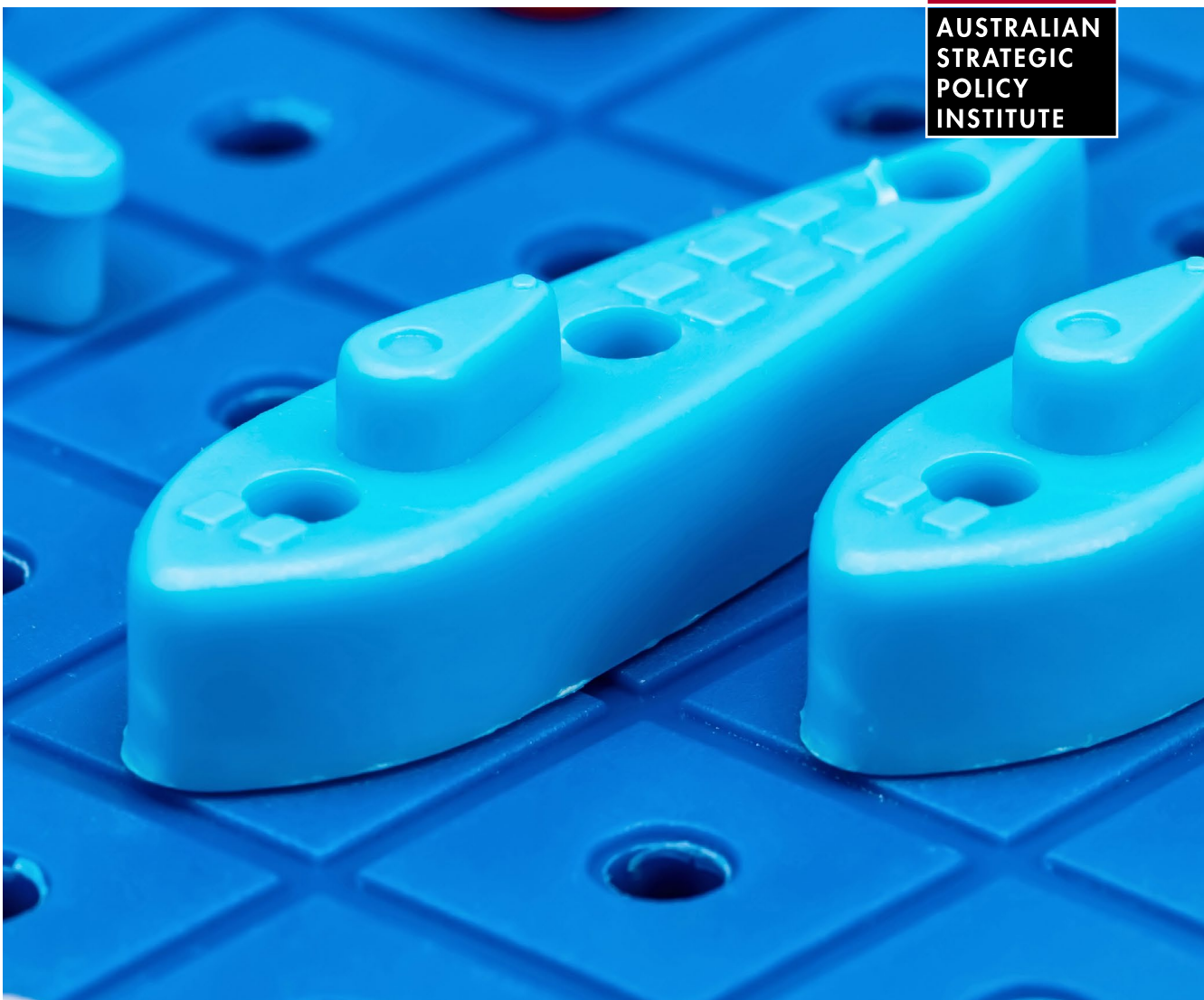


# Annual Report

## 2021–2022

A S P I

AUSTRALIAN  
STRATEGIC  
POLICY  
INSTITUTE



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# Annual Report 2021–2022



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The Honourable Richard Marles MP  
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 2022.

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 14 October 2022.

Yours sincerely



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

Chairman  
14 October 2022

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# Message from the ASPI Chairman and the Executive Director

In August 2021, ASPI celebrated its 20th anniversary and its journey to becoming a leading national security and defence policy think tank in the Indo-Pacific. Much has happened in the 12 months that have followed, from major security and geopolitical developments to significant policy announcements—many of which are shaping and affecting Australia’s place in the world:

- The US and coalition partners withdrew forces from Afghanistan at the end of August 2021.
- The ANZUS Treaty, at the heart of the Australia–US alliance, celebrated its 70th anniversary in September 2021.
- AUKUS, the trilateral security partnership between Australia, the UK and the US, was established in September 2021.
- The Quad partnership continued to deepen and broaden in scope. US President Biden hosted the first in-person Quad Leaders’ Summit in September 2021, bringing together the leaders of India, Japan, Australia and the US in Washington.
- On 4 February 2022, in their Beijing summit, presidents Putin and Xi declared that Russia and China had a ‘no limits’ partnership.
- Russia invaded Ukraine on 24 February 2022, and the war is ongoing.
- China signalled its security ambitions with Pacific islands countries through more intense engagement across the region, and a document leaked in March 2022 revealed a security partnership between Beijing and Solomon Islands.
- Tensions increased across the Taiwan Strait in August 2022, producing a disproportionate military response from Beijing following US Speaker Pelosi’s visit to Taiwan.
- In August 2022, the Australian Government announced the Defence Strategic Review.

ASPI’s work has focused on these and many other significant global developments. The ASPI team has continued to demonstrate how we fulfil our Charter commitments,



namely: providing independent input to government on major strategic and defence decisions; nourishing public debate and understanding; and nurturing professional strategic policy expertise.

We have balanced our priority of data-driven, long-term research that is used to inform, shape and underpin major policy decisions in Australia (and often by our global partners and allies) with the need to produce shorter, quick turnaround analysis (in the media, *The Strategist* and our podcast) that informs decision-makers and helps deepen the public debate. Both are assisted and complemented by ASPI's strong convening power, including our breadth of public and private events (conferences, 1.5-track dialogues, roundtables) and professional development and capacity building programs. These have all helped to deliver a unique capability designed to build strategic policy excellence in Australia and, increasingly, with our partners across the Indo-Pacific.

ASPI's globally renowned research continues to drive policy impact. ASPI has carved out relevant expertise, policy depth and unique research capability to help Australia, and the Indo-Pacific, tackle today's most pressing security challenges, as well as those emerging. This involves a rich diversity of work on: defence policy, military capability and deterrence; the geopolitics of climate and security; cyber, space and critical technologies; hybrid and greyzone threats; disinformation and propaganda; countering foreign interference, coercion and extremism; energy security and human rights.

In November 2021, ASPI hosted the inaugural Sydney Dialogue—a new summit for emerging, critical and cyber technologies—featuring keynote speakers Indian Prime Minister Narendra Modi and the late Japanese Prime Minister Abe Shinzo. The Sydney Dialogue fills a crucial global gap by bringing together governments, business and civil society leaders to anticipate, prepare for and respond to the complicated risks, challenges and immense opportunities presented by technology. ASPI is now focused on the next Sydney Dialogue, which will be held on 4–5 April 2023.

ASPI's work continues to be regularly cited and highlighted by key multilateral groups. Most recently in August 2022 the UN Human Rights Office of the High Commissioner cited ASPI research in a damning report about the human rights and security situation in Xinjiang. ASPI was the first global research institute to reveal the full extent of those abuses (mass detention, forced labour, persuasive surveillance technologies and cultural destruction) through pioneering satellite imagery and data analysis techniques for which ASPI has now become well known.

Once again, ASPI delivered its renowned annual *Cost of Defence* report, which explained the esoteric but vitally important topic of the defence budget in a way that's accessible for the Australian public and defence stakeholders. In 2022, the report analysed how Defence and its

industry partners have achieved significant increases in acquisition spending despite global disruptions to supply chains during the Covid-19 pandemic. It highlighted the challenges we face, including inflation and sourcing large numbers of skilled people in the ADF and wider defence sector, and what that means for procurement decisions.

Some significant work during the year saw ASPI become the first Australian think tank to open an overseas office in Washington DC. Opening the office on 13 July 2022, Deputy Prime Minister and Defence Minister Richard Marles MP, said:

Washington is many things. It's a centre of power. It's a centre of government. There are many people in this town who really are the custodians of American history but it is a centre of thought. Square inch by square inch, there are more think tanks in this place than anywhere else in the world. And so it makes complete sense that ASPI would open its first office overseas right here to take the advantage of that, to be in the stream of that thought, to feed that back into Australia's thinking around strategic policy.

ASPI is committed to building on its existing strong reputation from Washington DC to Canberra.

The precarious nature of the strategic environment, from war in Europe to rivalry in the Indo-Pacific, makes ASPI's ongoing role in undertaking data-driven research and providing alternative policy options to government as vital as it has been since our establishment in 2001. ASPI continues to look forward to working with current and new domestic and international partners, and to making the objectives of those who would do Australia, and our region, harm that much harder to achieve.

Looking ahead, ASPI will be building our capability while becoming focused in new areas with a greater priority on the Pacific islands region, Southeast Asia and India. We'll also be deepening our thematic analysis on topics including climate security, space and defence policy.

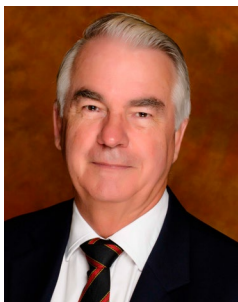
ASPI prides itself on being a global leader when it comes to funding transparency, and we publish details of our funding in numerous places including in this annual report (on pages 137–144), through our website and in our research reports.

We extend our thanks for the active support provided by Deputy Prime Minister Marles, whose attendance at, and opening of, the DC office has given it the best chance of succeeding in that competitive think tank market. We also extend our thanks to former Minister for Defence, the Hon Peter Dutton MP, for his support to the institute. Similarly, ASPI is grateful for the bipartisan engagement of members of parliament.

ASPI acknowledges the support of the Department of Defence, without which we could not achieve what we do. Likewise, we thank our many sponsors and supporters across governments, industry and civil society.

We thank former Minister for Defence Brendan Nelson for his time on the ASPI Council and wish him the best for his future endeavours. Similarly, we said farewell to long-time Executive Director, Peter Jennings. Peter had been at the helm for 10 years since 2011. Peter’s legacy is clear: ASPI has increased in size to specialise in defence, national security and cyber issues and provide top-quality professional development to those within the national security establishment. We also welcomed four new Council members—Rachael Falk, Catherine McGregor, John Anderson and Michael Keenan—and look forward to working with them as ASPI continues to influence policy and decision-making across security, defence and foreign affairs.

We commend this report to you.



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

Kenneth Gillespie  
(Chairman)



A handwritten signature in blue ink, appearing to read 'Justin Bassi'.

Justin Bassi  
(Executive Director)

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# CHAPTER 1

## OVERVIEW



ASPI was established by the Australian Government in 2001 as an independent, non-partisan think tank that produces expert and timely advice for Australian and global leaders. ASPI generates new ideas for policymakers, allowing them to make better informed decisions. ASPI is one of the most authoritative and widely quoted contributors to public discussion of strategic policy issues in the Indo-Pacific region and a recognised and authoritative Australian voice in international discussions on strategic, national security, cyber, technology and foreign interference issues.

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.

At the time of going to print, the University of Pennsylvania's 2021 Global Go To Think Tank Index, which is the gold standard for annual assessments of think tanks' performance around the world, was not available. According to the 2020 index, ASPI ranked 11th in the Top Defence and National Security category, making the institute the highest ranked defence and national security think tank in Australia.

ASPI is a company limited by guarantee wholly owned by the Australian Government and governed by the ASPI Council, which is responsible for setting the strategic direction for the institute. ASPI Council members are appointed by the Minister for Defence and include a nominee of the Leader of the Opposition to reinforce the non-partisan nature of ASPI's work.

ASPI operates from an office in Canberra, with 79 staff at the end of June 2022. In addition, we have 10 offsite staff members and one resident Visiting Fellow.

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.

The Honourable Peter Dutton MP was the Minister for Defence, to whom we reported, until 23 May 2022. We thank him for his active support of the institute and thank the Opposition and parliament for their engagement with us. On 1 June 2022, the Honourable Richard Marles MP was appointed the Minister for Defence, to whom we now report.

## 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

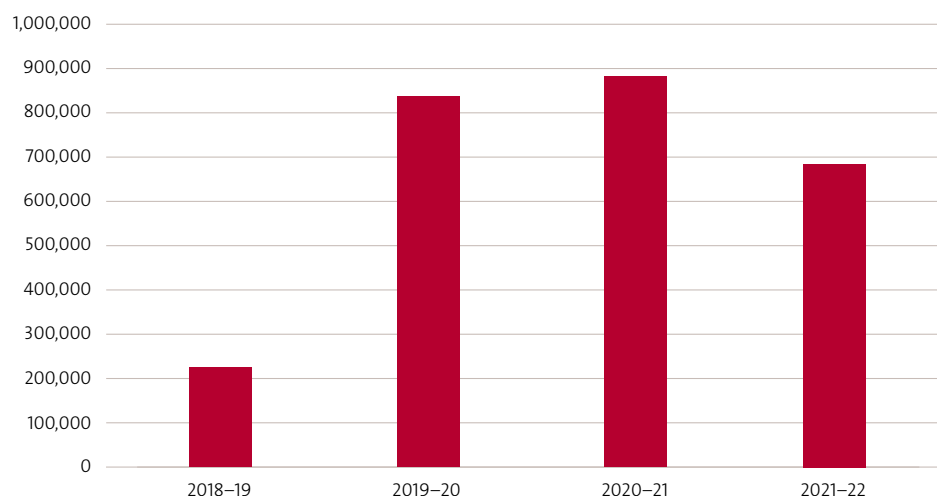
The institute produces a range of publications throughout the year dealing with the spectrum of strategic and defence policy challenges and wider national security issues. In 2021–22, we produced a total of 51 publications. Detailed information about the full range of ASPI publications, including examples of media coverage, is in Chapter 3 and Annex A.

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

## Website traffic

Online demand for ASPI research remains strong. Figure 1 shows the total number of visitors who accessed an ASPI site in each reporting year (this graph tracks all ASPI sites except *The Strategist*, which is reported separately). The analytics show that just under 700,000 people visited an ASPI site in 2021–22, a little down on the two previous years (which were possibly a little unusual due to the 'work at home' environment that saw people desperate for content!).

**Figure 1: Visitors to [www.aspi.org.au](http://www.aspi.org.au), 2018–19 to 2021–22**



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 topics quickly and in their own words, rather than through a media filter.

At 30 June 2022, *The Strategist* had more than 5,500 daily subscribers and 7,500 weekly subscribers. It recorded a total of 4,286,285 unique page views during the year, compared with 4,617,522 in 2020–21, a decrease of 7.17%.

*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 2021–22, *The Strategist* published 1,027 posts from 384 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:

- Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity: Expansion of ACLEI's jurisdiction and the corruption vulnerabilities of law enforcement agencies' contracted servicers (Dr John Coyne)
- Parliamentary Joint Committee on Law Enforcement: Impact of illicit drugs being traded online (Dr John Coyne)
- Senate Legal and Constitutional Affairs References Committee: The adequacy and efficacy of Australia's anti-money laundering and counter-terrorism financing regime (Dr John Coyne).

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

## Defence research projects

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

- Counter-coercion
- Critical and emerging technology
- Southeast Asia
- The Pacific island countries
- The Australia–US alliance
- Deterrence
- Enhancing combat capability
- Analysis of the Defence Strategic Update and Force Structure Plan
- Cybersecurity
- Climate and security.

## 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.

Appointments to non-Australian advisory boards in 2021–22 included:

- Excellence Assessor and subject matter expert, United Arab Emirates Mohammad Bin Rashid Government Excellence Award (Ministry of Justice, Ministry of Interior)
- Subject-matter expert, Canadian National Security and Intelligence Committee of Parliamentarians review of the Royal Canadian Mounted Police federal policing mandate
- Panellist for UN Second Intersessional Consultation of the Ad Hoc Committee to Elaborate a Comprehensive International Convention on Countering the Use of Information and Communications Technologies for Criminal Purposes.

### **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 our areas of research, to undertake specific training programs and to deliver contracted research and analysis. The commitment of other government agencies to funding ASPI for those programs demonstrates their confidence in our ability to provide high-quality, independent analysis and advice.

During 2021–22, ASPI received additional funds from:

- .au Domain Administration Ltd
- Attorney-General's Department
- Cyber Security Cooperative Research Centre
- Department of Agriculture, Water and the Environment
- Department of Defence
- Department of Foreign Affairs and Trade
- Department of Home Affairs
- Department of Industry, Science, Energy and Resources
- Department of the Prime Minister and Cabinet

Those funds contributed to the following research programs:

- International Cyber Policy Centre
- Indonesia Program
- Climate and Security Policy Centre
- Defence, Strategy and National Security Program
- Northern Australia Strategic Policy Centre and Strategic Policing and Law Enforcement Program

- ASPI Washington DC
- The Sydney Dialogue
- Counter-Terrorism Policy Centre
- Professional Development and Defence Graduate Program.

## 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 2021–22, we conducted a total of 84 events, which included roundtable discussions, masterclasses, webinars and seminars attended by Australian and international participants. ASPI events made a valuable contribution to discussions about defence and national security issues in Australia and our region.

Covid-19 continued to affect our ability to host in-person events. When we were unable to convene in-person events, those events were shifted to online delivery.

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.

ASPI staff are contacted regularly to provide commentary for print and online media, or to be interviewed for radio or television on topics within ASPI's broad research expertise. This amounts to hundreds of interviews throughout the year and reflects the standing that ASPI has established with Australian and international media as a credible and reliable source of information on complex national security issues.

As well as comments and interviews, 60 opinion pieces by ASPI staff were published during 2021–22. 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.

## Measuring the engagement of users

It can be difficult to accurately measure the engagement of users with a website and its subsequent influence. However, one useful metric that bots do not tend to taint (at present) is 'time on page', which tells us how long users have a specific web page open and therefore the time that they have spent reading that page.

For our top five most viewed reports in 2021–22, the average time on page was 8 minutes, which suggests strong engagement with those reports.

## Geography

The ASPI website continues to attract the vast majority of our visitors from Australia and the US, which combined add up to a little over 63% of our visitors (divided pretty evenly between Australia at 711,000 or 33% and the US at 638,000 or 30%).

After our Australian and US visitors, there is a big jump down to the rest of the world, headed by the UK (79,000, 3.6%), Canada (63,000, 2.9%) and France (62,000, 2.9%).

## *The Strategist*

*The Strategist* commentary and analysis site provides both a broad view of ASPI's work and a platform for readers to voice their opinions. It was launched online in July 2012 to give members of the institute and outside contributors a daily platform and quickly evolved in its quality, volume and reach.

Since its launch, it has run more than 9,000 posts.

Readership has risen steadily from the days when the most popular pieces might get as many as 100 views, to the past year, when the site received 4,617,522 page views.

*The Strategist* is intended to be a lively forum for diverse views and is not there to reflect an official ASPI position on anything. As ASPI's main public window, *The Strategist* is an effective way to get the vast amount of material ASPI and outside contributors produce into the light of day.

Because of the thought that went into its creation and its management by a skilled team of editors, *The Strategist* has matured into an excellent platform for debate, bringing strategic, defence, cybersecurity and national security issues to the attention of policymakers. It makes strong and diverse contributions to discussions and provides critical scrutiny of individual defence projects.

*The Strategist* is an important source for local and international journalists and commentators working on defence, cyber and security matters. Ministerial advisers regularly include posts in briefing notes, and *The Strategist* often features in departmental and university reading lists. *Strategist* staff frequently write reports for the media on key issues.

Posts include short, sharp analyses and longer, more complex pieces, along with detailed interviews. We run podcast interviews along with our written posts, each with a short introduction to say who’s being interviewed about what.

Monitoring the progress of *The Strategist* provides insights into public interests and concerns. For example, the most read posts in 2022 reflect the continued focus on relations with China and Australia’s readiness for a potential conflict, Russia’s war on Ukraine, plans for new submarines, Covid-19, and the future (or not) of surface warships and heavy armoured vehicles.

*The Strategist* continues to attract a broad overseas audience of writers and readers; on average, more than 40% of hits come from outside Australia. The site is particularly popular in the US, the UK, India, Canada, India, Singapore, New Zealand and the Philippines. Half of *The Strategist*’s readers in 2021–22 were in Australia.

The top 10 countries of origin of *Strategist* readers are shown in Table 1.

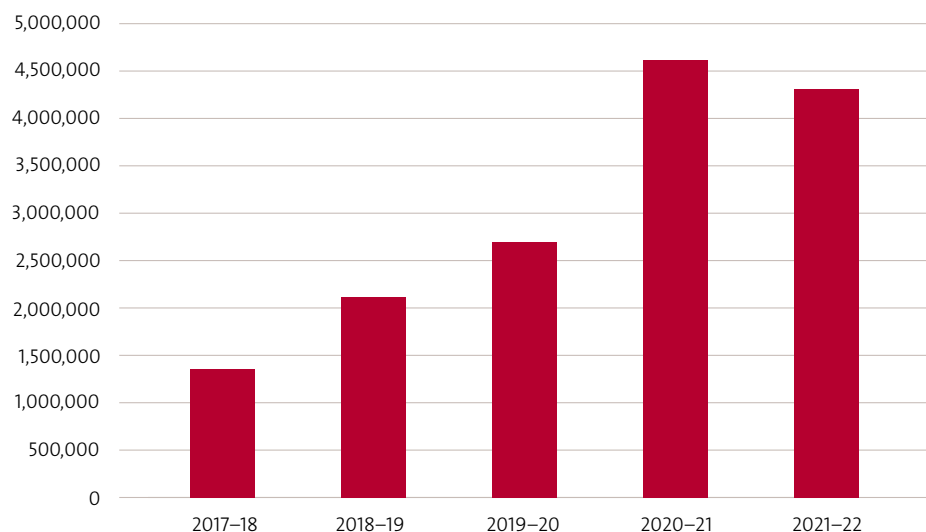
**Table 1: Visitors to *The Strategist*, by country of origin, 2021–22**

Top 10 countries of origin	Percentage of total visitors
1. Australia	50.35
2. United States	16.26
3. United Kingdom	4.01
4. Canada	2.49
5. India	2.38
6. Singapore	1.58
7. New Zealand	1.48
8. Philippines	1.43
9. Germany	1.17
10. Indonesia	1.01

Visits (measured by the metric of unique page views) to *The Strategist* decreased by 7% on the previous year, from 4.6 million in 2020–21 to 4.3 million in 2021–22. They had risen sharply in the previous year with the global Covid lockdowns. Total page views were 4.7 million in 2021–22.

Figure 2 shows the number of unique page views on *The Strategist* from 2017–18 to 2021–22.

**Figure 2: Unique page views on *The Strategist*, 2017–18 to 2021–22**



### Twitter—@ASPI\_org

We use Twitter to inform followers of new reports, podcasts and *Strategist* pieces, as well as to alert audiences to ASPI events and other developments. We also occasionally ‘live tweet’ updates, images and quotes to Australian and international followers in near real time during ASPI public events. Our Twitter followers increased by 13% to 44,202 in 2021–22 from 38,888 in 2020–21.

### Facebook

On Facebook, we post information about job opportunities, *Strategist* articles, event updates, newly released publications and podcasts. Our Facebook followers numbered 26,511 in 2021–22, which was an increase from 25,832 in 2020–21.

### LinkedIn

ASPI uses LinkedIn to promote information about our reports, events, job and internship opportunities and podcasts. LinkedIn followers increased to 33,361 in 2021–22, from 25,835 in 2020–21, which was an increase of 29%.

