRATEGIES

Hard news and free media as the sharp edge of Australian soft power

Graeme Dobell, Geoff Heriot and Jemima Garrett

26 September 2018

Agenda for change 2019: strategic choices for the next government

Marcus Hellyer et al.

26 February 2019

18 years and counting: Australian counterterrorism, threats and responses

Isaac Kfir

10 April 2019

STRATEGIC INSIGHTS

Partners: Australian private sector engagement in the Pacific

Anthony Bergin and Rebecca Moore

28 November 2018

Quad 2.0: New perspectives for the revived concept—views from *The Strategist*

Huong Le Thu et al.

14 February 2019

Huawei and Telefunken: communications enterprises and rising power strategies

Rick Umback

17 April 2019

The end of Chimerica: the passing of global economic consensus and the rise of US–China strategic technological competition

John Lee

1 May 2019

The PNG–Australia development partnership: a redesign that’s about listening and transformation

Stephanie Copus-Campbell

6 June 2019

ANZUS and alliance politics in Southeast Asia: revisiting the ‘southern flank’

William Tow

11 June 2019

Forward defence in depth for Australia

Malcolm Davis

12 June 2019

Women, peace and security: defending progress and responding to emerging challenges

Lisa Sharland and Genevieve Feely

27 June 2019

Between Japan and Southeast Asia: Australia and US–China economic rivalry

Malcolm Cook

28 June 2019

SPECIAL REPORTS

‘I can see clearly now!’ Technological innovation in Australian law enforcement: a case study of anti-money laundering

John Coyne and Amelia Meurant-Tompkinson

19 July 2018

Mice that roar: patrol and coastal combatants in ASEAN

John Coyne, Ashleigh Sharpe and Dione Hodgson

1 August 2018

Too big to ignore: assessing the strategic implications of China’s Belt and Road Initiative

James Bowen

31 August 2018

Weapons of mass (economic) disruption: rethinking biosecurity in Australia

Dr John Coyne and Dr Paul Barnes

27 September 2018

Thinking through submarine transition

Dr Marcus Hellyer

8 October 2018

Can Australia afford nuclear propelled submarines? Can we afford not to?

Peter Briggs

15 October 2018

Safety in numbers: Australia's private security guard force and counterterrorism

Anthony Bergin, Donald Williams and Christopher Dixon

17 October 2018

Southeast Asian perceptions of the Quadrilateral Security Dialogue: survey findings

Dr Huong Le Thu

23 October 2018

Grey zone operations and the maritime domain

James Goldrick

30 October 2018

Remaining plugged into European defence and security after Brexit: Australia and Germany

Jacqueline Westermann

19 December 2018

Defence and security R&D: a sovereign strategic advantage

Martin Callinan et al.

23 January 2019

Preparing for the Era of Disasters

Robert Glasser

6 March 2019

Australia's second sea: facing our multipolar future in the Indian Ocean

David Brewster

19 March 2019

Jemaah Islamiyah: an uncertain future

Peter Chalk

21 March 2019

Australia's Pacific pivot: destiny, duty, denial and desire

Graeme Dobell

30 April 2019

Chinese influence in the Pacific islands: the yin and yang of soft power

Richard Herr

30 April 2019

Australia–China law enforcement cooperation

Simon Norton

18 June 2019

INTERNATIONAL CYBER POLICY CENTRE

Defining offensive cyber capabilities *(online feature report)*

Tom Uren, Bart Hogeveen and Fergus Hanson

4 July 2018

Hacking for ca\$h: is China still stealing Western IP?

Dr Adam Segal, Dr Samantha Hoffman, Fergus Hanson and Tom Uren

25 September 2018

Huawei and Australia’s 5G network: views from ASPI

Danielle Cave

10 October 2018

Preventing another Australia Card fail: unlocking the potential of digital identity

Fergus Hanson

18 October 2018

Picking flowers, making honey: the Chinese military’s collaboration with foreign universities

Alex Joske

30 October 2018

Mapping Xinjiang’s ‘re-education’ camps *(online feature report)*

Fergus Ryan, Danielle Cave and Nathan Ruser

1 November 2018

Introducing integrated e-government in Australia

Arvo Ott, Fergus Hanson and Jelizaveta Krenjova

30 November 2018

Identity of a nation: protecting the digital evidence of who we are

Anne Lyons

5 December 2018

Australian cyber security future(s) It’s January 2024. Does Australia still have the internet?

