



**Submission to the National Commission of Audit
from the
Australian Strategic Policy Institute (ASPI)**

Submission Two: Role of ASPI

Overview

Established in 2001 by a decision of Prime Minister John Howard's National Security Committee of Cabinet, the Australian Strategic Policy Institute (ASPI) is a not-for-profit company. The Institute was created by Government to provide an alternate source of policy advice on defence and security issues. Around 60 per cent of our funding comes from a long term finding agreement with the department of defence (\$3.1 million in 2012-13). Our remaining income comes from commissioned work and grants from government (approximately 30 per cent) and from private sector sponsorship (approximately 10 per cent).

ASPI's work covers all aspects of national security decision-making, with an emphasis on Australia's defence and security interests and whole-of-government policy formulation. We are now a mature, effective and highly regarded think tank. We are reaching a wider audience by introducing new programs in cyber policy and law enforcement, and maintaining our core competency to shape critical policy development on defence and security.

ASPI is ranked among the top 30 security and international affairs think tanks in the world in the Go-to Think Tanks Index compiled annually by the Think Tanks and Civil Societies Program, University of Pennsylvania.

ASPI was established to provide cost effective and high quality advice to government, and to offer a viable alternative to advice flowing from departments and agencies. Contestability creates a competition of ideas and contributes to generating a debate among decision-makers, which leads to better informed strategic decisions for Australia.

ASPI also has a charter responsibility to raise public understanding of defence, strategic and whole-of-government national security issues.

We have a strong brand recognition, achieved through extensive media coverage and national and international readership of its research products, designed to serve both policymakers and the interested public audience.

ASPI's independence stems from its governance arrangements, and an assured baseline funding which allows it to remain a non-partisan Institute. Government funding will remain the key enabler of ASPI operations: other available options would not provide sufficient assured income or guarantee its ability to be truly independent in its advice.

That said, ASPI's reputation as an honest and independent broker has allowed it to develop a substantial line of corporate sponsorship from a range of companies with no compromise to its independence.

Unlike a university which operates by decision-making through somewhat cumbersome committees, ASPI is able to be fast moving, nimble and responsive to rapidly changing events. Similarly, ASPI staff have the ability to move between research topics unencumbered by the university sector requirement for frequent publication in narrow fields (and still manage to publish extensively).

Influencing policy

ASPI exercises influence into the strategic policy process via its reports and briefings and is regularly consulted by ministers, parliamentarians, defence industry, government officials and overseas think tanks.

This is particularly evident in ASPI's annual Defence budget brief, (*The Cost of Defence*). Our defence budget analysis has, in effect, lifted the standard of the Defence Department's public reporting on financial matters. Our work is relied on by Parliamentarians and the media as a plain-English analysis of a complex area in public policy.

ASPI also regularly provides analysis of key military capability issues reports on capability analyses—a good example being the 2012 'Mind the gap' paper on submarine availability. Our conference on the 'Submarine Choice' scheduled for April 2014 aims to set a clear public foundations for decisions Government will be required to make on future submarine acquisitions. We have undertaken detailed analytical work on key capability decisions relating to the Joint Strike Fighter, amphibious capabilities and future surface combatants. These help to shape a rigorous public debate on multi-billion dollar force structure decisions.

In the international environment, early ASPI work on regional stabilization tasks directly informed the Australian commitment to the Regional Assistance Mission to the Solomon Islands.

ASPI's more recent cyber security discussion papers have been widely appreciated by both government and business, and fed directly into discussions at the Seoul Conference on Cyberspace in South Korea in October 2013. ASPI has been successful in attracting sponsors for its new International Cyber Policy Centre. The options for Australian engagement with Asia are better understood because of ASPI's work. On extended nuclear deterrence ASPI has been a unique source for the Australian Government's understanding of US thinking.

ASPI's work on Australian counter-radicalisation, disaster resilience, as well as Antarctic policy and on future assistance options to Bougainville has been widely appreciated by government. The same point applies to ASPI's work on maritime security, undertaken recently in the areas of counter-piracy and the South China Sea.

Stakeholder engagement

ASPI has been able to promote strong relationships with relevant departments and agencies such as Defence, DFAT, Attorney-General's and in the intelligence community, based on mutual respect, shared interests and cooperation. This has resulted in ASPI being commissioned to undertake research for a number of these including Defence, DFAT, PM&C, Attorney-General's, Australian Federal Police, and the Australian Civil-Military Centre. ASPI provides regular briefs to MPs and Senators.

ASPI engages with outside groups such as business, universities and think tanks here and overseas and acts as a bridge between universities and the official community, and brings partners such as state government agencies, (e.g. law enforcement) into the national security debate.

