<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman’s Report</td>
<td>2</td>
</tr>
<tr>
<td>Executive Director’s Report</td>
<td>4</td>
</tr>
<tr>
<td>Key Events</td>
<td>6</td>
</tr>
<tr>
<td>New Voices</td>
<td>12</td>
</tr>
<tr>
<td>Lowy Publications</td>
<td>14</td>
</tr>
<tr>
<td>Policy Perspectives</td>
<td>15</td>
</tr>
<tr>
<td>The Lowy Poll</td>
<td>16</td>
</tr>
<tr>
<td>Institute Programs</td>
<td>18</td>
</tr>
<tr>
<td>Global Issues</td>
<td>20</td>
</tr>
<tr>
<td>West Asia</td>
<td>22</td>
</tr>
<tr>
<td>The Asia Pacific</td>
<td>24</td>
</tr>
<tr>
<td>The International Economy</td>
<td>26</td>
</tr>
<tr>
<td>International Security</td>
<td>28</td>
</tr>
<tr>
<td>HIV/AIDS Project</td>
<td>30</td>
</tr>
<tr>
<td>Our People &amp; Supporters</td>
<td>32</td>
</tr>
<tr>
<td>The Directors</td>
<td>34</td>
</tr>
<tr>
<td>Institute Staff</td>
<td>36</td>
</tr>
<tr>
<td>Visiting Fellows</td>
<td>38</td>
</tr>
<tr>
<td>Lowy Institute Members and Benefactors</td>
<td>40</td>
</tr>
<tr>
<td>Administrative Staff</td>
<td>43</td>
</tr>
</tbody>
</table>
The Lowy Institute is an international policy think tank based in Sydney. It provides an independent voice on international issues that affect Australians. It is a focal point for the generation and discussion of new ideas on Australia’s role in the world. Through excellence in scholarship, it offers practical options for improving public policy in Australia and around the world.
Chairman’s Report

Australia is a global player with global interests. It needs to have influence beyond its shores in order to meet its objectives. The Lowy Institute is an independent Australian think tank which speaks to a global audience.
When I established the Lowy Institute for International Policy four years ago, I did so because of two beliefs: first, that this country’s future depends on our capacity to understand, and respond to, a rapidly changing world; and second, that Australian ideas can make a real contribution internationally to dealing with some of the difficult global problems we face.

Little occurs in the world today which does not have an impact on Australian interests. Australia needs to understand how it is affected by global developments and needs to have its own voice heard in the world. Our niche and advantage lie in the particular angle and insights that our Australian location can provide. While the Institute does not confine itself to the Asia-Pacific region, it is where we can offer a point of difference with other think tanks, especially in the United States and Europe.

While the Institute is still small in global terms, I believe it has become the pre-eminent forum in Australia for creative ideas about how we engage with the world. The Institute has shown its capacity to attract Australian and world leaders, officials and scholars to public forums and private discussions. You can read more about our guests and activities in the pages which follow.

A vital mark of the Institute’s success is the extent to which the Australian community becomes involved in its activities, embraces it and feels that it has some ownership. I have been pleased with the enthusiastic response to the work of the Institute and encouraged by the impact it is making in the design of good international public policy.

I thank our corporate members for their support. Internationally focused business is a key audience for us, and growing corporate investment in the Institute provides a tangible signal that it values what we do. I always hoped that corporate members would become partners in promoting the Institute’s vision, contributing to the international marketplace of ideas. We look forward to drawing on their expertise, ideas and advice to respond effectively to the interests and needs of our audience in Australia and internationally.

I am especially grateful to the Myer Foundation, whose generous donation for the creation of a Melanesia program will allow the Institute to broaden its research in a region of great significance to Australia.

My family and I are proud of the Institute’s achievements. Under Executive Director Allan Gyngell’s leadership and the expert guidance of our Board, the Institute has established itself as Australia’s top independent international policy research institute. I would like to thank Allan and our world-class research team, Visiting Fellows and staff for another year of outstanding success.

We have a big ambition: to position the Institute as one of the leading international policy think tanks in the world. By broadening our research focus, our external engagement, public reach and our scholarly networks, I am confident we can do it.

This is our second annual review. It tells the story – so far – of how we have sought to realise our vision of an open Australia, engaged with the world. I hope you find it valuable, informative and stimulating.

Frank Lowy
Chairman
Lowy Institute for International Policy
Executive Director’s Report

The issues in which Australia is most interested will also be central shapers of the 21st-century world: our vision at the Institute is to help project a distinctly Australian voice and ideas to the world on these issues.

*Allan Gyngell*, Executive Director (left), with *Zhao Qizheng*, Vice Chairman, Foreign Affairs Committee Chinese People’s Political Consultative Conference (centre) and *Michael L’Estrange*, Secretary of the Australian Department of Foreign Affairs and Trade at the Australia–China relations conference
The Lowy Institute has become a focal point for the generation and discussion of international policy for Australia and its engagement with the world. This is our fourth year of operation. In this Review you will read about our activities, our research, our partners and supporters since April 2006.

The Institute is Australia’s only privately funded non-partisan international policy think tank. Its central objectives are to generate ideas for Australia – by informing and deepening the debate in Australia about international policy, and contributing to the broader international debate about these issues.

Our five research programs cover: East Asia and the Pacific, international economics, international security, global issues, and West Asia. Launched this year, the West Asia Program comprises the Middle East and central and southern Asia as a strategically coherent region with growing strategic, political and economic significance for Australia.

We have two stand-alone projects: the Lowy Poll and policy responses to the HIV/AIDS pandemic. Our scholars work in an interdisciplinary way, which has enriched considerably the quality and reach of our work.

We look forward to establishing a sixth program dedicated to policy challenges in the South Pacific. The ‘Myer Foundation Melanesia Program’ has been made possible, thanks to a generous grant of more than $1 million over three years from the Myer Foundation.

We are delighted with the response to our corporate membership program which was launched only six months ago, and with the growing diversity of our membership. We look forward to building this program further. A great deal of knowledge and innovative thinking resides within our corporate members and we strongly want them to be active partners in the work of the Institute.

Our audience comprises the policymaking community in Australia, internationally focused business, the media, academia and the interested public. Their growing engagement in our activities – as participants and sponsors – is a good sign that our work is valued and making an impact.

During this time we published 27 Lowy Institute Papers, Policy Briefs and Analyses and almost 100 opinion pieces in leading Australian and international newspapers. All our work is available free on our website.

We take pride in the fact that much of our research has had a demonstrable impact on Australian or international policy actions, shaping outcomes in the real world. A few examples include our work on the Indian economy, current attitudes to globalisation, Japan–Australia security relations, climate change and security, the future of the international trading system, Islamism in Southeast Asia, HIV/AIDS in the Asia-Pacific, the future of APEC, and Chinese and Taiwanese rivalry in the South Pacific. The results of our Lowy Poll have become a standard reference point for any discussion about Australian foreign policy and are often cited internationally.

We hosted 170 events, conferences, speeches, launches and briefings in several capital cities. Our Wednesday Lunches and Distinguished Speaker Series have become part of the established life of the city of Sydney and regularly attract influential speakers from Australia and around the world, to capacity audiences. Notable speakers include: Sir Nicholas Stern, author of the Stern Report on the Economics of Climate Change, Dr Ziggy Switkowski, Chairman of ANSTO and of the Prime Minister’s recent Review of Uranium Mining, Processing and Nuclear Energy report, His Excellency Mr Hoshya Zebari, the Foreign Minister of Iraq, Denis Ranque, Chairman/CEO of Thales ADI, and José-Maria Aznar, former Spanish Prime Minister.

Our new podcasting service has proven particularly popular, broadening our audience within Australia and internationally.

We are also taking the Institute to other parts of Australia and to the world. The inaugural ‘Australia–India Strategic’ Lecture was delivered in Melbourne by the Strategic Affairs Editor of the Indian Express, Professor Raja Mohan. Another ‘first’ was an ‘International Policy Theory and Practice’ Lecture delivered in Canberra by one of our renowned international security scholars, Dr Coral Bell, AO, to an audience of the senior policy officials in Australia.

With the New Zealand Institute, we participated in the Australia–New Zealand leadership dialogue and conducted polling in both countries about the cross-Tasman relationship. Our scholars brief board rooms around Australia and regularly contribute to policy forums and conferences in the United States, Asia and Europe.

Fostering the next generation of promising international scholars and policymakers in Australia is a priority for us. This year we created an alumni network for our former interns and ‘New Voices’ participants. ‘New Voices’ is an annual conference at the Institute with early career professionals on international policy issues. Many of our interns have embarked on promising careers in public policy.

I want to thank our founder and Chairman, Frank Lowy, and our Board for their counsel and support and, of course, our staff, scholars, researchers and Visiting Fellows for their energy and enthusiasm during another busy and productive year.

Allan Gyngell
Executive Director
Lowy Institute for International Policy
Key Events

Lecture by Sir Nicholas Stern
On 27 March 2007, Sir Nicholas Stern, FBA, Second Permanent Secretary to HM Treasury and author of the Stern Review on the Economics of Climate Change, delivered a lecture to the Lowy Institute. The invited audience included senior business people, media and policymakers.
Key Events

The Lowy Institute is a forum for the exchange of ideas between Australian and international scholars, leading practitioners and commentators from diverse backgrounds and disciplines. These encounters help generate fresh perspectives on international policy questions. An informed audience participates in shaping the debate.

Most of the Institute’s regular program of talks, seminars, lunches and conferences take place at the 31 Bligh Street headquarters in Sydney. A growing number are also held in other Australian capitals.

Lowy Lecture

The annual Lowy Lecture on Australia in the World is the highlight of our events calendar. The 2006 Lecture was delivered by one of Australia’s most respected international strategic thinkers and international security experts, Professor Robert O’Neill, AO.

In his lecture entitled ‘Prospects and Perspectives for International Security’, Professor O’Neill gave perspectives on key international security problems, based on his personal experience as a soldier, a scholar and an advisor to governments.

