



**Annual Financial Report**

**For the year ended 30 June 2024**

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## **Corporate Information**

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Directors	Mr Lindsay Maxsted (Chairman)  Ms Carol Austin  Prof Andrew Cuthbertson AO  Ms Geraldine Doogue AO  Ms Kathryn Fagg AO  Prof Duncan Maskell Retired 31 August 2023  Ms Jillian Segal AO  Mr Ian Marshman AM  Dr Ian Watt AC Retired 9 August 2024  Prof Michael Wesley Appointed 1 September 2023
Registered office and principal place of business	8 Malvina Place, Carlton, Victoria 3053 Australia
Australian Business Number	17 134 323 756
Bankers	National Australia Bank
Auditors	KPMG

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## Directors' Report for the Year Ended 30 June 2024

Your directors present this report to the members of Grattan Institute (the "Company") for the financial year ended 30 June 2024.

### Directors

The names of each person who has been a director over the financial year and until the date of this report are listed in the below table. The table also details the number of directors' meetings held (including meetings of Board committees) and number of meetings attended by each of the Directors of Grattan Institute during the year.

Director	Service Period	Board Meetings		Risk & Audit Committee <sup>1</sup>		Investment Committee <sup>2</sup>		Public Policy Committee <sup>3</sup>	
		Number of Meetings	Number Attended	Number of Meetings	Number Attended	Number of Meetings	Number Attended	Number of Meetings	Number Attended
L. Maxsted	Full year	7	7	2	2	4	3	4	4
C. Austin	Full year	7	6	2	2	4	4	-	-
A. Cuthbertson	Full year	7	6	-	-	-	-	-	2
G. Doogue	Full year	7	4	-	-	-	-	-	1
K. Fagg	Full year	7	5	2	2	4	4	-	1
I. Marshman	Full year	7	6	-	-	-	-	-	3
D. Maskell	Resigned 31 Aug 2023	1	-	-	-	-	-	-	-
J. Segal	Full year	7	6	-	-	4	2	-	1
I. Watt	Resigned 9 Aug 2024	7	7	-	-	-	-	4	4
M. Wesley	Appointed 1 Sep 2023	6	3	-	-	-	-	-	-

Note: *Number of Meetings* indicates the number of meetings of the Board or Board Committee that were held during the period the Director was a member of the Board or Committee. Directors may attend Committee meetings without being a member of that Committee, most commonly seen with the Public Policy Committee.  
*Number Attended* indicates the number of meetings of the Board or Board Committee attended by the Board Member.

Details of the directors' qualifications, experience and special responsibilities can be found on pages 7 to 9 of this report.

### Company Secretary

Mr Alan MacKinnon GAICD CA FTIA FGIA has been Company Secretary since 22 February 2023. Previously, Mr MacKinnon was Chief Financial Officer for the National Ageing Research Institute.

<sup>1</sup> The Risk & Audit Committee also comprises an external member, Mr Brett Croft.

<sup>2</sup> The Investment Committee also comprises an external member, Mr Andrew Sisson.

<sup>3</sup> The Public Policy Committee also comprises external members, Ms Sally Auld, Prof Jeff Borland, Ms Karen Chester (from 2/06/2024), Mr Brett Comley (to 14/07/2023), Ms Helen Silver, and Mr Wesley Walden.

## Directors' Benefits

No Director has received or become entitled to receive a benefit because of a contract between Grattan Institute and the Director or a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

## Principal Activities

Grattan Institute's principal activities during the year were:

- The conduct of systematic research and analysis in Australian public policy in the fields of social, environmental and economic policy.
- The discussion of this research with senior decision makers and in public forums.
- The raising of funds for these research activities through government grants, donations and in-kind contributions.

There were no significant changes in the nature of Grattan Institute's activities during the financial year.

## Short and Long-term Objectives

Grattan Institute's long-term objectives are to:

- undertake systematic research and analysis in the fields of social, environmental and economic policy; and
- disseminate and discuss the research and analysis

for the public benefit to improve the basis for informed debate and assessment by the public and its leaders on public policy for Australia as a liberal democracy in a globalised economy.

Grattan Institute's current programs include Economic Prosperity and Democracy (formerly Budgets and Government), Housing and Economic Security (formerly Economic Policy), Energy and Climate Change, Health, Education, and Disability.

Grattan Institute's strategy in each of these Programs is to conduct independent and rigorous analysis to contribute practical proposals to improve Australian public policy. It distributes its research findings online and through the media as well as via presentations and discussions with opinion leaders and decision-makers.

Grattan Institute measures its performance by:

- Monitoring its immediate outputs in terms of research papers and opinion pieces published, and participation in public events, private forums and presentations;
- Reporting on the intermediate impact of this work through media mentions and website pages viewed; and
- Qualitative evaluation of the impact of Grattan Institute's influence on policy decisions and the quality of the public policy debate.

## Operating Results and Review of Operations

The operating result for the year was a profit of \$1,946,000 (2023: profit of \$1,532,000). Grattan Institute is exempt from income tax.

Comparative operating results from the last seven years are set below. The analysis is provided separately for endowment income and operating results.