### YouTube

YouTube remains a strong channel for ASPI. During 2021–22, 116,000 visitors watched an ASPI video, which was a little down on last year but still a healthy engagement.

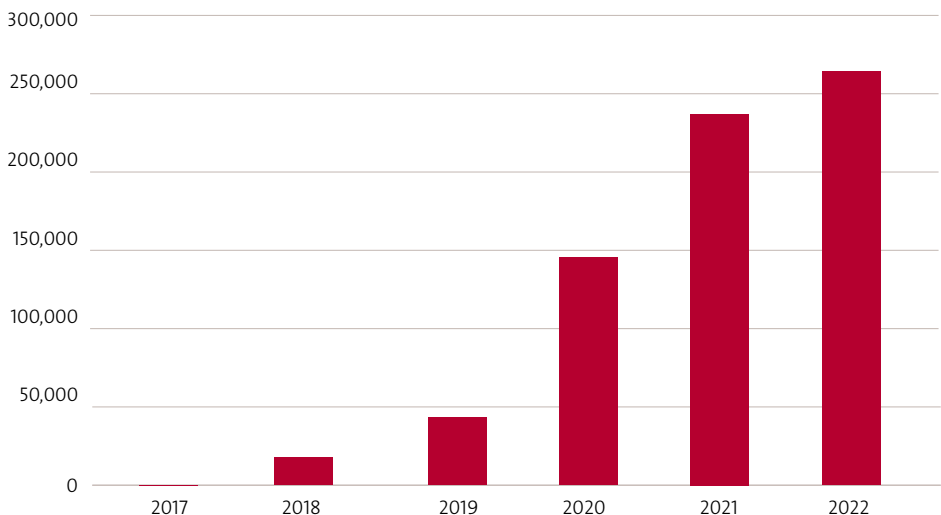
Unsurprisingly, perhaps, the viewers who are attracted to our video feed the most are between 25 and 34 years old (37% of our video audience).

### *Policy, Guns and Money: the ASPI podcast*

The ASPI podcast, *Policy, Guns and Money*, continues to show strong growth, with 262,000 plays in 2021–22 (up 10% on the previous year). The podcast is clearly hitting the mark, and we’ve managed to build a strong following. Each episode now regularly attracts more than 6,000 listens, and some episodes attract close to 10,000 plays. (The most popular episode to date looked at AUKUS and attracted 9,600 listens.)

We believe that this growth is being driven by a combination of strong content and strong consumer demand for podcasts. The growth has been fuelled, no doubt to some extent, by the Covid-19 lockdowns. Nevertheless, *Policy, Guns and Money* goes from strength to strength and is gaining a strong audience and reputation (Figure 3).

**Figure 3: The ASPI podcast, *Policy, Guns and Money*, number of plays, 2017 to 2022**



## ASPI Professional Development Centre

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

In 2021–22, PD delivered a total of 34 activities for 545 personnel (Table 2), which was an increase from 22 activities and 364 personnel in 2020–21. Details of the full range of programs delivered by the centre are in Chapter 2.

**Table 2: ASPI Professional Development Centre activities, 2021–22**

Activity	Client	Number delivered	Total number of participants
Crafting Better Policy for Improved Decision-making workshops (Better Policy Foundations)	Defence	5	38
Intermediate Better Policy workshops (Better Policy Application)	Defence	3	46
Royal Australian Air Force Professional Development programs	Defence	3	64
Indonesian Defence University Australian Strategic Policymaking Virtual Program	Indonesian Defence University	1	41
Focused professional development programs	Defence	8	126
Thinking and Communicating Outside the Box programs	Private and public sectors	10	82
Virtual Masterclass series	Defence	4	148
<b>Totals</b>		<b>34</b>	<b>545</b>

## Internships

ASPI's paid internship program gives recent graduates an opportunity to contribute to our research projects and also to conduct their own research projects for publication. 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.



Due to the skills they develop at ASPI, our research interns are highly sought after in the national security job market upon completion of their internships. All of 2021's interns received attractive job offers, for example in the Department of Foreign Affairs and Trade's graduate program and as a direct-entry policy officer in the Department of Defence.

Interns make important contributions to research projects, publications and *The Strategist* and gain hands-on experience in strategic policy development.

The interns write the fortnightly 'Five domains' and 'Threat spectrum' wraps for *The Strategist*. They have also participated in ASPI's podcast, *Policy, Guns and Money*, and they are encouraged to write more generally for *The Strategist*.

Examples of publications and *The Strategist* articles written by or contributed to by interns in 2021–22 included:

- Publications:
  - A chapter on the economic impact of the war in Ukraine in *The cost of Defence: ASPI defence budget brief 2021–2022*
  - *AUKUS update #1*, May 2022
  - *UK, Australia and ASEAN cooperation for safer seas*
- *The Strategist*:
  - 'Adding up the global costs of Putin's war'
  - 'The cyber–maritime security nexus and priorities for UK–Australia–ASEAN cooperation'
  - 'Australia and its partners should expand visa programs to help Hong Kong and punish Beijing'
  - 'Would Russia use bioweapons in Ukraine?'

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

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

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

In 2021–22, we received invitations for:

- ‘The future is coming: Imagining the future immigration landscape’, Border Control Agency Management Program
- ‘The future customs landscape’, Australian Border Force Joint Customs Middle Management Program
- Container Control Program—Women’s Professional Development Program, Eastern and Southern Africa
- Australian Border Force Pacific Women’s Professional Development Program
- United Nations Office on Drugs and Crime Global Maritime Crime Program, Forum on Maritime Trafficking Routes—Southeast Asia
- ‘Thinking bigger—Defence, National Security and Nation Building in Northern Australia’, Developing Northern Australia Conference.

## International ranking

At the time of going to print, the University of Pennsylvania’s 2021 Global Go To Think Tank Index, which is the gold standard for annual assessments of think tanks’ performance around the world, was not available. According to the 2020 index, ASPI ranked 11th in the Top Defence and National Security category, making the institute the highest ranked defence and national security think tank in Australia.

## 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 visiting the institutes. The think tanks we engage with include:

- Asia–Pacific Center for Security Studies (US)
- Begin–Sadat Center for Strategic Studies (Israel)
- Center for a New American Security (US)
- Center for Strategic and International Studies (CSIS) (US)
- Centre for Strategic and International Studies (Indonesia)
- Centre of Excellence for National Security, S Rajaratnam School of International Studies (Singapore)
- Chatham House (UK)
- China Aerospace Studies Institute (US)
- Citizen Lab, Munk School of Global Affairs, University of Toronto (Canada)

- Council on Foreign Relations (US)
- Cyber Security Lab, University of Computer Sciences (Myanmar)
- Diplomatic Academy (Vietnam)
- Foreign Policy Community of Indonesia (Indonesia)
- Geneva Centre for Security Policy (Switzerland)
- Hedayah (United Arab Emirates)
- ICT Faculty, Mahidol University (Thailand)
- Indian Centre for Land Warfare Studies
- Institute for Cooperation and Peace (Cambodia)
- Institute for National Defense and Security Research (Taiwan)
- Institute for Strategic and International Studies (Malaysia)
- International Military Council on Climate and Security (US)
- International Peace Institute (US)
- Konrad-Adenauer-Stiftung (KAS) (Germany)
- Mercator Institute for China Studies (Germany)
- National Bureau of Asian Research (NBR) (US)
- New America (US)
- Observer Research Foundation (India)
- Prospect Foundation (Taiwan)
- Regional Australia Institute
- Stimson Center (US)
- Stratbase ADR Institute for Strategic and International Studies (Philippines)
- Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (Brunei Darussalam)
- The Hague Centre for Security Studies (The Netherlands)
- The Heritage Foundation (US)
- The Interdisciplinary Center (IDC) Herzliya (Israel)
- The Japanese Institute for International Affairs (Japan)
- The National Institute for Defense Studies (NIDS) (Japan)
- The Yokosuka Council on Asia–Pacific Studies (Japan)
- Vivekananda International Foundation (India)
- World Economic Forum Expert Network (Switzerland).

## 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 2021–22, one Visiting Fellow was on secondment in the ASPI office:

- Lieutenant Colonel Travis Godfrey, US Army War College (July 2021 – June 2022).

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 following people were appointed Fellows throughout the year:

- Paul Barnes (Senior Fellow)
- Anne-Marie Brady (International Senior Fellow)
- John Fenwick (Fellow)
- John Fitzgerald (Emeritus Professor)
- Karen Green (Senior Fellow)
- Peter Jennings (Senior Fellow)
- Nick Kaladas (Senior Fellow)
- Elsa Kania (International Fellow)
- Tony McCormack (Fellow)
- Lynn Moore (Fellow)
- Lisa Sharland (Adjunct Senior Fellow, Stimson Centre)
- Tom Uren (Senior Fellow)
- Patrick Walters (ex-Executive Editor, *The Strategist*)
- Daniel Ward (Senior Fellow)
- Vern White (International Senior Fellow)
- Thomas Wilkins (Senior Fellow)
- Masaaki Yatsuzuka (Visiting Fellow)
- Ulas Yildirim (Air Force Visiting Fellow).

## International dialogues

ASPI supports Australian diplomacy by conducting regular Track 1.5 and Track 2 dialogues with international institutions and government partners; however, many dialogues planned for 2021–22 were conducted online due to Covid-19.

During 2021–22, we were involved in organising 11 international dialogues (Table 3).

**Table 3: International Track 1.5 and Track 2 dialogues, 2021–22**

No.	Date	Dialogue
1	1 July	ASPI–CSIS Track 1.5 Dialogue
2	28 & 30 July	ASPI–CSIS Track 1.5 Dialogue
3	7 & 8 September	ASPI–NIDS Strategic Dialogue
4	13 October	Australia–Japan–Indonesia Track 1.5 Dialogue
5	1 November	Australia – New Zealand Track 1.5 Dialogue
6	18 November	Australia–Vietnam Track 1.5 Dialogue
7	29 & 30 November	Be’er Sheva Dialogue, co-hosted with the International Institute for Counter-Terrorism (ICT) at the Interdisciplinary Center Herzliya
8	2 December	ASPI–KAS Australia–Europe Counterterrorism Dialogue
9	24 March	ASPI–New Strategy Centre Track 1.5 Dialogue
10	6 & 8 June	ASPI–CSIS–DPG (Australia–US–India) Track 1.5 Dialogue
11	29 June	ASPI–CSIS Track 1.5 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. Further details are in Annex E.

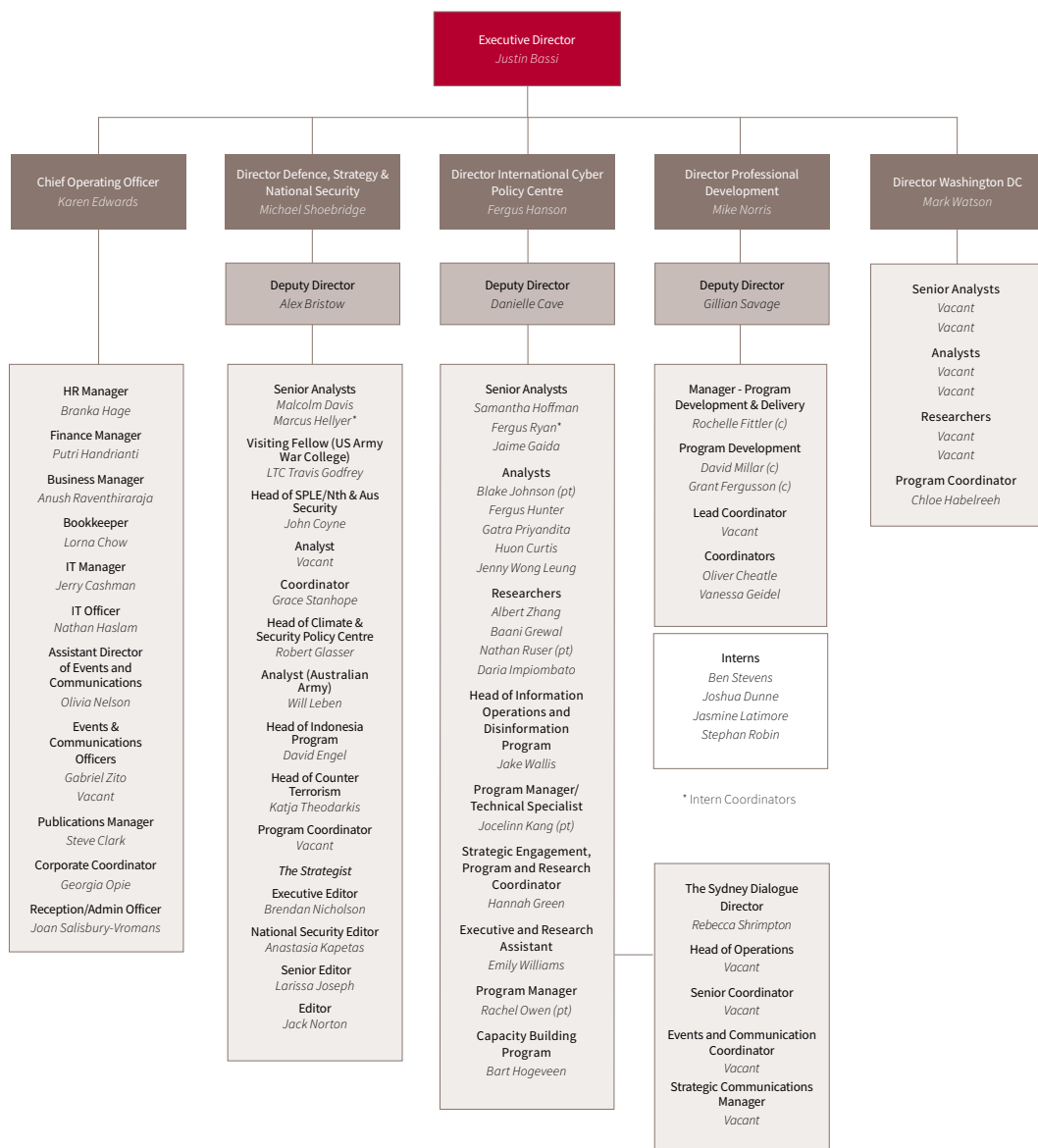
## Staffing

In 2021–22, ASPI employed 89 non-ongoing staff: 77 were full time (39 female and 38 male) and eight were part time (six female and two male). ASPI employed four casual staff (two female and two male).

During the year, 30 new staff joined ASPI and 23 staff members departed. There were also two intakes of interns during the year, the first with four and the second with six (10 in total).

Figure 4 shows our organisational structure at 30 June 2022.

Figure 4: Organisational structure at 30 June 2022



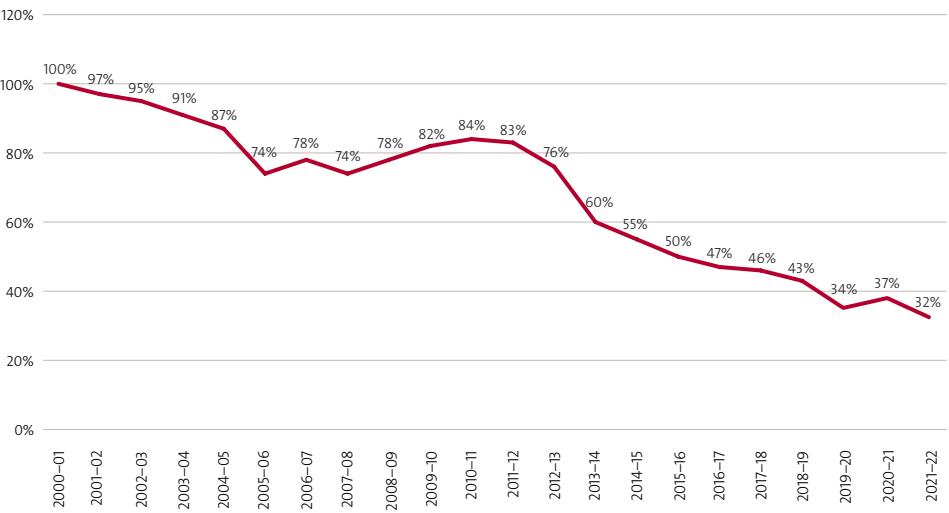
# Funding

## Department of Defence

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

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

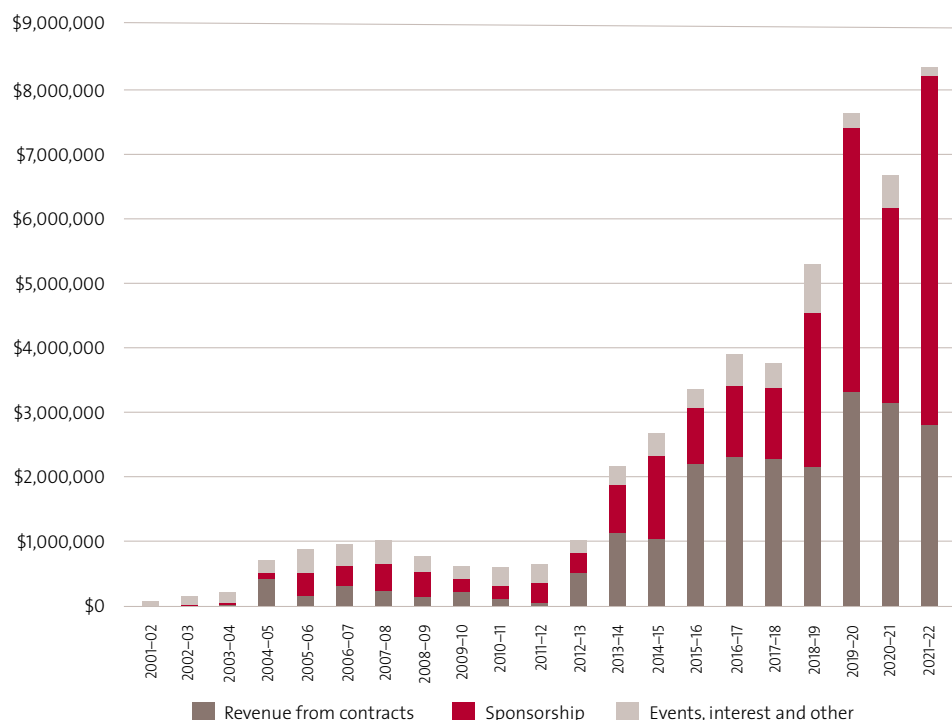
**Figure 5: Department of Defence core funding as a proportion of ASPI’s total income, 2000–01 to 2021–22**



## 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 5). Our wider work on non-Defence national security is sustained by other sources of funding, most notably other government entities, through contributions for specific program areas or projects (shown as ‘Revenue from contracts’ in Figure 6) and from private-sector sponsorship.

**Figure 6: Sources of income other than Department of Defence core funding, 2001–02 to 2021–22**



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 2021–22 continued to foster deeper relationships with sponsors through our corporate sponsorship program. Under the program, ASPI seeks continuing commitments from both government agencies and 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 and interest on retained funds ('other' in Figure 6).

Corporate sponsors during 2021–22 were:

- .au Domain Administration Ltd
- Amazon Web Services
- American Chamber of Commerce in Australia
- Attorney-General's Department



- Boeing Australia
- Center for Strategic and International Studies
- Cyber Security Cooperative Research Centre
- Department of Agriculture, Water and the Environment
- Department of Defence
- Department of Foreign Affairs and Trade
- Department of Home Affairs
- Department of Industry, Science, Energy and Resources
- Department of the Prime Minister and Cabinet
- Embassy of Japan
- Facebook Australia
- UK Foreign, Commonwealth and Development Office
- Google Australia
- Government of Canada
- Government of the Netherlands
- Institute for War and Peace Reporting
- Jacobs Australia
- Konrad Adenauer Stiftung
- Leidos
- Lockheed Martin
- Macquarie Telecom Group
- Microsoft Pty Ltd
- Northern Territory Government
- OMNI Executive
- Oracle
- Palo Alto Networks (Australia) Pty Ltd
- Quintessence Labs Pty Ltd
- Saab Australia Pty Ltd
- Senetas Corporation Ltd
- Splunk Technology
- Thales Australia
- Twitter
- Upguard Inc.
- US State Department

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**Chapter 2**

# Programs



In 2021–22, 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 ADF, the development of defence capabilities, and issues associated with defence funding and budgets. Over the years, ASPI has made nationally recognised contributions in all those fields. They remain central to our work agenda even as we expand to embrace new programs and responsibilities.

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

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

In addition, the ASPI Professional Development Centre runs specialised workshops and courses for Defence and other government personnel.

## Defence, Strategy and National Security

### Defence, Strategy and National Security Program

Michael Shoebridge

Alexander Bristow

Huong Le Thu

Malcolm Davis

Marcus Hellyer

Travis Godfrey

John Coyne

Teagan Westendorf

Grace Stanhope

Robert Glasser

Will Leben

David Engel

Katja Theodorakis

Nikolaos Skondrianos

Lisa Sharland



The strategic and defence environment that ASPI covered in its analysis over 2021–22 has been characterised by what now seems a commonplace observation: the fact that the speed of events and change has outpaced government policymaking and, even more disturbingly, government action to implement policy. Australia’s security environment deteriorated markedly over the year, although the pattern of that deterioration is now quite familiar.

China's continued pursuit of power in the Indo-Pacific under Xi Jinping, along with its newfound confidence in using military power to intimidate others and advance Beijing's policy goals, has been striking. And, for the first time, China made overt what was implicit about its presence in the South Pacific: the signing of the Sogavare–Beijing security pact and China's attempt to secure a 10-nation regional security pact made it clear that Beijing wants to play a growing and direct security role in Australia's near region. ASPI's analysis has set out the new challenge that this provides to Australia and its partners and allies and has proposed alternatives to longstanding policy directions.

At the same time, ASPI's broader work on defence strategy, policy and capability has responded to the urgency of our strategic environment produced by the combination of Chinese power, the war in Ukraine, the continuing impacts of climate change and Covid-19 on supply chains and the now manifest working strategic partnership between Moscow and Beijing. ASPI has also paid close attention to the powerfully positive strategic developments in the Quadrilateral Security Dialogue and AUKUS and provided analysis of each to inform government thinking and the broader public debate. It has been an intense but exciting year.

## Counter-Terrorism Policy Centre

**Katja Theodorakis**



Counter-terrorism Policy Centre: from a Counterterrorism Program to 'Terrorism, extremism and democratic resilience'

Strategic policy responses to terrorism and violent extremism remain a key part of national power and decision-making, in order to ensure not only Australia's security and stability but also national cohesion, resilience and international influence. The Counter-terrorism (CT) Policy Centre, led by Katja Theodorakis since August 2021, has a key focus on the development of a new research and output agenda advocating comprehensive, strategic CT and counterextremism approaches fit for a changed global and domestic landscape. Keeping the strategic effects of CT on democracy and on Australia's wider international interests in centre view is fundamental to a forward-looking approach to countering terrorism and countering violent extremism (CVE).

Since its inception in 2015, the centre has played a vital role in contributing to the robust CT approach of Australia and its allies by informing public and policy debates on developing effective responses. In 2021–22, building on those solid foundations, the program further established itself as an authoritative source of knowledge, expanding its parameters to steer public and policy debates beyond existing understandings. Alongside undertaking research and facilitating dialogue on the 'classic' CT and CVE topics, the program focuses increasing attention on violent contestations of democracy, as well as extremist propaganda

and information dynamics in a changing strategic environment. As ASIO's Director-General, Mike Burgess, emphasised in his 2021 and 2022 threat assessments, threats go beyond life and limb, and include dangers to *our way of life*; this means that a broader approach to national security and the public interest is required.