The Australian Prime Minister, the Hon. John Howard, MP, gave the inaugural lecture in 2005. In 2007, the Lowy Lecture will be given by Professor Lord (Robert) May of Oxford, OM, AC, Kt PRS, Past President of The Royal Society (2002–07) and Professor at Oxford University and Imperial College, London. Lord May will address the impact of environmental changes on international relations.

Strategic Lectures

The Institute hosted three inaugural lectures which we expect to be annual events. In collaboration with the Australia–India Council, the inaugural ‘Australia–India Strategic’ Lecture was delivered at Asialink in Melbourne by the Strategic Affairs Editor of the Indian Express, Professor Raja Mohan.

The inaugural ‘International Policy Theory and Practice’ Lecture was delivered in Canberra by the renowned Australian international security scholar Dr Coral Bell, AO, to an audience of senior policy officials, parliamentarians and diplomats.

With the Australian National University we launched the inaugural ‘Dr John Gee Memorial Lecture’ in Canberra with a speech by former Australian Foreign Minister and President of the International Crisis Group, the Hon. Gareth Evans, AO QC, on ‘Weapons of mass destruction: maintaining the rage’. John Gee was a distinguished Australian diplomat who played a leading role in global chemical weapons disarmament.

1. Professor Robert O’Neill, AO delivering the 2006 Lowy Lecture
2. Ban Ki-moon, former Foreign Minister of South Korea, now Secretary-General of the United Nations
3. A Wednesday Lunch at Lowy audience
4. Journalist Flavia Abdurahman at Wednesday Lunch at Lowy
5. 2006 New Voices participants
Distinguished Speaker Series

Our Distinguished Speaker Series attracts influential, high-calibre speakers from Australia and internationally to capacity audiences. In the last 12 months the Institute hosted international leaders who provided perspectives on their countries as well as their relations with Australia. These included: the Foreign Minister of Iraq His Excellency Mr Hoshya Zebari; His Excellency Ban Ki-moon, now UN Secretary-General; Dr Ma Ying-jeou, Mayor of Taipei and Chairman of the KMT; and Gordon O’Connor, Canadian Minister of Defence. We hosted foreign dignitaries from other countries too – including China, the US, Germany, France, Israel, Thailand, Pakistan and Singapore.

The Series also included presentations and discussions with notable individuals such as Sir Nicholas Stern, author of the Stern Report on the Economics of Climate Change; Dr Ziggy Switkowski, Chairman of ANSTO and of the Prime Minister’s nuclear review (UMPNER); Dr Hans Blix, former Director-General of the International Atomic Energy Agency and Head of the Weapons of Mass Destruction Commission.

Roundtable Discussions & Boardroom Briefings

Often conducted under Chatham House Rule, these discussions provide an opportunity for probing and frank debate with experts, policymakers and business leaders. Highlights included:

- AFP Commissioner Mick Keelty – ‘Governance issues in PNG, Solomon Islands and East Timor’.
- Young Presidents Organisation – presentation by Lowy Institute scholars – ‘Global challenges which will affect your business’.
- Norm Ornstein, American Enterprise Institute – ‘US politics and policy’.

- Stephen Krasner, Director of Policy Planning, US Department of State, and Dr Philip Levy, Policy Planning staff member – ‘Partnership for democratic governance’.
- Pakistan National Defence College – ‘Pakistan and the war against terrorism’.
- Rahul Gandhi, Indian MP, son of Sonia and the late Rajiv Gandhi and possible future Congress Party leader and Prime Minister of India.
- Dr Hans Blix, former Director-General of the International Atomic Energy Agency and Head of the Weapons of Mass Destruction Commission.

The Series also included presentations and discussions with notable individuals such as Sir Nicholas Stern, author of the Stern Report on the Economics of Climate Change; Dr Ziggy Switkowski, Chairman of ANSTO and of the Prime Minister’s recent Review of Uranium Mining, Processing and Nuclear Energy report; Denis Ranque, Chairman/CEO of Thales ADI; José-María Aznar, former Spanish Prime Minister; Alexander Downer, Foreign Minister; Kevin Rudd, Leader of the Opposition; Dr Ezzedine Choukri-Fisheere, Advisor to the Egyptian Foreign Minister; Morgan Tsvangirai, President of the Movement for Democratic Change and Leader of the Opposition of Zimbabwe; and Peter Garrett, Shadow Minister for Climate Change, Environment, Heritage and the Arts.

1. Kevin Rudd, Leader of the Opposition, speaker at the Lowy Institute
2. Professor Robyn Norton, Principal Director, The George Institute for International Health at the ‘Bangkok Challenge’ conference
3. Morgan Tsvangirai, President of the Movement for Democratic Change in Zimbabwe
4. Professor Raja Mohan, presenter of the inaugural ‘Australia–India Strategic’ Lecture
5. Dr Ziggy Switkowski, Chairman of ANSTO and of the Prime Minister’s nuclear review (UMPNER)
Wednesday Lunches & Dinners

The flagship of the Lowy events calendar, our weekly lunches provide a forum for Lowy Institute scholars and visiting experts and opinion leaders to test their ideas and discuss, in an informal atmosphere, international policy themes. Our speakers can engage with an enthusiastic audience from internationally focused business, policymakers, the media, academia and the interested public. Our speakers included:

- Professor Anthony Cordesman, Arleigh A. Burke Chair at Center for Strategic and International Studies, Washington – ‘Four crises in the Middle East’.
- Dr Ron Pundak, Director Shimon Peres Peace Centre – ‘The role of an NGO in the Middle East’.
- Robert McClelland, MP, Shadow Minister for Foreign Affairs – ‘Good international citizenship’.
- Sir Jeremy Greenstock GCMG, Director the Ditchley Foundation – ‘Iran, Iraq and their global implications’.
- Archbishop Pius Ncube of Zimbabwe – ‘The current situation in Zimbabwe’.
- Professor Warwick McKibbin – ‘Prime Minister’s Task Group on Emissions Trading – a preliminary assessment’.

Lunches

For our distinguished visitors we like to host more formal discussions, usually over lunch or dinner. Some of our guests over the past year included:

- Marc Sageman, Sageman Consulting – ‘What makes an al-Qaeda terrorist?’.
- Ric Smith, Secretary of Defence – ‘Change in defence’.
- Shyam Saran, Special Envoy of the Indian Prime Minister – ‘The implications for Australia of the US–India strategic partnership’.
- ASEAN Ambassadors – ‘ASEAN and Australia relations: Is there a role for football diplomacy?’
- Tom Friedman, author and columnist – ‘The world is flat’.

Seminars

Seminars are often the place where new policy ideas are debated between experts from the Institute and outside, with the participation of our key audiences such as government policymakers. We hosted a variety of these last year, including:

- Australia-ASEAN forum, co-hosted with the Asia Society and the Asian Strategy and Leadership Institute.
- Australia and the world – international economic, strategic and foreign policy trends which will shape Australian interests, and proposed policy settings to deal with them, with three Lowy Institute Paper authors: Paul Kelly, Dr John Edwards and Professor Hugh White.
- Gordon’s world: remaking Britain’s foreign policy after Blair, with Tom Bentley – Policy Advisor, Government of Victoria and former head of Demos, a UK think tank.
- Ramifications of the Australia–Japan joint declaration on security, led by Professor Alan Dupont, Chair of International Security, Sydney University.
- New emerging global business paradigms and the future of the global trading system, co-hosted with the Australian Services Roundtable.

1. Michael Johnson, MP, Member for Ryan (left) and His Excellency Hamzah Thayeb, Ambassador of the Republic of Indonesia, at the Coral Bell lecture
2. Prime Minister John Howard, MP speaks to the press after delivering the ‘APEC 2007’ speech at the Lowy Institute
3. Allan Gyngell, Executive Director (left), and Dr Hans Blix, Head of the Weapons of Mass Destruction Commission
4. Robert McClelland, MP, Shadow Foreign Minister
Every year the Institute hosts a series of major conferences, often in collaboration with other think tanks, universities and businesses from within Australia and from other parts of the world. They provide an excellent forum for bringing scholars, practitioners and professionals together to analyse issues, explore policy responses and create interdisciplinary and international networks.

Pacific 2020 – Economic Growth in the Pacific, PNG and East Timor (sponsored by AusAID). The conference discussed the ‘Pacific 2020’ review on how the South Pacific region can deal with its economic and security challenges. Participants included: Foreign Minister Downer; Ila Geno, Chief Ombudsman of PNG; Rick Hou, Governor, Central Bank of Solomon Islands; and Jimmy Rodgers, Director General, Secretariat of the Pacific Community.

APEC Young Leaders Think Tank (sponsored by AXISS Australia, the Treasury and the Reserve Bank of Australia) brings together annually around 25 senior officials from APEC member economies’ financial authorities with significant future leadership roles. The 2007 think tank addressed ‘Transparency and sustainability in the public balance sheet’. Participants included: Mark Johnson, Chair, APEC Business Advisory Council; Gary Johnston, Executive Manager, AXISS Australia; Steven Hess, Vice President, Moody’s Investors Service; and Professor Sayuri Shirau, Keio University.

Contemporary Islam in Thailand: religion, state and society (sponsored by the Australia–Thailand Institute) discussed the role of Islam within Thailand’s predominantly Buddhist society and how this affects Thai Muslim attitudes toward their state and society and the southern Thailand conflict. Keynote speaker was Associate Professor Chaiwat Satha-Anand, a leading Thai scholar of Islam and member of Thailand’s National Reconciliation Commission. Participants included scholars of Islam from Australia and Thailand.

The ‘Bangkok Challenge’: from conflict to cooperation and beyond analysed the Thai health authorities’ move to consider issuing a compulsory licence for a generic version of the heart drug Plavix and its potential global implications. Participants included senior representatives from the pharmaceutical industry, the World Intellectual Property Organisation, the insurance industry, academia, the media and government policy departments.