Frank Smith, Aim Sinpeng, Ralph Holz, Sarah Logan, Jonathon Hutchinson and Hui Xue

13 December 2018

Perceptions survey: industry views of the economic implications of the Assistance and Access Bill 2018

Fergus Hanson

20 December 2018

Mapping China's technology giants

Danielle Cave, Samantha Hoffman, Alex Joske, Fergus Ryan and Elise Thomas

18 April 2019

Taking Australian diplomacy digital

Dave Sharma

18 April 2019

Hacking democracies: cataloguing cyber-enabled attacks on elections

Fergus Hanson, Sarah O'Connor, Mali Walker and Luke Courtois

17 May 2019

YEARBOOKS

Counterterrorism yearbook 2019

Isaac Kfir and Georgia Grice

5 March 2019

The cost of Defence: ASPI Defence Budget Brief 2019–2020

Marcus Hellyer

5 June 2019

ASPI CASE STUDIES

Air warfare destroyer: the game-changer

Robert Macklin

29 August 2018

THE STRATEGIST SELECTIONS

Kim Beazley on the US alliance and Australia's defence and international security

Kim Beazley

10 December 2018

THE STRATEGIST

1,059 posts by 319 individual authors.

July 2018 – June 2019

Annex B

ARTICLES AND BOOK CHAPTERS BY ASPI STAFF

Paul Barnes

- Bergin A, Brewster D, Gemenne F, Barnes P (2019). *Environmental security in the Eastern Indian Ocean, Antarctica and the Southern Ocean: a risk assessment approach*, National Security College, ANU and the Institut de Relations Internationales et Stratégiques (IRIS).

Lisa Sharland

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Sofia Patel and Jacqueline Westermann

- ‘Women and Islamic-State terrorism: an assessment of how gender perspectives are integrated in countering violent extremism policy and practices’, *Security Challenges*, 2018, 14(2).

Patrick Walters

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- ‘Islam and democracy after the Arab spring, by John Esposito, John Obert Esposito, and Tamara Sonn, review, *Democratization*, 25(8):1553–1555, doi: 10.1080/13510347.2018.1475475.
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Annex C

OPINION PIECES BY ASPI STAFF

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'Blurred boundaries and restrictive regions'. Bergin. *APPS Policy Forum*.

'Trump means we need a "Plan B" for Defence'. Jennings.

'Dissecting the NATO summit and defence spending'. Westermann. *Australian Defence Magazine*.

'My Health Record is a perfect gift for hackers'. Bergin.

'The dangerous quest for a code of conduct in the South China Sea'. Le Thu. *CSIS: Asia Maritime Transparency Initiative*.

'The consequences of a US troop withdrawal from Germany'. Westermann. *Australian Defence Magazine*.

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August 2018

'Why Australia banned Huawei from its 5G telecoms network'. Uren and Cave. *The Financial Times*.

'Benefits for all in Manus being a base for US, Australia forces'. Bergin. *The Australian*.

'Banning Huawei the right decision for Australia's security'. Jennings. *The Weekend Australian*.

'Can Vietnam's Doi Moi reforms be an inspiration for North Korea?'. Le Thu. *The Asian Forum*.

'Science, security and innovation'. Bergin and Coyne. *APPS Policy Forum*.

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- 'Planning for the worst'. Bergin. *APPS Policy Forum*.
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- 'Speakers great and small'. Dobell. *Inside Story*.
- 'Are smart cities leaving us vulnerable to supervillains?' Bergin and Barnes. *APPS Policy Forum*.
- 'Pacific fusion needed to build data web on a need-to-share basis'. Bergin and Brewster. *The Australian*.