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
<b>Endowment Income</b>							
Interest and Dividends Realised	2,600	1,748	1,325	3,943	812	2,686	2,309
Gains (Losses) from the Sale of Investments	1,409	(472)	138	1,301	10	64	118
Movement in the Market Value of Investments	647	1,074	(1,624)	1,096	(2,570)	1,624	1,955
Investment Rebates	-	-	-	81	96	75	78
<b>Total Interest and Investment Income</b>	<b>4,656</b>	<b>2,350</b>	<b>(161)</b>	<b>6,421</b>	<b>(1,652)</b>	<b>4,449</b>	<b>4,460</b>
<i>Additions to the Endowment</i>							
Other Donations	591	763	728	1,188	1,812	1,875	2,482
<b>Total Additions to the Endowment</b>	<b>591</b>	<b>763</b>	<b>728</b>	<b>1,188</b>	<b>1,812</b>	<b>1,875</b>	<b>2,482</b>
<b>Total Endowment Income</b>	<b>5,247</b>	<b>3,113</b>	<b>567</b>	<b>7,609</b>	<b>160</b>	<b>6,324</b>	<b>6,942</b>
<b>Operating Result</b>							
Other Income	963	886	714	1,132	531	713	823
Operating Expenditure	(5,636)	(5,682)	(5,690)	(4,689)	(5,142)	(5,505)	(5,819)
<b>Total Entity Profit (Loss)</b>	<b>574</b>	<b>(1,683)</b>	<b>(4,409)</b>	<b>4,052</b>	<b>(4,451)</b>	<b>1,532</b>	<b>1,946</b>

## Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of Grattan Institute during the financial year that are not otherwise disclosed in this report.

## After Balance Date Events

There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction, or event of a material and unusual nature that in the opinion of the directors is likely to materially affect the operations of Grattan Institute, the results of those operations, or Grattan Institute's state of affairs in future financial years.

## Future Developments

Grattan Institute will continue to carry on the principal activities noted above. There are no likely developments in the activities in future years which will affect the results and therefore require disclosure.

## Environmental Regulations

The directors have not received notification nor are they aware of any breaches of environmental laws by Grattan Institute.

## Auditor's Independence

The auditor's declaration of independence appears on page 10 and forms part of the Directors' report for the year ended 30 June 2024.

## Rounding

Pursuant to the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 Grattan Institute has rounded off amounts in this report and the accompanying financial report to the nearest thousand dollars, except where indicated.

## Indemnification and Insurance of Directors, Officers, and Auditors

During the financial year, Grattan Institute has paid insurance premiums in respect of directors' and officers' liability for current and former directors and officers, including senior executives of Grattan Institute.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information or position to gain a personal advantage.

Premiums totalling \$21,460 were paid in respect of the directors, officers, independent Committee members, and senior executives of Grattan Institute. Grattan Institute has not otherwise indemnified or agreed to indemnify a director, officer, independent Committee member, senior executive, or auditor of Grattan Institute against a liability incurred by same.

## Directors' Qualifications, Experience and Special Responsibilities

### **Mr Lindsay Maxsted**

Chairman of Grattan Institute since 30 November 2021 and is a member of the Risk and Audit Committee, Investment Committee and Public Policy Committee.

Mr Maxsted is the Non-executive Chairman of UBS Australasia, Co-Chair of Tanarra Restructuring Partners, a Senior Advisor to Tanarra Capital, and the Chairman of Coolmore Australia. Lindsay was previously Chair (2011–2020) and a Non-executive Director of Westpac Banking Corporation (2008–2020); Chair (2010-2022) and a Non-executive Director of Transurban Group (2008-2022); a Non-executive Director of BHP Group Limited and BHP Group plc (2011–2020) and a partner of KPMG Australia where he was CEO of that firm from 2001 to 2007. His principal area of practice prior to this was in the corporate recovery field managing a number of Australia's largest insolvency, workout, and turnaround engagements.

He holds a Diploma of Business and is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

### **Ms Carol Austin**

Director appointed 4 April 2016. Chairman of the Investment Committee.

Ms Austin is Chair of Housing Australia, and a Director of State Super and Infoxchange. She is also a member of the General Sir John Monash Investment, Audit and Risk Committee. Her former director roles include, HSBC Bank Australia, the Future Fund of Australia, and the Tasmanian Public Finance Corporation. She was also a former Commissioner with the NSW Independent Planning Commission and a former director of and the AOFM Advisory Board. Her executive career includes senior roles with Contango Asset Management, Rothschild Australia Asset Management, BHP, and the Reserve Bank of Australia. Ms Austin holds a B.Sc from Monash University, a B.Ec (Hons) from the Australian National University and Dip Ed from the University of Papua New Guinea. She is a Fellow of the Australian Institute of Company Directors and a member of Chief Executive Women.

### **Prof Andrew Cuthbertson AO FAA FAHMS FTSE**

Director appointed 27 November 2018.

After completing medical training at the University of Melbourne and PhD in Immunology at the Walter and Eliza Hall Institute in Australia, Andrew Cuthbertson spent five years doing molecular biology research as a staff member at the Howard Florey Institute in Melbourne and the National Institutes of Health in the United States. He then spent seven years at Genentech Inc. in San Francisco, working on anti-VEGF therapy for age-related macular degeneration. Andrew was recruited to CSL Limited in 1997 and served as the R&D Director and Chief Scientific Officer until retiring in 2021. He is now a Director on the CSL Board. In 2016, he was made an Enterprise Professor, Faculty of Medicine, Dentistry and Health Sciences, University of Melbourne and an Officer of the Order of Australia for his services to medical research. Andrew is on the board of the Centre for Eye Research Australia (CERA) and is Deputy Chancellor of the University of Melbourne.