35th Anniversary of Australia–China relations co-hosted with the Chinese People’s Institute of Foreign Affairs. A selected group with close knowledge of the relationship convened to reflect on its future in a changing region and world. The delegation from China included the former Minister for Information and Vice Mayor of Shanghai, senior business figures from Shanghai Bao Steel and the China Offshore-Petroleum Company, senior media managers from Xinhua and CCTV, and some of the best Chinese researchers on global affairs.

Enhancing transparency in the multilateral trading system, co-hosted with the Tasman Transparency Group (comprising major business organisations in Australia and New Zealand). The conference explored the importance of transparency in national trade policies as an effective means of securing trade liberalisation. Speakers included: Australian Trade Minister, Warren Truss; the New Zealand Shadow Trade Minister (and former WTO negotiator for New Zealand), Tim Groser; and leading policy analysts from the United States, Indonesia and Australia.

Sir Vernon Sturdee Symposium: Australia and the arc of responsibility, conducted with the Australian Army’s Land Warfare Centre. The symposium revisited the role of the ADF in the security and stability of the South Pacific and East Timor, and how to sustain an effective ADF role for anticipated future contingencies. Participants included: Lt General Peter Leahy, AC, Chief of Army; General Peter Cosgrove, AC MC; Joel Fitzgibbon, MP, Shadow Minister for Defence; Graham Fortune, former New Zealand Secretary of Defence and Senator Marise Payne.

Conferences
The Lowy Institute Interns:

- Fouad al-Aswad
- Phoebe Arcus
- Gary Barnado
- Marcus Bartley-James
- Kieran Buchanan
- Catherine Chan
- Edward Cohen
- Michael Cohen
- Nicola Coloran
- Moya Collet
- Pieta Davis
- Jessica Dodson
- Daniel Frank
- Vafa Ghazava
- Stephen Holden
- Phillipa Jacks
- Charlotte Kennedy
- Isabelle Kremer
- Yoni Levy
- Tamsin Lloyd
- Jonathon Lusthaus

- Rebecca Mann
- Rosita McDonald
- Catriona McFarlane
- Karen Morris-Dawson
- Timothy Murawski
- Mitch O’Dwyer
- Susan O’Reilly
- Lynda Piggott
- Phil Radford
- Melanie Sebastian
- Lena Siara
- Allison Spies
- Leanne Storey
- Martin Symmonds
- Shuyin Tang
- Aaron Timms
- Manachem Waks
- Jeni Whalan
- Georgia Woollett
- Andreas Zurbrugg

1. Executive Director Allan Gyngell (right) meets with Lowy Institute interns
2. Participants in the 2006 New Voices conference
3. Raoul E. Heinrichs, first winner of the inaugural Michael and Deborah Thawley Bursary
4. Former intern Allison Spies, on mission in Afghanistan with the Australian Department of Defence
5. Presenters at the 2006 New Voices conference
Youth have participated in and contributed to the work of the Lowy Institute since its establishment. Engagement with them is important to the fulfilment of the Institute’s ambition to broaden and deepen the international policy debate in Australia and to project our voice internationally. We want to tap into fresh ideas to help shape the international debate and to foster talented individuals who can make a contribution to good international policy for succeeding generations.

Young professionals are significant contributors to our events. They also support the Institute through participation in our annual New Voices conference and as interns. We have formed an alumnus network which we hope will grow over the years to inform and strengthen the Institute’s work.

**New Voices conference**

The New Voices initiative is the Institute’s key annual outreach event to a young, professional audience from a variety of backgrounds. It seeks to introduce the Institute and some of the bigger questions it grapples with to a new audience, to provide engaged early-career people with a platform to express their insights and ideas on important issues of international policy, and to facilitate professional cross-pollination. The first New Voices conference took place in 2005 and explored the practical effects of globalisation.

New Voices 2006 focused on how technological development affects international relations. New Voices 2007 looked at the nature and practice of leadership in the international realm, with sessions on individual leadership, dealing with global disparities, social leadership and systems of governance. The session topics reflect the diversity of the participants, who came from the private sector, government, public policy organisations, the media, the armed services, and social movements.

**The Lowy Institute Internship Program**

Talented individuals with a strong academic background relevant to the Institute’s programs of research join our highly sought-after Internship Program as volunteers in our central Sydney offices. They work with the Institute research staff on their major projects and public events.

Past Lowy Institute interns have gone on to secure prestigious positions in international policy, including jobs at think tanks in the United States and Australia, graduate positions at the Departments of Defence and Foreign Affairs and Trade, a cadetship with the Sydney Morning Herald, entrance to the Royal Military College, Duntroon, and a Rhodes Scholarship at the University of Oxford.

**The inaugural Michael and Deborah Thawley Bursary**

The inaugural Michael and Deborah Thawley Bursary in International Security was awarded to Raoul E. Heinrichs, who will join the Lowy Institute’s International Security Program as an intern in late 2007. Under a provision of the bursary, he will have the opportunity for research at a leading US think tank, the Center for Strategic and International Studies (CSIS), in Washington in early 2008. Mr Heinrichs is currently a T.B. Millar Scholar in Strategic and Defence Studies, studying for an MA (Strategic Studies) at the Australian National University. His research project during his internships with Lowy and CSIS will address prospects for relations among Australia, the US, Japan and India in the context of Australia’s global strategic interests and role.

**Martine Letts**

Deputy Director

Lowy Institute for International Policy
Lowy Institute Publications

All Lowy Institute publications are available on the Institute’s website at [www.lowyinstitute.org](http://www.lowyinstitute.org).

The site contains an archive of earlier publications as well as commentary on contemporary events and information about upcoming events and research projects. Biographical and contact details of research staff and Visiting Fellows are also available on the website.

Lowy Institute Papers
Lowy Institute Papers are the flagship publications of the Institute. These are monograph length, policy-oriented papers on international issues containing extensive original research. They are peer-reviewed and closely edited.

Policy Briefs
Policy Briefs are designed to address a particular current policy issue and to suggest solutions. They are deliberately prescriptive, specifically addressing two questions: What is the problem? and What should be done?

Analysis
These papers address broader or longer-term issues facing Australia or the international community. They are designed to deepen the understanding of the public and the policy community about important international developments.

Perspectives
These are occasional papers, essays or speeches on international events and policy which make a useful contribution to the debate about international policy. They are more discursive and personal than the other publications.

Working Papers in International Economics
These are detailed, research-focused papers on a wide range of Australian and international economic issues.

Lowy Institute Paper 11
Visiting Fellow Dr Milton Osborne examines China’s dramatically improved relations with Southeast Asia and corresponding new challenges for Japan and the United States in the region and globally.

Lowy Institute Paper 12
Professor Alan Dupont and Dr Graeme Pearman, former chief of atmospheric research at the CSIRO, canvass the international security consequences of climate change, especially for Australia’s Asia-Pacific neighbourhood.

Lowy Institute Paper 13
Dr Rodd McGibbon examines the history of Papua’s incomplete integration into Indonesia and provides new ways to support the development of Papua and of stronger Australia-Indonesia relations.

Lowy Institute Paper 14
Dr John Edwards, chief economist for HSBC Bank for Australia and New Zealand, analyses the longest economic expansion in Australian history and where it is now headed.

Lowy Institute Paper 15
Dr Malcolm Cook and Dr Kit Collier analyse the prospects for peace in Mindanao and the threats facing the peace process.

Lowy Institute Paper 16
Visiting Fellow Professor Hugh White examines the long-term strategic trends facing Australia, and how we can reconcile their conflicting demands.

Lowy Institute Paper 17
Paul Kelly, Editor-at-Large of The Australian, evaluates John Howard’s foreign policy and his strategic approach to Australia’s role in the world.

Lowy Institute Paper 18
Mark Thrilwell analyses the growing pressures on governments – prompted by the globalisation-powered rise of China and India – to temper the forces driving globalisation.
Our publications are available on our website www.lowyinstitute.org. A number of presentations are also available as MP3 files. Here is a sample:

- **Perspective**
  - Regional and global responses to the Asian crisis
    Dr Stephen Grenville, AO
  - Balancing Australia’s security interests
    Allan Gyngell
  - Is a ‘New Middle East’ possible?
    Martin Indyk
  - Australia–Indonesia Roundtable on the future of Australia–Indonesia relations

- **Policy Brief**
  - Australia and Indonesia compared
    Professor Murray Goot
  - New rules for a new ‘Great Game’
    Anthony Bubalo and Mark Thirlwell
  - Uranium for India: avoiding the pitfalls
    Ron Walker
  - Saving APEC
    Allan Gyngell and Dr Malcolm Cook
  - Design faults: the Asia Pacific’s regional architecture
    Allan Gyngell
  - Two issues in carbon pricing: timing and competitiveness
    Professor Warwick McKibbin

- **Working Paper in International Economics**
  - Australia and New Zealand in a globalising world
    Allan Gyngell, Dr David Skilling and Mark Thirlwell

- **Perspective**
  - In praise of hypocrisy: The role of ‘values’ in foreign policy
    James Fallows
  - The year ahead for 2007
    Anthony Bubalo, Dr Malcolm Cook, Dr Michael Fullilove, Mark Thirlwell

- **Policy Brief**
  - China and Taiwan in the South Pacific
    Graeme Dobell
  - New rules for a new ‘Great Game’
    Anthony Bubalo and Mark Thirlwell
  - Uranium for India: avoiding the pitfalls
    Ron Walker
  - Saving APEC
    Allan Gyngell and Dr Malcolm Cook
  - Design faults: the Asia Pacific’s regional architecture
    Allan Gyngell
  - Two issues in carbon pricing: timing and competitiveness
    Professor Warwick McKibbin

- **Perspective**
  - Grand strategy, national security and the Australian Defence Force
    Dr Alan Dupont

- **Wednesday Lunch at Lowy**
  - Iran, Iraq and their global implications
    Sir Jeremy Greenstock
  - Dealing with a powerful India
    Rory Medcalf

- **Policy Brief**
  - Capital punishment in Australia
    Dr Michael Fullilove
  - The trouble with trade: the international trading system after Hong Kong
    Mark Thirlwell

- **Available as MP3**
- **Available in digital format**
The Lowy Poll

The Lowy Institute Poll is the world’s most comprehensive survey of Australian attitudes on foreign policy issues. It provides snapshots of public opinion on the important international questions of the day, and builds trend data that will uncover, over time, the gradual shifts in public opinion that underpin generational change.