Promoting regional understanding

ASPI has a well-developed program of 1.5 track dialogues with a range of regional countries. These involve ASPI analysts and government officials, allowing a more candid discussion than is usually possible in track one government-to-government talks.

ASPI 1.5 track dialogues have built a record of frankness and friendliness in our relationships with key countries, especially China, Japan, Indonesia, South Korea and New Zealand.

More recently ASPI has widened its remit here and established an Australian –African Dialogue, which has been warmly endorsed by the Foreign Minister, Julie Bishop.

In September, ASPI co-hosted with Defence a Northeast Asia defence and security dialogue that allowed 40 senior officials and experts from seven countries to exchange practical suggestions for helping manage shared security and economic challenges in a region containing Australia's three top markets. Defence has asked ASPI to build on the success of the inaugural Northeast Asia dialogue in 2014. Next year ASPI will undertake dialogues with PNG, on the sensitive issue of Bougainville, and also with France.

Nurturing strategic expertise

Apart from providing fresh ideas to government ASPI has nurtured strategic expertise. ASPI's paid internships are critical here and are unique in Australia. The scheme provides opportunities for interns to work directly with senior personnel on current and emerging strategic and defence issues.

ASPI interns go on to make significant contributions within Australia's defence and security community.

More recently ASPI has developed a professional development course for all new Defence Department graduates. ASPI staff regularly lecture at military staff colleges and the National Security College, as well as contribute to university courses.

Informing public debate

Through its readership, website, regular media pieces and interviews, more than 50 annual events a year, and the ASPI blog, *The Strategist*, ASPI positively influences the public debate. More than 18,000 people interact with ASPI through its various web-based channels every month. The new ASPI website, launched in November 2013, enables users to browse, search and discover our vast library of research, events and other web content. As technologies and user behaviour patterns change over time, ASPI will continue to improve and adapt its web presence to best meet the needs of its audience.

ASPI's blog, www.aspistrategist.org.au, opened for business on 17 July 2012 and in the sixteen months since, around 850 articles were published. By mid- 2013, ASPI had well over 1,000 e-mail subscribers and close to 3,000 followers on Twitter.

ASPI's role in public debate is largely due to the quality of its staff and timely, policy relevant publications. Since its inception ASPI has produced over 335 publications, many of which have been detailed analyses of major strategic policy questions of critical importance to Australia and the region. Since July 2007 ASPI has provided its publications for free download. This has expanded the readership base worldwide.

In 2012–13, ASPI's website was visited over 100,000 times from 178 countries or territories. ASPI publications are read in these countries, with considerable interest coming from the US, UK, Canada, Singapore, New Zealand, China, Indonesia, India and several countries in the European Union.

Future policy work

Over the next few years the strategic and security landscape will change: there will be uncertainties over the US role in Asia, China's strategic agenda will be unsettled, the North Korean nuclear program will grow, and Indonesia will become more important both within the region and beyond.

In Defence there will be massive challenges to increase the efficiency in the Defence enterprise, matching strategy, resources and capability, delivering capability, managing defence industry, maintaining and replacing the Collins class submarines and managing the defence workforce.

In national security matters counter-terrorism will remain important. Cyber espionage and cybercrime will possibly pose the most serious challenge to Australian national security. Serious and organised crime poses immense challenges.

All of these national and international defence and security challenges will form the basis of ASPI's forward work program into the next few years.

Apart from ASPI's core work on defence and strategy, ASPI has recently established a new *International Cyber Policy Centre* and a *Strategic Policing and Law Enforcement program* to tackle matters relating to cyber security and law enforcement's contribution to national security.

ASPI is increasing its focus on practical security challenges in Australia's immediate region. It's just published major reports recommending practical policy steps to avoid points of friction in Australia's vital security relationship with Indonesia and to preserve an increasingly fragile peace process on Bougainville as the 2015–20 window for a referendum approaches.

ASPI intends to contribute practical policy suggestions to help protect Australia's interests and manage the regional security environment ahead of potentially difficult elections next year in Fiji, Solomon Islands, and Tonga, as well as the opening of the window for a referendum on independence in New Caledonia.

Way ahead

ASPI will continue to provide significant value adding development and growth in the area of defence and national security analyses and policy advice for the government. It continues reaching a wider audience and helps to shape critical policy development on defence and security.

The Institute uses its distinctive position to provide a highly credible alternative source of advice on a wide range of security issues. It works with Government, Opposition and other parties to support near-term decision-making and raise awareness of longer-term issues. ASPI recognises that it has a privileged position as a government-owned and partly funded institute, and takes its charter responsibilities seriously.

The Australian Government should remain committed to facilitating well-informed independent research and analysis of defence and security issues relevant to Australia through retaining its ownership of ASPI.