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- 'Beyond JSFs, the future of RAAF power grows complex'. Davis. *The Australian*.
- 'The Middle East's meeting place for crime'. Coyne. *APPS Policy Forum*.
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- 'Australia can't forget Micronesia'. Bergin. *APPS Policy Forum*.
- 'Not the new cold war'. Dobell. *Inside Story*.
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- 'Region unprepared for emerging meth epidemic'. Coyne. *The Nation (Thailand)*.
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- 'Southeast Asians hope for neutrality, prepare for a choice'. Le Thu. *Pacific Forum*.
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- 'Unfortunately, counter-terrorism has no quick fixes'. Bergin. *The Age*.

'Why the Bourke Street terrorist was free to kill despite being known to police'. Coyne. *The Age*.

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'Trump's three challenges for a worried world'. Jennings. *The Weekend Australian*.

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'Why the region has given up on "shaping China"'. Le Thu. *ASIA Society*.

'So dinner went well—that doesn't mean it's back to business as usual'. Jennings. *The Australian*.

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'Huawei has blown the trust that's needed in high technology'. Uren. *The Australian Financial Review*.

'Shared interests and mutual respect absent from China ties'. Jennings. *The Australian*.

'Saving Yang Hengjun: we must not tolerate China's hostage diplomacy'. Joske. *The Sydney Morning Herald*.

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'Time for Australia to stop calling itself a "middle power"'. Bergin. *The Australian Financial Review*.

'Keeping terror at bay on the home front'. Jennings. *The Australian*.

February 2019

'Illicit drug monitoring offers plenty of evidence—but where's the action?'. Coyne. *APPS Policy Forum*.

'Spartan lifter could be ADF's first gunship'. Davis. *The Australian*.

'A gap still to be closed in next-generation defence'. Davis. *The Australian*.

'Force's bold launch into space projects'. Davis. *The Australian*.

'Speed, technology are more essential to survival in future war'. Davis. *The Australian*.

'Grasping the magnitude of Canberra's emerging bikie problem'. Coyne. *The Canberra Times*.

'Vietnam can be template for a US deal with North Korea'. Le Thu. *Nikkei Asia Review*.

'Suspicion for parliamentary hack must fall on China'. Jennings. *The Australian*.

'Australia's law enforcement wins a battle but is losing the war'. Coyne. *APPS Policy Forum*.

'Townsville floods demonstrate need for better disaster planning'. Bergin. *APPS Policy Forum*.

'Shorten's fleet addresses security issues'. Bergin and Bateman. *The Australian*.

'West will find 2019 a turning point in its dealings with China'. Jennings.
The Weekend Australian.

March 2019

'Why a Christchurch-style attack is less likely in Australia'. Coyne. *10daily.com.au*

'Hard for police to track when a troll turns to terrorist'. Kfir. *Australian Financial Review*.

'The horror in Christchurch could have unfolded in an Australian mosque'. Jennings.
The Australian.

'Keep hunting and we'll find no lone wolf but a member of a fanatical pack'. Jennings.
The Sunday Times (UK).

'Border Force shortfalls unfairly pinned on a king without a kingdom'. Coyne.
Sydney Morning Herald.

'Transnational, serious, and organised crime: fighting a losing battle'. Coyne. *APPS Policy Forum*.

'Russia, "peace talks", and the Middle East'. Kfir. *APPS Policy Forum*.

April 2019

'Soon you won't need a passport — but the delays will be diabolical if something goes wrong'.
Coyne. *Abs.net.au*

'Big challenges for Australia in a changing world order'. Jennings. *The Weekend Australian*.

'The budget's deficiency dividend'. Coyne. *APPS Policy Forum*.

May 2019

'Drone subs may alter the rules'. Davis. *The Australian*.

'Australia has a drug problem'. Coyne. *APPS Policy Forum*.

June 2019

'Joint plan to thwart China's port storm'. Bergin. *The Australian*.

'A national determination to tackle hate crime'. Coyne. *APPS Policy Forum*.

'The Christchurch Call—so close, yet so far'. Kfir. *APPS Policy Forum*.