Ivan Cook, Director of the Lowy Poll Project, presenting the 2006 Lowy Institute Poll
In 2006 the Lowy Institute added several new dimensions to the foundations of our inaugural poll. We surveyed Indonesians as well as Australians, and asked a sub-set of questions dedicated to Australia–Indonesia relations. In addition, we joined a network of international policy organisations across Asia and the US focused on public responses to the rise of China and India, and we repeated core questions from 2005 to build our stock of trend data.

Our representative survey of the Indonesian population revealed for the first time their broad public views of Australia. We asked Australians similar questions about Indonesia, with some fascinating if sobering results.

Indonesians generally felt that ‘Australia has a tendency to try to interfere in Indonesia’s affairs too much’, and that ‘Australia’s policy towards Indonesia and the region is shaped too heavily by its alliance with the United States’. Australians tended to feel that ‘Indonesia is a dangerous source of Islamic terrorism’, and that ‘Australia is right to worry about Indonesia as a military threat’. But there was cause for optimism, too, with strong agreement on both sides that Australia and Indonesia should work to develop a close relationship.

The Lowy Institute joined forces with the Chicago Council on Global Affairs to field comparative surveys in the US, China, India, South Korea and Australia, focused on the economic and political rise of China and India. From a rich field of data we found that opinions of China were strongly felt, benign and optimistic, but that less was known about India. Japan was seen as one of our most trusted friends, and views on the US were divided.

We repeated and expanded upon our core themes, looking at the critical international threats Australians face and our most important foreign policy goals. Our results on climate change showed for the first time that Australians were willing to pay the financial price of tackling global warming. Strong support for the ANZUS Treaty was undiminished despite concerns about the influence of our foremost strategic ally, and serious concern was expressed about the prospect of a nuclear-armed Iran.

The third edition of the Lowy Institute Poll, released in August 2007, covers the critical threats and foreign policy opportunities facing Australia, our military commitments, our economic relationships with the US, China and Japan, and our approach to solving global problems. It tests public views on the best way to tackle climate change, and adds much-needed data on international trade and migration.

Ivan Cook
Research Associate
Director
Lowy Poll Project
The Global Issues Program identifies the points at which international political trends and events intersect with Australia’s concerns. Three of the major themes in the Program’s work are the United States, the United Nations, and the environment.

US President George W. Bush speaks to the press in the Diplomatic Reception Room of the White House, Washington, DC

1. Sir Jeremy Greenstock, GCMG, Director of the Ditchley Foundation
2. Dr Michael Fullilove speaking on the ABC’s 7.30 Report
3. Peter Garrett, MP, Shadow Minister for Climate Change, Environment, Heritage and the Arts
4. Dr Graeme Pearman, former Head of Atmospheric Research at the CSIRO
5. Dr Michael Fullilove at the Israel–Jordan border
he Global Issues Program addresses those issues which lie at the intersection of international political trends and Australian interests. First among them, in light of Australia's longstanding alliance relationship with Washington, is US foreign policy and the alliance. In 2006–07 we published Perspectives by two of the world's leading experts on American policy, both of them adapted from speeches delivered to the Lowy Institute. James Fallows of The Atlantic Monthly produced In praise of hypocrisy: The role of ‘values’ in foreign policy. Mr Fallows argued that for Western countries the inclusion of values in national foreign policy is unavoidable, but that we need to be modest about how we do it. Visiting Fellow Owen Harries published After Iraq, which explored the implications of the Iraq war for the US, Australia and the international system. America's critical role in the world was also addressed in an Analysis written by European analyst Roberto Menotti on Europe's relations with China. Finally, Program Director Dr Michael Fullilove delivered the annual John Curtin Lecture in Perth, which was then published as a Perspective entitled Still looking to America: Labor and the US alliance.

A second theme of the program is global governance and the United Nations. The Institute joined with the International Peace Academy to co-host a seminar in New York on the links between the UN and intelligence, focusing on Dr Simon Chesterman's recent Lowy Institute Paper, Shared secrets: Intelligence and collective security. Michael Fullilove analysed Beijing's UN strategy in an article for the American periodical The National Interest. Dr Fullilove argued that China's assertiveness and influence in New York is following the same growth curve as its economic performance and military capacity – however China needs to do more to nurture the international system it hopes to help lead. The Institute has also continued its work on the environment. To complement our research on the security and economics of climate change, we hosted a series of speakers in 2006–07, including Sir Nicholas Stern, author of the British Government’s Stern Review, Dr Ziggy Switkowski, head of Canberra’s recent investigation into nuclear power, and Peter Garrett, MP.

On the subject of values in foreign policy, Michael Fullilove published a Policy Brief on the Australian government’s approach to the death penalty. The paper’s recommendations – that Australian political leaders speak consistently on the issue and that Canberra initiate a regional coalition against the death penalty, in order to build on the momentum created by its abolition in five Asian jurisdictions in the past decade and a half – generated significant public discussion at a time when Indonesian courts were contemplating the use of capital punishment on both the Bali Nine and the Bali bombers. International people movements and diasporas are longstanding preoccupations of the Program. In the past year the Institute has led the growing public debate on ways in which Australia can tap its expatriate community, and our work has been cited by the Prime Minister and the Treasurer, Opposition spokespeople, a bipartisan Senate committee and by MPs on the floor of the House of Representatives. Visiting Fellow Professor Hugh White will shortly take a different cut at the issues with the publication of a Policy Brief on Australia’s provision of consular assistance, and Michael Fullilove will publish a Lowy Institute Paper on diasporas and the international system.

The Program continued its lively series of speeches on other global issues, hosting Sir Jeremy Greenstock, one of Britain’s most eminent diplomats and Director of the Ditchley Foundation, former Spanish Prime Minister José-Maria Aznar, the Canadian Defence Minister, Gordon O’Connor, and the then Australian Opposition leader, Kim Beazley. Other commentators and policymakers, such as Tom Friedman of the New York Times and Norman Ornstein of the American Enterprise Institute, participated in roundtables and smaller meetings.

Program staff participated regularly in the public debate both in Australia and overseas. Our researchers and speakers were interviewed for and quoted in media such as the ABC, BBC, CNN, the International Herald Tribune, the Yomiuru Shimbun, the Wall Street Journal and The Economist. Dr Fullilove published widely in mass media publications, including a series of op-eds in the Financial Times on topics such as President Bush's foreign policy rhetoric, the new UN Secretary-General, and how the television comedy Seinfeld explains the Iraq war. The program director also delivered speeches and lectures to institutions such as the Australian Federal Police, Amnesty International, the Centre for Defence and Strategic Studies, Ditchley Park and Demos in the United Kingdom, and the Aspen Institute Italia in Rome.

Dr Michael Fullilove
Program Director
Lowy Institute for International Policy
The West Asia Program encompasses the Middle East and central and southern Asia. Key geopolitical, strategic and economic themes increasingly make this part of the world a single strategically coherent region.

Weapons training at the Kabul Military Training Centre, Afghanistan
Image courtesy Sgt Ruud Mool, Royal Netherlands Marines
In February 2007 the Lowy Institute launched its fifth program, the West Asia Program. Encompassing the Middle East, central and southern Asia, the program focuses on seven key themes that increasingly make this part of the world a single strategically coherent region: the regional role of the United States; terrorism; democratisation; Islam; energy security; proliferation; and the rise of new powers, notably India.

This strategic coherence and its implications for Australian foreign policy were discussed by Program Director Anthony Bubalo in a Lowy Institute Policy Brief, Reinventing ‘West Asia’: how the Middle East and South Asia fit into Australia’s strategic picture. Bubalo argued that as Australian policymakers increasingly incorporate these two regions into the country’s overall strategic calculus, they would do well to ensure that the links between the two regions were understood and factored into strategic, political and economic analysis and policy development.

The Program also explored one of the key conflicts of West Asia and its implications for Australia and other members of the international community, namely the ongoing war in Afghanistan. William Maley of the Australian National University and Daoud Yaqub, formerly an official of Afghanistan’s National University and Daoud Yaqub, argued in a Lowy Institute Policy Brief, A long hot summer: crisis and opportunity in Afghanistan that the international community’s involvement in Afghanistan had reached a crucial stage. Without a long-term commitment from the coalition there was a risk that real gains made to stabilise the country and in confronting terrorist groups would be lost.

The West Asia Program also hosted a distinguished visitor in Dr Ezzedine Choukri-Fishere, Counsellor for the Middle East Peace Process and Regional Security in the Cabinet of the Foreign Minister of Egypt. In meetings with officials, the media and public addresses, Choukri-Fishere reaffirmed the importance of the effort to revive Israeli-Palestinian peacemaking.

Choukri-Fishere also participated in a conference held by the West Asia Program examining the consequences of the war in Iraq. ‘What lies ahead: the Iraq war and international politics’ took a close look at the likely implications of the war for the United States as a global power, for the Middle East and for Australian foreign policy. Participants included, by video-link, William Kristol, editor and founder of The Weekly Standard and Gideon Rose, managing editor of Foreign Affairs.

The West Asia Program builds on previous work that the Institute had been doing on the Middle East, including connections between that region and Asia more generally. The latter was one aspect of a workshop held by the Institute which explored with representatives of Thailand’s diverse Muslim communities the role of Islam within the predominantly Buddhist culture, society and political order, and changes in Muslim religiosity, worldview and identity.