The rapid spread of anti-government, conspiracy-driven ideological narratives and activism evolved as a key concern during 2021 and 2022, when anti-pluralist ideas found broader resonance. The CT Program recognises the resulting responsibility to build up societal resilience to extremist ideas *beyond* fringe niches or at-risk individuals and communities: comprehensive efforts must focus more broadly, including on the surrounding sociopolitical climate, its cultural drivers and transnational linkages. This requires a conceptual reorientation, and ASPI's CT Program expanded its agenda to include countering extremism as well as democratic resilience as key program pillars.

The program engaged with government stakeholders, Five-Eyes and other democratic partners in policy-relevant exchanges through closed-door dialogue and public events. Two overarching themes—'The road from 9/11' and 'Counterterrorism beyond the sandpit'—were developed as key lines of inquiry for discussion and engagement on translating the lessons, failures and gains of the Global War on Terror era into a continuing agenda that integrates with, and directly supports other key defence and security activities:

- *The road from 9/11: the evolution of counterterrorism and extremism*, which was a high-profile event for the 20th anniversary of the 9/11 terror attacks, provided a forum for then Home Affairs Minister Karen Andrews to deliver a keynote address, outlining the government's forward CT course, followed by a panel discussion with CT Ambassador Roger Noble from the Department of Foreign Affairs and Trade (DFAT) and selected experts.
- *Australia–Europe Counterterrorism Dialogue: strategies for a resilient democracy* began with a keynote by German State Secretary Dr Guenter Krings. Continuing a well-established annual cooperation with the German think tank Konrad-Adenauer-Stiftung, the public event focused on discussing whole-of-society approaches based on Germany's longstanding experience with countering radicalisation and violent extremism across the political spectrum. *A new wave? Existing, emerging, and converging forms of extremism*, a report by Katja Theodorakis (published by the Konrad-Adenauer-Stiftung), flanked the event, setting out an agenda for inquiry.
- A CT chapter for ASPI's 2022 *Agenda for change* sketched out the need for a reoriented national CT approach driven by recognition of the inherent democratic dilemmas of national security / CT legislation and CVE initiatives.
- *Measuring the impacts of terrorism and extremism* discussed the latest terrorism trends with experts from Africa and Germany, in cooperation with the Institute for Economics and Peace (IEP) for the *release* of their annual Global Terrorism Index.

- A roundtable on ‘Fighters, mercenaries, humanitarians, or extremist criminals?’, attended by Australian and international experts, examined the potential challenges to foreign fighter legislation resulting from Russia’s invasion of Ukraine.
- Complementing the CT Program’s efforts to inform debate and public understanding were several contributions to *The Strategist*, zeroing in on the implications of the US CT paradigm shift to an ‘Over the horizon’ approach.
- Katja Theodorakis was also a frequently sought-after commentator in the media, further establishing the CT Program’s reputation as an authoritative knowledge source on terrorism and extremism.

Fostering more diversity in national security and developing new expertise in strategic policy also constituted a key part of the expanding CT program. That work included:

- providing mentoring, research training and career development within the framework of ASPI’s research internship program
- active engagement in ASPI’s Women in Defence and Security Network
- contributions to the ADF’s Australian Command and Staff Course ethics seminars, conducted by the Centre for Defence Leadership and Ethics.

Internationally oriented outreach included:

- Katja Theodorakis participating in the Australia/Israel and Jewish Affairs Council’s Ramban Fellowship’s journalism study tour to Israel and the Palestinian Territories
- expanding cooperation with the International Institute for Counter-Terrorism (ICT) at Reichman University, Israel (ASPI’s head of CT will be a speaker at the ICT’s World Summit on Counter-Terrorism in September 2022 and will assemble a small delegation of high-profile Australian Government officials and experts to participate in a dialogue program with German and Israeli partners)
- making a contribution on the prospects for international CT engagement in Syria to an Australian National University (ANU) conference on resurging authoritarianism in the Middle East, based on ongoing cooperation with ANU Middle East and Islam experts
- supporting the Australia Africa Universities Network Forum in developing a research agenda for holistic approaches to global security
- contributing to a roundtable on ‘Understanding the technological resilience of violent extremist networks’, organised by Morocco’s Policy Centre for the New South and the Global Network on Extremism and Technology
- developing a major grant proposal for a ‘Centre for Partnership on Afghanistan Futures’ with a forward-looking agenda for continued engagement with, and support for, Afghanistan’s civil society and media under the constraints of Taliban rule (in cooperation with an Afghan academic and two prominent (exiled) media organisations)

The CT Program's *Counterterrorism yearbook*, was published in the last quarter of 2022..

The program also won a NSW Department of Premier and Cabinet grant to deliver a symposium with accompanying briefings/reports that explore the nexus between gender-based violence and violent extremism.

The program's 2021-22 activities confirmed the value of opening a space for stakeholder-driven debate and partnerships and allowing contested ideas and comparative perspectives to be discussed, all of which are seen as prerequisites for a comprehensive approach that integrates with, and directly supports, our broader national, security, defence and foreign policy objectives.

## Indonesia Program

### Dr David Engel

ASPI's Indonesia Program aims to influence the Australian policy debate on how to advance the relationship with our northern neighbour against the increasingly complex and challenging backdrop of the Indo-Pacific region.

Since its recent establishment in September 2020, the program has focused on developing and strengthening ties with the Australian and international policy community concerned with Indonesia, especially its politics, economy, and international and strategic policy settings. This has involved contacts with senior Australian Government representatives, foreign embassy officials, the Australian and overseas academic community, and think tanks.

The program's head, David Engel, has become a regular commentator on Indonesia in Australian and foreign media. He has presented before, and briefed, defence and foreign affairs officials, senior business representatives, foreign embassy officials and parliamentary staff on Indonesian affairs.

Dr Engel has written numerous articles on Indonesian political, foreign policy and strategic themes, as well as other regional and international issues, for *The Strategist*. He has also drafted a special report on developments in Indonesia's Papua provinces that is set to be released early in the coming reporting period.

Along with then ASPI intern Hillary Mansour, Dr Engel produced 'SBY's tears', a seven-part podcast series on Australia–Indonesia relations since the end of the Suharto era in 1998, based on interviews with six of Australia's ambassadors to Indonesia over that period. He has also done podcasts on other themes, such as Indonesia's response to the war in Ukraine.



With ASPI's former senior Southeast Asia senior analyst, Dr Huong Le Thu, Dr Engel completed a special report on the coup and subsequent crisis in Myanmar that paid particular attention to Indonesia's performance as ASEAN's *de facto* leader.

Dr Engel has also managed the production of a project on the implications of Covid-19 for the Indo-Pacific (principally Southeast Asia) in terms of the pandemic's economic, political and strategic dimensions. The project, which is funded by Japan, involves authors from both Australia and Japan and, following various delays, is set to be finalised and released early in the next reporting period.

## Strategic Policing and Law Enforcement Program

John Coyne

Teagan Westendorf

Grace Stanhope



The Strategic Policing and Law Enforcement Program examines law enforcement's contributions to national security and to broader strategic policy and the threat posed by transnational serious and organised crime.

The program focuses on:

- analysing the link between law-enforcement issues and national security concerns
- the contribution of law-enforcement agencies to Australia's international objectives
- the scope and nature of Australia's and the region's transnational serious and organised crime threat
- research that helps law-enforcement agencies position themselves for the future.

In 2021–22, the program focused on illicit finance, child exploitation, the impacts of Covid-19 on transnational serious and organised crime, and illicit drug production in the Mekong region. The program contributed to three parliamentary inquiries.

A series of three private roundtable briefings was held in partnership with academia, civil society, law enforcement and government to discuss modern slavery in Australia.

A further two private workshops were held with senior law-enforcement and government officials for our Transnational Serious Organised Crime group, focusing on illicit drug trends in the Asia–Pacific and child sexual exploitation material, respectively.

During 2021–22, we made significant policy and opinion contributions to domestic and international print, radio and television media. Staff were invited to brief ministers and members of parliament, senior members of state and federal departments and agencies, private industry and foreign partner governments.

During the year, ASPI made contributions to the Border Control Agency Management, Joint Customs Middle Management, Eastern and Southern Africa Container Control, Pacific Women's Professional Development and Regional Law Enforcement Management programs.

Our research resulted in the production of an ASPI Special Report, *The transnational element of a 'domestic' problem: policy solutions to countering right-wing violent extremism in Australia*.

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

## Northern Australia Strategic Policy Centre

**John Coyne**

**Teagan Westendorf**

**Grace Stanhope**

Established in 2019, the Northern Australia Strategic Policy Centre provides a sustained defence, national security and nation-building research focus on Australia's north.

With the support of the Northern Territory Government, ASPI has established two programs of work under the auspices of the centre: The North and Australia's Security and Nation-building in the North.

The programs provide a sustained research focus on nation-building and the security of Australia's north. A critical element of this work is the exploration of the north's critical role in contributing to the broader security of Australia. The program concentrates on:

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

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

- Special Report: *Northern sovereign maritime sustainment*
- Strategic Insights: *North of 26 degrees south and the security of Australia: views from The Strategist*, volume 5

- Strategic Insights: *North of 26 degrees south and the security of Australia: views from The Strategist*, volume 4
- Special Report: *Snapshot in a turbulent time: Australian HADR capabilities, challenges and opportunities*
- Special Report: *New beginnings: rethinking business and trade in an era of strategic clarity and rolling disruption*
- Special Report: *'Lead me to the harbour!': Plotting Darwin Harbour's future course.*

The centre hosted a 'transcontinental town hall' meeting on northern development in Australia and Canada featuring keynote speakers by two high commissioners. Staff were invited to brief ministers and members of parliament, senior members of state and federal departments, the ADF, private industry and foreign partner governments.

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

## Climate and Security Policy Centre

**Robert Glasser**



The main objectives of the Climate and Security Policy Centre (CSPC) are to:

- evaluate the impact climate change will have on security in the Indo-Pacific region, including by identifying the most likely paths through which disruptive climate events (individually, concurrently or consecutively) can cause cascading, security-relevant impacts such as disruptions of critical supply chains, energy insecurity, food insecurity, separatist movements, humanitarian disasters, population displacement, opportunistic intervention by outside powers, political instability and conflict
- develop practical, evidence-based policy recommendations and interventions to reduce climate-change risks and promote their adoption by policymakers
- increase Australian and regional expertise, understanding and public awareness of the links between climate change and national security
- identify the implications of those links for key stakeholders, including the ADF, DFAT, other government agencies, parliamentarians and the private sector.

During 2021–22, CSPC staff:

- contributed numerous articles on the topic of climate and security for *The Strategist* and professional journals and placed op-eds in major newspapers
- were interviewed on television and in podcasts (both in Australia and internationally)

- delivered keynote addresses before national audiences
- provided briefings for government ministers, shadow ministers and the most senior ADF leaders and for government departments and agencies, including DFAT, Defence, the Bureau of Meteorology, the Office of National Intelligence and the Department of Home Affairs
- provided lectures to ASPI professional development courses and masterclasses, and for graduate courses at institutions such as the National Security College, ANU, and Melbourne University.

A significant accomplishment during the year was the publication of *The geopolitics of climate and security in the Indo-Pacific*, which we produced in partnership with Konrad-Adenauer-Stiftung in Germany (KAS). The book explores how climate change will transform the geopolitical landscape, including the consequences for the Indo-Pacific, which is already the most exposed region in the world to climate hazards and home to the world's largest populations, economies and geopolitical rivalries. It provides insights concerning the effects of climate change on the region's already fragile human systems, from great-power competition and militaries, governance and politics, food and water insecurity and ethnic separatism to energy and trade systems, sovereign risk and digital disinformation.

During 2021–22, CSPC also commenced two new initiatives: a major government-funded project exploring the regional security impacts of climate change and the whole-of-government implications for Australia; and a second project, supported by KAS, exploring the wide-ranging and multidimensional impacts that climate change will have on China and its role in the Indo-Pacific region.

## ASPI Professional Development Centre

### Staff

Julia Butler (until January 2022)  
 Oliver Cheatle (from November 2021)  
 Lucy Coupe (until October 2021)  
 Grant Ferguson  
 Rochelle Fittler  
 Breanna Gabbert (until July 2021)  
 Vanessa Geidel (from January 2022)  
 Anne Lyons  
 David Millar

### Senior Fellows

Vice Admiral Tim Barrett AO CSC RAN (Ret'd)  
 Robert Cameron OAM  
 Timothy Daly  
 Campbell Darby DSC AM  
 David Feeney  
 Brigadier John Fenwick (Ret'd)  
 Steve Meekin  
 Stephen Merchant  
 William Paterson PSM

If ASPI's role is to generate new ideas for policymakers, allowing them to make better informed decisions, then the role of the ASPI Professional Development (PD) Centre is to build and enhance strategic policy and problem-solving capability to apply those new ideas. We achieve that outcome by drawing upon ASPI's high-quality staff and senior fellows, broad research focus and ability to call upon Australia's and the world's leading experts to deliver a unique capability designed to build Australia's capacity for strategic policy excellence.

During 2021–22, we again successfully navigated the challenges of Covid-19 lockdowns by developing a range of innovative responses that met the needs of partners and their team members. Those innovations included supplementing our face-to-face programs with a series of short masterclass sessions delivered online. While the online programs were well received by partners and participants alike, feedback continues to demonstrate that the most value is gained through our face-to-face programs.

Our programs and workshops are short, intense and highly interactive. They are tailored for the highest levels of federal, state and territory government departments and agencies and deliver a unique capability to build Australia's capacity for strategic policy excellence.

We foster close engagement between subject-matter expert facilitators and presenters, and participants, to explore current and emerging policy challenges and build effective policymaking and strategic analysis skills. That experience is enhanced through our use of real-world scenarios, case studies, simulations and desktop exercises, in which participants address current and emerging strategic policy and operational issues. Through those exercises, participants develop and apply a range of policy development skills, bringing context and meaning to the learning objectives and ensuring relevance for their current and future roles.

During the year, our core team faced staffing challenges, which stabilised into 2022. However, increased demand for additional tailored programs continues to place pressure on our four full-time core team members. Our core team is supplemented by subject-matter experts who have deep expertise in all areas of national security and policy development. The depth of our facilitators and presenters continues to be enhanced by current and retired senior government and Defence personnel, leading industry experts and the best academics from across Australia and internationally.

Through our programs, we broaden understanding of and lift capability in strategic thinking through collaborative and innovative application of our diverse expertise to design and deliver tailored, real-world programs and solutions. Our bespoke program design ensures that facilitators and presenters are carefully matched to each activity so that participants engage with relevant experts, leading-edge thinking and best practice.

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

Our development of a robust risk-management strategy for delivering face-to-face programs in the early days of Covid-19 enabled us to continue to deliver our programs throughout the year. We built upon our existing programs and pursued new opportunities. As priorities and challenges facing our partners evolved, we co-developed new programs and solutions aligned with their needs.

Our 2021–22 results are testament to our continued focus on meeting partners’ needs during these difficult times. During the year, we designed and delivered a wide range of programs and services for government departments and agencies, and we continued to offer combined programs delivered to public- and private-sector participants. In total we designed, delivered and facilitated 34 workshops and programs for more than 545 participants, supporting the key development of strategies, policies and personnel. Despite the challenges of Covid restrictions, 2021–22 saw a significant increase from 22 activities with 364 personnel in 2020–21.

Key programs delivered in 2021–22 are highlighted below.

### **Better Policy for Improved Decision-Making workshops**

Our Better Policy workshops (previously known as ‘Crafting Better Policy’ workshops) are delivered to Defence personnel in three variants: Application, Foundation for graduates, and Foundation for those new to defence.

The Better Policy Foundation workshops examine policy through the lens of Defence’s contribution to national and international security and government decision-making. The Foundation variants focus on the policymaking process, providing an effective introduction to key areas of Defence policymaking in the Canberra environment.

In 2021–22, we delivered five Foundation workshops for 38 Defence public service and military personnel. Participants in each of the variants advised that the program greatly improved their understanding of Defence policymaking.

Better Policy Application workshops, previously referred to as ‘Intermediate’ workshops, span two days and offer a more in-depth and hands-on experience than the Foundation workshops. The additional time in these programs enables participants to gain greater insights into policy analysis, enhancing their strategic and critical thinking, and stakeholder engagement. It also affords the opportunity for participants to work with practical policymaking tools to a greater extent through a real-world practical scenario spanning both days.

In 2021–22, we worked with Defence’s Strategy, Policy and Industry team to deliver three Application workshops, including four series of virtual workshops, to more than 194 personnel. Feedback from participants was very positive and enabled further refinement of the program. A common feedback theme was an appreciation of the ‘space’ to think and understand how the tools discussed can be used in a real-world context. The constant access to advice and guidance from expert facilitators and presenters was another highlight for participants.

## **Focused workshops and programs**

Focused workshops and programs are designed in partnership with government departments, agencies, groups or services to meet specific requirements and produce targeted outcomes. This is a growth area for the centre and one that emphasises our core role in policy development, advice and application.

The purpose of the focused workshops and programs varies depending on the needs of our partners. It can include building discrete policy skills, providing direct support to the development of policies, frameworks, strategies and plans, developing and testing new business models, or fostering engagement with senior executive policy leadership.

In 2021–22, we designed and delivered eight bespoke focused workshops involving 126 senior participants, of which three were bespoke programs for the Military Strategic Plans Division of Defence, in response to its specific needs in strategic thinking and capability.

## **Invitation-only masterclass**

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

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

During 2021–22, we designed and delivered four masterclass series, each involving multiple online sessions, spanning a range of topics including ‘The US alliance: the way forward’ and ‘Disruption in the national security environment: future challenges facing Australia’.

## Red teaming and desktop scenario exercises

Red teaming and desktop scenario exercises are designed to test and evaluate the development of strategies, policies, frameworks and strategic-level plans. We adopt an outcomes-driven approach to designing realistic scenarios to ensure that each activity is fit for purpose and delivers real outcomes to support the implementation of effective national security strategies and policies.

While we did not deliver any red teaming or desktop scenario exercises in 2021–22, we continue to discuss options for the design and delivery of these activities with existing and potential partners.

## Australian Strategic Policymaking Virtual Program

During the year, we designed, developed and delivered a virtual program for 41 postgraduates and university staff at the Indonesian Defence University (Unhan). The intensive week-long program included 10 interactive sessions on a range of topics delivered by Australia's national security experts. Program themes included strategic security challenges, transnational security challenges, information security and security policy challenges.

This program was well received and contributed significantly to security and strategic policy expertise within the Indonesian Defence University.

## Royal Australian Air Force professional development

In 2021–22, the PD Centre partnered with the RAAF to revise and deliver two levels of tailored professional development: a 10-day senior officer program and, in response to Covid restrictions, a hybrid face-to-face and online program for officers selected for staff college.

### Senior Officer Professional Development Program—Niagara

We designed the Niagara program for selected senior Air Force personnel. This program equips them for promotion with a high level of strategic comprehension and skills in articulating the importance of national security and air power with confidence. A series of high-level presentations, discussions and activities is conducted throughout an intense two weeks, delivered by Australia's most experienced public service, military and academic leaders.

Participants continue to highlight the access to whole-of-government and academic presenters in this program, which stimulates a diverse range of discussions and exposes them to new ideas and ways of thinking. Feedback also indicated that participants enjoyed the varied range of topics covered in the program, all of which they found significant and important to discuss, given the current strategic environment.



## **Air Practitioners in a Joint Environment Program**

We delivered two sessions of the Air Practitioners in a Joint Environment Program in 2021–22 for RAAF officers selected for the Australian War College Command and Staff Course.

This program enhances the air-power mastery of high-performing squadron leaders in preparation for their attendance at the Command and Staff Course and subsequent command and staff appointments. In 2021–22, we designed a hybrid virtual component in response to Covid restrictions, followed by a face-to-face component immediately prior to participants' commencement.

Participants gained the knowledge, tools, context and awareness to communicate with influence on air power and develop their strategic comprehension, thinking and communication skills. The program also includes an essay-writing and expert mentorship element to assist participants with their academic skills.

Feedback from participants demonstrates an appreciation for ASPI's access to an impressive range of expert speakers who raised thinking on critical topics, as well as acknowledging how valuable the course was for their professional development by expanding their perspective on current domestic and international issues.

## **Thinking and Communicating Outside the Box**

In 2020–21, we introduced the new Thinking and Communicating Outside the Box program. In 2021–22, 10 sessions of the program were well received by 82 participants. This program, designed and facilitated by Australian playwright and author Timothy Daly, develops the professional thinking and communicating skills of individuals from across the public and private sectors. It enhances an individual's unique contribution to tackling the most complex problems in government, business and private enterprise.

The program is highly interactive, developing lateral thinking, original analysis and problem-solving skills, creatively written and spoken expression, persuasive speaking and multiple viewpoint skills. Feedback on this program highlights the benefits to a wide range of organisations of individuals engaging in enriched discussion. Participants appreciated learning new techniques and being challenged in such an interactive and supportive environment.

## International Cyber Policy Centre



Albert Zhang	Gatra Priyandita
Anush Raventhiraraja	Huon Curtis
Baani Grewal	Hannah Green
Bart Hogeveen	Jacob Wallis
Blake Johnson	Jamie Gaida
Danielle Cave	Jocelinn Kang
Daria Impiombato	Karly Winkler
Emily Williams	Nathan Ruser
Fergus Hanson	Rachael Owen
Fergus Hunter	Samantha Hoffman
Fergus Ryan	

ASPI's International Cyber Policy Centre (ICPC) is a leading voice in global debates on cyber, emerging and critical technologies, China, foreign interference, information operations and disinformation, and issues related to democracy, human rights and international security.

The centre's work is agenda setting and focuses on the impact that those issues have on broader strategic policy. The centre informs public debate globally and supports policy development in the Indo-Pacific region by producing original, empirical, data-driven research.

ICPC has a mixture of expertise and skills and teams of researchers who concentrate on policy; technical analysis; information operations and disinformation; critical and emerging technologies; cyber capacity-building and internet safety; Indigenous STEM and gender; satellite analysis; surveillance; human rights; and China-related issues.

To develop capability in Australia and across the Indo-Pacific region, the centre has a capacity-building team that conducts workshops, training programs and large-scale exercises for the public, private and civil society sectors. Current projects are focused on capacity building in Southeast Asia and the Pacific islands region on a wide range of topics. ICPC enriches regional debates by collaborating with civil society groups from around the world.

Some of our larger projects and programs also have their own websites, including:

- The Sydney Dialogue, <https://tsd.aspi.org.au/>
- Understanding Global Disinformation and Information Operations, <https://infoops.aspi.org.au/>
- auCheck—a public internet security and standards tool, <http://aucheck.com.au/>

- Mapping China's Technology Giants (re-launched in June 2021), <https://chinatechmap.aspi.org.au/#/homepage>
- The Xinjiang Data Project (updated July 2022), <https://xjdp.aspi.org.au/>
- The IndigiCyber, Defence & Space Program, <https://www.aspi.org.au/indigicyber-defence-space-program>
- China Defence Universities Tracker (updated May 2021), <https://unitracker.aspi.org.au/>
- Mapping conditions in Rakhine State, <https://pageflow.aspi.org.au/rakhine-state/>
- Mapping Doklam, <https://pageflow.aspi.org.au/mappingdoklam>

The centre grew throughout the second half of 2021 and into 2022. New programs, including ones looking at critical technology and coercive diplomacy, were created, and analysts were brought on when the scope of existing programs was expanded.

## Conduct and publish research

In the second half of 2021, ICPC produced a number of reports, including three focusing on Xinjiang, propaganda and disinformation: *Borrowing mouths to speak on Xinjiang* (Fergus Ryan, Ariel Bogle, Nathan Ruser, Albert Zhang and Daria Impiombato), *#StopXinjiangRumors* (Fergus Ryan, Ariel Bogle, Albert Zhang and Dr Jacob Wallis), and *Architecture of repression* (Vicky Xu, Daria Impiombato and Lin Li). Two of those, *Borrowing mouths* and *Architecture of repression*, were the two most read reports from the centre over the past 12 months.