'Risk and reward for Australia as US flexes its muscles in Asia'. Jennings. *The Australian*.

'Spiders, posters and hoaxes: it is still war, but not as we've known it'. Bergin and De Wilde. *The Australian*.

'Tiananmen Square: measuring ourselves against the benchmark of June, 1989'. Shoebridge. *The Canberra Times*.

'The many ways in which China is pushing us around ... without resistance'. Jennings. *The Weekend Australian*.

'An ideal Indo-Pacific, re-interpreting history, and a distinct lack of trust'. Le Thu. *APPS Policy Forum*.

'The US wants travellers to reveal social media account details. Will it keep us safer?' Coyne. *abc.net.au*

Annex D

ASPI EVENTS

International conferences

No.	Date	Name of conference
1	12–14 June	ASPI International Conference: ‘War in 2025’

Women in Defence and Security network events

No.	Date	Name of event
1	6 September	Gender, peace and security—experiences from academia and the field
2	5 November	In conversation: Women in defence—Australian and Swedish experiences
3	29 November	Speed mentoring (Sydney)
4	13 February	Women, Peace and Security Masterclass: in policy and on operations
5	21 February	Film screening: On the basis of sex
6	14 March	Speed mentoring (Canberra)
7	26 March	Next generation NAPs on Women, Peace and Security: in conversation with Inclusive Security’s Miki Jacevic
8	28 March	Speed mentoring (Perth)—HMAS Stirling and in the CBD

Formal dinners

No.	Date	Name of dinner
1	29 October	National Security Dinner with Mike Burgess
2	28 November	ASPI – BAE Systems Dinner
3	9 April	2019 Annual Gala Dinner
4	7 May	National Security Dinner with Michael S Rogers
5	5 June	Dinner: Launch of <i>The cost of Defence: ASPI defence budget brief 2019–2020</i>

International strategic dialogues

No.	Date	Name of dialogue
1	3–4 September	ASPI–SWP Australia–Germany Dialogue
2	24–25 September	ASPI–RSIS Australia–Singapore Dialogue
3	2 October	Australia–Taiwan Cyber Dialogue
4	8–9 October	ASPI–RUSI Australia–UK Defence Industry Dialogue
5	22–24 October	ASPI–KAS Counter Terrorism Dialogue
6	31 October – 1 November	ASPI–BESA Australia–Israel ‘Beersheva’ Dialogue
7	20 November	ASPI–VUW Australia – New Zealand Dialogue
8	19 February	ASPI–JIIA Australia–Japan Dialogue
9	20–21 February	ASPI–Quad Dialogue
10	7 March	ASPI–CSIS Australia–US Cyber Dialogue

Roundtables

No.	Date	Name of event
1	3 July	Roundtable—Peter W Singer
2	11 July	Roundtable—Iranian Deputy Foreign Minister
3	19 July	Roundtable—Tim Morris, Executive Director, Interpol
4	2 August	Roundtable—Facebook ‘Encryption in 2018’
5	9 August	Roundtable—Yuksel Alp Aslandogan, Executive Director of the Alliance for Shared Values
6	15 August	Roundtable—Colonel John Brennan
7	15 August	Roundtable—Sophie Richardson, HRW China Director
8	16 August	Roundtable—Uzi Rubin
9	20 August	Roundtable—Tim Maurer, Carnegie
10	22 August	Roundtable—National Institute of South China Sea Studies
11	3 September	Roundtable—Swedish Chief of Army
12	4 September	Roundtable—Dr Przystup, US National Defense University
13	5 September	Roundtable—Josh Lyons, Human Rights Watch