Another dimension of the Middle East–Asia relationship was examined by Anthony Bubalo and Mark Thirlwell in a Lowy Institute Policy Brief, New rules for a new ‘Great Game’: Northeast Asian energy insecurity and the G-20. The Brief highlighted the risks of Northeast Asia’s growing energy dependence on the Middle East and argued that the G-20 was the right organisation to help alleviate some of these risks.

The Lowy Institute was also proud to host one of its Directors and a leading international expert on the Middle East, Martin Indyk, for a major lecture on regional developments, later published as a Lowy Institute Perspective, Is a ‘New Middle East’ possible!. Indyk also engaged Anthony Bubalo in a spirited debate on the dilemmas of democracy promotion in the Middle East as a part of the Lowy Institute’s regular Wednesday Lunch series.

Other prominent speakers at the Institute on Middle Eastern topics included Professor Anthony Cordesman, of the Center for Strategic and International Studies in Washington and three of America’s leading experts on terrorism, Marc Sageman, Steve Coll and Daniel Benjamin.

Over the course of the year the Institute provided commentary on key Middle Eastern developments through newspaper opinion pieces and media appearances, including the war in Lebanon between Israel and Hizbollah, the ongoing war in Iraq, Israel’s disengagement from Gaza, and the crisis between the international community and Iran over its nuclear program.

The latter was the topic of a Lowy Institute Analysis by Program Directors Anthony Bubalo, Michael Fuillilove and Mark Thirlwell. Fuilling confronting Iran, the US and the oil weapon explored the potential for Iran to use its status as a major oil producer to prevent the international community pressuring it over its nuclear program.

Anthony Bubalo
Program Director
Lowy Institute for International Policy
The Asia Pacific Program covers the region in which Australia’s international policy interests are more numerous, diverse and interlinked than in any other region of the world.

Filipino protesters condemn the nuclear tests held by North Korea in a rally in Quezon City, east of Manila, Philippines on Tuesday, 10 October 2006

1. Allan Gyngell, the Executive Director of the Lowy Institute greeting the South Korean diplomatic delegation accompanying Foreign Minister Ban Ki-moon (now UN Secretary-General)
2. Anushka Patel from the George Institute for International Health at the ‘Bangkok Challenge’ conference on drug patents and public health
3. Dr Malcolm Cook being interviewed by the Australian Broadcasting Corporation
4. Distinguished Speaker Dr Ma Ying-jeou, the Kuomintang Party’s official 2008 presidential candidate
5. Dr Jakkrit Kuanpoth, University of Wollongong, addressing the ‘Bangkok Challenge’ conference
The majority of the work at the Institute involves relations within the Asia-Pacific region as this is where Australia’s international policy interests are the deepest, the most numerous and the most interlinked. The Asia-Pacific is also a rapidly changing region, particularly as global power shifts from the countries of the Atlantic Ocean to those of the Pacific.

For Australia, the Asia-Pacific can be divided into three distinct sub-regions. The South Pacific is the closest, poses our most complicated policy challenges, and is where Australia is the major power. In 2006, the Institute’s Asia Pacific Program broadened the discussion of the South Pacific through a series of public events and media pieces concentrating on Australia’s responsibilities in the region. We co-hosted, with the Crawford School of Economics and Government at the Australian National University, the annual Papua New Guinea Update, looking at Australia’s aid Program and labour migration. The annual Pacific Islands Update focused on fisheries management and regional integration. The Institute also co-hosted, with ABN-AMRO, a workshop on leveraging Australian expertise in public–private partnerships to assist Papua New Guinea’s economic development.

The Institute will have more to say on the South Pacific in 2007. We will publish a paper that looks at the rapidly declining fishing stocks in the oceans to the north of Australia. The Institute will also establish a new Program dedicated to Australia’s policy challenges in the South Pacific.

The second sub-region is Southeast Asia, where Australia’s relations with Indonesia loom largest. Last year, the Program published Pitfalls of Papua, a Lowy Institute Paper that analysed the incomplete integration of Papua into Indonesia and the problems this has caused in Australia-Indonesia relations. In August, the Institute also organised a closed-door half-day seminar with 20 of Australia’s best Indonesia analysts to discuss the future of the bilateral relationship. In September the Institute co-hosted, with the Australian National University’s Indonesia Project, the inaugural Sydney version of the long-running Indonesia Update.

Milton Osborne, a Visiting Fellow, continued his work for us on China’s relations with Southeast Asia and published a Lowy Institute Paper entitled The paramount power: China and the countries of Southeast Asia that looked at China’s growing influence in Southeast Asia. This was also a theme of the Australia–ASEAN Forum the Institute co-hosted with Malaysia’s Asian Strategy & Leadership Institute and the Asia Society Australasia Centre. ASEAN Secretary-General Ong Keng Yong was the keynote speaker at this forum.

The Program published a Lowy Institute Paper entitled Mindanao: a gamble worth taking co-authored by Malcolm Cook and Kit Collier. This looked at the interplay between Mindanao’s long-running local Muslim insurgency and regional terrorism in Southeast Asia and ways foreign governments can help close off Mindanao as a safe haven for regional terrorists. The publication of this monograph led the Australian Government to ask for a private meeting to discuss the report and for Dr Cook to be invited to speak at a conference organised by the Special Operations Command looking at counter-terrorism in Southeast Asia.

Northeast Asia is the third sub-region, which is the furthest away from Australia yet the most important for our economic and strategic future. Along with Milton Osborne’s work on China’s growing regional role, the Program focused on Japan’s evolving domestic politics and their impact on Japan’s role in the region. In February, the Program published a Perspective entitled Japan: ripe for reassessment, co-authored by Huw McKay from Westpac and Malcolm Cook. This was followed in September by a further Perspective piece by Malcolm entitled Koizumi’s legacy: Japan’s new politics. In 2007, the Program plans to organise a major international conference looking at the future of Australia–Japan relations.

In May 2006, the Institute hosted a lunch for a leading candidate to be Taiwan’s next president Dr Ma Ying-jeou. In August, the Institute hosted a lunch for the South Korean Minister of Foreign Affairs, His Excellency Ban Ki-moon. Ban Ki-moon was subsequently elected as the new Secretary-General of the United Nations.
The International Economy Program analyses those trends that are contributing to fundamental changes in the international economic environment within which Australian policymakers and businesses operate.

Coal power plant in Hebei Province, China

1. Mark Thirlwell addressing the Lowy Institute.
2. Visiting Fellow Dr Stephen Grenville, AO
3. Professorial Fellow Professor Warwick McKibbin in conversation with other Institute Fellows
4. Mark Thirlwell interviewed by ABC Lateline Business
5. Professor Lu Tong, Director, Chinese Centre for Corporate Governance
The International Economy Program monitors trends contributing to fundamental changes in the international economic environment within which Australian policymakers and businesses operate. Last year’s *Lowy Institute Review* highlighted the re-emergence of China and India as major economic powers, the effectiveness of the international economic architecture, trade and trade policy, and the economics of climate change, and the program has continued to track these issues. Last year we published *Quiet boom*, Lowy Institute Paper 14, by Dr John Edwards, which anatomised the longest expansion in Australian economic history.

The report of the Prime Ministerial Task Group on Emissions Trading was released in June 2007. This drew extensively on the Lowy Institute Paper *Sensible climate policy*, written by Professorial Fellow Warwick McKibbin. Professor McKibbin described the case for ‘Early action on climate change’ in December as part of the Institute’s influential Wednesday Lunch series. Other papers also submitted to the Task Group included ‘From national to international climate change policy’, Two issues in carbon pricing: timing and competitiveness (with David Pearce) and ‘A credible foundation for long term international cooperation on climate change’ (with Peter J. Wilcoxen). Professor McKibbin also served on the Prime Minister’s Uranium Mining, Processing and Nuclear Energy Review and worked closely with politicians on both sides of the parliament in policy design.

Professor McKibbin presented his paper on ‘Global macroeconomic consequences of pandemic influenza’ to the US State Department in Washington, DC in April.

With Australia hosting the G-20 in November 2006, we continued our focus on the international economic architecture, publishing *Geeing up the G-20*, by Program Director Mark Thirlwell and Asia Pacific Program Director Dr Malcolm Cook, in May 2006, and co-hosting a seminar in Melbourne in October with the Monash Faculty of Business and Economics on the future of the G-20. *New rules for a new ‘Great Game’*, by Mark Thirlwell and Anthony Bubalo of the West Asia Program, looked at the G-20 and energy security.

A G-20 priority has been IMF and World Bank reform. Mark Allen, head of the IMF’s Policy Development and Review Department, addressed the Institute on ‘Reforming the IMF’ and Visiting Fellow Stephen Grenville continued to argue the case for reform. Dr Grenville also wrote on a series of other topics, including the misuse of the concept of international liquidity, the role of money in central bank policy, and globalisation and capital flows. The latter was the subject of a roundtable discussion, bringing together economists from the official and private sectors to debate Dr Grenville’s paper.

The temporary suspension of the Doha Round of multilateral trade negotiations in July 2006 prompted speculation about the future of the World Trade Organisation and the international trading system. Some of the issues were tackled in two new papers by Mark Thirlwell, *After Doha: I. The search for Plan B* and *After Doha: II. Is globalisation history?*, building on 2005’s Lowy Institute Paper, *The new terms of trade*. The Doha Round was also the subject of an Institute roundtable with Dr Geoff Raby, Deputy Secretary DFAT, a presentation on ‘How to save the Doha Round?’ by Dr Andrew Charlton, and a seminar held with the Australian Services Roundtable, the National Farmers Federation and the Evian Group. In July 2007, in cooperation with the Tasman Transparency Group, we held a conference on ‘Enhancing transparency in the multilateral trading system’. Speakers included the Australian Trade Minister, the New Zealand Shadow Trade Minister and leading policy analysts from the United States, Indonesia and Australia.