### **Ms Geraldine Doogue AO**

Director appointed 24 February 2014.

Ms Geraldine Doogue is an award-winning journalist and broadcaster. She is currently a presenter of the ABC Radio National's Global Roaming program on the ABC. Ms Doogue is a member of the Sydney Youth Orchestra Board and Patron of the Family Action Centre at The University of Newcastle. Ms Doogue holds a Bachelor of Arts from The University of Western Australia. She also holds Honorary Doctorates of Letters from the Australian National University, Australian Catholic University, The University of Western Australia, Macquarie University, The University of Newcastle and the University of Sydney.



**Ms Kathryn Fagg AO**

Director appointed 1 July 2018. Chairman of the Risk and Audit Committee and member of the Investment Committee.

Ms Fagg is Chair of CSIRO and is on the boards of listed companies National Australia Bank Limited, Medibank Private Limited, and Djerriwarrh Investments Limited. She is the Chair of the Breast Cancer Network Australia (BCNA), Inaugural Chair of Watertrust Australia Limited, as well as being a board member of The Myer Foundation and the Champions of Change Coalition. Ms Fagg was a member of the Board of the Reserve Bank of Australia from 2013 to 2018, Board Member of Boral Limited 2014 to 2021, including as Chair from 2018 and Non-Executive Director of Incitec Pivot Limited 2014 to 2019. She also served as President of Chief Executive Women and Chair of the Melbourne Recital Centre and is a former board member of the Australian Centre for Innovation. Ms Fagg is an experienced senior executive, having worked across a range of industries in Australia and Asia, including logistics, manufacturing, resources, banking and professional services. She was previously President of Corporate Development with the Linfox Logistics Group and prior to that she held executive roles at BlueScope Steel and ANZ and consulted for McKinsey and Co. In addition to her engineering degree, she holds an Honorary Doctorate of Business and a Master of Commerce in Organisation Behaviour from UNSW, and an Honorary Doctorate in Chemical Engineering from the University of Queensland. Ms Fagg was awarded an Officer in the Order of Australia in 2019 for her distinguished service to business and finance, to the central banking, logistics and manufacturing sectors, and to women.

**Mr Ian Marshman AM**

Director appointed on 27 August 2019.

Ian Marshman was Senior Vice Principal ('Chief Operating Officer') at the University of Melbourne for some twenty years until 2015. Previously he had held senior roles within both the Commonwealth and Victorian Government Health portfolios. He is currently a Honorary Fellow at the Melbourne Centre for Study of Higher Education. Mr Marshman is currently President of Queen's College Council and Chair of Yea and District Memorial Hospital Board and a director of the Australian National Academy of Music. Past board appointments include: Chair of Headspace Youth Mental Health Foundation; Melbourne Theatre Company; Universitas 21 Global; and Uniseed Pty Ltd; North Western Health Service; and Chair, Victorian Tertiary Admissions Centre. Mr Marshman holds BA (Hons) and LLB (Honorary) from The University of Melbourne, and LLB from the Australian National University.

**Prof Duncan Maskell**

Director appointed on 27 November 2018. Resigned 31 August 2023.

Professor Duncan Maskell is Vice-Chancellor of The University of Melbourne. Prior to this, he was Senior Pro-Vice-Chancellor at the University of Cambridge, responsible for overall planning and resources for the globally recognised institution with an annual turnover of approximately £2 billion. He also worked at the heart of one of Europe's largest academic development programs, spearheading an array of productivity initiatives. A Cambridge graduate and research specialist in infectious diseases, Professor Maskell's career also includes the University of Oxford, Imperial College London, and Wellcome Biotech. Professor Maskell holds a Master of Arts and a Doctor of Philosophy from the University of Cambridge.

**Ms Jillian Segal AO**

Director appointed 22 February 2017. Member of the Investment Committee until 22 October 2024.

In addition to her role on the Board of Grattan Institute, Ms Jillian Segal is the Chairman of the General Sir John Monash Foundation, Chairman of the Australia-Israel Chamber of Commerce (NSW), Chair of the Independent Parliamentary Expenses Authority (IPEA), and a Director of Rabobank Australia Limited. On 9 July 2024, she was appointed as Special Envoy to Combat

Antisemitism in Australia. Jillian holds a BA, LL.B from UNSW and a Master of Laws from Harvard Law School.

**Dr Ian Watt AC**

Director appointed 24 December 2013; retired 9 August 2024. Chairman of the Public Policy Committee until 9 August 2024.

Dr Ian J Watt AC has had a long career as one of Australia's most distinguished public servants, with nearly 20 years at the highest levels of the public service. His most recent and most senior appointment was as Secretary of the Department of the Prime Minister and Cabinet and head of the Australian Public Service, a position he held from 2011 until the end of 2014. Prior to that, he was Secretary of the Departments of Defence; Finance; and Communications, Information Technology and the Arts between 2001 and 2011. Before that, he was Deputy Secretary of the Department of the Prime Minister and Cabinet.

Dr Watt is Chair of the International Centre for Democratic Partnerships and Chair of the ADC Advisory Council. He also currently serves on the Boards of the Smartgroup Corporation, the NDIA, and the O'Connell St Associates, and is a Member of the Advisory Board of the Melbourne University School of Government. Dr Watt is a Senior Advisor to Flagstaff Partners.