No.	Date	Name of event
14	6 September	Roundtable—Monash GPS: Developing a gendered approach to Australia’s national security
15	13 September	Roundtable—JETRO and NEXI Japanese delegation
16	14 September	Roundtable—Peter Mattis, Research Fellow in China Studies at the Victims of Communism Memorial Foundation
17	25 September	Roundtable—Scott George, former Deputy Chief of the US National Security Agency and Director of Intelligence for US Strategic Command
18	28 September	Roundtable—Sir Paul Stephenson QPM, Former Head of Metropolitan Police London
19	3 October	Roundtable—Taiwan and cyber-enabled influence operations
20	4 October	Roundtable—Dr Bates Gill and Mr Adam Ni
21	5 October	Roundtable—Madelyn Creedon, Visiting Fellow, United States Studies Centre
22	11 October	Roundtable—Transnational and Serious Organised Crime
23	17 October	Roundtable—Australian Political Exchange Council—35th delegation from the US
24	24 October	Roundtable—ICPC and Palo Alto Networks President Mark Anderson
25	26 October	Roundtable—Jean Lee, Director of the Hyundai Motor – Korea Foundation Center for Korean History and Public Policy
26	30 October	Roundtable—Ambassador R Stephen Beecroft, Director General of the Multinational Force and Observers
27	2 November	Roundtable—Japan Bank for International Cooperation
28	5 November	Roundtable—ICPC and Dr William Boothby
29	7 November	Roundtable—Delegation from the Customs Border Targeting Team of the Korean Customs Service
30	8 November	Roundtable—Alejandro Alvargonzález, NATO Assistant Secretary General for Political Affairs and Security Policy
31	3 December	Roundtable—Dr Oriana Skylar Mastro, Georgetown University
32	3 December	Roundtable—Senior Korean journalists
33	4 December	Roundtable—Ma Sang Yoon, South Korean Director General of Strategy

No.	Date	Name of event
34	6 December	Roundtable—Mr Walter Douglas
35	7 December	Roundtable—Dr Brad Roberts
36	15 January	Roundtable—Michael Chase from RAND on China
37	24 January	Roundtable—Korean delegation
38	24 January	Roundtable—Professor John Delury
39	4 February	Roundtable—Deric Holbrook
40	14 February	Roundtable—Ms Clare Hutchinson
41	15 February	Roundtable—Lieutenant-General François-Xavier Le Pelletier de Woillemont, Deputy Secretary-General for Defence and National Security of France
42	20 February	Roundtable—Swedish delegation
43	26 February	Roundtable—Indo-Pacific, Australia, EU and ASEAN interest
44	6 March	Roundtable—JP Morgan Hong Kong delegation
45	7 March	Roundtable—Women and security in Afghanistan: past, present and future
46	13 March	Roundtable—Professor Valerie Hudson
47	15 March	Roundtable—Barbara Age, Papua New Guinea Secretary for Foreign Affairs
48	28 March	Roundtable—Building peace through institutions in Mindanao
49	2 April	Roundtable—Mr Hidehiko Asai
50	3 April	Roundtable—Admiral Jonathan W Greenert
51	4 April	Roundtable—Michael Doran
52	5 April	Roundtable—Laura Rosenberger: Securing democracies in the face of rising authoritarianism and online disinformation
53	30 April	Roundtable—Dr Jonathan Lusthaus, Director of The Human Cybercriminal Project
54	6 May	Roundtable—Mike Rogers
55	13 May	Roundtable—US–China Economic and Security Review Commission
56	16 May	Roundtable—Timothy Cheek
57	20 May	Roundtable—Rear Admiral Stuart Mayer

No.	Date	Name of event
58	6 June	Roundtable—Dr Dan Gerstein
59	11 June	Roundtable—Elsa Kania
60	12 June	Roundtable—Chris Johnson
61	19 June	Roundtable—Japanese academics
62	19 June	Roundtable—Indonesian delegation
63	20 June	Roundtable—Professor Harsh V Pant
64	24 June	Roundtable—Hungarian delegation
65	24 June	Roundtable—European Union Commissioner of the Security Union