Asia’s emerging economic giants, China and India, continued to be a focus of our work. Their consequences for globalisation were the theme of Lowy Institute Paper 18, *Second thoughts on globalisation: can the developed world cope with the rise of China and India?*. Earlier, *Roaring tiger or lumbering elephant?* updated the analysis in Lowy Institute Paper 01, *India: the next economic giant*. The implications of China’s economic rise for Australia were the subject of pieces appearing in the *Financial Times* and the *Far Eastern Economic Review*, and events at the Institute with a China theme included a roundtable with David Dollar, World Bank Country Director for China and a lecture by Professor Lu Tong, Director of the Chinese Centre for Corporate Governance.

Mark Thirlwell
Program Director
Lowy Institute for International Policy
The International Security Program contributes to the national debate about Australia’s defence policy and to international debate about the strategic environment and global security threats.

Australian troops bound for Afghanistan gather in Brisbane for an official farewell, Friday, 2 March 2007

1. Col. John Blaxland, Professor Alan Dupont and Max Boot at the Lowy Institute
2. Dr Coral Bell, AO delivering the keynote address at a Lowy Institute dinner in Canberra
3. Col. Don Roach, Major Andrew Brown (NZDF) and Rory Medcalf at the 2007 Sturdee Symposium
4. Rory Medcalf interviewed on Australia’s SBS TV news
Through the International Security Program, the Lowy Institute continues to intensify the debate about how Australia should respond to its changing security environment. The program seeks to identify and anticipate issues and challenges – such as nuclear weapons, climate change and the role of Australia’s armed forces – on which hard policy decisions have to be made, not deferred.

Our definition of security is broad. It includes traditional concepts of safeguarding the nation and the international system against armed force. The stability of Asia, with its changing power relativities, remains a focus. But the Institute is also building a reputation for engaging with transnational security problems, including terrorism and the destabilising effects of state fragility.

The Institute had a clear effect on the policy and assessments agenda in Canberra with the publication in June 2006 of the Lowy Institute Paper *Heating up the planet: climate change and security*. This pathbreaking work by Dr Alan Dupont of the Lowy Institute and Dr Graeme Pearman, the former chief of atmospheric research at the CSIRO, canvassed the international security consequences of climate change, especially for Australia’s Asia-Pacific neighbourhood. It examined the implications of temperature increases and sea-level rise for food, water, energy, infectious diseases, natural disasters and environmental refugees. The paper made policy recommendations about how the Australian government should redirect national resources to focus on security risks from climate change. Since the paper’s publication, the Australian government has notably increased its attention to the security impacts of climate change, including in strategic assessments and in public statements about the future of the Australian Defence Force.

Another important publication was the December 2006 Lowy Institute Paper *Beyond the defence of Australia: finding a new balance in Australian strategic policy*, in which Visiting Fellow, Professor Hugh White examined the long-term strategic trends facing Australia, and how their conflicting demands on Australia’s limited defence resources might be reconciled.

This was not the only view the Institute brought to the defence debate as it intensified around capability decisions. Through its Wednesday Lunch at Lowy series, the Institute provided a platform for the Chief of the ADF’s Capability Development Group, Lieutenant General David Hurley, AO DSC, to give an insider’s unique perspective on how the ADF is meeting the demands of its high tempo of operations. And the Institute’s Army Fellow, Mark O’Neill, argued in the *Australian Journal of International Affairs* that it was time to move on from defining Australian defence priorities according to geography. In his secondment, Lieutenant Colonel O’Neill is producing a research paper on counter-insurgency, as well as strengthening the Institute’s capacity to address military debates.

In the past year the International Security Program has had a change at the helm. In 2006 Professor Alan Dupont was appointed to the foundation Michael Hintze Chair of International Security at the University of Sydney. He remains with the Lowy Institute as a non-resident Senior Fellow. In early 2007, Rory Medcalf was appointed as the Institute’s Program Director for International Security. Rory draws on his background in security diplomacy, strategic intelligence analysis and journalism to carry forward the program and build on its success.

In the year ahead, the Program’s points of focus will include: the military and wider security aspects of the rise of China and India; the potential for nuclear arms competition between the US and China; and a fresh look at the role of the ADF and other Australian agencies in the South Pacific. A highlight of the Institute’s calendar so far in 2007 has been the second Sir Vernon Sturdee Symposium, in partnership with the Land Warfare Studies Centre, Canberra. This year the theme was finding the right balance of tools – military and non-military – to address security and stabilisation challenges in Australia’s ‘arc of responsibility’, comprising the South Pacific and East Timor.

The Institute brought together a select group of senior policymakers, security practitioners and commentators in July to generate creative thinking on this issue.

The program runs regular events, including public lectures and expert roundtable discussions, on subjects ranging from the US ‘surge’ strategy in Iraq to the Australia–Japan security declaration and changing global approaches to non-proliferation. The program has also helped to consolidate a strong position for the Institute in Australian media commentary on trends and events in world security.

**Rory Medcalf**
Program Director
Lowy Institute for International Policy
The HIV/AIDS Project contributes to strategic analysis and policy responses to the social, economic, political and security impacts of the global and regional HIV pandemic and works with governments, the private sector and civil society to encourage an effective response.

This Beijing billboard exhorts people to ‘use heart and action to fight against AIDS’. Official estimates say China has 840,000 HIV/AIDS sufferers. Outside experts believe the figure could be much higher.
The HIV/AIDS Project is concerned with the development of strategic policy responses to the substantial and rising economic, political, social and human costs associated with the spread of the global HIV/AIDS pandemic and particularly with its impact on the Asia-Pacific region. The HIV/AIDS Project works closely with international agencies, national governments and authorities and a wide range of civil society organisations in Australia and abroad concerned with the many facets of the pandemic, including care and treatment, research and, perhaps most importantly, the need for increased and effective behavioural prevention.

A major objective of the Project has been to increase the level of Australian awareness about the present state of the pandemic. After many years of relative success in containing the domestic impact of HIV/AIDS, Australian policymakers, commentators and the general public had become somewhat complacent about the nature of the pandemic. However, in recent years the Australian government has markedly increased funding for the response to HIV/AIDS globally and within our immediate region. Australians have also been concerned by a significant rise in the number of new domestic HIV infections over the past five years. These developments have led to a resurgence of interest in HIV/AIDS strategies and directions. Over the past year, the HIV/AIDS Project has contributed to this renewed debate through opinion and feature articles in major newspapers, radio and television interviews and by participating in local and international conferences and meetings dealing with the impact of HIV/AIDS.

In March 2007, the Lowy Institute Policy Brief HIV/AIDS: The looming Asia Pacific pandemic was launched. The Brief reviewed the present state of the global HIV pandemic, the fitful progress being made to contain its spread and advocated the need for a renewed and strengthened international commitment to behavioural prevention as the most cost-efficient and effective way of rapidly reducing the worrying rise in new HIV caseload. The Brief called for the setting of the long-term goal of eradication of HIV by the end of the century.

April 2007 marked the 20th anniversary of the implementation of the comprehensive package of policies and measures that laid the foundation for the successful Australian response to HIV/AIDS. The most memorable element of this package was the Grim Reaper television commercial which alerted the general public about the need to prevent the spread of HIV. The anniversary generated considerable public and media interest in HIV/AIDS and the HIV/AIDS Project participated in a large number of associated media interviews and functions. In June 2007, the Director of the Project participated in the filming of Blood and Guts, a major ABC television documentary on the Australian response to HIV/AIDS, which will be broadcast in late 2007/early 2008.

The HIV/AIDS Project developed good relations with major international agencies responsible for the strategic management of the HIV pandemic, especially the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Global Fund has some US$10 billion under management and is the major international agency responsible for disbursing funds for HIV/AIDS care, treatment and prevention. In May 2007, the recently retired first Executive Director of the Global Fund, Sir Richard Feachem, spoke at the Lowy Institute about the flexible, innovative and responsive international development assistance structures created to deal with the emergence of the HIV pandemic and the spread of tuberculosis and malaria.

The HIV/AIDS Project has worked closely with civil society organisations, foundations and individuals committed to developing new policy responses to HIV/AIDS. In 2006, we participated in discussions on HIV held as part of the 35th Pacific Islands Chiefs of Police Meeting in Palau. The Project also assisted in the strategic development of the Asia Pacific Business Coalition on HIV/AIDS, and in the arrangements for the Fourth International AIDS Society Conference on HIV Pathogenesis, Treatment and Prevention held in Sydney in July 2007. The establishment of the Lowy Institute Melanesia Program will provide the opportunity for the Institute to explore the potential impact of the HIV pandemic in our immediate region.

Bill Bowtell
Director
HIV/AIDS Project
Lowy Institute for International Policy
Our People & Supporters

The inaugural corporate members’ dinner with the Board was held in August 2007.
International Advisory Council provides advice and contributes to setting the research priorities of the Institute. The council comprises: Dr Pervaiz Iqbal Cheema, President of the Islamabad Policy Research Institute, Pakistan; Sir Lawrence Freedman, Professor of War Studies at King's College, London; Dr Rita Hauser, Chair of the Hauser Foundation, New York; Professor François Heisbourg, Chairman of the Foundation for Strategic Research, Paris; Professor Robert Joss, Dean of Stanford Graduate School of Business, California; Professor Lord (Robert) May, OM, AC, KT PRS, Past President of the Royal Society, London; Mr Rupert Murdoch, AC, Chairman and Chief Executive of News Corporation, New York; Mr Wiryono Sastrohandoyo, Senior Fellow at the Centre for Strategic and International Studies, Jakarta; Mr James Wolfensohn, AO, Former President of the World Bank, Washington, DC.

