

Dear Friends of the Lowy Institute

2010 was a big year for the Institute's work interpreting and explaining the forces which shape our world and Australia's role in it.

Our research and events focussed more strongly on anticipating emerging international issues, and on stimulating and informing debates. We introduced some shorter, sharper publications, using the web and social media to disseminate our work and ideas to the broader community. We will continue to sharpen our research agenda, papers and events to make them more strategic, and more attuned to the interests of our audiences and supporters.

Once again we were the platform of choice for Australian and international political and business leaders to deliver policy messages on issues ranging from international trade policy to the war in Afghanistan, from asylum seeker policy to the role of ethics in foreign policy, from cyber threats, to the role of science and innovation in shaping Australia's place in the world.

Some of the important events this year we could anticipate, such as the national elections in Australia, Britain and the United States, the G20 leaders summits and other major global meetings on nuclear security, global warming, the International Criminal Court, and the Millennium Development Goals. The Lowy Institute wrote about and hosted events on all of these questions, including a highly successful international conference on advancing the MDGs in the Asia-Pacific region with Australian and international participants from the private and government sectors, NGOs, international organisations and media.

The Global Financial Crisis ended up being a crisis largely confined to the northern hemisphere, while Asia continues its upward trajectory, consolidating its position as the centre of global growth. This presents particular challenges for Australia. For the first time in Australian history, our principle economic partner (China) is not our principle strategic partner (the United States). One of the most animated debates we hosted on our weblog "The Interpreter" this year was on the implications for Australia of China's growing power. We created a monthly China forum with experts from all over the world, including China, to examine the various facets of China's growing power and implications for Australia, our region and the world. Our publications and events this year have been built around this theme. Publications like "Power and Choice: Asian Security Futures" and "Horizontal Asia" anticipate the strategic tensions which have arisen as a consequence of this power shift, but also the reshaping of the world's political economy through greater Asian economic integration, consolidating Asia's role as the engine of global growth.

On the "known unknown" side of the equation, also hotly debated on our weblog and elsewhere in policy and media circles around the world, is the impact of WikiLeaks on international relations, trade and security. At the Lowy Institute we pay close attention to the increasing interconnectedness of the world and what this means for our interests and prosperity. A potent illustration of the power of the internet was the extraordinary success of our e-diplomacy brief, launched on the web in collaboration with the US State Department and the British Foreign Office. It received the highest downloads for 2010 within the first month of its launch.

Our Distinguished Speaker Series included major addresses by the Prime Minister of Australia, the Hon Julia Gillard, the Leader of the Opposition, the Hon Tony Abbott, the (then) Minister for Defence, Senator John Faulkner, the Minister for Trade, the Hon Dr Craig Emerson, the Shadow Minister for Immigration and Citizenship, Scott Morrison, the CEO of QANTAS, Alan Joyce, the CEO of the Australian Nuclear Science and Technology Organisations (ANSTO), Dr Adi Paterson and the Executive Director of UNAIDS, Michel Sidibé.

Our Food for Thought Series held in Melbourne, Canberra and Perth were very well attended. We hope to be able to continue to broaden our engagement across Australia in this way.

A highlight of the Lowy Calender is the Annual Lowy Lecture. This year the CEO of the CSIRO, Dr Megan Clark, gave a wide-ranging and thought-provoking speech on why Australia needs to change the way it conducts scientific research and invest aggressively in science and innovation to keep pace in an increasingly competitive world.

We are delighted to be able to announce that the 2011 Lowy Lecturer will be Mr Lionel Barber, editor of one of the world's leading newspapers, the *Financial Times*.

We continued to be supported by partners from Australian and international foundations, notably The Myer Foundation, the Gates and Macarthur Foundations, and the Nuclear Threat Initiative. Our corporate membership rose from 24 to 28 and we continued to expand our networks into universities and think tanks in Australia, the US, China, Japan, Korea and ASEAN countries. We thank our Wednesday Lowy Lunch Club subscribers and all those who have supported us with money, ideas, venues, in kind support and who have helped spread the word about the work of the Institute. We would not be able to function without your interest and support.

This year we farewelled two of our most dynamic and valued staff members who have been with the Institute from its beginnings in 2003. Dr Malcolm Cook, our Program Director for East Asia, has been appointed Dean of the School of International Studies at Flinders University. Orietta Melfi, our Events and Media Manager, moved to Singapore to take on a senior position as Events Manager for the Asian Public Real Estate Association. Their contribution to the Institute has been immeasurable and we wish them both all the best in their new careers.

For 2011 we are determined to double our efforts to explain to a wider audience why our growth and prosperity depend fundamentally on Australia's engagement with the world. While the Australian political discourse continues to focus on domestic politics, we do not have to dig far to see that nearly all of our fundamental, existential challenges, be they resource security, population, climate change or food security, are global problems which require a deep understanding of the global environment and intense global engagement. The Lowy Institute's ambition is to significantly increase Australians' engagement in all sectors of the community with these questions. We will invest considerable effort and resources in using new formats and platforms to reach new audiences.

The Lowy Institute is an *Australian* think tank, providing fresh perspectives to the world on how to translate the dynamic changes happening in the Asia Pacific region. As a nation, with a booming economy, we are likely to find ourselves increasingly playing that role. Our success as a nation will depend on how well we understand the changing world and how we can secure our place in it well into the future. The Lowy Institute is committed to playing a central role in this respect.

I want to thank our Chairman Frank Lowy AC and the board for its support, its ideas and dedication to our vision to be among the world's leading international think tanks.

And I want to thank you all for your support and interest in work of the Institute.

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 2011.

Michael Wesley
Executive Director