Special meetings

No.	Date	Name of event
1	20 August	Admiral Philip S Davidson, Commander of US Indo-Pacific Command
2	25 September	Omni Executive and ICPC
3	26 September	Alastair MacGibbon, Head of Australian Cyber Security Centre
4	27 September	Sir Paul Stephenson QPM, former Head of Metropolitan Police London
5	3 October	ASPI–NIDS Senior Exchange
6	15 October	The Hon Michael Danby MP
7	18 October	Sir John Scarlett and intelligence community
8	19 October	Sir John Scarlett and ASPI sponsors
9	25 October	<i>Southeast Asian perceptions of the Quad</i> report launch
10	21 November	ASPI–Lendlease
11	10 December	Kim Beazley AC, Governor of Western Australia
12	13 March	Michael Pezzullo, Secretary, Department of Home Affairs
13	21 March	ICPC Advisory Council
14	9 May	Mike Rogers and Thales
15	13 May	Mike Rogers and Microsoft
16	5 June	ASPI Dialogue 2019

Public events: panel discussions / publication launches / program launches

No.	Date	Name of Event
1	3 July	Public Event—Peter W Singer Canberra address
2	4 July	Public Event—Thales—ASPI Hamel Centenary Oration
3	6 July	Public Event—Peter W Singer Sydney address
4	9 July	Public Event—Dr Michael Kimmel address
5	12 July	Public Event—Risk and resilience panel discussion
6	19 July	Public Event—Oracle Report launch: A case study of anti-money laundering
7	7 August	Public Event—Rowan Callick address
8	29 August	Public Event—Robert Macklin, AWD book launch
9	30 August	Public Event—WDSN film screening, RBG
10	5 Sept	Public Event—Public address by Peter Varghese AO
11	6 Sept	WDSN Panel—Gender, peace and security—experiences from the field
12	20 Sept	Public Event—Whole-of-government coordination in outbreak responses
13	25 Sept	Public Event—Panel discussion on the future of cyber defence
14	16 Oct	Public Event—Hard news and free media as the sharp edge of Australian soft power
15	17 Oct	Public Event— <i>Safety in numbers</i> report launch
16	26 Oct	Public Event—WDSN Student Careers Panel
17	31 Oct	Public Event— <i>Picking flowers, making honey: the Chinese military's collaboration with foreign universities</i> report launch
18	1 Nov	Public Event—Surviving the Era of Disasters, with Robert Glasser
19	5 Nov	Public Event—Women in defence—Australian and Swedish experiences
20	20 Nov	Public Event—Essential 8 panel discussion
21	29 Nov	Public Event—WDSN speed mentoring, Sydney
22	5 Dec	Public Event—Publication launch: <i>A nation's Identity</i>
23	10 Dec	Public Event— <i>The Strategist</i> Selections: Kim Beazley

No.	Date	Name of Event
24	21 Feb	WDSN Film Screening—On the basis of sex
25	25 Feb	Public Event—Frontier cyberwars and what's next: in conversation with the <i>New York Times's</i> David E Sanger
26	26 Feb	Public Event—Launch of election special report: <i>Agenda for change 2019</i>
27	4 March	Public Event—Film screening: Vice
28	5 March	Public Event—Launch: <i>Counterterrorism yearbook 2019</i>
29	13 March	Public Event—National security address: Michael Pezzullo
30	14 March	Public Event—WDSN speed mentoring, Canberra
31	19 March	Public Event—Report launch: <i>Australia's second sea</i>
32	26 March	Public Event—Next generation NAPs on women, peace and security: in conversation with Inclusive Security's Miki Jacevic
33	28 March	ASPI and Navy speed mentoring
34	28 March	Public Event—WDSN speed mentoring, Perth
35	18 April	Public Event—Report launch: <i>Taking Australian diplomacy digital</i>
36	30 May	Public Event—In conversation: The Great Firewall of China
37	6 June	Public Event—Australia and the Pacific Panel

Workshops, masterclasses and other

No.	Date	Name of event
1	2 July	Masterclass—Artificial intelligence and national security
2	19 Oct	Masterclass—Global powers
3	13 February	Masterclass—Women, peace and security: in policy and on operations
4	6 March	Workshop—AIR 6500 project and future conflicts
5	12 March	Workshop—Oracle and national security
6	15 April	Masterclass—China—Canberra
7	17 April	Masterclass—China—Melbourne
8	2 May	Workshop—Defence in the grey zone and the Pacific step-up