Dr Watt is the former Non-executive Chair of BAE Systems Australia, former Chair of the Australian Governance and Ethical Index Fund Advisory Board, and a former Director of Citibank Pty Ltd. He is a former Board Member of the Committee for Economic Development of Australia and a former member of the Male Champions of Change.

Dr Watt completed an Independent Review of the Tasmanian state Service in 2021, the first in several decades, and in February 2023 finalised a Review of Certain Procurements undertaken by Services Australia and the National Disability Insurance Agency (the 'Watt' Review). Finally, he was most recently a Member of the Panel that undertook a Review of the Structure of Western Australia's Universities for the Western Australian Government.

Dr Watt was appointed as a Companion of the Order of Australia in 2016. Dr Watt also holds Honorary Doctorates of Letters from the University of Technology Sydney and from the University of Wollongong.

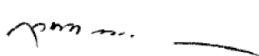
**Prof Michael Wesley**

Director appointed on 1 September 2023.

Professor Michael Wesley is Deputy Vice-Chancellor Global, Culture and Engagement at the University of Melbourne. He is also Professor of Politics at the University of Melbourne, and on the Board of University of Melbourne International Holdings, Melbourne University Press, Asialink, and the Australia India Institute.

Before joining the University of Melbourne, Professor Wesley was Dean of the College of Asia and the Pacific at the Australian National University and has also held positions as the Executive Director of the Lowy Institute for International Policy, Director of the Griffith Asia Institute at Griffith University, and Assistant Director-General for Transnational Issues at the Office of National Assessments. He has a PhD in International Relations from the University of St Andrews.

Signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001 on behalf of the directors:



Lindsay Maxsted  
Melbourne, 29 October 2024



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Grattan Institute

I declare that, to the best of my knowledge and belief, in relation to the audit of Grattan Institute for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster

*Partner*

Melbourne

29 October 2024

**Statement of Profit and Loss and Other Comprehensive Income  
For the Year Ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Operating Revenue</b>			
Interest and Investment Income	3	4,460	4,449
Endowment Funds and Donations	3	2,482	1,875
Other Income	4	823	713
<b>Total Operating Revenue</b>		<b>7,765</b>	<b>7,037</b>
<b>Operating Expenses</b>			
Employee Expenses	5	4,946	4,595
Audit Fees	5, 16	25	20
Investment Expenses	5	304	331
Other Expenses	5	544	559
<b>Total Operating Expenses</b>		<b>5,819</b>	<b>5,505</b>
<b>Profit (Loss) before Tax</b>		<b>1,946</b>	<b>1,532</b>
Income Tax Expense	2(l)	-	-
<b>Profit (Loss) for the Year</b>		<b>1,946</b>	<b>1,532</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income (Loss)</b>		<b>1,946</b>	<b>1,532</b>

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 15 to 29.

**Statement of Financial Position  
As at 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6	2,315	2,141
Financial Assets	8	-	-
Trade and Other Receivables	7	1,873	2,236
<b>Total Current Assets</b>		<b>4,188</b>	<b>4,377</b>
<b>Non-current Assets</b>			
Financial Assets	8	31,873	29,450
Property, Plant and Equipment	9	7	12
Intangible Assets	10	30	44
<b>Total Non-current Assets</b>		<b>31,910</b>	<b>29,506</b>
<b>Total Assets</b>		<b>36,098</b>	<b>33,883</b>
<b>Current Liabilities</b>			
Trade and Other Payables	11	1,089	719
Employee Entitlements	12	492	601
<b>Total Current Liabilities</b>		<b>1,581</b>	<b>1,320</b>
<b>Non-current Liabilities</b>			
Employee Entitlements	12	51	43
<b>Total Non-current Liabilities</b>		<b>51</b>	<b>43</b>
<b>Total Liabilities</b>		<b>1,632</b>	<b>1,363</b>
<b>Net Assets</b>		<b>34,466</b>	<b>32,520</b>
<b>Equity</b>			
Retained Profits	13	34,466	32,520
<b>Total Equity</b>		<b>34,466</b>	<b>32,520</b>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 15 to 29.

**Statement of Changes in Equity  
For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<hr/>			
<b>Retained Profits</b>			
Opening Balance		32,520	30,988
Profit (Loss) for the year	13	1,946	1,532
<hr/>			
Closing Balance		34,466	32,520
<hr/>			
<b>Total Equity</b>		<b>34,466</b>	<b>32,520</b>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 15 to 29.

**Statement of Cash Flows  
For the Year Ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>			
Cash Receipts from Donations, Endowments and Other Income		3,111	2,390
Interest Received		82	92
Investment Income Received		2,386	823
Cash Payments in the Course of Operations		(5,055)	(5,208)
Net Cash (Used In)/From Operating Activities		524	(1,903)
<b>Cash Flows from Investing Activities</b>			
Sales of Investments		1,870	5,955
Purchases of Investments		(2,220)	(7,142)
Payments for Property, Plant and Equipment		-	-
Payments for Intangible Assets		-	-
Net Cash (Used In)/From Investing Activities		(350)	(1,187)
Net Increase /(Decrease) in Cash and Cash Equivalents		174	(3,090)
Cash and Cash Equivalents at Beginning of the Year		2,141	5,231
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>6</b>	<b>2,315</b>	<b>2,141</b>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 15 to 29.