Ahead of the inaugural Sydney Dialogue, ICPC released the *Sydney Dialogue Playbook* as a companion publication, offering innovative ideas to solve the challenges at the nexus of society, government and technology. This report included contributions from some of the Indo-Pacific's top strategic thinkers from across civil society, business and government.

In the first half of 2022, the centre released reports looking at UN norms of responsible state behaviour in cyberspace (Bart Hogeveen), China's messaging on the Ukraine conflict (Dr Samantha Hoffman and Matthew Knight), a proposal for an Indo-Pacific hybrid threats centre (Dr Lesley Seebeck, Emily Williams and Dr Jacob Wallis), and two reports assessing CCP influence operations in Xinjiang and the Xinjiang diaspora (Lin Li and James Leibold; and Albert Zhang and Tilla Hoja). In March 2022, the centre launched research and a website that supports understanding of global disinformation and information operations, providing a longitudinal analysis of how each state's willingness, capability and intent to deploy information operations has evolved over time (Dr Jacob Wallis and Albert Zhang).

In April 2022, ICPC released a proposed framework and strategy for Indigenous STEM and cyber pathways within Defence (Dr Huon Curtis, Dion Devow, Khwezi Nkwanyana, Matthew Page and Meg Thompson).

Some of this research has involved partnerships with other think tanks, deepening relational ties that have been developed over previous research projects. For example, *Digital Southeast Asia: opportunities for Australia–India cooperation to support the region in the post-Covid-19 context* (Huon Curtis, Bart Hogeveen, Jocelinn Kang and Huong Le Thu in partnership with Rajeswari Pillai Rajagopalan and Trisha Ray from Observer Research Foundation) was a continuation of a partnership which began in 2021.

Other research reports included those looking at China’s consensus on global internet governance (Nathan Attrill and Audrey Fritz), influence-for-hire schemes in the Asia–Pacific (Dr Jacob Wallis, Ariel Bogle, Albert Zhang and Hillary Mansour), and the funding models of online far-right extremism (Ariel Bogle).

In addition to publishing under the ASPI brand, staff also occasionally publish for other think tanks and popular publications to ensure that ASPI’s work reaches new and different domestic and global audiences. For example, Daria Impiombato contributed a chapter on Chinese telecommunications giants and Africa’s emerging digital infrastructure for the National Bureau of Asia Research. Dr Gatra Priyandita co-authored a paper looking at China’s tech success in Indonesia for the Carnegie Endowment for International Peace.

Since the outbreak of the latest phase in Russia’s military invasion in Ukraine in February, analyst Nathan Ruser has been mapping the relative gains and losses by Ukrainian and Russian troops on the ground. The maps have been widely cited as the most up-to-date and accurate maps of the conflict, including by the State Service of Special Communications and Information Protection of Ukraine. In July, *Reuters* published an editorial on the first five months of the conflict, underpinned with data from Ruser.

## **Provide an alternative source of strategic policy ideas and advice**

In 2021–22, published research was supplemented by ongoing engagement with governments, industry and civil society. In Australia, ICPC staff regularly engage in briefings with politicians, make submissions to parliamentary inquiries and appear at hearings. ICPC’s input is regularly sought by government officials and by the media.

The inaugural Sydney Dialogue was held virtually in November 2021. This was a world-first summit for emerging, critical and cyber technologies and positioned Australia as a leading global thought leader on strategic and technology policy. Although it was originally planned to hold the dialogue in person at the Sydney Opera House, the decision was taken to shift to virtual because of pandemic-related lockdowns. Despite those challenges, the dialogue was an enormous success. The first iteration of the dialogue was held over three days (17–19 November) and included keynote speeches from then Prime Minister Scott Morrison, former Japanese Prime Minister Shinzo Abe, and Indian Prime Minister Narendra Modi.

It also featured an introduction by former Prime Minister John Howard. Four panels (one of which was private for delegates) were held in November, and further panels were held in December 2021 and March 2022.

Domestically, the media coverage of the Sydney Dialogue was comprehensive. Op-eds were published in the *Sydney Morning Herald*, *The Australian* and the *Australian Financial Review*. The dialogue generated 731 domestic news items over the course of the event, and an editorial in *The Australian* stated that ‘it would be hard to overstate the significance of Mr Modi’s powerful commitment to democratic values and openness, or the symbolic significance of the invitation to the Indian leader to make the inaugural address at the first Sydney Dialogue.’ Internationally, more than 2,000 news articles appeared during the week of the dialogue, including op-eds in *Nikkei Asia* and *The Hindu* and extensive coverage in Indian print and broadcast media.

In May 2022, Rebecca Shrimpton was brought on to be the new director of the Sydney Dialogue, which will now operate as a separate program within ASPI.

## Promote international understanding

ICPC is regularly invited to attend international dialogues, including Singapore’s Shangri-La Dialogue, India’s Raisina Dialogue, the Australian–American Leadership Dialogue and the Australian Indian Leadership Dialogue, as well as a range of conferences, including the *Australian Defence Magazine* conference and the International Military Law and Operations Conference.

Expert ICPC researchers and analysts are often sought to present at regional and international conferences and to provide briefings to foreign governments.

In December 2021, ICPC hosted a Track 1.5 dialogue as a consultation to validate the findings of the Digital Southeast Asia project, attended by a range of stakeholders from government, civil society and academia from across Southeast Asia.

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## Chapter 3

# Publications

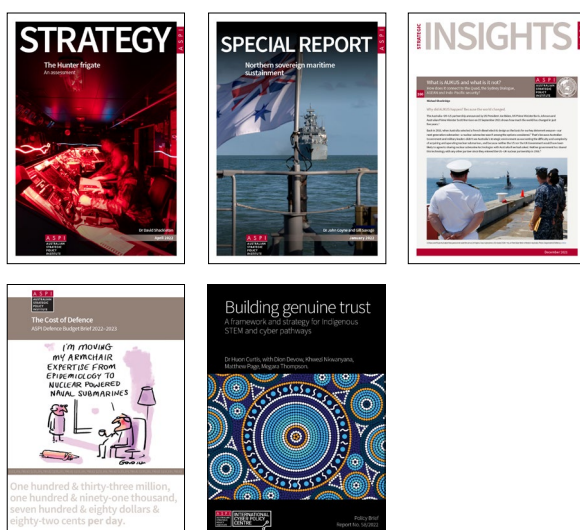


ASPI's publications program offers practical and influential policy advice through publications that are:

- 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 being 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 2021–22, ASPI publications were produced in five 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.

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.

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 fourth style of publication is the Annual series. ASPI's *The cost of Defence* has been published annually since the 2002–03 federal budget. It is Australia's most detailed and authoritative analysis of the Defence Department budget.

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.

ASPI also occasionally produces Case studies, *The Strategist* selections and discussion papers. None was produced in 2021–22.

Table 4 shows the numbers of each publication type published in 2020–21 and 2021–22.

**Table 4: ASPI publications, by format, 2020–21 and 2021–22**

Publication type	2020–21	2021–22
Strategy	6	8
Strategic Insights	12	5
Special Report	10	18
Annuals	4	1
International Cyber Policy Centre	25	18
Other	0	1
<b>Total</b>	<b>57</b>	<b>51</b>

A complete list of ASPI's 2021–22 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

#### **The Hunter frigate: an assessment**

Dr David Shackleton

28 April 2022



Powerful and survivable large surface combatants, in numbers commensurate with the expected threat and national budgetary limitations, remain central in the order of battle of any navy of a middle power such as Australia, but they need to be fit for purpose.

The Australian Government has acknowledged deteriorating geostrategic circumstances since 2009, culminating in its 2020 Strategic Update, in which we are not left in any doubt about the government's concern over China's intentions and a stretched US ally. The warships Australia acquires should be suitable for the circumstances it finds itself in.

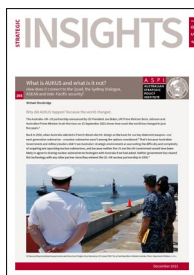
Doctrine describes how the fighting will be done; policy determines which fight to prepare for. This report explores the disconnect between doctrine and policy, which has led Australia to build a warship that is unsuited for its purposes. The report offers better alternatives and suggestions to prevent Australia being in a similar situation in the future, including using AUKUS to form a relationship with the US Navy to participate in its forthcoming new large destroyer program.

## Strategic Insights

### What is AUKUS and what is it not? How does it connect to the Quad, the Sydney Dialogue, ASEAN and Indo-Pacific security?

Michael Shoebridge

8 December 2021



What is the new AUKUS partnership between the US, the UK and Australia? How does it fit with the Quad, ASEAN and other new forums, such as the government-tech Sydney Dialogue?

This new ASPI Insight sets out what AUKUS is: a technology accelerator that is about shifting the military balance in the Indo-Pacific. Just as importantly, it sets out what AUKUS is not, in order to reset some of the discussion that has made some assumptions here. AUKUS isn't a new alliance structure, a competitor to the Quad between Australia, India, Japan and the US, or a signal of decreased commitment to ASEAN forums by the AUKUS members.

And the Insight proposes some focus areas for the implementation of this new 'minilateral' technology accelerator, including having a single empowered person in each nation charged with implementation and 'obstacle busting'. This is to break through the institutional, political and corporate permafrost that has prevented such rapid technological adoption by our militaries in recent decades. As is the case with James Miller in the US, this person should report to their national leader, not from inside the defence bureaucracies of the three nations.

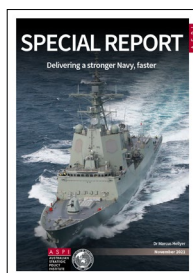
On purpose and urgency, the report identifies a simple performance metric for AUKUS implementers over the next three years. On 20 January 2025, when the Australian Prime Minister calls whoever is the US President on that day, AUKUS has become such a successful piece of the furniture, with tangible results that have generated broad institutional, political and corporate support that, regardless of how warm or testy this leaders' phone call is (think Turnbull–Trump in January 2016), AUKUS's momentum continues.

## Special Report

### Delivering a stronger Navy, faster

Marcus Hellyer

2 November 2021



Significant delays have been realised in the Hunter-class frigate program, and while the government's SSN (nuclear-powered submarine) announcement has the potential to deliver greater capability in the longer term; in the short to medium term, it makes the Navy's capability challenges worse.

The report's author, Dr Marcus Hellyer, said, 'Navy's warfighting capability is at risk as the Anzac frigates and Collins submarines age out. There's an urgent need to get more maritime combat power into service well before the Hunter and SSN programs deliver.

'The key to doing that is to continue to build Hobart-class destroyers; it's a mature, successful design that is highly regarded now that it's in service and Australia has experience in building them.'

Building more destroyers would also build industry capability, the report argues. With the cancellation of the Attack-class submarine, 40% of the investment that was going into local shipbuilding has evaporated, along with the skilled jobs that was meant to create.

'We're still going to need that workforce and industry capability, so we need to grow it now to avoid a cold start on the SSN program. Building destroyers delivers real capability quickly as well as grows the industrial ecosystem we need for future naval projects,' Dr Hellyer said.

The report brought the challenges facing the Hunter-class frigate program to public attention and prompted wider discussion of possible approaches to address the risks in the shipbuilding program. Interestingly, one solution suggested by the report, namely the construction of additional Hobart-class destroyers, is receiving renewed attention in the context of the Defence Strategic Review. The research that this report was based upon (as summarised in *The Strategist*) was referred to frequently in the reports of the Senate Economic References Committee's inquiry into naval shipbuilding.

## **‘Lead me to the harbour!’: plotting Darwin Harbour’s future course**

Dr John Coyne and Dr Teagan Westendorf

21 July 2021



In this report, authors Dr John Coyne and Dr Teagan Westendorf seek to move Australia’s public policy discourse on the future of Darwin Port beyond a binary choice. In doing so, they consider the harbour’s history, the nature of its strategic importance to Australia and our allies, and opportunities for its future development.

The report explores four potential options for the future development of the port and harbour. Rather than providing a specific policy treatment on the current leasing arrangements, this work focuses on promoting policy discourse on a unifying vision for the future of Darwin Harbour.

A key insight from this analysis is that this moment is an opportunity for the federal government to work with the Northern Territory Government to harness the existing plans for the port’s future, including those proposed by Defence, the US and the Northern Territory Government, and embed those plans within the broader strategic vision for Australia moving forward. While each of those worthy plans undoubtedly has merit, the question is whether, by carefully harnessing them together, they could produce a greater economic and national security whole.

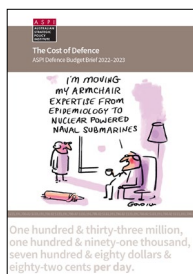
The report received both local and national media coverage. In the Northern Territory, it received local print, radio and television coverage. Nationally, it received radio coverage. The report has also been referenced by media on a number of occasions since its publication. Follow-up meetings were held with members of the Northern Territory Government and backbenchers from both sides of the federal parliament.

## Annuals

### The cost of Defence: ASPI defence budget brief 2022–2023

Marcus Hellyer

8 June 2022



ASPI has been publishing *The cost of Defence*, Australia's most detailed and authoritative analysis of the Defence Department budget, since the 2002–03 Budget. This annual publication has been a constant feature of ASPI's contribution to greater public understanding of defence and strategic issues.

Defence funding grows to \$48.6 billion in this year's budget, or around 2.11% of GDP. But that growth could be eaten away by inflation and hits to GDP caused by the economic disruption rippling out from the war in Ukraine.

While the defence budget has grown, Defence's current funding line was originally set out in 2015 and has not been adjusted since then. The report's author, Dr Marcus Hellyer, says 'The new government will face some immediate challenges. The main one will be whether to increase the defence budget. There's good reason to do so: the invasion of Ukraine shows that authoritarian states will still use war to achieve their ends, plus China's coercive actions in our region are intensifying.'

But Defence also has to demonstrate it can deliver a rapid return on its funding. The new government will need to assure itself that Defence is doing everything possible to deliver the capabilities necessary to deter potential adversaries.

The report also examines Defence's 'people problem': the ADF needs to grow by 20,000 personnel to operate the capabilities it is acquiring, yet it has been able to achieve growth of only 300 per year. Will it be able to operate the future force structure?

*The cost of Defence* is frequently referred to by senators at Senate Estimates hearings. This year, ASPI delayed the publication of *The cost of Defence* until after the federal election in order to focus on key issues for the new government in the area of national security. The launch was attended by the newly appointed Minister for Defence Industry, Defence senior staff and defence industry leaders.

### Borrowing mouths to speak on Xinjiang

Fergus Ryan, Ariel Bogle, Nathan Ruser, Albert Zhang, and Daria Impiombato

10 December 2021



This report explores how the Chinese Communist Party (CCP) uses foreign social media influencers to shape and push messages about Xinjiang domestically and internationally that are aligned with its own preferred narratives.

It examines key instances in which Chinese state entities have supported influencers in the creation of social media content in Xinjiang or amplified influencer content that supports pro-CCP narratives. That content broadly seeks to debunk Western media reporting and academic research, refute statements by foreign governments and counter allegations of widespread human rights abuses in Xinjiang.

The authors argue that the addition of online foreign social media influencers into orchestrated tours that have traditionally been made up of party-state media, amenable diplomats and friendly foreign journalists reflects a willingness among Chinese officials to innovate its external communication strategy.

‘Likewise, the amplification of influencer content about Xinjiang on social media by party-state media and diplomatic accounts is used as part of campaigns to distract from and confuse allegations of human rights abuses in Xinjiang, while reframing the discussion of issues around which the CCP is particularly sensitive,’ the authors write.

ASPI analysed hundreds of YouTube videos depicting trips to Xinjiang made by foreign influencers. Just as many tours of Xinjiang are largely directed by party-controlled institutions and government bodies, our research suggests that some of the locations shown in the foreign influencers’ videos were also chosen by state entities. When the locations were not chosen by the Chinese state, our analysis found that detention centres were sometimes accidentally filmed. Our analysis of one video, filmed by a vlogger from Singapore, found that he filmed seven separate detention facilities in a 15-minute YouTube video showing his aerial descent into Urumqi International Airport.

The research also examines how the CCP's use of foreign influencers presents a new challenge to global social media platforms, and in particular their efforts to identify and label state-affiliated accounts.

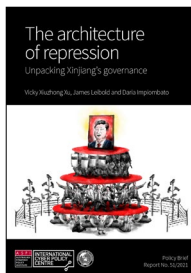
The report was launched in conjunction with an article in the *New York Times*.

This report and *The architecture of repression: unpacking Xinjiang's governance* were the two most read reports from ICPC in 2021–22.

## The architecture of repression: unpacking Xinjiang's governance

Vicky Xiuzhong Xu, James Leibold and Daria Impiombato

19 October 2021



*The architecture of repression* reveals that, in addition to mass internment and coercive labour assignments, Xinjiang residents are compelled to participate in acts of political theatre such as mass show trials, public denunciation sessions, loyalty oaths, sermon-like ‘propaganda lectures’, and chants for Xi Jinping’s good health—all of which were hallmarks of Mao-era mass political campaigns.

Xinjiang authorities expect the extreme and repressive practices of the 2017 Re-education Campaign to become the norm by the end of 2021—a stage that the party-state calls ‘comprehensive stability’.

The report highlights the whole-of government and whole-of society approach to Xinjiang’s governance, naming an astounding number of offices involved in the CCP’s repressive policies—including obscure ones such as the Forestry Bureau, which looked after Kashgar City’s re-education camps’ accounts for a year.

This report is the first English-language report to analyse Xinjiang’s ‘Trinity’ mechanism, which grants the neighbourhood committee (a nominally service-oriented voluntary organisation) the extraordinary power to police the movements and emotions of residents, subjecting many to ‘management and control’ orders akin to house arrest.

ASPI researchers have collected the basic information of Xinjiang’s more than 440 principal and deputy county party secretaries since 2014. They found that the vast majority of principal party chiefs at this level are from the Han ethnic majority group, and most Uyghurs serve as deputies under Han overseers. In September 2021, the authors could

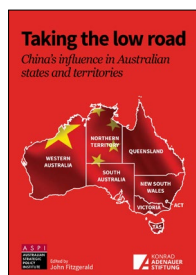


not identify a single Uyghur county party secretary serving in a principal position—a phenomenon that contradicts the party-state’s promise of ‘ethnic self-rule’ in Xinjiang, a nominally ‘Uyghur autonomous region’.

The report received international media attention in the form of major articles in *The Financial Times*, *Sydney Morning Herald*, *Bloomberg*, *ABC.net.au*, *Australian Financial Review*, *Foglio*, *SBS Chinese*, *The Guardian*, *DW.com*, *ABC News*, *al-Jazeera*, *Newsweek*, *RFI Chinese*, *Yahoo News*, *Japan Times*, *RFA.org*, *The Market Herald*, *The Times of India*, *New Delhi Times*, *Riau24.com*, *Codastory China Digital Times*, *Aboluowang*, *ABC Chinese* and *Epoch Times*. The report was also mentioned in *IPAC*, *Axios* and *SupChina*. The report was the topic of several briefings organised by the US State Department. It also received interest from the FBI and the US Senate.

## Contributions to the national debate, by selected topic

### Counter-coercion



ASPI research has detailed why counter-coercion and countering adverse foreign interference is a whole-of-nation challenge. Our research has focused on China because of its capabilities and its demonstrated willingness to seek to interfere in and influence Australian policy and decision-making and use coercion and interference against Australia and countries in the Indo-Pacific.

The most substantive research output was John Fitzgerald’s edited book, *Taking the low road: China’s influence in Australian states and territories* (15 February 2022). This groundbreaking collaboration with the Konrad-Adenauer-Stiftung (KAS) charted the extent and changing nature of PRC engagement with Australian states and territories, local governments, universities and civil society. While much of that contact is welcome, the book revealed the covert and overt ways that the CCP is manipulating those channels to subvert Australia’s national interests. The authors make practical recommendations for improving our resilience. We are continuing our research collaboration with KAS and anticipate that the methodology developed in this book will be applied in partner countries facing similar threats.

Several other ASPI reports addressed counter-coercion, focusing on aspects of greatest concern to Australia, our partners and region. A good example is David Uren's analysis of *Iron ore futures: possible paths for Australia's biggest trade with China* (22 September 2021), which explained the circumstances under which China might extend its economic coercion against Australia to include our most important export and what Australian decision-makers in government and the corporate world can do to mitigate that risk.

*The Strategist* provided the means for ASPI to provide prompt and authoritative analysis of specific instances of coercion, such as the laser-targeting of an RAAF patrol aircraft by a Chinese warship in February 2022.

## Critical and emerging technology



Several ASPI reports addressed ways to strengthen Australia's position in global supply chains.

For instance, *New beginnings: rethinking business and trade in an era of strategic clarity and rolling disruption*, by Dr John Coyne, Gill Savage and Michael Shoebridge (14 September 2021) makes the case for a nationwide response that embeds resilience and sovereignty into Australia's economic future. One section of that report is a detailed case study about critical minerals and rare-earth elements.

This research complements ongoing work on these supply chains with states and territories and selected foreign governments by ASPI's Northern Australia Strategic Policy Centre.

ASPI has closely tracked progress on the advanced technologies (beyond SSNs) being developed within the AUKUS partnership, including hypersonics and electronic warfare. This includes the *ASPI AUKUS update*, an ongoing series, the first of which was published by Dr Marcus Hellyer and Dr Ben Stevens on 5 May 2022.

ASPI looked at the application of new technologies across sectors of government and society. For instance, Dr Teagan Westendorf published *Artificial intelligence and policing in Australia* (7 April 2022). New areas of technological advantage have also been the focus of several reports by ASPI's International Cyber Policy Centre.

*The Strategist* published several timely articles exploring the nexus between critical and emerging technologies and geopolitical developments, such as the performance of artificial intelligence in Russian defence technology during the Ukraine war.

## Southeast Asia



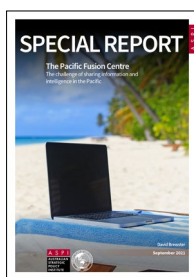
ASPI's work on Southeast Asia reflected the dynamism of the region—making connections between trends in Covid-19 response, technology, economics and security by pulling together research teams with diverse skill sets.

This innovative approach is shown by the collaboration between area specialist Dr Huong Le Thu and cyber expert Bart Hogeveen on *UK, Australia and ASEAN cooperation for safer seas: a case for elevating the cyber-maritime security nexus* (31 March 2022).

As well as analysing regional trends, ASPI has directed research to specific countries when there has been a critical need; see, for instance, *Myanmar's coup, ASEAN's crisis: and implications for Australia*, by Dr Huong Le Thu, Dr David Engel and Hillary Mansour (11 November 2021). And the establishment of ASPI's Indonesia Program reflects that country's crucial importance to Australia. A seven-episode podcast series assessed Australia–Indonesia relations since the fall of Suharto, drawing on interviews with most of Australia's ambassadors to Jakarta since 1997.

*The Strategist* has provided timely analysis of developments across Southeast Asia, such as Dr David Engel's assessment of whether Bongbong Marcos might tilt the Philippines towards China.

## The Pacific island countries



ASPI's research has explored security facets of the Pacific Step-up; see, for instance, *The Pacific Fusion Centre: the challenge of sharing information and intelligence in the Pacific*, by Dr David Brewster (16 September 2021).

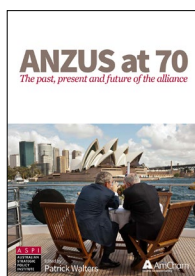
ASPI's coverage of the Pacific is supported by the Northern Australia Strategic Policy Centre. Reflecting Defence's priorities, the centre is working with federal, state and territory agencies to develop the north of the country and its Pasifika diaspora as Australia's gateway to the Pacific islands, including in times of crisis; see, for instance, *Snapshot in a turbulent time: Australian HADR capabilities, challenges and opportunities* by Dr Teagan Westendorf (28 October 2021).