The Directors

1. Mr Frank Lowy, AC
2. Mr Robert Ferguson
3. Professor Ross Garnaut, AO
4. Ambassador Martin Indyk
5. Mr Peter Lowy
6. Mr Steven Lowy
7. Mr lan Macfarlane, AC
8. Professor Robert O’Neill, AO
9. Mr Mark Ryan
10. Professor Judith Sloan
11. Mr Michael Thawley, AO
Mr Frank Lowy, AC
Mr Frank Lowy is the founder and Chairman of the Lowy Institute for International Policy. He is Executive Chairman and co-founder of the Westfield Group, a global shopping centre company, a member of The Brookings Institution’s International Advisory Council and Chairman of Football Federation Australia. From 1995 until December 2005, Mr Lowy was a member of the Board of the Reserve Bank of Australia.

Ambassador Martin Indyk
Martin S. Indyk is the director of the Saban Center for Middle East Policy at The Brookings Institution in Washington, DC, and a former US Ambassador to Israel. Before entering government, he was the founding executive director of the Washington Institute for Near East Policy, and adjunct professor Johns Hopkins University School of Advanced International Studies. Ambassador Indyk holds a PhD from the Australian National University.

Mr Ian Macfarlane, AC
Ian Macfarlane was Governor of the Reserve Bank of Australia from 1996 to 2006. He is now a director of several Australian companies and a member of the International Advisory Board of Goldman Sachs. Prior to joining the Bank in 1979, he worked at Monash University, Oxford University and the OECD in Paris.

Professor Judith Sloan
Judith Sloan is an economist with a special interest in the labour market. She is currently Commissioner of the Productivity Commission, Director of Santos Ltd, Commissioner, Australian Fair Pay Commission and Chairman, BBC Group Ltd. She has held academic appointments at the University of Melbourne and Flinders University. She was appointed Professor of Labour Studies in 1989. She has written widely in books, journals and newspapers. Her previous appointments include Deputy Chair of the Australian Broadcasting Corporation, Director of Mayne Group Ltd and Director of the South Australian Ports Corporation.

Mr Robert Ferguson
Robert Ferguson is one of Australia’s most respected business leaders. He was Managing Director of Bankers Trust Australia and is Deputy Chair of The Sydney Institute and Executive Chairman IMF (Australia) Ltd.

Mr Peter Lowy
Peter Lowy is Group Managing Director of the Westfield Group. Prior to joining Westfield in 1983, he worked in investment banking in the US and UK. He has resided in the US since 1990. He serves on the Executive Committee of the Board of Governors for the National Association of Real Estate Investment Trusts, and is on the Rand Corporation’s Center for Terrorism Risk Management Policy Advisory Board. He is a member of the management board of the European Public Real Estate Association, is Founding Chairman of the e-Fairness Coalition, and he is a member of the Executive Committee of the Washington Institute for Near East Policy and the board of the Homeland Security Advisory Council.

Professor Robert O’Neill, AO

Mr Michael Thawley, AO
Michael Thawley is Senior Vice President of Capital Strategy Research Inc, a member of the Capital Group of companies. Until May 2003 he served as Australia’s Ambassador to the United States. Before that, he was international advisor to the Prime Minister, Mr John Howard, and served in a variety of positions in the Australian government in Canberra and overseas.

Professor Ross Garnaut, AO
Ross Garnaut, AO is Professor of Economics, Research School of Pacific and Asian Studies, ANU. He is a Fellow of the Academy of Social Sciences of Australia and Honorary Professor of the Chinese Academy of Social Sciences. From 1985 to 1988 he was Australian Ambassador to China. He is the author of numerous books, monographs and articles on international economics, public finance and international development, particularly in relation to East Asia and the Southwest Pacific.

Mr Steven Lowy
Steven Lowy is Group Managing Director of the Westfield Group. Prior to joining Westfield in 1987, he worked in investment banking in the United States. Mr Lowy holds a Bachelor of Commerce (Honours) degree from the University of New South Wales. Steven is President of the Board of Trustees of the Art Gallery of New South Wales, a director of the Victor Chang Cardiac Research Institute and a member of the Prime Minister’s Business–Government Advisory Group on National Security.

Mr Mark Ryan
Mark Ryan has extensive experience in government, media and the corporate sector. Between 1985 and 1994 he held a number of positions with State and Federal Government Ministers, including as Senior Political Advisor to the Australian Prime Minister. Since then he has been a director of a Sydney-based investment bank and is now Director of Corporate Affairs for the Westfield Group. He is a director of the Shopping Centre Council of Australia and the Australian Football League Foundation.
Institute Staff

1. Allan Gyngell
2. Martine Letts
3. Mark Thirlwell
4. Professor Warwick McKibbin
5. Bill Bowtell
6. Dr Malcolm Cook
7. Dr Michael Fullilove
8. Rory Medcalf
9. Anthony Bubalo
10. Donna Payne
Allan Gyngell
Allan Gyngell, Executive Director, has an extensive background in international policymaking in Australia. He has worked in the Department of Foreign Affairs, the Office of National Assessments and the Prime Minister’s Department and was foreign policy advisor to Prime Minister Paul Keating. He has written widely about Australian foreign policy.

Professor Warwick McKibbin
Warwick McKibbin is Director of the Centre for Applied Macroeconomic Analysis and the College of Business Economics at the Australian National University. He is also a non-resident Senior Fellow at the Brookings Institution in Washington, DC, and President of McKibbin Software Group. He is a member of the Board of the Reserve Bank of Australia.

Professor McKibbin has worked at the Reserve Bank of Australia, the Japanese Ministry of Finance, the United States Congressional Budget Office and the World Bank. He has been a consultant for many international agencies and governments on issues of macroeconomic policy, international trade and finance, and greenhouse policy issues.

He received his B.Com and University Medal from the University of Queensland. He has a Master of Arts from Harvard University and a PhD from Harvard University. He is a Fellow of the Australian Academy of Social Sciences and a founding member of the Harvard University Asian Economic Panel. He was awarded the Centenary Medal in 2003 ‘For Service to Australian Society through Economic Policy and Tertiary Education’.

Dr Michael Fullilove
Dr Michael Fullilove, Program Director Global Issues, has worked as a lawyer, a volunteer in the United Nations mission in East Timor, and an advisor to Prime Minister Paul Keating. Michael graduated in international relations and law from the University of Sydney and the University of New South Wales, with dual university medals. He also studied as a Rhodes Scholar at the University of Oxford, where he took a master’s degree in international relations and wrote his doctorate on Franklin D. Roosevelt’s foreign policy. His dissertation was awarded the annual prize for the best international history thesis in Britain. Michael’s work has appeared in publications such as Slate, the Financial Times, The National Interest and Foreign Affairs, and his first book, ‘Men and Women of Australia!’ Our Greatest Modern Speeches, was published recently by Vintage.

Martine Letts
Martine Letts, Deputy Director, joined the Institute following four years as the Secretary General (CEO) of the Australian Red Cross and a 17-year career with the Department of Foreign Affairs and Trade. She served as Australian Ambassador to Argentina, Uruguay and Paraguay, Deputy Head of Mission to the International Atomic Energy Agency (IAEA) and was an advisor to Foreign Minister Evans from 1992 to 1994. Throughout her career she specialised in arms control and disarmament. She serves on the Executive Committee of the Council on Latin America Relations (COALAR) and the National Consultative Committee on International Security Issues (NCCISI). She is a member of the Australian National University Council, and on the Boards of Austcare and Nonprofit Australia. She was educated in political science and German at the Australian National University.

Bill Bowtell
Bill Bowtell, Director HIV/AIDS Project, is a strategic policy advisor, with particular interest in national and international health policy structures and reform. He trained as a diplomat, with postings in Portugal, Papua New Guinea and Zimbabwe.

As senior advisor to the Australian health minister, Bill Bowtell played a significant role in the introduction of the Medicare health insurance system (1984). He was an architect of Australia’s successful and well-regarded response to HIV/AIDS. Between 1994 and 1996, he was senior political advisor to the Prime Minister of Australia.

He maintains a close interest in the potential impact of the HIV/AIDS pandemic, and the other communicable diseases, on the social, economic and political development of the Asia-Pacific region.

Rory Medcalf
Rory Medcalf, Program Director International Security, has worked in intelligence analysis, diplomacy and journalism. From 2003 to 2007, he was a senior strategic analyst with the Office of National Assessments. From 1996 to 2003, he served in the Department of Foreign Affairs and Trade. This included a posting to New Delhi, a secondment to the Japanese foreign ministry, truce monitoring in Bougainville, policy development on the ASEAN Regional Forum, and extensive work on non-proliferation, including assisting the 1996 Canberra Commission and the 1999 Tokyo Forum. Rory’s earlier work as a journalist was highly commended in Australia’s leading media awards, the Walkleys (1991). He has Honours in political science and a University Medal from the University of Queensland.

Mark Thirlwell
Mark Thirlwell, Program Director International Economy, is a graduate of Cambridge University and has an MPhil degree in economics from Oxford. Mark began his career as an economist in the Bank of England’s international division, where he focused on emerging market issues. He also spent some time in the Bank’s UK structural economic analysis division. He subsequently joined JP Morgan, where he was a vice president in the economic research department with responsibility for Central and Eastern Europe. Before joining the Lowy Institute, Mark was senior economist at the Australian Export Finance and Insurance Corporation from 1999 to 2003, where he worked on country risk issues, with a particular emphasis on East Asia.

Dr Malcolm Cook
Dr Malcolm Cook, Program Director Asia Pacific Program, completed a PhD in international relations from the Australian National University, and holds an MA in international relations from the International University of Japan and an honours degree from McGill University in Canada. Before moving to Australia in 2000, Malcolm lived and worked in the Philippines, South Korea and Japan and spent much time in Singapore and Malaysia. Before joining the Institute in November 2003, Malcolm ran his own consulting practice on Southeast Asian political and economic policy reform and risk analysis.

Anthony Bubalo
Anthony Bubalo, Program Director West Asia, graduated from the University of New South Wales with a Bachelor of Arts Honours, majoring in political science. He joined the Department of Foreign Affairs and Trade in 1991. He undertook long-term Arabic language training in Egypt, and has served in Australia’s embassies in Saudi Arabia and in Israel. He was Director of the Policy and Coordination Unit on the Australian Government’s Iraq Taskforce and senior departmental speechwriter. He also served as Middle East Analyst in the Office of National Assessments from 1996 to 1998.