Annex E

KEY ROLES AT INTERNATIONAL CONFERENCES

Staff member	Conference
Tom Uren	Inaugural Global Information Operations Forum, Silicon Valley, California, March 2019.
Lisa Sharland	Presented at the annual International Forum for the Challenges of Peace Operations in Stockholm, Sweden, in November 2018.
	Presented at international conference on West African mining security in Accra, Ghana, in June 2019.
Fergus Hanson	Hosted the US–Australia Track 1.5 in San Francisco, February 2019.
Danielle Cave	Hosted the US–Australia Track 1.5 in San Francisco, February 2019.
Bart Hogeveen	Hosted the first international cyber norms and confidence building ASEAN region workshop in Kuala Lumpur, April 2019.
Peter Jennings	Presented at and chaired the Australian–American Leadership Dialogue’s Plenary Session: Geopolitics (Defence and Security) in Washington DC, 11 July 2018.
	Spoke at a debate on ‘whether contemporary Russia is a global strategic threat’ at the Centre for Independent Studies, Sydney, 18 July 2018.
	Participated in a debate on Huawei and 5G at the Unwired Revolution Conference in Sydney, 25 July 2018.
	Participated in the Australian–American Leadership Dialogue’s Honolulu Dialogue, 29 September to 1 October 2018, chairing the session on Asia–Pacific security.
	Spoke at several gatherings of Canadian national security officials on the impact of China on Western universities, 4 and 5 October 2018.
	Participated at the 4th Global Strategic Advisory Meeting, Konrad-Adenauer Foundation, Cadenabbia, Italy, and presented on the global security outlook, 31 October to 2 November 2018.

Staff member	Conference
	<p>Participated at the EU–Australia Leadership Forum, Brussels, and chaired a panel discussion on ‘Risks of war: the view from the Indo Pacific and EU’, 20–22 November 2018.</p>
	<p>Spoke at the VCDF Group Planning Day on ‘The outside perspective of Defence, and the strategic environment over the next 5–10 years and how the ADF will fit into that role’, Canberra, 7 February 2019.</p>
	<p>In Malaysia, made a presentation at the Defence Ministry on ‘Realising Malaysia’s Defence White Paper: sharing Australia’s experience’ and also presented on defence policy issues at three Kuala Lumpur think tanks, 13–14 February 2019.</p>

Annex F

ACHIEVING ASPI'S PURPOSES

This table outlines how ASPI worked in 2018–19 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.

Purpose	How do we measure achievement?	Who benefits	What we achieved in 2018–19
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.	Over seven series of publications, 46 publications were produced. There were 1,059 pieces on <i>The Strategist</i> from 319 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 13 government advisory committees and expert panels.
	Submissions to parliamentary inquiries		ASPI provided two 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 2018–19
Stimulate public discussion	Number and range of ASPI public events	ASPI informs the public by hosting several events year open to the public and through readily accessible online material on ASPI's website, including opinion pieces, reports, podcasts and <i>The Strategist</i> .	ASPI conducted 142 events during 2018–2019. A list of the events is in Chapter 4.
	Published opinion pieces		81 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 of 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 2018–19
	Invitations to speak at international conferences		ASPI staff attended 10 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 eight Visiting Fellows.
	Participation in and hosting of international dialogues.		ASPI hosted 10 Track 1.5 and Track 2 dialogues, and staff attended 10 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		Examples of reports, publications and <i>The Strategist</i> pieces with sole and co-authorship by interns in 2018–19 include: Publication— <i>The cost of Defence 2019–2020</i> Publication— <i>Hacking democracies</i> Publication— <i>Women, peace and security: defending progress and responding to emerging challenges</i>