## **Notes to the Financial Statements**

### **Note 1 Basis of Preparation**

(a) Reporting Entity

Grattan Institute is domiciled in Australia. The address of Grattan Institute's registered office is 8 Malvina Place, Carlton, Victoria.

Grattan Institute was incorporated under the Corporations Act 2001 on 25 November 2008 and is a not-for-profit Company limited by guarantee.

The Company is a not-for-profit entity and is primarily involved in the conduct of systematic research and analysis in Australian public policy in the fields of social, environmental and economic policy, the discussion of this research with senior decision makers and in public forums, and the raising of funds for these research activities through government grants, donations and in-kind contributions.

(b) Basis of preparation

In the opinion of the directors, the Company is not publicly accountable. These financial statements are general purpose financial statements prepared for the Australian Charities and Not-for-profit Commission. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profit Commissions Act (ACNC) 2012 (Cth) and the Australian Charities and Not-for-profit Commission Regulations 2022 (Cth).

The Financial Report was authorised for issue by the Company's Board of Directors on 29 October 2024.

Details of material accounting policies are included in Note 1(e). Changes in material accounting policies are described in Note 2.

(c) Functional and Presentation Currency

The Financial Report is presented in Australian dollars, which is Grattan Institute's functional currency. Grattan Institute is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Corporations Instrument; all financial information presented has been rounded to the nearest thousand dollars unless otherwise stated.

(d) Use of judgements and estimates

The preparation of the Financial Report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by Grattan Institute.

(e) Material accounting policy information

The Company adopted *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060)* from 1 July 2023.



Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Report.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the Financial Report.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material Accounting Policies (2023: Significant Accounting Policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Company's Financial Report.

## **Note 2 Material Accounting Policies**

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2024.

### **(a) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments.

### **(b) Receivables**

Grattan Institute makes use of the simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, Grattan Institute uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses.

### **(c) Financial Instruments**

#### **Non-derivative Financial Assets**

Grattan Institute has the following non-derivative financial assets: financial assets at fair value through profit or loss, and receivables.

#### *Financial Assets at Fair Value Through Profit or Loss*

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss where Grattan Institute manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Grattan Institute's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise investments in equity, debt securities and unit trusts.

#### *Receivables*

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable

transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if Grattan Institute becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if Grattan Institute's contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Grattan Institute is recognised as a separate asset or liability.

### **Non-derivative Financial Liabilities**

Grattan Institute has the following non-derivative financial liabilities: trade and other payables.

Payables are initially recognised at cost and then subsequently carried at amortised cost. They represent liabilities for goods and services provided to Grattan Institute prior to the end of the financial year that are unpaid and arise when Grattan Institute becomes obliged to make future payments in respect of the purchase of these goods and services. Grattan Institute derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, Grattan Institute has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **(d) Property, Plant and Equipment**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and any accumulated impairment losses (see below).

#### **(e) Depreciation**

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives, residual values and depreciation method for all assets are reviewed at least annually.

The following table indicates the expected useful lives of non-current assets and intangibles on which the depreciation or amortisation charges are based.

Plant and Equipment	3 Years
Furniture and Fittings	10 Years
Leasehold Improvements	10 Years
Public Website Costs	5 Years

#### **(f) Intangible Assets**

Intangible assets pertains to software acquired by the Company and expenditure on developing the Company's website. These have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### **(g) Amortisation**

Amortisation is calculated to write off cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

The estimated useful lives for the software and website developments are five years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Goods and Services Tax

Income, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(i) Employee Benefits

Liabilities for salaries and annual leave are expected to be settled within 12 months of the reporting date and are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. These are classified as current liabilities and measured at nominal values.

Liabilities for long service leave are measured at the present value of expected future payments to be made resulting from services provided and are classified as non-current liabilities except where it is expected to make a payment within the following twelve months. In this case, the expected amount of the payment is classified as a current liability.

Liabilities for long service leave entitlements that are not expected to be paid or settled within twelve months are discounted using current corporate bond rates with similar maturity terms.

(j) Revenue Recognition

*Contributions, sponsorships, and donations*

Where a contribution, sponsorship, program support or donation does not meet the enforceability and the 'sufficiently specific' criteria under AASB 15 it is recognised as income once the Company controlled the relevant assets (assuming no other related amounts are applicable) under AASB 1058. Contributions and donations are recognised in profit and loss and measured at the cost value of the contribution received or receivable.

*Grattan Academy income*

Under AASB 15, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e., when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

*Government support*

Government financial support is recognised when Grattan Institute becomes entitled to receive financial support.

*Volunteers and other resources provided and received free of charge or for nominal consideration*

Volunteer services and other resources received free of charge or for nominal consideration are recognised as follows:

- Volunteer services are not recognised as the fair value of those services cannot be reliably measured and these services would not have been purchased if they were not donated.
- From time to time, Grattan Institute will host time-limited staff secondments from the Australian and Victorian public services. Under AASB 1058, the Company has elected to not recognise a value for these services.
- In-kind services provided by The University of Melbourne are recognised at fair value when the services are provided. The total estimated fair value of these services in 2023-24 was \$172,020 (2022-23 \$166,000).
- The University of Melbourne provides Grattan Institute with office premises at 8 Malvina Place, Carlton, and computers without charge. Grattan Institute has elected to recognise these right-of-use assets at cost, which for both 2023-24 and 2022-23 was zero (see note (n) Leases).

