

LOWY INSTITUTE
FOR INTERNATIONAL POLICY

Dear Friends of the Lowy Institute

The Lowy Institute celebrates its sixth anniversary this year. This is my first end-of-year message as the Institute's Executive Director. Our inaugural Executive Director, Allan Gyngell, was invited earlier this year by Prime Minister Rudd to lead the Office of National Assessments, the first time anyone from a think tank in Australia has been appointed to head a Government Agency. I want to acknowledge Allan's remarkable achievement in building, from a standing start, Australia's leading international policy think tank to be the most respected international policy institution in Australia, with an outstanding reputation for independence, quality and influence.

This year we witnessed momentous changes in the world, sparked by the crisis in the world economy in late 2008. The Global Financial Crisis accelerated some underlying trends, such as the shift of the balance of power from the North Atlantic to Asia. At the end of 2009 we see that in contrast to the United States and Europe, Asia and Australia had a relatively good financial crisis. That said, the United States, Australia's principal ally, remains the pre-eminent global leader in 2009. It sets the agenda globally on issues as diverse as Afghanistan, Iran, North Korea and Iraq and climate change policy, and its decision to invest the G-20 with the status of the premier global institution on financial matters was enough to make it so. All of these questions have a direct bearing on Australian interests.

In 2009 we launched, under the patronage of Her Excellency Ms Quentin Bryce AC, the Governor-General of Australia, Pacific Friends of the Global Fund, supported by a generous grant from the Bill & Melinda Gates Foundation. The Friends have already raised the profile of the impact of the three diseases, HIV, Tuberculosis and Malaria on the Pacific region and have highlighted the need for effective policy responses. The Friends work closely with our Myer Foundation Melanesia program, which also had a big year, launching the first ever conference on the 'Pacific Islands and World' ahead of the South Pacific Forum hosted by Australia in 2009. Several Prime Ministers, Ministers and representatives from the private sector and civil society attended. The Melanesia program worked intensively on Fiji and PNG and on the effectiveness of Australia's very large aid program in the region. The Myer Foundation and AusAID have been critical partners in the program's success and we thank them for their support.

We created a Nuclear Policy Centre at the Institute, with support from the US-based Nuclear Security Project, and were closely involved, as one of the designated international research centres, in the work of the International Commission on Nuclear Non-Proliferation and Disarmament (ICNND). The ICNND report was recently launched in Tokyo by the Prime Ministers of Australia and Japan.

Among the 190 Institute events this year, we launched the inaugural Australia-UAE high-level dialogue in Abu Dhabi under the patronage of His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi. The second dialogue will take place in Australia in early 2010. In another first, we launched, on 1 July, the Wednesday Lowy Lunch Club, a subscription series for this signature weekly event which attracts high-quality speakers from Australia and the world. We are delighted about the support for the Club and hope to build on this success next year, also with an expanded road show in Melbourne and further afield in Perth and Brisbane. The 2009 Annual Lowy Lecture featured our first private-sector speaker, BHP CEO Dr Marius Kloppers, on 'Australian

resources in the world'. BHP is a highly valued corporate member of the Institute, and we thank all those corporate members that continue to support us.

Other prominent speakers and visitors included Prime Minister Kevin Rudd, and the then Leader of the Opposition Malcolm Turnbull, Ministers Wong, Garrett and McClelland, the Prime Minister of Iraq, Nouri al Maliki, Professor Sir Lawrence Freedman, Professor of War Studies at Kings College London, Admiral Tim Keating, Commander of the Pacific Command and Pascal Lamy, Director-General of the WTO.

We launched a major report on Australia's eroding diplomatic resources, the Blue Ribbon panel on 'Australia's Diplomatic Deficit'. Our Lowy Institute Poll this year attracted record coverage here and internationally, as did our first China Poll, a wide-ranging survey of Chinese public opinion towards a number of important international policy issues, thanks to a grant from the MacArthur Foundation.

We launched a series of climate change-related publications to coincide with the Copenhagen conference, including Lowy papers on China's environmental politics (sponsored by the ALCOA Foundation), the effects of the damming of the Mekong River and a guide to the Copenhagen negotiations.

The Lowy Institute has now entered the second half of its first decade. We might describe the past six years as the Lowy Institute's 'launch phase' and the next five to six as its 'boost phase' – the period in which the conditions are laid down for the long-term success and reputation of the Lowy Institute. With the strong support of the Board of the Institute we are in the process of sharpening our strategic focus and discipline in research, events and communication, deepening our research expertise, and putting additional effort into communicating with broader audiences.

We will increase our external partnerships within Australia and internationally, and seek to attract a larger number of highly regarded international think tanks and scholars to the Institute. Our research agenda will focus on issues of critical importance to Australia and to our supporters from business and government, including the interrelated areas of resources, energy and environment; technology, demography and socio-political change; development, trade and investment; international policy values and emerging global and regional orders.

We cannot predict with any certainty the full effect of this deep economic turbulence on the trajectory of global developments. What we can be certain about is that in these uncertain times, good ideas are needed more than ever. The Lowy Institute must be able to understand and explain what these developments mean for the future of the world economy and how Australia will fare in this new and challenging international environment. It is my hope that for the next five years the Lowy Institute will become even better at doing so.

Our 2015 target is to be the premier think tank in Australia on international affairs and issues of national importance and a prominent voice internationally, and to be widely recognised as a thought-leader that produces research of the highest standards of objectivity and rigour, with recognisable and beneficial effects on policy-making and decision-making in Australia.

I want to thank you all for your support of the Institute in 2009 and for your interest in the big issues which confront Australia, its region and the world, which will shape our future in the world. We depend on our networks of partners and supporters to continue to deliver this result and to broaden and deepen our expertise and reach here and internationally.

On behalf of all of us at the Institute, we wish you all the very best for this coming

Christmas and New Year and look forward to seeing you in 2010.

Michael Wesley
Executive Director

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