Donna Payne
Donna Payne, Director Business Development, joined the Lowy Institute in August 2007 following three and a half years as NSW State Manager for the Australia Business Arts Foundation where she was responsible for operational management and client service delivery.

Her previous experience includes senior management positions in business development, consulting, human resources and quality management in the corporate and non-profit sectors.

She holds a Diploma in Food Technology and Bachelor of Commerce (University of Western Sydney) and a Graduate Certificate in Business & Technology (University of New South Wales).
Visiting Fellows

1. Dr Stephen Grenville, AO
2. Professor Hugh White
3. Dr Milton Osborne
4. Peter Hartcher
5. Lt Col. Mark O’Neill
6. Owen Harries
7. Professor Alan Dupont
8. Paul Kelly
Dr Stephen Grenville, AO
Dr Grenville works as a consultant to the International Monetary Fund, the World Bank and the Asian Development Bank on financial sector issues in East Asia. He is a Director of AMP Capital Investors Limited and an Adjunct Professor at the Crawford School, Australian National University. Between 1982 and 2001 he worked at the Reserve Bank of Australia, for the last five years as Deputy Governor and Board member. Before that, he was with the OECD in Paris, the IMF in Jakarta, the Australian National University and the Department of Foreign Affairs.

Peter Hartcher
Peter Hartcher is one of Australia’s leading journalists. He is the political editor and the international editor of the *Sydney Morning Herald* and chair of *The Diplomat* magazine.

Hartcher is a three-time foreign correspondent who has worked as a journalist for 25 years, writing about politics, economics and foreign affairs. Before taking his current position at the SMH, Hartcher wrote for the *Australian Financial Review* for a decade. He worked as its Washington bureau chief, its Asia-Pacific editor and its Tokyo bureau chief.


Professor Alan Dupont
Professor Dupont is a Non-Resident Senior Fellow at the Lowy Institute and foundation Michael Hintze Chair of International Security at the University of Sydney. He holds a PhD in International Relations from the Australian National University and is a graduate of the Royal Military College, Duntroon, and the US Foreign Service Institute.

Professor Dupont has worked as a strategist, freelance journalist, diplomat, policy analyst and scholar and has published widely on defence and international security issues. He is an Australian representative to the ASEAN Regional Forum’s Register of Experts and Eminent Persons and is a special advisor on foreign policy and national security to East Timor’s President, Jose Ramos Horta. Professor Dupont is also a member of the Foreign Affairs Council, an advisory body to the Australian Minister for Foreign Affairs, and the Defence and National Security Advisory Council to the Minister for Defence.

Professor Hugh White
Hugh White is a Professor of Strategic Studies at the Australian National University. He writes regularly on security and international issues for *The Age* and the *Sydney Morning Herald*. From 2001 to 2004 Professor White was the first Director of the Australian Strategic Policy Institute (ASPI). Before that he had served as an intelligence analyst with the Office of National Assessments, as a journalist with the *Sydney Morning Herald*, as a senior advisor on the staffs of Defence Minister Kim Beazley and Prime Minister Bob Hawke, and as a senior official in the Department of Defence, where from 1995 to 2000 he was Deputy Secretary for Strategy and Intelligence. In the 1970s he studied philosophy at Melbourne and Oxford universities.

Lieutenant Colonel Mark O’Neill
Mark O’Neill is the Army Fellow at the Lowy Institute, seconded from the Australian Army.

Mark graduated from the Royal Military College, Duntroon, in 1988 and from the Australian Command and Staff College in 2002. He has served in a variety of postings in Australia and overseas which have included command, staff and instructional appointments. During 1993 he served in Somalia on *Operation Solace*, Australia’s contribution to *Operation Restore Hope*. In 1999 Mark served as a Technical Advisor to the United Nations Development Program’s Accelerated De-mining Program in Mozambique. He completed undergraduate studies at the University of Adelaide, and has postgraduate qualifications from Deakin University and the University of Canberra.

Paul Kelly
Paul Kelly is Editor-at-Large of *The Australian*. He was previously Editor-in-Chief of *The Australian* (1991–96). He writes on Australian and international affairs and is a regular commentator on television.

Paul holds a Doctor of Letters from the University of Sydney and a Bachelor of Arts from the University of Sydney. He is the author of six books, *The Unmaking of Gough* (1976), *The Hawke Ascendancy* (1984), *The End of Certainty* (1992), *November 1975* published in 1995, a collection of articles *Paradise Divided* (2000) and the book of his ABC television series, titled *100 Years: The Australian Story*, released in 2001. In 2002 he was a Visiting Fellow at the Kennedy School of Government and a visiting lecturer at the Weatherhead Center for International Affairs at Harvard University. He is a Fellow of the Academy of Social Sciences in Australia and is a participant in the Australia–America Leadership Dialogue. Paul was Graham Perkin Journalist of the Year (1990) and a double Walkley Award winner for excellence in 2001.

Dr Milton Osborne
Milton Osborne is a graduate of Sydney and Cornell universities, and has held academic positions in Australia, the UK, the US and Singapore. He was posted to the Australian Embassy in Phnom Penh in 1959. Between 1982 and 1993 he was Head of the Asian Branch of the Australian government’s Office of National Assessments.

He is the author of nine books and many articles on Asian subjects including: *South East Asia: An Introductory History*, now in its ninth edition; *River Road to China: The Search for the Source of the Mekong* (a *New York Times* ‘notable book’); and *The Mekong: Turbulent Past, Uncertain Future*. Since 1993 he has been an independent writer and consultant on Asian issues and is an Adjunct Professor of Asian Studies at the Australian National University.

Owen Harries
Owen Harries is a Senior Fellow at the Centre for Independent Studies, and member of the Global Advisory Council of *The American Interest* magazine.

In the late 1970s he was head of policy planning in the Australian Department of Foreign Affairs, and senior advisor, successively, to the Minister for Foreign Affairs (Andrew Peacock) and the Prime Minister (Malcolm Fraser). In 1978–79 he was Chairman of the Committee on Australia’s Relations with the Third World. During 1982–83 he was Australian Ambassador to UNESCO. In 1983–85 he was a fellow at the Heritage Foundation in Washington, DC. He was the editor-in-chief of the quarterly journal *The National Interest* in Washington, DC from 1985 to 2001 and is currently on the editorial board of *The American Interest*. He has published over 200 articles in journals including *Foreign Affairs*, *Commentary*, *Survival*, *Orbis*, *The New Republic*, *Harpers* and *The New York Times Magazine*.
A vital mark of the Institute’s success is the extent to which the Australian community at large becomes involved in its activities, embraces it and feels it has some ownership.

This is not just important to help the Institute financially to grow and to expand its activities in Australia and to other parts of the world. Our partners and supporters play an important role in helping us understand and respond effectively to their interests and needs from a corporate and business perspective.

We have been very encouraged by the response to our corporate membership scheme which we introduced some six months ago. We have already learnt that each partnership has its own characteristics, as we strive to make our relationships mutually productive.

We look forward to working intensively with our financial partners to ensure that we provide them with the greatest value and we look forward to their advice, knowledge and expertise to help us shape good, practical international policy for Australia. We also look forward to welcoming more partners in the years to come.

Our corporate membership scheme is not the only way the Institute can be supported. Donors can also choose to support a specific area of research.

We are thrilled to have received a little over $1 million from the Myer Foundation over three years to establish a new program to look at Australian policy in the Melanesia region. Through this program we hope to foster a better understanding by Australia and the international community of the challenges facing Melanesia, particularly Papua New Guinea, and to make policy recommendations for Australian and respective Melanesian governments, non-government players and businesses involved in the region on how these problems might be managed.

Martine Letts
Deputy Director
Lowy Institute for International Policy
The Lowy Institute for International Policy warmly thanks the following corporate members and benefactors:
The Lowy Institute for International Policy gratefully acknowledges the following organisations for their contributions, cooperation and support:

- ANU’s Indonesia Project
- Art Gallery of New South Wales
- AsiaLink
- Asia Society Australasia Centre
- Asian Strategy & Leadership Institute
- Aspen Institute Italia
- AusAID
- Australia–India Council
- Australia–India Business Council
- Australia–Korea Foundation
- Australia–Thailand Institute
- Australian Federal Police
- AXISS Australia
- Booz Allen Hamilton
- British High Commission
- Carnegie Council on Ethics and International Affairs
- Center for Strategic and International Studies (Washington)
- Chicago Council on Global Affairs
- Confederation of Indian Industry
- Department of Defence – Land Warfare Studies Centre
- Department of Foreign Affairs and Trade
- FORA TV
- International Crisis Group
- International Peace Academy
- Korea–Australia Foundation
- Monash University’s Diplomacy and Trade Program
- Reserve Bank of Australia
- Sydney Institute
- Centre for Defence and Strategic Studies at Australian Defence College
- Sydney Writers’ Festival
- The Australian Army
- The Australian National University
- The Australian Treasury
- The Brookings Institution
- The Chinese People’s Institute of Foreign Affairs
- The Crawford School of Economics and Government (ANU)
- The Ditchley Foundation
- The George Institute for International Health
- The Korean Consulate-General
- The Tianda Institute
- The University of New South Wales
- The University of Sydney
- United States Department of State
Administrative Staff

1. Justine Lane  
   Executive Assistant
2. Katherine Gamble  
   Receptionist
3. Nicky Baker  
   Office Manager
4. Orietta Melfi  
   Media & Events Manager
5. Joanne Bottcher  
   Information Manager
The building that houses the Lowy Institute was built for the New South Wales Club in 1886. Located in Bligh Street in Sydney’s central business district, it is classified by the National Trust and listed for permanent conservation under the Heritage Act. This classic sandstone building was designed by William Wardell, one of the most distinguished architects of his time.