*Interest and investment income*

Interest and investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method. Dividends from listed entities are recognised when the right to receive a dividend has been established.

*Unrealised gains or losses on investments*

Movements in the market value of investments are recognised as items of income or expenditure when they occur.

(k) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

(l) Income Tax

Grattan Institute is a charitable institution for the purpose of Australian taxation legislation and is therefore exempt from income tax. The exemption has been confirmed by the Australian Taxation Office. Grattan Institute holds deductible gift recipient status.

(m) Fund Accounting

Grattan Institute operates on a fund accounting basis and maintains three funds: Commonwealth, Public and General Funds. The purposes of each of these Funds are:

- The Commonwealth Fund – To hold and account for the funds contributed by the Commonwealth of Australia and any fund earnings less approved distributions used in the operations of Grattan Institute.
- The Public Fund – To hold and account for the funds contributed by the public and any fund earnings less approved distributions used in the operations of Grattan Institute.
- The General Fund – To hold and account for the funds contributed by the State of Victoria, general payments to Grattan Institute and any fund earnings less approved distributions used in the operations of Grattan Institute.

(n) Leases

Grattan Institute leases 8 Malvina Place, Carlton, inclusive of fittings and office furniture, as well as computers, from the University of Melbourne with significant below-market terms and conditions principally to enable it to further its objectives.

The Company is dependent on this lease to further its objective as it utilises the building and computers to run its operations to deliver its services. The Company is restricted on the use of the building as agreed with the University of Melbourne and may not utilise it for other purposes including sub-leasing to other entities. The right-of-use assets are provided under a five-year agreement with the University of Melbourne which is due to expire on 1 January 2029.

Grattan Institute has elected to measure the right-of-use assets at cost.

### Note 3 Endowment Income

	Notes	2024 \$'000	2023 \$'000
<b>Interest and Investment Income</b>			
Interest		82	92
Dividends and Distributions		2,227	2,594
Realised Gains from the Sale of Financial Assets		118	64
Movement in the Market Value of Financial Assets		1,955	1,624
Investment Management Fee Rebates		78	75
<b>Total Interest and Investment Income</b>		<b>4,460</b>	<b>4,449</b>
<b>Endowment Funds and Donations</b>			
Donations and Philanthropic Support		2,482	1,875
<b>Total Endowment Funds and Donations</b>	14	<b>2,482</b>	<b>1,875</b>
<b>Total Endowment Income</b>		<b>6,942</b>	<b>6,324</b>

### Note 4 Other Income

	2024 \$'000	2023 \$'000
In-kind Services provided by the University of Melbourne	172	166
Affiliate Fees	280	191
Grattan Academy	223	192
Other Income	148	164
<b>Total Other Income</b>	<b>823</b>	<b>713</b>

## Note 5 Operating Expenses

	Notes	2024 \$'000	2023 \$'000
Employee Expenses		4,946	4,595
Audit Fees	16	25	20
Investment Expenses		304	331
<i>Other Expenses</i>			
Insurance		25	29
Travel Expenses		142	138
Other Expenses		205	226
Expenses for In-kind Services		172	166
Total Other Expenses		544	559
<b>Total Expenses</b>		<b>5,819</b>	<b>5,505</b>

## Note 6 Cash and Cash Equivalents

	2024 \$'000	2023 \$'000
Bank Balances	2,315	2,141
<b>Total Cash and Cash Equivalents</b>	<b>2,315</b>	<b>2,141</b>

## Note 7 Trade and Other Receivables

	2024 \$'000	2023 \$'000
Trade Receivables	76	72
Accrued Income	1,620	1,980
Prepayments	23	18
Other Receivables	154	166
<b>Total Trade and Other Receivables</b>	<b>1,873</b>	<b>2,236</b>

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

## Note 8 Financial Assets

	2024 \$'000	2023 \$'000
<b>Non-current</b>		
<b>Financial Assets at Fair Value Through Profit and Loss</b>		
Managed Investments	31,873	29,450
<b>Total Non-current Investments</b>	<b>31,873</b>	<b>29,450</b>
<b>Total Investments</b>	<b>31,873</b>	<b>29,450</b>

All investments are categorised as Level 1 within the fair value hierarchy and are valued using market observable rates, being quoted ASX stock prices for listed Australian instruments, respective stock exchange quoted prices for Foreign listed instruments or reported by fund managers which is based on observable data. Refer to Note 15 for further information regarding financial assets.

**Note 9 Property, Plant and Equipment**

	2024 \$'000	2023 \$'000
<b>Leasehold Improvements</b>		
At cost	8	8
Less accumulated depreciation	(3)	(3)
Total Leasehold Improvements	5	5
<b>Plant and Equipment</b>		
At cost	72	76
Less accumulated depreciation	(70)	(69)
Total Plant and Equipment	2	7
<b>Furniture and Fittings</b>		
At cost	11	11
Less accumulated depreciation	(11)	(11)
Total Furniture and Fittings	-	-
<b>Total Property, Plant and Equipment</b>	<b>7</b>	<b>12</b>
<b>Movements in Carrying Amounts</b>		
<b>Leasehold Improvements</b>		
Balance at beginning of the year	5	6
Additions	-	-
Depreciation expense	-	(1)
Carrying amount at end of the year	5	5
<b>Plant and Equipment</b>		
Balance at beginning of the year	7	13
Additions	-	-
Depreciation expense	(5)	(6)
Carrying amount at end of the year	2	7
<b>Furniture and Fittings</b>		
Balance at beginning of the year	-	-
Additions	-	-
Depreciation expense	-	-
Carrying amount at end of the year	-	-
<b>Total Property, Plant and Equipment</b>	<b>7</b>	<b>12</b>