*The Strategist* published several articles analysing China's security agreement with Solomon Islands (and at least temporarily stymied plans for a more ambitious regional pact), as well as analysis providing alternative policy ideas for Australia, such as opening our economy to small Pacific states just as New Zealand and Australia have to each other's citizens under

the Closer Economic Relations Framework. Executive Editor Brendan Nicholson's exclusive interview with Matthew Wale, the parliamentary opposition leader in Solomon Islands, is an example of ASPI ensuring that Pacific voices are heard in the Australian debate. *The Strategist's* extensive coverage of the Pacific islands complements the 'North of 26 degrees south' series of articles, which focuses on northern Australia.

ASPI is in the process of hiring an additional Pacific analyst as we ramp up coverage of the region.

## The Australia–US alliance



The Australia–US alliance is a core topic for ASPI research, but there was an uptick reflecting developments in 2021–22.

ASPI published analysis of the Australia–US alliance to coincide with the ANZUS 70th anniversary commemorations in September 2021; see, for instance, *ANZUS at 70: the past, present and future of the alliance*, by Patrick Walters et al. (18 August 2021).

ASPI swiftly pivoted resources and expertise to explore the implications of AUKUS, after its announcement in September 2021 added a new, important and enduring facet to the Australia–US alliance; see *What is AUKUS and what is it not? How does it connect to the Quad, the Sydney Dialogue, ASEAN and Indo-Pacific security?*, by Michael Shoebridge (8 December 2021).

ASPI has considered the technological, regional and institutional elements of the alliance and AUKUS, pivoting our work to this striking new strategic development.

Perhaps most importantly, ASPI produced a detailed report about the issues and potential paths for the central element of AUKUS: Australia obtaining nuclear-powered submarines through this new military technology accelerator. That report, *Implementing Australia's nuclear submarine program*, by Andrew Nicholls, Jackson Dowie and Marcus Hellyer, delivers on two core ASPI purposes: it provides alternative policy analysis and recommendations to the Australian Government and it informs the public debate on an issue of immense strategic, political, technological and financial complexity and importance for Australia.

In addition, during 2021–22 ASPI addressed a broad sweep of issues with deep implications for and connections to the Australia–US alliance, including *Collaborative and agile: intelligence community collaboration insights from the United Kingdom and the United States*, by Michael Shoebridge, Dr John Coyne and Dr Rajiv Shah (25 November 2021) and *Meeting Antarctica's diplomatic challenges: joint approaches for Australia and the United States*, by Evan T Bloom (16 February 2022).

Leveraging the reputation of ASPI and our experts, we used access to high levels of the US system to glean insights into the alliance; see, for instance, *The Strategist* Executive Editor Brendan Nicholson's exclusive interview with General David Berger, Commandant of the US Marine Corps, which explored how the corps' 'Force Design 2030' complements the aims of the ADF.

Looking ahead, ASPI will have significantly more capacity to understand and support the Australia–US alliance by leveraging the new ASPI office in Washington DC.

## Deterrence



In ASPI's analysis and public commentary, we have always been clear that deterrence remains a critical pillar of Australian security, as well as regional and international order.

This was incorporated into the timely interpretation of threats and the risk of escalation in the Russia–Ukraine war, and the implications for our region, in Dr Malcolm Davis's articles in *The Strategist* exploring the threshold between conventional and nuclear deterrence and NATO–Russian calculations.

A new, important and ongoing focus for ASPI's work on deterrence has been AUKUS. This reflects the fact that the SSNs will be at the centre of the Australia's future conventional deterrence posture.

See, for example, *Implementing Australia's nuclear submarine program*, by Andrew Nicholls, Jackson Dowie and Dr Marcus Hellyer (14 December 2021). ASPI reports and analysis have also explored how China's rapidly developing capabilities must be understood in considering the deterrence balance in the Indo Pacific; see, for instance, *VAMPIRE VAMPIRE VAMPIRE: The PLA's anti-ship cruise missile threat to Australian and allied naval operations*, by Dr Sam Goldsmith (5 April 2022).

## Enhancing combat capability



Providing practical advice for the faster and more efficient provision of ADF capability has always been one of ASPI's core functions and areas of expertise. AUKUS has lent even greater priority to that task.

Understandably, much of the focus has been on the RAN, in which many of the most ambitious procurement programs are concentrated. This has been explored in *Delivering a stronger Navy, faster*, by Dr Marcus Hellyer (2 November 2021), and *The Hunter frigate: an assessment*, by Dr David Shackleton (28 April 2022).

Many of ASPI's recommendations relate to approaches to research and development that connect to capability outcomes for the ADF. For instance, the nexus between universities and defence industries is reviewed in *An Australian DARPA to turbocharge universities' national security research: securely managed Defence-funded research partnerships in Five-Eyes universities*, by Dr Robert Clark AO and Peter Jennings (14 July 2021).

An important theme in ASPI's research is situating combat capability in a strategic context. This is shown in *Northern sovereign maritime sustainment*, by Dr John Coyne and Gill Savage (28 January 2022), which recommends ways to draw on the strategic advantages arising from the Quad and AUKUS to implement Defence's Project Galileo (2020).

*The Strategist* has maintained a steady drumbeat of analysis and commentary on the task of enhancing combat capability in the fastest and most sustainable manner possible, drawing on access to high-level defence contacts. For instance, Executive Editor Brendan Nicholson interviewed the chief of the RAN's Nuclear-Powered Submarine Taskforce, Vice Admiral Jonathan Mead, about the choice between US and UK designs.

## Analysis of the Defence Strategic Update and Force Structure Plan



Detailed analysis of the defence budget is the focus of ASPI's *The cost of Defence*, a figurehead annual publication. The publication puts Australia's defence strategy, budget and capability work into the real-world context of Australia's changing strategic environment and focuses on the key issues and challenges from that external environment for Defence. It also articulates some of the deeply arcane elements of Defence organisation budgeting, operation and behaviour in ways that make them comprehensible to those outside the Defence organisation

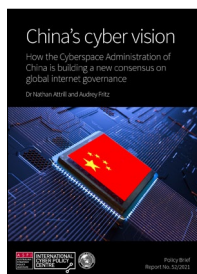
with an interest in our security. This year's report, published on 8 June 2022 by Dr Marcus Hellyer and Dr Ben Stevens, received substantial media coverage, and the launch event was attended by an audience of senior officials, politicians and diplomats—testament to the report's authoritativeness and influence.

*The cost of Defence* was complemented by the database Marcus Hellyer has created, which underpins the annual publication. The database is regularly updated and is publicly available online.

Dr Hellyer also published a report on *Understanding the price of military equipment* (4 May 2022).

Articles in *The Strategist* added layers of political context to the statistical rigour of *The cost of Defence*; see, for example, Brendan Nicholson's interview with former defence minister Kim Beazley about Australia's reduced strategic warning time.

## Cybersecurity



ASPI has unrivalled expertise in cybersecurity and countering disinformation through the International Cyber Policy Centre. ICPC's innovative use of open-source data, coupled with Chinese-language skills, has attracted global plaudits, setting a new hallmark for research on those topics.

Many of the 17 reports that ICPC published during 2021–22 addressed cybersecurity and disinformation themes.

One example was *China's cyber vision: how the Cyberspace Administration of China is building a new consensus on global internet governance*, by Dr Nathan Attrill and Audrey Fritz (24 November 2021).

ICPC research has played an important role in raising global awareness of China's repression of its Uyghur minority. This includes exposing how China, to veil its domestic repression, has engaged in a systematic campaign of disinformation outside its borders, leveraging vulnerabilities in Australia and its allies, in *Borrowing mouths to speak on Xinjiang*, by Fergus Ryan, Ariel Bogle, Nathan Ruser, Albert Zhang and Daria Impiombato (10 December 2021).

## Climate and security



ASPI enjoys a unique capacity to research climate and security through the Climate and Security Policy Centre (CSPC), headed by Dr Robert Glasser.

In collaboration with KAS, the CSPC published a book, *The geopolitics of climate and security in the Indo-Pacific*, edited by Robert Glasser, Anastasia Kapetas and Cathy Johnstone (24 February 2022).

This groundbreaking study reveals why climate change is a systemic threat to Australia's national security and the stability of our region, and provides recommendations for tackling those challenges. The implications of this analysis disturb some of the widely accepted assumptions about and futures for Southeast Asia and portray a much more troubled and disrupted future for our region than we may wish to contemplate. Chief of the Defence Force Angus Campbell spoke at the book's launch.

Reflecting Defence's priorities, ASPI has also conducted in-depth analysis of the ADF's energy requirements and options for clean transitioning, drawing on the expertise of military secondees, in *The Australian Defence Force and its future energy requirements*, by Ulas Yildirim (21 June 2022).

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## Chapter 4

# Events



ASPI's events program reaches 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 national security community, address specific issues related to policy development and are normally conducted under the Chatham House rule.

Public events, such as ASPI report launches, panel discussions and public addresses, are designed to target a wider audience to engage with leading Australian and international strategic thinkers, to exchange different perspectives on strategic and security matters and to inform public policy debates in Australia.

The impact of Covid-19 on the events program continues to be felt, and we continue to operate a hybrid event model and formulate contingency plans to shift to online delivery when needed.

Table 5 summarises the major events conducted by ASPI in 2020–21 and 2021–22. More detailed descriptions of the events held during 2021–22 are given in this section, while a detailed listing of the 2021–22 events program is in Annex D.

**Table 5: Major events conducted by ASPI in 2020–21 and 2021–22**

Events	2020–21	2021–22
Conferences	2	0
Masterclasses	2	1
International strategic dialogues	9	11
Roundtable discussions and workshops	16	41
Public events	10	14
Special meetings	12	5
Webinars	25	12
<b>Totals</b>	<b>76</b>	<b>84</b>

## ASPI podcast

The events and communications team members continue to increase their communications outputs, and the ASPI podcast, *Policy, Guns and Money*, remains a key element of the communications strategy.

The podcast continues to go from strength to strength, increasing its listenership in Australia and abroad. In 2021–22, it included interviews with well-known guests from government, academia, civil society and the private sector. The events and communications team continue to develop the podcast as an important format for discussions of current and future strategic issues, and as an important part of ASPI's brand.

Table 6 shows number of podcasts in 2021–22.

**Table 6: Podcasts in 2021–22**

Communications	Numbers
Podcast episodes	51 episodes
Average listenership per episode in 2021–22	6,832 average listeners per episode on SoundCloud

## Women in Defence and Security Network

The Women in Defence and Security Network (WDSN) is a forum that aims to support the career development of women in the defence and national security communities in Australia.

It provides formal and informal 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 WDSN's work continued to grow in 2021–22, and the network hosted a number of events online and in person.

The WDSN also continues to publish profiles of women working within the sector at all levels in order to showcase their talent and ideas, as well as the different career pathways available for those in the network. The network released eight video profiles during the year and plans to release profiles at an increased frequency in 2022–23.

Table 7 shows the WDSN events held in 2021–22.

**Table 7: WDSN events held in 2021–22**

Date	Event
28 September	Public webinar: WDSN careers event: Pathways and opportunities in defence and national security
10 November	Public webinar: WDSN careers panel: Counterterrorism and intelligence in focus
9 December	Op-ed workshop: Writing on defence and security
9 March	Public event: Women, peace and security—reflections on Afghanistan
3 June	Op-ed workshop: Writing on defence and security

## International strategic dialogues

ASPI supports Australian diplomacy by conducting Track 1.5 and Track 2.0 dialogues with international institutions and government partners on a regular basis. In 2021–22, we conducted 11 dialogues, most of which were delivered online instead of in person due to Covid-19.

More details are available in Annex D.

## Roundtable discussions and workshops

ASPI hosted many roundtable discussions at our Canberra office throughout 2021–22, engaging a wide range of international and Australian experts in discussions on strategic and national security issues. With the borders opening, we saw a significant increase in the number of roundtables and workshops, from 16 to 41.

Details of the roundtables held in 2021–22 are in Annex D.

## ASPI public events

ASPI hosted a number of public events, including panel discussions, webinars and publication launches, throughout the year. Our public events are well attended and often attract media attention.

All public events were open to the public to attend at ASPI and live-streamed to ensure accessibility for guests in Canberra as well as across Australia and the region.

Details of ASPI's public events in 2021–22 are in Annex D.

## Webinars

The continuing impacts of Covid-19 meant that ASPI was sometimes unable to host in-person events. As a result, the events and communications team continued to host events online where necessary.

Delivering events in the webinar format has meant that we have been able to engage with experts from across the globe and secure guests who, under normal circumstances, might not have been available to join us in Canberra. Participants have been able to watch the events live or on demand after the webinar has aired.

Webinars have become a key form of engagement with ASPI's audience and have created an opportunity to extend our reach within Australia and internationally. As the world eventually returns to normal after the pandemic, this will be a useful capability to continue to use, as it increases our reach well beyond Canberra. More details of webinars in 2021–22 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.

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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 11 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 2021–22, the following directors completed their terms on the ASPI Council:

- The Hon Stephen Brady AO CVO
- Dr Denis Dragovic
- The Hon Robert Hill AC
- Ms Jennifer Ma
- Mr Peter Jennings PSM.

The following directors were appointed to the ASPI Council:

- The Hon John Anderson AO FTSE
- Ms Rachael Falk
- The Hon Michael Keenan
- Ms Catherine McGregor AM
- Mr Justin Bassi.

Table 8 lists meeting attendance by ASPI Council members throughout the year.

Mr Peter Jennings's appointment as the Executive Director ended on 30 April 2022.

Mr Justin Bassi was appointed as the Executive Director with effect from 1 May 2022.

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



**Table 8: Attendance at ASPI Council meetings, 2021–22**

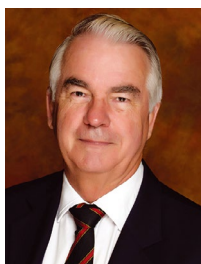
	27 August 2021	26 November 2021	25 February 2022	29 March 2022 (out of session)	27 May 2022
Lieutenant General (Ret'd) Kenneth Gillespie AC DSC CSM (Chair)	✓	✓	✓	✓	✓
Mr Peter Jennings PSM	✓	✓	✓	✓	–
Ms Jane Halton AO PSM	✓	✓	✓	✓	✓
The Hon Stephen Conroy	✓	✓	✓	✓	✓
The Hon Stephen Brady AO CVO	✓	✓	✓	–	–
Dr Denis Dragovic	✓	✓	✓	–	–
Dr Brendan Nelson AO	✓	✓	✓	✓	✓
Ms Gai Brodtmann	✓	✓	✓	✓	✓
Mr James Brown	✓	✓	✓	✓	✓
Dr Lavina Lee	✓	✓	✓	✓	✓
The Hon Robert Hill AC	✓	✓	✓	✓	✓
Ms Jennifer Ma	✓	✓	✓	✓	✓
The Hon John Anderson AO FTSE	–	–	–	–	✓
Ms Rachael Falk	–	–	–	–	✓
The Hon Michael Keenan	–	–	–	–	✓
Ms Catherine McGregor AM	–	–	–	–	✓
Mr Justin Bassi	–	–	–	–	✓

## Current Council Members

### Chairman

#### **Lieutenant General (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 Justin Bassi**



Justin Bassi is the Executive Director of ASPI—a position he has held since May 2022.

From June 2019 to March 2022, he was Chief of Staff to the Minister for Foreign Affairs and Minister for Women, Senator the Hon Marise Payne.

Immediately before then, he was the Cyber Intelligence Mission Manager at the Office of National Intelligence, where he led the integration of cybersecurity and critical technologies across the national intelligence community.

From September 2015 to August 2018, Mr Bassi was the National Security Adviser to Prime Minister Malcolm Turnbull. He led the team advising the PM and cabinet ministers on Australia's national security,

defence and international relations. That included responsibility for all areas of security legislation, policy and operations, including counterterrorism, foreign interference, cyberspace, intelligence and border security.

He was also previously the National Security Adviser to Attorney-General George Brandis, focusing on Australia's national security legislation, policy and activities, including counterterrorism and telecommunications security.

Prior to that, he spent over 10 years in the Australian Public Service, including in the intelligence community for the Office of National Assessments and at the Department of the Prime Minister and Cabinet, where he had responsibility for cybersecurity policy.

## Ms Gai Brodtmann



Gai Brodtmann is a member of the Australian Strategic Policy Institute Council, the National Security College Futures Council, Old Parliament House, Defence Housing Australia, Endometriosis Australia and Fearless Women boards and the Sapient Cyber advisory board.

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

Ms Brodtmann served as the Member for Canberra from 2010 to 2019. She was Shadow Assistant Minister for Cyber Security and Defence from 2016 to 2019 and Shadow Parliamentary Secretary for Defence from 2013 to 2016, when she authored Labor's cybersecurity and PFAS contamination policies.

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

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

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

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

Her national security policy interests include cybersecurity; women, peace and security; critical infrastructure; capability sustainment; sovereign capacity; and community engagement.

She is a strong advocate of women in national security and female empowerment.

### **Mr James Brown**



James Brown is the Chief Executive Officer of the Space Industry Association of Australia, which is Australia's peak body for the space economy.

A national security and public policy expert, he has previously held research appointments at the Lowy Institute for International Policy, the United States Studies Centre, and the University of Sydney.

He is currently a non-resident fellow at the United States Studies Centre, chairman of the charity Veteran Sports Australia, and a strategic adviser to the University of Technology Sydney.

Between 2017 and 2019, he led the rebuilding and modernisation of Australia's largest veterans' organisation, the RSL, as its youngest ever elected president.

Mr Brown served on the board of the Sydney Invictus Games and led the campaign to establish the National Commission for Defence and Veteran Suicide Prevention. He is a former Army officer with service in Iraq, Afghanistan and Solomon Islands.

He is a regular media contributor on foreign policy and defence issues and has authored two books on Australian defence policy. He is based in Sydney.

Mr Brown was appointed to the ASPI Council in January 2021.

### **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, he was appointed as the executive director of Responsible Wagering Australia.

Mr Conroy was appointed to the ASPI Council in March 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.

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

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

### **Mr Peter Jennings PSM**

BA (Hons), MA, MSc



Peter Jennings was the Executive Director of ASPI from May 2012 to May 2022.

He 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 (2009–2012), Chief of Staff to the Minister for Defence (1996–1998) and Senior Adviser for Strategic Policy to the Prime Minister (2002–2003).

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 70 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 *2016 Defence White Paper*. 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.

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 / Australian Defence Force Academy (1987–1990).

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

## Dr Lavina Lee

BComm/LLB, MA, PhD



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

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

Dr Lee is the author of the book *US hegemony and international legitimacy: norms, power and followership in the wars on Iraq* (Routledge, 2010) and has published numerous articles, book chapters, research reports and commentary on Indian foreign and security policy, nuclear proliferation, US foreign policy and security relations in the Indo-Pacific. She also periodically publishes opinion pieces in *The Australian*, the *Australian Financial Review*, the *Hindustan Times* and the *New Straits Times*, as well as with specialist policy outlets such as the Lowy Institute's *The Interpreter* and ASPI's *The Strategist*.

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

Before joining the ASPI Council, she was a director of the Institute for Regional Security.

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



## The Hon Dr Brendan Nelson AO



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

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

Before joining Boeing, he served as director of the Australian War Memorial for seven years. Prior to that, he was the Australian Ambassador to Belgium, Luxembourg, the European Union and NATO (2010–2012). Apart from overseeing a major transformation in Australia's relationships with the European Union and NATO, Dr Nelson forged deep links with the communities of Flanders, where almost 14,000 Australians lost their lives during World War I.

Born in Coburg, Victoria, in 1958, Dr Nelson studied at Flinders University, South Australia, where he graduated with a Bachelor of Medicine and Surgery degree. He worked as a medical practitioner in Hobart from 1985 to 1995. In 1993, he was elected unopposed as national president of the Australian Medical Association (AMA), becoming the youngest person ever to hold that position. He had previously served as national vice president and Tasmanian Branch president of the AMA. In 1995, he retired as president of the AMA following his preselection as the Liberal candidate for the Sydney seat of Bradfield.

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

following year, he retired from federal politics before taking up his ambassadorial appointment.

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

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

In 2018, the RSL conferred honorary life membership upon Dr Nelson for his services to and support of veterans and ex-service organisations. He was also awarded honorary citizenship of the Belgian city of Ypres in recognition of his support for the city, its commemorations and Last Post Association.

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

## Council Committees

### Audit Committee

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

The committee's members in 2021–22 were as follows.

### **Ms Kate Freebody, CAANZ, Chair of the ASPI Audit and Risk Committee**



Kate Freebody has been a chartered accountant since 1987 and has continued to practise full time in the private and public sectors in various roles as an external auditor, CFO / Finance Director and partner of the financial management consultancy firm FreebodyCogent Pty Ltd since 1993.

With a comprehensive financial management background in both the private and public sectors, she brings a wealth of practical, hands-on experience and knowledge of financial management and governance frameworks. Her experience includes direct and current experience as an external member of audit and risk committees, almost 30 years of financial management consulting experience with ACT and federal agencies (through FreebodyCogent Pty Ltd), private- and public-sector experience as a chief financial officer and an accounting and audit background working with Deloitte, Sydney (with private-sector corporations) and Ernst & Young, Canberra (with government agencies).

Ms Freebody has direct and current experience as an external member of a range of federal and ACT Government audit and risk committees.

She has been the external chair of the ASPI Audit and Risk Committee since March 2017.

### **Mr Geoffrey Brown, OAM FCA GAICD, Chief Audit Executive, Department of Defence**



Geoff Brown has been on the ASPI Audit Committee for just over seven years and came to the role with significant senior executive and governance experience in both the private and public sectors.

He is currently working as a private contractor in the Defence portfolio. Prior to his current role, he held three SES Band 2 roles: two in Defence and one in the Office of the Prime Minister and Cabinet, where he headed a taskforce directed by the Prime Minister. In Defence, he was brought in to restructure and then rebuild the Audit and Fraud Control Division in a role he held for seven years, having held similar roles with similar responsibilities in Qantas, Boral, Unilever and Ernst & Young. On return from his work in PM&C, he moved into the Defence Finance Group to head the Budgets and Financial Reporting Division.

Before joining Defence, Mr Brown was the CEO of a Macquarie Bank infrastructure fund responsible for the construction of the largest industrial estate in the Emirate of Abu Dhabi. In that role, he was on the board of a number of key entities involved in both the infrastructure

fund and the project management entity responsible for the delivery of the project. Under his leadership, the fund delivered the first on-time, on-budget major infrastructure project in Abu Dhabi.

He has also worked in a number of blue-chip multinational organisations, including Ernst and Whinney (E&Y), Qantas, Boral, Unilever, Mobil Oil and Esso. In most of his roles, he has worked internationally, including during his time with Qantas, where, following his role in internal audit, he was appointed General Manager Indonesia. During that time, he was responsible for the management of the evacuation of Australians following the Bali bombings and the Marriott Hotel bombing the following year. He was awarded his OAM for the work he did following the bombings. During his time in Indonesia, he was the Qantas representative on a number of local Qantas and Qantas Holiday boards.

Mr Brown served as a board member of the Camp Quality charity, where he was brought in to help the organisation restructure and refinance its operations. He has also been a member of the committee for the NSW Branch of the Institute of Chartered Accountants, and rose to the position of vice president.

He holds an undergraduate degree in Business Studies (majoring in accounting and marketing) from Nepean CAE (now the University of Western Sydney). He qualified as a chartered accountant in 1983 and has been awarded the position of fellow of the Institute of Chartered Accountants in Australia and New Zealand.