Purpose	How do we measure achievement?	Who benefits	What we achieved in 2018–19
			<p>Publication—<i>Mapping China’s tech giants</i></p> <p>Publication—<i>Partners—Australia’s private sector engagement in the Pacific</i></p> <p>Publication—<i>Counterterrorism yearbook 2019</i></p> <p>The Strategist post—Aru Kok, ‘China chases Africa’s resources’, 6 August 2018</p> <p><i>The Strategist</i> post—Aakriti Bachhawat, ‘India still wary of the Quad amid its own China “reset”’, 24 August 2018</p> <p><i>The Strategist</i> post—Aru Kok, ‘A new dawn for Ethiopia?’, 7 December 2018</p> <p><i>The Strategist</i> post—Genevieve Feely, ‘LNG: it’s a big egg, but it shouldn’t be the only one in our energy basket’, 7 March 2019</p> <p><i>The Strategist</i> post—Luke Courtois, ‘Thai election likely to cement military’s power’, 22 March 2019</p> <p><i>The Strategist</i> post—Luke Courtois, ‘Thailand’s flawed election commission’, 10 May 2019</p>

Purpose	How do we measure achievement?	Who benefits	What we achieved in 2018–19
			<p><i>The Strategist post</i>—Rhys De Wilde and Genevieve Feely, ‘Water management in northern Australia is a national security issue’, 10 May 2019</p> <p><i>The Strategist post</i>—Mali Walker, ‘Indonesia’s democracy at risk from disinformation’, 15 May 2019</p> <p><i>The Strategist post</i>—Genevieve Feely, ‘Women, peace and security: defending progress and responding to emerging challenges’, 27 June 2019</p> <p>Weekly wraps—Five domains wrap and national security wrap</p> <p>Monthly wraps—Women, peace and security.</p>
	Participants in ASPI professional development courses		ASPI conducted 37 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 9: Remuneration information for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits		Other long-term benefits		Total Remuneration
		Salary	Bonuses	Annual leave ¹	Superannuation contribution	Long service leave ²	Remuneration		
Mr Peter Jennings PSM	Executive Director	262,257	48,434	21,446	52,236	4,649	389,023		
Lieutenant General (Ret'd) Kenneth Gillespie AC DSC CSM	Chair of Council	3,416			376		3,792		
Air Vice Marshal (Ret'd) Margaret Staib AM CSC	Council member	2,736			301		3,037		
Mr Peter Conran AM	Council member	684			75		759		
Professor Joan Beaumont	Council member	2,052			226		2,278		
The Hon Stephen Conroy	Council member	2,052			226		2,278		
Ms Jane Halton AO PSM	Council member	2,736			301		3,037		
Mr Jim McDowell	Council member	2,052			226		2,278		
The Hon David Johnston	Council member	1,368			150		1,518		
		279,353	48,434	21,446	54,117	4,649	408,000		

Notes:

1. Annual leave is calculated on an accrual basis as 20 working days per year based on the salary as at 30 June 2019
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 2019

Table 10: Remuneration information for Senior Executives

Total remuneration bands	Number of Senior Executives	Short-term benefits			Post-employment benefits			Average total remuneration
		Average base salary	Annual leave ¹	Average superannuation contributions	Average long service leave ²	Average total remuneration		
\$0 to \$250,000	3	168,757	12,989	24,942	2,812	209,500		

Notes:

1. Annual leave is calculated on an accrual basis as 20 working days per year based on the salary as at 30 June 2019
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 2019

Table 11: Remuneration information for other highly paid staff

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

Annex H

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
Information about executive remuneration	s 28E(oa)	Annex G
Index identifying of requirements of Section 28E	s 28E(p)	Annex H

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

Annex I

ACRONYMS AND ABBREVIATIONS

ADF	Australian Defence Force
AML	anti-money-laundering
ANU	Australian National University
APS	Australian Public Service
ASEAN	Association of Southeast Asian Nations
ASPI-PD	ASPI – Professional Development
CSIS	Center for Strategic and International Studies
CTPC	Counter-Terrorism Policy Centre
DFAT	Department of Foreign Affairs and Trade
EL	Executive Level
EU	European Union
GCSC	Global Commission on the Stability of Cyberspace
ICPC	International Cyber Policy Centre
NATO	North Atlantic Treaty Organization
NGO	non-government organisation
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
SES	Senior Executive Service
UK	United Kingdom
UN	United Nations
WDSN	Women in Defence and Security Network
WPS	women, peace and security

Some recent ASPI events