**Note 10 Intangible Assets**

	2024 \$'000	2023 \$'000
<b>Intangibles</b>		
At cost	70	70
Less accumulated amortisation	(40)	(26)
<b>Total Intangible Assets</b>	<b>30</b>	<b>44</b>
<b>Movements in Carrying Amounts</b>		
<b>Intangibles</b>		
Balance at beginning of the year	44	58
Additions	-	-
Amortisation expense	(14)	(14)
Total Intangibles	30	44
<b>Total Intangible Assets</b>	<b>30</b>	<b>44</b>

**Note 11 Trade and Other Payables**

	2024 \$'000	2023 \$'000
Trade Payables	287	271
Other Payables and Accruals	802	448
<b>Total Trade and Other Payables</b>	<b>1,089</b>	<b>719</b>

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

**Note 12 Employee Entitlements**

	2024 \$'000	2023 \$'000
<b>Current</b>		
Annual Leave	299	319
Long Service Leave	193	282
Total Current Employee Entitlements	492	601
<b>Non-current</b>		
Long Service Leave	51	43
Total Non-current Employee Entitlements	51	43
<b>Total Employee Entitlements</b>	<b>543</b>	<b>644</b>



### Note 13 Retained Profits

	Notes	2024 \$'000	2023 \$'000
Retained Profits at the Beginning of the Year		32,520	30,988
Profit (Loss) for the Year		1,946	1,532
<b>Retained Profits at the End of the Year</b>		<b>34,466</b>	<b>32,520</b>
<b>Reconciliation of Retained Profits</b>			
Retained Profits from Endowment Funds	14	34,466	32,520
<b>Total Retained Profits</b>		<b>34,466</b>	<b>32,520</b>

### Note 14 Endowment Funds

	Notes	2024 \$'000	2023 \$'000
<b>Commonwealth Fund</b>			
Opening balance at beginning of the year		11,215	11,516
Contributions during the year		-	-
Fund income for the year		1,591	1,479
Less: Contributions made to operating costs		(1,720)	(1,780)
Closing balance at end of the year		11,086	11,215
<b>General Fund</b>			
Opening balance at beginning of the year		11,374	11,653
Contributions during the year		-	-
Fund income for the year		1,642	1,522
Less: Contributions made to operating costs		(1,744)	(1,801)
Closing balance at end of the year		11,272	11,374
<b>Public Fund</b>			
Opening balance at beginning of the year		9,931	7,819
Donations and Philanthropic income		2,482	1,875
Fund income for the year		1,217	1,445
Less: Contributions made to operating costs		(1,522)	(1,208)
Closing balance at end of the year		12,108	9,931
<b>Total Endowment Funds</b>		<b>34,466</b>	<b>32,520</b>
<b>Represented in Equity by:</b>			
Retained Profits	13	34,466	32,520

### Note 15 Financial Risk Management

Grattan Institute's principal financial instruments comprise cash, funds on deposits with banks and other financial organisations, commercial notes and bonds, and listed Australian and foreign equities and other financial assets held either directly or through trusts.

## Overview

Grattan Institute has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Grattan Institute's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout this Financial Report.

The Board oversees how management monitors compliance with Grattan Institute's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Grattan Institute.

### Credit risk

Credit risk is the risk of financial loss to Grattan Institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Grattan Institute's cash and cash equivalents, receivables from customers and investment securities.

Grattan Institute limits its exposure to credit risk by adherence to an approved Investment Policy, overseen by Grattan Institute's Investment Committee, and only investing in liquid securities and only with counterparties that have a solid credit rating in consultation with advisors. Management does not expect any counterparty to fail to meet its obligations.

### Liquidity risk

Liquidity risk is the vulnerability of portfolio cash flow management to compromise or failure. In particular, it is the risk that insufficient at-call liquidity is available to meet the Grattan Institute's liabilities and obligations as they fall due. Grattan Institute's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Grattan Institute's reputation.

Management monitor cash flow requirements on a daily basis to optimise its cash return on investments. Typically, Grattan Institute ensures that it has sufficient cash and short-term deposits on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations without the need to draw down from its investments; although this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Grattan Institute's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Grattan Institute may enter into derivatives in order to manage market risks in consultation with the Board and other advisors.

Grattan Institute's management monitors the mix of securities in its investment portfolio based on market indices. The Investment Committee oversees the management of the investment portfolio.

In this context, the primary goal of Grattan Institute's investment strategy is to maximise investment returns to an acceptable level of risk consistent with the agreed investment policy. All investments are designated at fair value through profit or loss, their performance is actively monitored, and they are managed on a fair value basis.