### **Ms Gai Brodtmann, ASPI Council member**



Gai Brodtmann is a member of the Australian Strategic Policy Institute Council, the National Security College Futures Council, Old Parliament House, Defence Housing Australia, Endometriosis Australia and Fearless Women boards and the Sapient Cyber advisory board.

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

Ms Brodtmann served as the Member for Canberra from 2010–19. She was Shadow Assistant Minister for Cyber Security and Defence from 2016 to 2019 and Shadow Parliamentary Secretary for Defence from 2013 to 2016, when she authored Labor's cybersecurity and PFAS contamination policies.

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

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

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

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

Ms Brodtmann's national security policy interests include cybersecurity; women, peace and security; critical infrastructure; capability sustainment; sovereign capacity; and community engagement.

She is a strong advocate of women in national security and female empowerment.

## Other attendees

The Audit Committee invites the Executive Director, the Chief Operating Officer and Director Defence & Strategy of ASPI and a representative from the Australian National Audit Office to its meetings.

During 2021–22, 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. At the time of writing, the Executive Director has met with the Secretary of the Department of Defence to discuss the research themes for the 2022–23 financial year.

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**Chapter 6**  
**Financials**



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

The directors of the Australian Strategic Policy Institute Limited (ASPI) present this report on the financial year ended 30 June 2022.

**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 Justin Bassi
Ms Jane Halton AO, PSM
The Hon Stephen Conroy
The Hon Gai Brodtmann
Mr Stephen Brady AO CVO
Dr Denis Dragovic
Ms Jennifer Ma
The Hon Robert Hill AC
Dr Lavina Lee
The Hon Dr Brendan Nelson AO
Mr James Brown
The Hon John Anderson AO FTSE
Ms Rachael Falk
The Hon Michael Keenan
Ms Catherine McGregor AM

**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 2021-2022 was a surplus of \$418,592 (2020-2021: surplus of \$4,513,801).

## **Review of Operations**

Revenue has decreased by \$3,214,083 from the previous financial year. This was due to the additional \$5,000,000 from the Department of Defence to support the activities of ASPI in Washington DC received in FY2020-2021. The 2022 ASPI National Conference was postponed to 2023, due to change of leadership and competing schedule with the Australian federal election.

Expenses increased \$881,126 from the previous financial year due to increased salary, consultants and travel. ASPI continued to operate in a Covid-safe environment during the financial year.

## **Significant Changes in State of Affairs**

ASPI had a change of leadership during the financial year, after ten years under Mr Peter Jennings PSM, ASPI appointed Mr Justin Bassi as the new Executive Director on 1 May 2022.

## **After Balance date Events**

On 7 June 2022, ASPI signed a four-year lease agreement for the establishment of the Washington DC office on 1501 M Street, NW Washington DC 20006. The office was officially opened on 13 July 2022 by the Deputy Prime Minister and Minister for Defence The Hon Richard Marles MP.

## **Future Developments**

ASPI expects to maintain a steady growth in output and activities, particularly with the establishment of the Washington DC office and the reiteration of the Sydney Dialogue scheduled on 4-5 April 2023.

## **Environmental Issues**

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

## **Options**

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

## **Indemnifying Officers or Auditor**

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

## **Proceedings on Behalf of ASPI**

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

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

#### **Auditor Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2022 was received 11 October 2022.

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



LtGen (Ret'd) Kenneth J Gillespie AC DSC  
Chair  
14/10/2022



## INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Strategic Policy Institute Limited

### Opinion

In my opinion, the financial report of the Australian Strategic Policy Institute Limited (the Company) for the year ended 30 June 2022 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2022 and for the year then ended:

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

### Basis for opinion

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

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

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

### **Directors' responsibility for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'J. Carter', with a stylized flourish at the end.

Jennifer Carter

Audit Principal

Delegate of the Auditor-General

Canberra

14 October 2022



Lieutenant General (ret'd) Kenneth Gillespie AC DSC CSM  
Chairman  
Australian Strategic Policy Institute Limited  
Level 2, 40 Macquarie Street  
BARTON ACT 2600

**AUSTRALIAN STRATEGIC POLICY INSTITUTE LIMITED  
FINANCIAL REPORT 2021–22  
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 2022, to the best of my knowledge and belief, there have been:

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

Australian National Audit Office

Jennifer Carter  
Audit Principal  
Delegate of the Auditor-General

Canberra  
11 October 2022

GPO Box 707, Canberra ACT 2601  
38 Sydney Avenue, Forrest ACT 2603  
Phone (02) 6203 7300

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

In our opinion:

- a) the financial report and notes of the Company are in accordance with the *Corporations Act 2001* and:
  - i) comply with the Accounting Standards (including Australian Accounting Interpretations), and the *Corporations Regulations 2001*; and
  - ii) give a true and fair view of the Company's financial position as at 30 June 2022 and of the Company's performance for the year ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**LtGen (Ret'd) Kenneth J Gillespie AC DSC**

Chairman

14 October 2022



**Justin Bassi**

Executive Director

14 October 2022



**Karen Edwards**

Company Secretary

14 October 2022

Australian Strategic Policy Institute Ltd

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	1.1A	7,500,890	7,191,531
Suppliers	1.1B	3,306,181	2,622,263
Depreciation and amortisation	2.1A	1,189,843	1,297,092
Finance costs	1.1C	48,756	55,148
Foreign exchange losses/(gains)		1,212	(277)
<b>Total expenses</b>		<b>12,046,883</b>	<b>11,165,757</b>
<b>OWN SOURCE REVENUE</b>			
<b>Own source revenue</b>			
Department of Defence core funding		4,000,000	9,000,000
Revenue from contracts with customers		2,636,223	3,146,626
Sponsorship income		5,626,727	3,018,735
Events income		172,535	451,368
Miscellaneous income		-	37,500
Interest		29,990	25,329
<b>Total own-source revenue</b>		<b>12,465,475</b>	<b>15,679,558</b>
<b>Net contribution by services</b>		<b>418,592</b>	<b>4,513,801</b>
<b>Surplus attributable to the Australian Government</b>		<b>418,592</b>	<b>4,513,801</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items subject to subsequent reclassification to net cost of services</b>			
Gains on foreign currency translation		109,317	-
<b>Total other comprehensive income</b>		<b>109,317</b>	<b>-</b>

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 2022

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b><u>Current assets</u></b>			
<b>Financial assets</b>			
Cash and cash equivalents	4.1A	9,177,225	8,324,818
Trade and other receivables	4.1A	352,421	340,872
<b>Total financial assets</b>		<b>9,529,646</b>	<b>8,665,690</b>
<b>Non-financial assets</b>			
Prepayments		152,887	141,898
<b>Total Non-financial assets</b>		<b>152,887</b>	<b>141,898</b>
<b>Total current assets</b>		<b>9,682,533</b>	<b>8,807,588</b>
<b><u>Non-current assets</u></b>			
<b>Financial assets</b>			
Security deposit	4.1A	27,115	-
<b>Total Financial assets</b>		<b>27,115</b>	<b>-</b>
<b>Non-financial assets</b>			
Property, Plant and Equipment	2.1A	715,153	972,947
Building right of use asset	2.1A	4,218,673	3,994,555
Intangibles	2.1A	-	943
<b>Total non-financial assets</b>		<b>4,933,826</b>	<b>4,968,445</b>
<b>Total non-current assets</b>		<b>4,960,941</b>	<b>4,968,445</b>
<b>Total assets</b>		<b>14,643,474</b>	<b>13,776,033</b>
<b>LIABILITIES</b>			
<b><u>Current liabilities</u></b>			
<b>Payables</b>			
Suppliers		442,959	411,127
Wages and other payables	2.2A	604,963	195,143
Unearned Income		-	180,601
<b>Total payables</b>		<b>1,047,922</b>	<b>786,872</b>
<b>Interest bearing liabilities</b>			
Lease liability	2.2B	1,139,740	884,590
<b>Total interest bearing liabilities</b>		<b>1,139,740</b>	<b>884,590</b>
<b>Provisions</b>			
Employee provisions	3.1A	788,300	561,709
<b>Total provisions</b>		<b>788,300</b>	<b>561,709</b>
<b>Total current liabilities</b>		<b>2,975,962</b>	<b>2,233,170</b>

**Non-current liabilities****Interest bearing liabilities**

Lease liability	<b>2.2B</b>	<b>3,298,828</b>	3,258,296
<b>Total interest bearing liabilities</b>		<b>3,298,828</b>	<b>3,258,296</b>

**Provisions**

Make-good provisions	<b>2.2C</b>	<b>408,337</b>	404,742
Employee provisions	<b>3.1A</b>	<b>128,724</b>	576,111
<b>Total provisions</b>		<b>537,061</b>	<b>980,853</b>

<b>Total non-current liabilities</b>		<b>3,835,889</b>	<b>4,239,149</b>
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<b>Total liabilities</b>		<b>6,811,851</b>	<b>6,472,319</b>
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<b>Net assets</b>		<b>7,831,623</b>	<b>7,303,714</b>
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**EQUITY**

Contributed equity		<b>172,060</b>	172,060
Retained surplus		<b>7,659,563</b>	7,131,654
<b>Total equity</b>		<b>7,831,623</b>	<b>7,303,714</b>

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

**Australian Strategic Policy Institute Ltd**  
**STATEMENT OF CHANGES IN EQUITY**  
*as at 30 June 2022*

	Contributed equity		Retained earnings		Total equity	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
<b>Opening balance at 1 July 2021</b>						
Balance carried forward from previous period	<b>172,060</b>	172,060	<b>7,131,654</b>	2,617,853	<b>7,303,714</b>	2,789,913
<b>Comprehensive income</b>						
Surplus/(Deficit) for the period	-	-	<b>418,592</b>	4,513,801	<b>418,592</b>	4,513,801
<b>Other comprehensive income</b>						
Gains on foreign currency translation - USD	-	-	<b>160,612</b>	-	<b>160,612</b>	-
(Loss) on foreign currency translation - lease liability	-	-	<b>(51,295)</b>	-	<b>(51,295)</b>	-
<b>Total other comprehensive income</b>	-	-	<b>109,317</b>	-	<b>109,317</b>	-
<b>Closing balance as at 30 June 2022</b>	<b>172,060</b>	172,060	<b>7,659,563</b>	7,131,654	<b>7,831,623</b>	7,303,714

*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 2022*

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Defence funding	4,000,000	9,000,000
Revenue from contracts and sponsorships	8,966,722	7,027,306
Interest	22,335	26,105
<b>Total cash received</b>	<b>12,989,057</b>	<b>16,053,411</b>
<b>Cash used</b>		
Employees	(7,324,414)	(7,087,818)
Suppliers	(3,539,834)	(2,506,531)
Net GST paid	(336,391)	(164,139)
Interest payments on lease liabilities	(48,756)	-
<b>Total cash used</b>	<b>(11,249,395)</b>	<b>(9,758,488)</b>
<b>Net cash from operating activities</b>	<b>1,739,662</b>	<b>6,294,923</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash used</b>		
Purchase of property, plant and equipment	(2,665)	(21,162)
<b>Total cash used</b>	<b>(2,665)</b>	<b>(21,162)</b>
<b>Net cash used by investing activities</b>	<b>(2,665)</b>	<b>(21,162)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash used</b>		
Principal payment of lease liability	(884,590)	(903,123)
<b>Total cash used</b>	<b>(884,590)</b>	<b>(903,123)</b>
<b>Net cash used by financing activities</b>	<b>(884,590)</b>	<b>(903,123)</b>
<b>Net increase in cash held</b>	<b>852,407</b>	<b>5,370,638</b>
Cash and cash equivalents at the beginning of the reporting period	8,324,818	2,954,180
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,177,225</b>	<b>8,324,818</b>

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

## Australian Strategic Policy Institute Ltd

### OVERVIEW

The Australian Strategic Policy Institute (ASPI) Limited conducts the following administered activities on behalf of the Government. The financial report of ASPI for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors.

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

#### The Basis of Preparation

The financial report is required by:

- a) section 42 of the *Public Governance, Performance and Accountability Act 2013* ; and
- b) *Corporations Act 2001*

The financial report has been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* ; and
- b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest dollar.

#### New Accounting Standards

ASPI has considered the Changes to Accounting Standards guideline as per the Department of Finance for FY2021-2022. All new accounting standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on ASPI's financial report.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

#### Taxation

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

#### ASPI Washington DC

ASPI continued to conduct activities in Washington DC, with the support of the Department of Defence funding received in the last financial year. The establishment of physical office in Washington DC was delayed due to Covid-19 related travel restrictions. ASPI entered into a four-year lease agreement with MRP Realty on 7 June 2022 for the lease of 1501 M Street NW, Suite 220, Washington DC 20005. The lease had an annual 2.5% increase rate. It was recognised as a Right-Of-Use (ROU) asset on 7 June 2022 and a corresponding lease liability was also recognised in accordance with AASB16 *Leases*. The Washington DC lease agreement was in USD, therefore in accordance with AASB121 *The Effects of Changes in Foreign Exchange Rates*, the security deposit and lease liability were translated using USD/AUD closing rate at 30 June 2022. The net loss of this translation was recognised through other comprehensive income. ASPI used USD rate published by the Reserve Bank of Australia.

ASPI continued to draw down on \$5M funding for operations in Washington DC. This funding was provided by the Department of Defence in the last financial year. At 30 June 2022, \$2.5M was held in an AUD term deposit and the remaining balance held in USD; 95% in Australia and 5% in the US. In accordance with AASB121 *The Effects of Changes in Foreign Exchange Rates*, the USD balance was translated using USD/AUD closing rate at 30 June 2022. The net gains of this translation was recognised through other comprehensive income. ASPI used USD rate published by the Reserve Bank of Australia.

#### Events after the reporting period

ASPI Washington DC office was officially opened by the Deputy Prime Minister and the Minister for Defence The Hon Richard Marles MP on 13 July 2022.

## Australian Strategic Policy Institute Ltd

### FINANCIAL PERFORMANCE

This section analyses the financial performance of the company for the year ended 30 June 2022

	2022 \$	2021 \$
<b>1.1 - Expenses</b>		
<b>1.1A - Employee benefits</b>		
Wages and salaries	5,745,550	5,571,912
Superannuation Contribution	763,572	705,850
Annual leave	469,233	471,304
Payroll Tax and other employee expenses	432,400	380,083
Long service leave	90,135	31,405
<b>Total employee benefits</b>	<b>7,500,890</b>	<b>7,191,531</b>
<b>Accounting policy</b>		
Accounting policies for employee related expenses is contained in the People and relationships section.		
<b>1.1B - Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	1,264,446	1,036,730
Communications	969,018	683,113
Office management & activities	576,889	566,342
Travel	202,536	66,208
IT services	107,665	93,322
Internal audit fees	62,241	72,794
Auditors remuneration <sup>1</sup>	53,000	33,000
Insurance	20,838	20,491
Contractors	12,413	10,992
Bank Charges	9,181	2,798
Interest	3,598	10,237
<b>Total goods and services supplied or rendered</b>	<b>3,281,826</b>	<b>2,596,027</b>
Goods supplied	1,748,443	1,315,664
Services rendered	1,533,383	1,280,363
<b>Total goods and services supplied or rendered</b>	<b>3,281,826</b>	<b>2,596,027</b>
<b>Other suppliers</b>		
Workers' Compensation	24,355	26,236
<b>Total other suppliers</b>	<b>24,355</b>	<b>26,236</b>
<b>Total suppliers</b>	<b>3,306,181</b>	<b>2,622,263</b>
<b>1.1C - Finance costs</b>		
Interest on lease liabilities - ROU Asset Canberra	46,400	55,148
Interest on lease liabilities - ROU Asset Washington DC	2,356	-
<b>Total finance costs</b>	<b>48,756</b>	<b>55,148</b>

<sup>1</sup> Auditors remuneration of \$53,000 includes \$43,000 for FY2021-2022 and \$10,000 for FY2020-2021

The above finance costs disclosure should be read in conjunction with the accompanying notes 2.1A and 2.2B

## 2.1 Non-Financial Assets

### 2.1A - Reconciliation of the opening and closing balances for Property, Plant and Equipment and Intangibles

#### Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2022

	Furniture and Fittings \$	Leasehold Improvements \$	Plant and Equipment \$	Total property plant and equipment \$	Building ROU Asset Canberra \$	Building ROU Asset Washington DC \$	Total Building ROU Asset \$	Computer software \$	Total intangibles \$	Total \$
<b>As at 1 July 2021</b>								-		
Gross book value	305,493	2,252,237	486,524	<b>3,044,254</b>	5,803,411	-	<b>5,803,411</b>	10,637	<b>10,637</b>	<b>8,858,301</b>
Accumulated depreciation, amortisation and impairment	(149,118)	(1,549,506)	(372,682)	<b>(2,071,306)</b>	(1,808,856)	-	<b>(1,808,856)</b>	(9,694)	<b>(9,694)</b>	<b>(3,889,856)</b>
<b>Total as at 1 July 2021</b>	<b>156,375</b>	<b>702,731</b>	<b>113,842</b>	<b>972,948</b>	<b>3,994,555</b>	-	<b>3,994,555</b>	<b>943</b>	<b>943</b>	<b>4,968,445</b>
Additions										
Purchase	-	-	2,665	<b>2,665</b>	-	1,152,558	<b>1,152,558</b>	-	-	<b>1,155,223</b>
Depreciation and amortisation	(27,570)	(160,406)	(72,484)	<b>(260,460)</b>	(904,428)	(24,012)	<b>(928,440)</b>	(943)	<b>(943)</b>	<b>(1,189,843)</b>
Disposals										
Disposal	-	-	(24,802)	<b>(24,802)</b>	-	-	-	-	-	<b>(24,802)</b>
<b>Total as at 30 June 2022</b>	<b>128,805</b>	<b>542,325</b>	<b>44,023</b>	<b>715,153</b>	<b>3,090,127</b>	<b>(24,012)</b>	<b>3,066,115</b>	-	-	<b>3,781,267</b>
Total as at 30 June 2022 represented by										
Gross book value	305,493	2,252,237	464,387	<b>3,022,116</b>	5,803,411	1,152,558	<b>6,955,969</b>	10,637	<b>10,637</b>	<b>9,988,723</b>
Accumulated depreciation, amortisation and impairment	(176,688)	(1,709,912)	(420,364)	<b>(2,306,964)</b>	(2,713,284)	(24,012)	<b>(2,737,296)</b>	(10,637)	<b>(10,637)</b>	<b>(5,054,897)</b>
<b>Total as at 30 June 2022 represented by</b>	<b>128,805</b>	<b>542,325</b>	<b>44,023</b>	<b>715,153</b>	<b>3,090,127</b>	<b>1,128,546</b>	<b>4,218,673</b>	-	-	<b>4,933,826</b>

*The above ROU Asset Washington DC disclosures should be read in conjunction with the accompanying notes 1.1C and 2.2B*

## 2.1 Non-Financial Assets

### 2.1A - Reconciliation of the opening and closing balances for Property, Plant and Equipment and Intangibles

#### Reconciliation of the opening and closing balances of property, plant, equipment and intangibles for 2021

	Furniture and Fittings \$	Leasehold Improvements \$	Plant and Equipment \$	Total property plant and equipment \$	Building Right-Of- Use Asset \$	Computer software \$	Website \$	Total intangibles \$	Work-In- Progress \$	Total \$
<b>As at 1 July 2020</b>										
Gross book value	305,493	2,303,702	465,362	3,074,557	5,803,411	10,637	132,100	142,737	36,353	9,057,058
Accumulated depreciation, amortisation and impairment	(114,709)	(1,273,200)	(294,243)	(1,682,152)	(904,428)	(6,184)	(68,621)	(74,805)	-	(2,661,385)
<b>Total as at 1 July 2020</b>	190,784	1,030,502	171,119	1,392,405	4,898,983	4,453	63,479	67,932	36,353	6,395,673
Opening balance adjustment to website and WIP	-	-	-	-	-	-	(63,479)	(63,479)	(36,353)	(99,832)
<b>Adjusted total as at 1 July 2020</b>	190,784	1,030,502	171,119	1,392,405	4,898,983	4,453	-	4,453	-	6,295,841
Additions										
Purchase	-	-	21,162	21,162	-	-	-	-	-	21,162
Adjustment to make-good asset	-	(51,465)	-	(51,465)	-	-	-	-	-	(51,465)
Depreciation and amortisation	(34,409)	(276,306)	(78,439)	(389,154)	(904,428)	(3,510)	-	(3,510)	-	(1,297,092)
<b>Total as at 30 June 2021</b>	156,375	702,731	113,842	972,948	3,994,555	943	-	943	-	4,968,445
<b>Total as at 30 June 2021 represented by</b>										
Gross book value	305,493	2,252,237	486,524	3,044,254	5,803,411	10,637	-	10,637	-	8,858,302
Accumulated depreciation, amortisation and impairment	(149,118)	(1,549,506)	(372,682)	(2,071,306)	(1,808,856)	(9,694)	-	(9,694)	-	(3,889,855)
<b>Total as at 30 June 2021 represented by</b>	156,375	702,731	113,842	972,947	3,994,555	943	-	943	-	4,968,445



## Australian Strategic Policy Institute Ltd

### FINANCIAL POSITION

*This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2022.*

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#### Accounting policy

Assets are recorded at cost on 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. (2021: \$1,000)

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

##### Depreciation

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

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

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

<u>Asset class</u>	2022	2021
Furniture & Fittings	5 to 20 years	5 to 20 years
Building right-of-use asset (Canberra and Washington DC)	lease term	lease term
Plant & Equipment	4 to 10 years	4 to 10 years
Computer software	3 years	3 years

##### Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. No indicators of impairment were identified (2021: Nil).

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

##### Intangibles

ASPI's intangibles comprise purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

##### 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. Fifteen computers were derecognised and disposed during the financial year. They had \$0 residual value. (2021: Nil).

#### Building right-of-use asset

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by ASPI as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned. On initial adoption of AASB16 ASPI has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset. As at 30 June 2022, no indicators of impairment were identified. Leased ROU assets continue to be measured at cost after initial recognition in the financial report.

**Australian Strategic Policy Institute Ltd****FINANCIAL POSITION**

*This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2022.*

	2022 \$	2021 \$
<b>2.2 - Payables</b>		
<b>2.2A - Wages and other payables</b>		
Salaries and wages	511,205	133,790
Superannuation	78,535	58,676
GST liabilities	15,223	2,677
<b>Total other payables</b>	<b>604,963</b>	<b>195,143</b>
<b>2.2B - Lease Liability</b>		
Lease liability – Canberra	3,258,296	4,142,886
Lease liability – Washington DC	1,180,273	-
<b>Total lease liability</b>	<b>4,438,569</b>	<b>4,142,886</b>

ASPI has two financial leases in place for the two office locations; the Canberra office is located on 40 Macquarie Street Barton ACT 2600. The term of the lease is for seven years commencing 12 November 2018 with annual 3% rate increases. The lease liability for the Canberra office is measured in accordance with AASB 16 Leases; whereby the full lease liability discounted using the incremental borrowing rate (IBR) method until the end of the lease term on 11 November 2025.

On 7 June 2022, ASPI established another office in Washington DC. The Washington DC office is located on 1501 M Street NW, Suite 220 Washington DC 20005. The term of the lease is for four years with annual 2.5% rate increases.

**Accounting policy**

For all new contracts entered into, ASPI considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

On 7 June 2022, ASPI entered into a lease agreement for the Washington DC office. In accordance with AASB16 Leases, ASPI recognised the full lease liability and a Right-Of-Use (ROU) asset discounted using the incremental borrowing rate (IBR) until the end of the lease term on 6 June 2026. The impact of the Washington DC office lease implementation is summarised below:

ROU asset recognised - Building	1,126,622
Lease liabilities recognised	(1,126,622)
ROU asset - one month of prepaid rent	25,936
Cash at bank	(25,936)

## Australian Strategic Policy Institute Ltd

### FINANCIAL POSITION

This section analyses the company's assets used to conduct its operations and the operating liabilities incurred as a result as at 30 June 2022.