## Financial Instruments

### Credit Risk

#### Exposure to Credit Risk

The carrying amount of Grattan Institute's financial assets represents the maximum credit exposure. The Grattan Institute's maximum exposure to credit risk at the reporting date was:

	Notes	2024 \$'000	2023 \$'000
<b>Carrying Amount</b>			
Cash and Cash Equivalents	6	2,315	2,141
Trade and Other Receivables	7	1,873	2,236
Managed Investments	8	31,873	29,450
Other Financial Assets	8	-	-
<b>Total Carrying Amount</b>		<b>36,061</b>	<b>33,827</b>

### Impairment Loss

The ageing of Grattan Institute's trade and other receivables at the reporting date was:

	Notes	2024 \$'000	2023 \$'000
<b>Carrying Amount</b>			
Not past due		1,866	2,228
Past due 0-30 days		3	-
Past due 31-60 days		2	6
More than 60 days past due		2	2
Less Allowance for doubtful debts		-	-
<b>Total Carrying Amount</b>	<b>7</b>	<b>1,873</b>	<b>2,236</b>

#### Impairment of Financial assets

The impairment model under AASB 9 applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial instruments that have objective evidence of actual impairment at the reporting date ('Stage 3').

## Annual Financial Report For the Year Ended 30 June 2024

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

As at balance sheet date no provision was considered necessary.

### Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

<b>30 June 2024</b>	Carrying Amount	Contractual Cash Flows	6 Months of Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Trade Payables	287	287	287	-	-	-	-
Other Payables and Accruals	802	802	802	-	-	-	-
	1,089	1,089	1,089	-	-	-	-
<b>30 June 2023</b>	Carrying Amount	Contractual Cash Flows	6 Months of Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Trade Payables	271	271	271	-	-	-	-
Other Payables and Accruals	448	448	448	-	-	-	-
	719	719	719	-	-	-	-

### Interest Rate Risk

The following summarises interest rate risk for Grattan Institute together with effective interest rates as at balance date.

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Interest Rate	Non-interest Bearing
<b>30 June 2024</b>	%	\$'000s	\$'000s	\$'000s
<b>Financial Assets:</b>				
Cash and Cash Equivalents	4.60%	2,315	-	-
Financial Instruments Receivables	-	-	-	1,873
Total Financial Assets		2,315	-	1,873
<b>Financial Liabilities:</b>				
Trade and Sundry Creditors	-	-	-	1,089
Total Financial Liabilities	-	-	-	1,089
<b>30 June 2023</b>	%	\$'000s	\$'000s	\$'000s
<b>Financial Assets:</b>				
Cash and Cash Equivalents	4.35%	2,141	-	-
Financial Instruments Receivables	-	-	-	2,236
Total Financial Assets		2,141	-	2,236
<b>Financial Liabilities:</b>				
Trade and Sundry Creditors	-	-	-	719
Total Financial Liabilities	-	-	-	719

### Market Risk

A change of 1% of the value of investments at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2023.

	Profit or Loss		Equity	
	1% Increase \$'000s	1% Decrease \$'000s	1% Increase \$'000s	1% Decrease \$'000s
<b>30 June 2024</b> Investments	318	(318)	318	(318)
<b>30 June 2023</b> Investments	293	(293)	293	(293)

### Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3: inputs for the asset or liability that are not based on observable market data.

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
<b>Financial Assets</b>				
<b>30 June 2024</b>				
Financial assets designated at fair value through profit and loss	31,873	-	-	31,873
<b>Total Financial Assets</b>	<b>31,873</b>	<b>-</b>	<b>-</b>	<b>31,873</b>
<b>30 June 2023</b>				
Financial assets designated at fair value through profit and loss	29,450	-	-	29,450
<b>Total Financial Assets</b>	<b>29,450</b>	<b>-</b>	<b>-</b>	<b>29,450</b>

### Note 16 Auditor's Remuneration

	2024 \$	2023 \$
<b>KPMG Australia</b>		
Audit and review of financial reports	25,000	20,000
<b>Total Auditor's Remuneration</b>	<b>25,000</b>	<b>20,000</b>

### Note 17 Key Management Personnel

The key management personnel compensation included in employee expenses are as follows:

	2024 \$	2023 \$
Key management employee benefits	568,741	648,324
<b>Total Benefits</b>	<b>568,741</b>	<b>648,324</b>

### Note 18 Related Party Transactions

There were no related party transactions during the financial year than as otherwise noted.

### Note 19 Subsequent Events

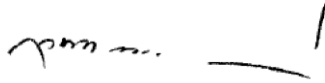
Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of Grattan Institute, the results of those operations or the state of affairs of Grattan Institute in subsequent years.

**Directors' Declaration**

In the opinion of the Directors of Grattan Institute:

- (a) the Financial Statements and Notes, set out on pages 15 to 29, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the financial position of Grattan Institute at 30 June 2024 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-For-Profits Commission Regulations 2022*; and
- (b) there are reasonable grounds to believe that Grattan Institute will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 29<sup>th</sup> day of October 2024.



Lindsay Maxsted  
Director



Kathryn Fagg  
Director



# Independent Auditor's Report

To the Directors of Grattan Institute

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Grattan Institute (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, including:

- giving a true and fair view of the Company's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosures Framework and Division 60 of the Australian Charities and Not for-profits Commission Regulations 2022 (ACNCR).

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2024.
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- Notes, including material accounting policies.
- Directors' Declaration of the Company.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *ACNC Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Other Information

Other Information is financial and non-financial information in Grattan Institute's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in compliance with *Australian Accounting Standards -Simplified Disclosures Framework* and the *ACNC and ACNCR*.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit.



We also:

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

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

KPMG

Gordon Sangster

*Partner*

Melbourne

29 October 2024