	2022	2021
	\$	\$
The following table reconciles opening and closing balances of lease liabilities:		
Lease liabilities recognised at 7 June 2022	1,126,622	
Interest payment of lease	2,356	
Remeasurement of lease liability (USD to AUD)	51,295	
Lease liabilities balance at 30 June 2022	1,180,273	
<b>Maturity analysis - Lease liability expected to be settled</b>		
Within 1 year	1,139,741	884,590
Between 2 to 5 years	3,298,828	3,258,296
Greater than 5 years	-	-
<b>Total lease liability</b>	<b>4,438,569</b>	<b>4,142,886</b>
<b>2.2C - Other provisions</b>		
Provision for restoration	408,337	404,742
<b>Total other provisions</b>	<b>408,337</b>	<b>404,742</b>
<b>As at 1 July 2021</b>	<b>404,742</b>	
Unwinding of discount	3,595	
<b>Total as at 30 June 2022</b>	<b>408,337</b>	

ASPI currently has one (2021: one) agreement for the leasing of premises which has 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.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C and 2.1A

## Australian Strategic Policy Institute Ltd

### PEOPLE AND RELATIONSHIPS

*This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2022.*

	2022 \$	2021 \$
<b>3.1 - Employee Provisions</b>		
<b>3.1A - Employee provisions</b>		
Annual leave	542,755	538,976
Long service leave	374,269	598,844
<b>Total employee provisions</b>	<b>917,024</b>	<b>1,137,820</b>
<b>Employee provisions expected to be settled in no more than 12 months</b>		
Annual leave - current	542,755	538,976
Long service leave - current	245,545	22,733
<b>Total current employee provisions</b>	<b>788,300</b>	<b>561,709</b>
<b>Employee provisions expected to be settled in more than 12 months</b>		
Long service leave - non current	128,724	576,111
<b>Total non-current employee provisions</b>	<b>128,724</b>	<b>576,111</b>

#### Accounting policy

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

#### Leave

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 the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

ASPI recognises long service leave (LSL) liability by using the employee-by-employee analysis method; which is based on the organisation's staffing policy and the historical tenure of staff to allocate a probability to each staff member. ASPI uses a discount factor reflecting long term salary growth rate and 10 year bond rate (in line with the Department of Finance standard parameters) and suitable probability weights to reflect the present value of the future obligation.

#### Superannuation

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

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

ASPI makes employer contributions to the employees' superannuation funds held at a minimum rate of 10% (2021: 9.5%).

## Australian Strategic Policy Institute Ltd

### PEOPLE AND RELATIONSHIPS

*This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2022.*

#### 3.2 - Directors and Key Management Personnel Remuneration

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

	2022	2021
	\$	\$
<b>Short term employee benefits</b>		
Salary	336,921	334,840
Performance bonuses	53,342	53,342
Annual leave	23,464	26,439
<b>Total short term employee benefits</b>	<b>413,727</b>	<b>414,621</b>
<b>Other long term employee benefits</b>		
Long Service Leave	9,263	7,266
<b>Total other long term employee benefits</b>	<b>9,263</b>	<b>7,266</b>
<b>Post Employment Benefits</b>		
Superannuation	60,464	58,995
<b>Total post employment benefits</b>	<b>60,464</b>	<b>58,995</b>
<b>Total key management personnel remuneration</b>	<b>483,454</b>	<b>480,882</b>

The total number of directors and key management personnel that are included in the above table are 17. (2021: 13).

15 of the 17 executives were part time Council members and the remaining two members were in the position of full time Executive Director of ASPI. Remuneration for both Council members and the Executive Director are subject to Remuneration Tribunal Determinations.

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

## Australian Strategic Policy Institute Ltd

### PEOPLE AND RELATIONSHIPS

*This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people as at 30 June 2022.*

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### 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

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

ASPI received sponsorship from the following companies which an ASPI Council member is non-executive director:

1. Senetas Corporation Ltd
2. Boeing Defence Australia
3. Cyber Security Research Centre
4. American Chamber of Commerce in Australia

ASPI transacts with other Australian Government controlled entities and other Australian government entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. Other than Department of Defence core funding of \$4,000,000 received in FY2021-2022, these were 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.

## MANAGING UNCERTAINTIES

This section analyses how ASPI manages financial risks within its operating environment as at 30 June 2022.

	2022	2021
	\$	\$

### 4.1 - Financial Instruments

#### 4.1A - Categories of financial instruments

##### Financial assets

##### Financial assets measured at amortised cost

Cash at bank - AUD	6,726,623	8,324,818
Cash at bank - USD converted to AUD	2,450,602	-
Security deposit	27,115	-
Receivables for goods and services	352,421	340,872
<b>Total financial assets measured at amortised cost</b>	<b>9,556,761</b>	<b>8,665,690</b>

All receivables are expected to be recovered in no more than 90 days. Settlement terms for receivables is usually within 30 days of invoice date (2021: 30 days). Receivables 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.

ASPI's USD cash balance at 30 June 2022 was USD1,688,220.50. ASPI also held USD18,679.30 of security deposit for the Washington DC office. This deposit is receivable at the end of the lease term if conditions are met. In accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates*, ASPI measured both of these monetary items using the closing rate of USD/AUD at 30 June 2022 of 0.6889 from the Reserve Bank of Australia (RBA). The gains/(loss) from the foreign exchange translation was recognised through other comprehensive income.

ASPI considered the impact of foreign currency movements (USD to AUD) during the financial year; which were the USD bank balance, Washington DC lease liability and security deposit.

##### Financial liabilities

##### Financial liabilities measured at amortised cost

Payables for goods and services	442,959	411,127
<b>Total financial liabilities measured at amortised cost</b>	<b>442,959</b>	<b>411,127</b>

All suppliers are expected to be settled in no more than 90 days. Settlement terms for suppliers is usually within 30 days of invoice date (2021: 30 days).

#### 4.1B - Net gains or losses on financial assets

##### Financial assets measured at amortised cost

Interest revenue	29,990	25,329
<b>Net gains on financial assets measured at amortised cost</b>	<b>29,990</b>	<b>25,329</b>

##### Financial assets measured at fair value

Gains on foreign currency translation	109,317	-
<b>Net gains on financial assets measured at fair value through other comprehensive income</b>	<b>109,317</b>	<b>-</b>



### **Accounting policy**

#### **Financial Assets**

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

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

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

#### **Derecognition of Financial Assets**

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

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

#### **Financial Liabilities**

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

There has been no reclassification of financial instruments during the period (2021: none).

## **4.2 - Contingent Assets and Liabilities**

### **Accounting policy**

In accordance with AASB 137, *Provisions, Contingent Liabilities and Contingent Assets*; 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.

#### **Quantifiable contingencies**

There are no quantifiable contingent liabilities or assets as at 30 June 2022. (2021: Nil)

#### **Unquantifiable contingencies**

There are no unquantifiable or remote contingencies as at 30 June 2022. (2021: Nil)

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# Annexes

## Annex A

### ASPI publications

#### Strategy

##### **ANZUS at 70: the past, present and future of the alliance**

Patrick Walters et al.

*18 August 2021*

##### **Myanmar's coup, ASEAN's crisis: and implications for Australia**

Dr Huong Le Thu, Dr David Engel and Hillary Mansour

*11 November 2021*

##### **Implementing Australia's nuclear submarine program**

Andrew Nicholls, Jackson Dowie and Dr Marcus Hellyer

*14 December 2021*

##### **Agenda for change 2022: shaping a different future for our nation**

Gill Savage

*2 February 2022*

##### **Taking the low road: China's influence in Australian states and territories**

John Fitzgerald

*15 February 2022*

##### **The geopolitics of climate and security in the Indo-Pacific**

Robert Glasser, Cathy Johnstone and Anastasia Kapetas

*24 February 2022*

##### **VAMPIRE VAMPIRE VAMPIRE: The PLA's anti-ship cruise missile threat to Australian and allied naval operations**

Dr Sam Goldsmith

*5 April 2022*

##### **The Hunter frigate: an assessment**

Dr David Shackleton

*28 April 2022*

## Strategic insights

### **What is AUKUS and what is it not? How does it connect to the Quad, the Sydney Dialogue, ASEAN and Indo-Pacific security?**

Michael Shoebridge

*8 December 2021*

### **North of 26 degrees south and the security of Australia: views from The Strategist, volume 4**

Dr Teagan Westendorf and Dr John Coyne

*17 December 2021*

### **The costs of discounted diplomacy**

James Wise

*11 February 2022*

### **Artificial intelligence and policing in Australia**

Dr Teagan Westendorf

*7 April 2022*

### **ASPI AUKUS update 1: May 2022**

Dr Marcus Hellyer and Dr Ben Stevens

*5 May 2022*

## Special report

### **An Australian DARPA to turbocharge universities' national security research: securely managed Defence-funded research partnerships in Five-Eyes universities**

Dr Robert Clark AO and Peter Jennings

*14 July 2021*

### **'Lead me to the harbour!': plotting Darwin Harbour's future course**

Dr John Coyne and Dr Teagan Westendorf

*21 July 2021*

### **Losing our agnosticism: how to make Australia's foreign influence laws work**

Daniel Ward

*22 July 2021*

### **New beginnings: rethinking business and trade in an era of strategic clarity and rolling disruption**

Dr John Coyne, Gill Savage and Michael Shoebridge

*14 September 2021*

**The Pacific Fusion Centre: the challenge of sharing information and intelligence in the Pacific**

Dr David Brewster

*16 September 2021*

**Iron ore futures: possible paths for Australia's biggest trade with China**

David Uren

*22 September 2021*

**Economic coercion in Indo-Pacific island states: building resilience**

Richard Herr and Dr David Brewster

*28 September 2021*

**Snapshot in a turbulent time: Australian HADR capabilities, challenges and opportunities**

Dr Teagan Westendorf

*28 October 2021*

**Delivering a stronger Navy, faster**

Marcus Hellyer

*2 November 2021*

**Sliding door moments: ANZUS and the Blue Pacific**

Richard Herr, Anthony Bergin and Nikolaos Skondrianos

*9 November 2021*

**Collaborative and agile: intelligence community collaboration insights from the United Kingdom and the United States**

Michael Shoebridge, Dr John Coyne and Dr Rajiv Shah

*25 November 2021*

**Northern sovereign maritime sustainment**

Dr John Coyne and Gill Savage

*28 January 2022*

**Meeting Antarctica's diplomatic challenges: joint approaches for Australia and the United States**

Evan T Bloom

*16 February 2022*

**UK, Australia and ASEAN cooperation for safer seas: a case for elevating the cyber-maritime security nexus**

Dr Huong Le Thu and Bart Hogeveen

*31 March 2022*

**Artificial intelligence: your questions answered**

Dr Kathy Nicholson and Adam Slonim

*11 April 2022*

**Understanding the price of military equipment**

Dr Marcus Hellyer

*4 May 2022*

**The transnational element of a ‘domestic’ problem: policy solutions to countering right-wing violent extremism in Australia**

Diane Liang

*19 May 2022*

**The Australian Defence Force and its future energy requirements**

Ulas Yildirim

*21 June 2022*

**Annuals**

**The cost of Defence: ASPI Defence budget brief 2022–23**

Marcus Hellyer

*8 June 2021*

**ICPC**

**Exfiltrate, encrypt, extort: the global rise of ransomware and Australia’s policy options**

Rachel Falk and Anne-Louise Brown

*13 July 2021*

**Digital government services: building for peak demand**

Tom Uren

*20 July 2021*

### **Influence for hire: the Asia–Pacific’s online shadow economy**

Dr Jacob Wallis et al.

*10 August 2021*

### **Buying and selling extremism: new funding opportunities in the right-wing extremist online ecosystem**

Ariel Bogle

*19 August 2021*

### **Review of the Trusted Digital Identity Framework for the NSW Government**

Rajiv Shah

*21 September 2021*

### **The architecture of repression: unpacking Xinjiang’s governance**

Vicky Xiuzhong Xu, Dr James Leibold and Daria Impiombato

*19 October 2021*

### **China’s cyber vision: how the Cyberspace Administration of China is building a new consensus on global internet governance**

Dr Nathan Attrill and Audrey Fritz

*24 November 2021*

### **Benchmarking critical technologies: building an evidence base for an informed critical technologies strategy**

Kitsch Liao, Dr Samantha Hoffman and Karly Winkler

*30 November 2021*

### **#StopXinjiangRumors: the CCP’s decentralised disinformation campaign**

Fergus Ryan, Ariel Bogle, Albert Zhang and Dr Jacob Wallis

*2 December 2021*

### **Borrowing mouths to speak on Xinjiang**

Fergus Ryan, Ariel Bogle, Nathan Ruser, Albert Zhang and Daria Impiombato

*10 December 2021*

### **Digital Southeast Asia: opportunities for Australia–India cooperation to support the region in the post-Covid-19 context**

Dr Huon Curtis, Bart Hogeveen, Jocelinn Kang, Dr Huong Le Thu, Dr Rajeswari Pillai Rajagopalan, Trisha Ray

*10 February 2022*



**The future of assistance to law enforcement in an end-to-end encrypted world**

Tom Uren

*23 February 2022*

**Producing policy-relevant China research and analysis in an era of strategic competition**

Dr Samantha Hoffman

*28 February 2022*

**Understanding global disinformation and information operations: insights from ASPI's new analytic website**

Ingram Niblock, Dr Jacob Wallis and Albert Zhang

*30 March 2022*

**Building genuine trust: a framework and strategy for Indigenous STEM and cyber pathways**

Dr Huon Curtis

*29 April 2022*

**China's messaging on the Ukraine conflict**

Ingram Niblock with Dr Samantha Hoffman and Matthew Knight

*23 May 2022*

**Countering the Hydra: a proposal for an Indo-Pacific hybrid threat centre**

Dr Lesley Seebeck, Emily Williams and Dr Jacob Wallis

*7 June 2022*

**Winning support from overseas Chinese: Chinese students and scholars associations in Canada**

Audrey Fritz

*28 June 2022*

**Other**

**An informed and independent voice: ASPI, 2001–2021**

Graeme Dobell

*26 August 2021*

## Annex B

### Articles and book chapters by ASPI staff

#### John Coyne

- 'Bending the rules to break the system: the future of Interpol at a crossroads', *The SAIS Review of International Affairs*, Spring issue (in press)
- 'Transnational organised crime is ready to exploit the complex challenges presented by climate change', *Policing Insight*
- 'Parties must show what they will do next over Solomons', *Sydney Morning Herald*
- 'Revisiting strategic assumptions at the border', *Border Security Report*
- 'Goodwill and good luck can only get us so far against natural disasters', *Canberra Times*
- 'Framing the issue: countering the synthetic drug market in South East Asia', *Global Initiative Against Transnational Organised Crime*
- 'It's dark, sinister and no one wants to talk about it—but we must tackle child sexual exploitation', *Sydney Morning Herald*

## Annex C

### Opinion pieces by ASPI staff

#### July 2021

- 'Biden must change the narrative of neglect for Southeast Asia' (Le Thu, *ForeignPolicy.com*)
- 'At the nexus of military-civil fusion and technological innovation in China' (Fritz, *The Diplomat*)
- 'Why return to Afghanistan as fast as we left? Perhaps because China is filling the void' (Coyne and Westendorf, *The Sydney Morning Herald*)
- 'Indonesia's emerging climate crisis is also a regional crisis' (Glasser, *The Jakarta Post*)
- 'The US–China data fight is only getting started' (Hoffman, *ForeignPolicy.com*)
- 'Australia is losing ground in the fight for influence in the Pacific. We need a new approach, and fast' (Bergin, *AustralianForeignAffairs.com*)
- 'Calling out China a fraught but necessary step' (Cave, *Sydney Morning Herald*)

#### August 2021

- 'A Foreign Affair discussion on Southeast Asia' (Le Thu, *ABC.net.au*)
- 'Lessons from Afghanistan' (Jennings, *The Australian*)
- 'Delta variant outbreak challenges Vietnam's COVID-19 response strategy' (Le Thu, *Brookings*)
- 'Can the Taliban detox from Afghanistan's opium economy?' (Coyne, *ABC.net.au*)
- 'Modern slavery' (Coyne, *PolicyInsight.com*)
- 'China takes on its tech leaders' (Ryan, *WarOnTheRocks.com*)

#### September 2021

- 'A cricket Test of the Taliban's PR' (Jennings, *The Australian*)
- 'Australia's credibility rests on subs success' (Hellyer, *Australian Financial Review*)
- 'French fury can't be left to unwind joint Indo-Pacific work' (Bergin, *The Australian*)
- 'Future ready: beyond the traditional border specific lens' (Coyne, *Border Security Report*)
- 'Submarines that don't need refuelling still require a nuclear industry' (Hellyer, *Sydney Morning Herald*)
- 'Breaking Australia's announce, acquire, announce cycle' (Coyne, *PolicyForum.com*)

## October 2021

- 'Xi Jinping is testing our limits on Taiwan and the West must push back' (Jennings, *The Australian*)
- 'Digital age lies vulnerable to threats from underwater' (Bergin and Bashfield, *The Australian*)
- 'Australia well placed to turbocharge its strategic tech capability' (Hanson and Cave, *Sydney Morning Herald*)
- 'Australia needs to step up as Papua New Guinea is hit by COVID' (Mansour, *The Age*)

## November 2021

- 'Eight reasons that China defeatism is misplaced' (Jennings, *The Australian*)
- 'This is our backyard, not China's' (Bergin, *The Australian*)
- 'AUKUS aftermath: it's in our interests to make things right with the French' (Loosley, *The Australian*)
- 'Hardening Australia's north: vital infrastructure vulnerable to hypersonic threats without protection' (Davis, *The Australian*)
- 'AUKUS requires rapid expansion of autonomous undersea warfare systems' (Davis, *The Australian*)
- 'Long-range firepower the key to victory' (Davis, *The Australian*)

## December 2021

- 'Diplomatic boycott would take shine off Xi's political Games' (Jennings, *The Australian*)
- 'Moon Jae-in visit should be start of deeper relationship with South Korea' (Paterson, *The Australian*)
- 'What's the next shortage after Adblue' (Coyne, *Sydney Morning Herald*)
- 'Imperative for home grown Covid vaccines' (Shoebridge, *The Australian*)
- 'A new year, and fresh turmoil in world order' (Jennings, *The Australian*)

## January 2022

- 'Deeper ties with Japan send strong message to China' (Jennings, *The Australian*)
- 'Australia must be ASEAN's digital transformation partner' (Le Thu, *AFR.com*)
- 'Joe Biden talk must come with action on Vladimir Putin' (Jennings, *The Australian*)
- 'History highlights dangerous reality of The Dictators' (Loosley, *The Australian*)
- 'Southeast Asia in great-power competition' (Le Thu, National Bureau of Asian Research)
- 'New significance, strength in our much-maligned historic ties with Britain' (Jennings, *The Australian*)
- 'There is still a slim chance to stop war with Russia' (Jennings, *The Australian*)

## February 2022

- 'Rare earths and the difficulties of supply' (Coyne, *ABC Future Tense*)
- 'Covid-19 and digitalization in Southeast Asia: a big leap forward but gaps widen too' (Le Thu, *VNExpress.net*)
- 'Australia's shaky "southern anchor" in push back on China' (Coyne, *AsiaTimes.com*)
- 'The known unknowns of Putin's bloody gamble' (Jennings, *The Australian*)
- 'Transnational organised crime is ready to exploit the complex challenges presented by climate change' (Coyne, *Policing Insights*)

## March 2022

- 'ASEAN needs to uphold principles, not neutrality, in Ukraine war' (Le Thu, *Asia.Nikkei.com*)
- 'Urgent need for radical thinking on our defence' (Jennings, *The Australian*)
- 'How Australia can end the race for bases in the Pacific' (Hanson, *Australian Financial Review*)
- 'Not too late, but Australia must reach out to Solomon Islands now' (Jennings, *The Australian*)

## April 2022

- 'Coming into the cold: China's interests in the Antarctic' (Bergin and Press, *Australian Journal of International Affairs*)
- 'Reframing the NT defence infrastructure challenge' (Coyne, *Defence Connect*)
- 'Parties must show what they will do next over Solomons' (Coyne, *Sydney Morning Herald*)
- 'We must—and can—do more for Ukraine' (Jennings, *The Australian*)
- 'Solomons can be won over if we make the effort' (Jennings, *The Australian*)

## May 2022

- 'Political leaders ignoring the biggest threat to our national security' (Glasser, *The Australian*)
- 'Goodwill and good luck can only get us so far against natural disasters' (Coyne, *The Australian*)
- 'Australia and next steps in the Pacific' (Bergin and Wall, *IslandBusiness.com*)

## June 2022

- 'Enlist Quad, France to take on China in the South Pacific' (Bergin and Paskal, *The Australian*)
- 'It's dark, sinister and no one wants to talk about it—but we must tackle child sexual exploitation' (Coyne, *Sydney Morning Herald*)

## Annex D

### ASPI events

#### Women in Defence and Security Network events

1	28 September	Public webinar: WDSN Careers Event: Pathways and opportunities in defence and national security
2	10 November	Public webinar: WDSN Careers Panel: Counterterrorism and intelligence in-focus
3	9 December	Op-ed Workshop: Writing on defence and security
4	9 March	Public Event: Women, peace and security—reflections on Afghanistan
5	3 June	Op-ed Workshop: Writing on defence and security

#### International strategic dialogues

1	1 July	ASPI–CSIS Track 1.5 Dialogue
2	28 & 30 July	ASPI–CSIS Track 1.5 Dialogue
3	7 & 8 September	ASPI–NIDS Strategic Dialogue
4	13 October	Australia–Japan–Indonesia Track 1.5 Dialogue
5	1 November	Australia – New Zealand Track 1.5 Dialogue
6	18 November	Australia – Vietnam Track 1.5 Dialogue
7	29 & 30 November	Be’er Sheva Dialogue, co-hosted with the International Institute for Counter-Terrorism (ICT) at the Interdisciplinary Center Herzliya
8	2 December	ASPI–KAS Australia–Europe Counterterrorism Dialogue
9	24 March	ASPI – New Strategy Centre Track 1.5 Dialogue
10	6 & 8 June	ASPI–CSIS–DPG (Australia–US–India) Track 1.5 Dialogue
11	29 June	ASPI–CSIS Track 1.5 Dialogue

## Roundtables and workshops

1	16 July	Roundtable with David Uren
2	29 July	Briefing on 'Mapping China's Tech Giants'
3	6 August	The Hon Karen Andrews, former Minister for Home Affairs
4	18 August	Hamish Hansford, Department of Home Affairs
5	9 September	ASPI–ICRC online workshop on 'Cyber operations during armed conflict: humanitarian, legal and policy imperatives'
6	9 September	DFAT Office of the Pacific
7	9 November	Modern slavery in Australia
8	16 November	Modern slavery in Australia roundtable #2
9	23 November	Modern slavery in Australia roundtable #3
10	25 January	Cyber resilience roundtable
11	27 January	Briefing on International Cyber Policy Centre research
12	31 January	Briefing on 'Mapping China's Tech Giants'
13	9 February	Gabrielius Landsbergis, Minister of Foreign Affairs of Lithuania
14	17 February	General Charles A Flynn, Commanding General, US Army Pacific
15	3 March	Volodymyr Shalkivskyi, Ukrainian Embassy's Chargé d'Affaires to Australia
16	11 March	Coercive diplomacy
17	16 March	Dr Alan Kuperman, Associate Professor, LBJ School of Public Affairs, University of Texas at Austin
18	16 March	Angela Corcoran, Head of Mission, Australian Embassy, Yangon
19	23 March	Lt Gen Steven Rudder, Commander, Marine Forces Pacific
20	24 March	The Hon Peeni Henare, Minister of Defence of New Zealand
21	1 April	Ted Hui Chi-Fung
22	7 April	Minister Kang Eun-ho, Minister of the Republic of Korea's Defense Acquisition Program Administration
23	12 April	Maldives National Defence Force
24	13 April	General David H Berger, Commandant of the US Marine Corps

25	19 April	Dr Stephen Nagy, Senior Associate Professor, Department of Politics and International Studies, International Christian University, Tokyo
26	21 April	Japan's Vice Minister and Director-General, Intelligence Analysis Service, Hiroshi Yamauchi
27	22 April	Her Excellency Ms Pernille Dahler Kardel, Danish Ambassador to Australia, and Her Excellency Ms Kersti Eesma, Ambassador of Estonia to Australia
28	26 April	Roundtable with Treasury
29	4 May	US Command and Staff College
30	4 May	New Zealand's Defence Policy Branch
31	11 May	Roundtable with David Uren
32	13 May	Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Asia–Pacific Security at the International Institute for Strategic Studies
33	18 May	Dr Tanvi Madan, senior fellow in the Project on International Order and Strategy in the Foreign Policy program, and director of the India Project at the Brookings Institution
34	24 May	INDOPACOM
35	31 May	Senate Foreign Relations Committee staff
36	1 June	US Congressional Staff delegation
37	1 June	Philippines delegation
38	14 June	Mark Lambert, Deputy Assistant Secretary for Japan, Korea, Australia and the Pacific, US Department of State
39	20 June	UK House of Commons Defence Committee
40	21 June	Global Affairs Canada
41	21 June	Dr Kao Kim Hourn, minister delegate attached to the Prime Minister for Foreign Affairs and ASEAN (Cambodia)



## Public events

1	23 July	Indigenous Cyber and Digital Skills Conference
2	5 November	Where to next for the Indigenous Procurement Policy?
3	2 December	7th ASPI-KAS Australia-Europe Counterterrorism Dialogue: Strategies for a resilient democracy
4	14 December	Publication launch: Benchmarking critical technologies: building an evidence base for an informed critical technologies strategy
5	20 January	Reforming Australia's electronic surveillance laws
6	24 February	Publication launch: The geopolitics of climate and security in the Indo-Pacific
7	9 March	Women, peace and security—reflections on Afghanistan
8	21 March	The future of Western special operations after Afghanistan
9	12 April	Publication launch: Global Terrorism Index 2022
10	26 April	In conversation with Ukraine's Ambassador to Australia, His Excellency Mr Vasyl Myroshnychenko
11	8 June	ASPI Transcontinental Town Hall: Northern development in Australia and Canada
12	8 June	Publication launch: The cost of Defence 2021–22
13	20 June	Publication launch: A proposal for an Indo-Pacific hybrid threat centre
14	22 June	Russia's war in Ukraine: fighting for Ukrainian sovereignty and global order

## Masterclasses

1	28 April	ASPI Masterclass: China's emerging military and strategic capabilities
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## Webinars

1	8 July	In conversation with Will Cathcart, head of WhatsApp
2	13 July	Exfiltrate, encrypt, extort: the global rise of ransomware and Australia's policy options
3	27 July	In conversation with Marietje Schaake
4	11 August	Withstanding terror in Afghanistan: a conversation with Afghanistan's Minister for Foreign Affairs, His Excellency Mohammad Haneef Atmar
5	18 August	ANZUS at 70: the past, present and future of the alliance
6	30 August	Cybersecurity, critical technologies and energy: Japan and its role in the Indo-Pacific
7	13 September	The road from 9/11: the evolution of counterterrorism and extremism
8	30 September	Stronger together: how cyber defence alliances could create a stronger digital economy
9	15 February	Taking the low road: China's influence in Australian states and territories
10	23 February	The future of assistance to law enforcement in an end-to-end encrypted world
11	6 April	Fighters, mercenaries, humanitarians, or extremist criminals?
12	11 April	Publication launch: Artificial intelligence—your questions answered

## Special meetings

1	4 August	General Angus Campbell AO DSC, Chief of the Defence Force
2	11 August	Professor Paul Dibb, Emeritus Professor of Strategic Studies at the Strategic and Defence Studies Centre in the ANU College of Asia and the Pacific
3	1 December	National Australia Bank
4	15 February	Bertil Wenger, Director, Regional Programme Australia and the Pacific, Konrad-Adenauer-Stiftung
5	22 March	Professor David Kilcullen, Professor of International and Political Studies, University of New South Wales, Canberra

# Annex E

## Key roles at international conferences

Staff member	Conference
Dr John Coyne	<ul style="list-style-type: none"><li>• ‘The future is coming: imagining the future immigration landscape’, Border Control Agency Management Program</li><li>• ‘The future customs landscape’, Australian Border Force Joint Customs Middle Management Program</li><li>• Container Control Program—Women’s Professional Development Program, Eastern and Southern Africa</li><li>• Australian Border Force Pacific Women’s Professional Development Program</li><li>• United Nations Office on Drugs and Crime Global Maritime Crime Program, Forum on Maritime Trafficking Routes—Southeast Asia</li><li>• ‘Thinking bigger—defence, national security and nation building in Northern Australia’, Developing Northern Australia Conference</li></ul>

## Annex F

### Achieving ASPI's purposes

Table 9 outlines how ASPI worked in 2021–22 to achieve our purposes, as listed in our corporate plan. It provides either specific information or references to the relevant chapter of this annual report.

**Table 9: How ASPI achieved its purposes, 2021–22**

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2021–22
Conduct and publish research	The number and type of publications and <i>The Strategist</i> pieces produced by ASPI, together with examples of how the publications have contributed to the national debate	ASPI informs the public by publishing information and analysis on a full range of strategic, defence and national security issues that bear on the choices facing Australia over coming years.	Through five series of publications, 51 publications were produced. There were 1,027 pieces on <i>The Strategist</i> from 384 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 three government advisory committees and expert panels.
	Submissions to parliamentary inquiries		ASPI provided three 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 2021–22
Stimulate public discussion	Number and range of ASPI public events	ASPI informs the public by hosting several events open to the public and through readily accessible online material on ASPI's website each year, including opinion pieces, reports, podcasts and <i>The Strategist</i> .	ASPI conducted 84 events during 2021–22. A list of the events is in Chapter 4 and Annex D.
	Published opinion pieces		60 opinion pieces written by ASPI staff were published.
	Examples of media coverage contributing to the national debate		Examples of media commentary are in Chapter 3.
	Website, <i>The Strategist</i> and social media usage		Information and graphs on social media usage are in Chapter 1.
Promote international under-standing	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 2021–22
	Invitations to speak at international conferences		ASPI staff attended six 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 one Visiting Fellow.
	Participation in and hosting of international dialogues.		ASPI hosted 11 Track 1.5 and Track 2 dialogues. A list of the dialogues is in Chapter 1.
Develop expertise	Number of interns whom ASPI supports		ASPI hosted 10 interns in 2021–22.
	Published pieces by interns		<p>Publications:</p> <p>A chapter on the economic impact of war in Ukraine in <i>The cost of Defence: ASPI defence budget brief 2021–2022</i></p> <p><i>AUKUS Update #1: May 2022</i></p> <p><i>UK, Australia and ASEAN cooperation for safer seas</i></p> <p><i>The Strategist:</i></p> <p>‘Adding up the global costs of Putin’s war’</p> <p>‘The cyber–maritime security nexus and priorities for UK–Australia–ASEAN cooperation’</p>

Purpose	How do we measure achievement?	Who benefits?	What we achieved in 2021–22
			<p>‘Australia and its partners should expand visa programs to help Hong Kong and punish Beijing’</p> <p>‘Would Russia use bioweapons in Ukraine?’</p>
	Participants in ASPI professional development courses		ASPI conducted 34 courses and workshops. A detailed list is in Chapter 2.

## Annex G

### Information about executive remuneration

During the reporting period ended 30 June 2022, ASPI had 17 individuals who met the definition of 'key management personnel'. Their names and the length of their terms as key management personnel are listed in Table 10. Remuneration information for key management personnel is in Table 11.

**Table 10: Key management personnel term**

Name	Position	Term as key management personnel
Mr Peter Jennings PSM	Executive Director	Part-year: terminated 30 April 2022
Mr Justin Bassi	Executive Director	Part-year: appointed 2 May 2022
Lieutenant General (Ret'd) Kenneth Gillespie AD DSC CSM	Chair of Council	Full year
Mr Stephen Brady AO CVO	Council member	Part-year: terminated 27 February 2022
The Hon Stephen Conroy	Council member	Full year
Ms Jane Halton AO PSM	Council member	Full year
The Hon Gai Brodtmann	Council member	Full year
The Hon Robert Hill AC	Council member	Part-year: terminated 28 February 2022
Dr Lavina Lee	Council member	Full year
Ms Jennifer Ma	Council member	Part-year: terminated 28 February 2022
Mr James Brown	Council member	Full year
The Hon Michael Keenan	Council member	Part-year: appointed 28 March 2022
Ms Catherine McGregor AM	Council member	Part-year: appointed 28 March 2022



Name	Position	Term as key management personnel
The Hon Dr Brendan Nelson AO	Council member	Full year
Ms Rachel Falk	Council member	Part-year: appointed 28 March 2022
The Hon John Anderson AO FTSE	Council member	Part-year: appointed 28 March 2022
Mr Denis Dragovic	Council member	Part-year: terminated 27 February 2022

**Table 11: Remuneration information for key management personnel**

Name	Position	Short-term benefits			Other long-term benefits	Post-employment benefits	Total
		Salary	Bonuses	Annual leave <sup>a</sup>			
Mr Peter Jennings PSM	Executive Director	\$270,031.76	\$53,342.10	\$19,861.84	\$8,787.24	\$48,451.57	\$400,474.51
Mr Justin Bassi	Executive Director	\$41,257.33	–	\$3,602.24	\$475.66	\$9,193.08	\$54,528.31
Lieutenant General (Ret'd) Kenneth Gillespie AD DSC CSM	Chair of Council	\$3,560.00	–	–	–	\$391.60	\$3,951.60
Mr Stephen Brady AO CVO	Council member	\$2,136.00	–	–	–	\$234.96	\$2,370.96
The Hon Stephen Conroy	Council member	\$2,848.00	–	–	–	\$313.28	\$3,161.28
Ms Jane Halton AO PSM	Council member	\$2,848.00	–	–	–	\$313.28	\$3,161.28
Ms Gai Brodtmann	Council member	\$2,848.00	–	–	–	\$313.28	\$3,161.28
The Hon Robert Hill AC	Council member	\$2,136.00	–	–	–	\$234.96	\$2,370.96
Dr Lavina Lee	Council member	\$2,848.00	–	–	–	\$313.28	\$3,161.28
Ms Jennifer Ma	Council member	\$2,136.00	–	–	–	\$234.96	\$2,370.96
Mr James Brown	Council member	\$2,848.00	–	–	–	\$313.28	\$3,161.28
Mr Michael Keenan	Council member	\$712.00	–	–	–	\$78.32	\$790.32
Ms Catherine Macgregor	Council member	\$712.00	–	–	–	\$78.32	\$790.32

Name	Position	Short-term benefits			Other long-term benefits	Post-employment benefits	Total
		Salary	Bonuses	Annual leave <sup>a</sup>		Superannuation contribution	
The Hon Dr Brendan Nelson AO	Council member	–	–	–	–	–	–
Ms Rachel Falk	Council member	–	–	–	–	–	–
Mr John Anderson	Council member	–	–	–	–	–	–
Mr Denis Dragovic	Council member	–	–	–	–	–	–
<b>Total</b>		<b>\$336,921.09</b>	<b>\$53,342.10</b>	<b>\$23,464.09</b>	<b>\$9,262.90</b>	<b>\$60,464.17</b>	<b>\$483,454.34</b>

Notes:

- Annual leave is calculated on an accrual basis as 20 working days per year based on the salary as at 30 June 2022.
- Long service leave is calculated on an accrual basis as 4.33 working days per year based on the salary as at 30 June 2022.

Remuneration information for Audit and Risk Committee members is in Table 12.

**Table 12: Remuneration information: Audit and Risk Committee members**

Name	Position	Short-term benefits			Other long-term benefits		Post-employment benefits		Total remuneration
		Salary	Bonuses	Annual leave	Long service leave	Superannuation contribution			
Ms Kate Freebody	Chair of Audit & Risk Committee	\$10,500.00	–	–	–	–	–	\$10,500.00	
Mr Geoff Brown	Committee member	–	–	–	–	–	–	–	
Ms Gai Brodtmann	Committee member	–	–	–	–	–	–	–	
Total		\$10,500.00		–	–	–	–	\$10,500.00	

# Annex H

## ASPI by the numbers

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

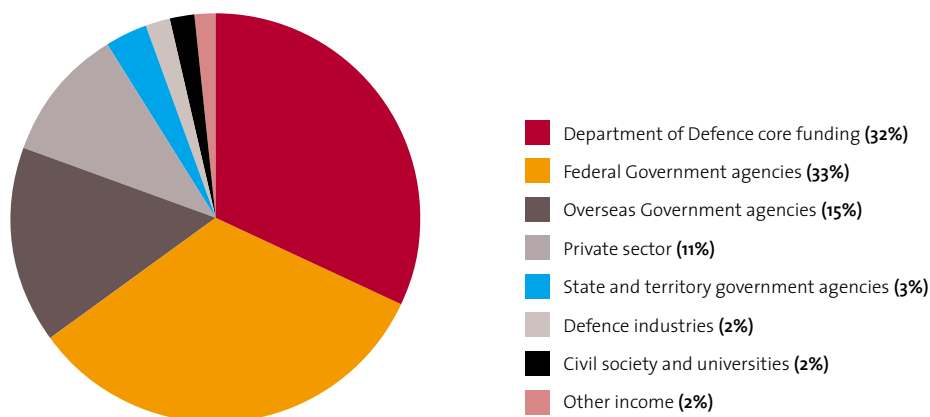
ASPI’s sources of funding are identified in our annual report, on line at [www.aspi.org.au](http://www.aspi.org.au) and in the acknowledgements section of individual publications.

For 2021–22, funding was as shown in Table 13 and Figure 7.

**Table 13: Revenue, 2021–22**

Funding source	Amount	% of total
Department of Defence core funding	\$4,000,000	32.1%
Federal government agencies	\$4,102,512	32.9%
Overseas government agencies	\$1,939,442	15.6%
Private sector	\$1,339,990	10.7%
Defence industries	\$410,182	3.3%
State and territory government agencies	\$250,000	2.0%
Civil society and universities	\$220,824	1.8%
Other income (ticket sales and interest)	\$202,525	1.6%
<b>Total</b>	<b>\$12,465,475</b>	<b>100%</b>

Figure 7: Sources of revenue, 2021–22



## 2021–22 funding breakdown, by sector

### 1: Australian Department of Defence core funding:

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

### 2: Federal government agencies

In addition to the core funding provided by the Department of Defence, Australian federal government departments and agencies provided funding as shown in Table 14.

**Table 14: Federal government agencies funding, 2021–22**

Department or agency	Purpose	Amount
.au Domain Administration Ltd	Corporate agreement ‘internet.com.au test tool’ project variation	\$10,000.00
.au Domain Administration Ltd	Corporate sponsorship	\$40,000.00
Attorney-General’s Department	Presentations to the department	\$9,090.91
Attorney-General’s Department	Corporate sponsorship	\$200,000.00
Defence portfolio	Corporate sponsorship	\$50,000.00
Defence portfolio	Strategic Program review	\$150,000.00
Defence portfolio	Strategic technical leadership development training services	\$70,915.00
Cyber Security Cooperative Research Centre	Corporate sponsorship	\$30,000.00
Department of Agriculture, Water and the Environment	Provision of advisory services	\$37,500.00
Department of Defence	Better Policy Workshop	\$449,223.63
Department of Defence	Two virtual dialogues	\$20,000.00
Department of Defence	Better Policy and Thinking Outside the Box workshops	\$180,600.00
Department of Defence	Skilling Australia’s North project	\$123,000.00
Department of Defence	Mobilisation Project	\$91,440.00
Department of Defence	Australia – New Zealand Track 1.5 dialogue	\$8,060.00
Department of Defence	Niagara/RAAF Seamen workshop	\$546,372.73
Department of Defence	IDU Program	\$43,900.00
Department of Foreign Affairs and Trade	Digital Economy in Southeast Asia project	\$98,636.36
Department of Foreign Affairs and Trade	Sydney Dialogue sponsorship	\$1,045,454.54
Department of Foreign Affairs and Trade	Corporate sponsorship	\$250,000.00

Department or agency	Purpose	Amount
Department of Foreign Affairs and Trade	A Technology Diplomacy and AI in the Indo-Pacific project	\$163,318.38
Department of Foreign Affairs and Trade	Understanding Climate Risks project	\$150,000.00
Department of Home Affairs	Corporate sponsorship	\$225,000.00
Department of Industry, Science, Energy and Resources	Australian Cyber Security Industry Capability Gap Analysis 2020–2021 project	\$72,500.00
Department of the Prime Minister and Cabinet	Corporate sponsorship	\$37,500.00
		<b>\$4,102,511.55</b>

### 3: Overseas government agencies

The funding shown in Table 15 was received from overseas government agencies. Where appropriate, ASPI reports funding under the Foreign Influence Transparency Scheme at <https://www.ag.gov.au/integrity/foreign-influence-transparency-scheme>.



**Table 15: Overseas government agencies, funding 2021–22**

Department or agency	Purpose	Amount
Embassy of Japan	Benchmarking Critical Technologies project	\$54,545.45
Embassy of Japan	Covid-19: Implications for the Indo-Pacific project	\$74,630.00
UK Foreign, Commonwealth and Development Office	Assessing the impact of Chinese information operations	\$175,253.02
UK Foreign, Commonwealth and Development Office	Indo-Pacific Hybrid Threat Centre project	\$94,249.00
UK Foreign, Commonwealth and Development Office	Advancing Maritime Governance in the Indo-Pacific project	\$27,360.00
Government of Canada	Research support	\$29,900.00
Government of Netherlands	United Front Project (refund)	-\$256.31
US State Department via Institute for War and Peace Reporting	Systems of Influence project	\$75,074.14
US State Department via Institute for War and Peace Reporting	Human Rights project	\$439,161.08
US State Department via Institute for War and Peace Reporting	Covid-19 Disinformation project	\$82,837.55
US State Department	Think Tank Network project	\$150,580.97
US State Department	Covid-19 Disinformation project	\$48,932.99
US State Department	China Technology Map project	\$129,334.92
US State Department	Disinformation and Social Media project	\$194,219.73
US State Department	China's Role in Pacific Islands Online Information Operations project	\$113,898.17
US State Department	Coercive Diplomacy project	\$80,000.00
US State Department	Critical Technologies project	\$169,721.26
		<b>\$1,939,441.97</b>

#### 4: Private sector

The funding shown in Table 16 was received from private-sector organisations.

**Table 16: Private-sector organisation funding, 2021–22**

Company	Purpose	Amount
Amazon Web Services	Corporate sponsorship	\$50,000.00
Facebook Australia	Corporate sponsorship	\$135,000.00
Facebook Australia	The Sydney Dialogue sponsorship	\$500,000.00
Google Australia	Corporate sponsorship	\$50,000.00
Google Australia	Law Enforcement Access to Communication Data in an End-to-end Encrypted World project	\$20,000.00
Jacobs Australia	Corporate sponsorship	\$33,333.34
Leidos	Corporate sponsorship	\$37,500.00
Macquarie Telecom Group	Corporate sponsorship	\$50,000.00
Microsoft	ASPI 2021 Conference sponsorship	\$15,000.00
Microsoft	Corporate sponsorship	\$50,000.00
Microsoft	Information Securities project	\$66,000.00
Oracle	National Security research project roundtable	\$27,000.00
Palo Alto Networks	Corporate sponsorship	\$37,500.00
QuintessenceLabs	Corporate sponsorship	\$25,000.00
Senetas Corporation	Corporate sponsorship	\$50,000.00
Splunk Technology	Corporate sponsorship	\$50,000.00
Twitter	Disinformation / takedown data analysis works support	\$99,656.80
Upguard Inc	Corporate sponsorship	\$44,000.00
		<b>\$1,339,990.14</b>

## 5: Defence industries

The funding shown in Table 17 was received from defence-related private-sector organisations.

**Table 17: Defence-related private-sector organisations, funding 2021–22.**

Company	Purpose	Amount
Boeing Australia	ASPI 2021 Conference sponsorship	\$18,181.82
Boeing Australia	AUKUS Track 1.5 dialogue and <i>Strategist</i> support	\$82,000.00
Lockheed Martin	Government–Industry Cooperation to Deliver Faster Capability project	\$75,927.27
OMNI Executive	Delta 8.7 Alliances virtual roundtables on modern slavery	\$20,000.00
Saab Australia Pty Ltd	<i>The cost of Defence</i> sponsorship	\$27,272.73
Thales Australia	Corporate sponsorship	\$87,500.00
Thales Australia	ASPI Northern Australia White Paper	\$99,300.00
		<b>\$410,181.82</b>

## 6: Australian state and territory government agencies

The funding shown in Table 18 was received from Australian state and territory government departments and agencies.

**Table 18: Australian state and territory governments, funding 2021–22**

Department or agency	Purpose	Amount
Northern Territory Government	ASPI – Northern Territory Government partnership	\$250,000.00
		<b>\$250,000.00</b>

## 7: Civil society and universities

The funding shown in Table 19 was received from civil society organisations and Australian and overseas universities.

**Table 19: Civil society organisations and universities, funding 2021–22**

Company	Purpose	Amount
American Chamber of Commerce	Corporate sponsorship— <i>ANZUS at 70</i> book project	\$40,000.00
Centre for Strategic and International Studies	Taiwan Track 1.5 dialogue	\$16,810.57
Konrad-Adenauer-Stiftung	China Influence States book project	\$100,663.00
Konrad-Adenauer-Stiftung	Climate and Security book project	\$63,350.42
		<b>\$220,823.99</b>

## 8: Other income

ASPI's other income in 2021–22 consisted of events ticket sales and interest from term deposits.

# Annex I

## Index of annual report requirements

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

Content	Location in the rule	Location in this report
ASPI's purposes	s 28E(a)	Chapter 1
Measurement and assessment of performance	s 28E(aa)	Chapter 3, Annex F
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
Statistics on employees	S 28E(ga)	Chapter 1
Location of organisation	s 28E(h)	Inside front cover
Corporate governance practices	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
Executive remuneration	s 28E(oa)	Annex G
Audit committee	s 28E(ob)	Chapter 5, Annex G
Index identifying requirements of section 28E	s 28E(p)	Annex I

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

## Annex J

### Acronyms and abbreviations

ADF	Australian Defence Force
AMA	Australian Medical Association
ANU	Australian National University
ASEAN	Association of Southeast Asian Nations
CCP	Chinese Communist Party
CSIS	Center for Strategic and International Studies
CSPC	Climate and Security Policy Centre
CT	counterterrorism
CVE	countering violent extremism
DFAT	Department of Foreign Affairs and Trade
GDP	gross domestic product
ICPC	International Cyber Policy Centre
ICT	Institute for Counter-Terrorism
KAS	Konrad-Adenauer-Stiftung
NATO	North Atlantic Treaty Organization
PRC	People's Republic of China
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
RSL	Returned and Services League
SES	Senior Executive Service
SSN	ship, submersible, nuclear (nuclear-powered fast attack submarine)
STEM	science, technology, engineering and mathematics
UK	United Kingdom
UN	United Nations
US	United States
WDSN	Women in Defence and Security Network



