

CEO REPORT TO AGM, OCTOBER 2009: BUILDING AN INSTITUTION, NOT JUST AN INSTITUTE

Grattan Institute aims to make a substantial contribution to Australian public life. In our first part year of operation, we have been consciously building an institution, not just an institute.

Grattan Institute is a think tank. Our trade is in ideas. As ideas, we have mapped out a philosophy, defined a role for Grattan institute, and set an agenda.

We are also an institution. We have built the foundations, and hired the builders

With ideas and corporation, we're starting to make a contribution to Australia.

1 MAPPING OUT A PHILOSOPHY

Grattan Institute's aims are to foster Australia as a "liberal democracy in a globalised economy". We have been developing Grattan Institute's philosophy to be consistent with these aims.

We understand that good public policy needs to serve a number of ends – human fulfillment requires freedom of choice, equity in opportunity, social interaction, and furthering what is true, beautiful, or playful, rather than the opposite.

We explicitly understand that as an independent think tank we should not have a preconceived view of the role of government on any particular issue. Our role is to look for evidence of "what works", and makes a difference to furthering the values I've described.

If this statement of philosophy sounds crisp, that is because I have been well mentored by a number of Board members in its development.

This philosophy is not new. It is unlikely that we have any monopoly on thought about what constitutes a "good life" or a "good government". However, precisely because it rests on well-tested foundations, I hope that this philosophy can be a guide for the institution of Grattan Institute for a long time to come.

2 DEFINING A ROLE

This philosophy needs to operate in the context of understanding what a think tank can do well.

- Think tanks can be valuable connection between the detailed exacting world of academia and the more practical, less perfect world of government and public debate.
- We can provide an independent fact-based view of issues, for both public and senior decision makers.
- And most importantly, we have a role in framing agendas for both government and public debate.

3 SETTING AN AGENDA

In setting Grattan Institute's agenda, we have looked for issues that fitted the philosophy and role I have described. We have looked for:

- Important issues
- Amenable to fact-based analysis
- Where Grattan Institute can make a difference.

This has led us to the initial 5 Programs: Productivity Growth, Cities, School Education Energy and Water.

I expect that the scope of Grattan Institute will expand and change over time. However, I am confident that we can make a real difference in each of these areas.

4 BUILDING THE FOUNDATIONS

If we want Grattan Institute to be an institution, it needs strong foundations. In our society today, that means a lot of paperwork.

In our first part-year, we have set up funding and relationship agreements with the Commonwealth Government, the Victorian Government and the University of Melbourne.

We have set up an investment process and philosophy to ensure that this generous endowment is well-managed. Although it is unwise to take much comfort from a limited period, the endowment today is worth 10% more than the original foundation, even after deducting our running costs to date.

We have obtained appropriate charity status and Deductible Gift Recipient status.

We have set up the apparatus required for an institution: Board committees, audit, finance systems, HR systems, and conflicts policies. And of course we have a name and a logo.

5 HIRING THE BUILDERS

The key to Grattan Institute's success will always be the quality of its people. In addition to the Board, we have set up a number of committees, most recently the Public Policy Committee, to ensure that our work is relevant to government, and well-communicated. We are in the process of selecting Reference Groups to advise each of the Programs.

We have employed a strong set of Program Directors from a wide range of backgrounds: including banking, government consulting, the bar, and the OECD. We have an excellent field of candidates for our initial Associate and Fellow positions, and we expect to make appointments over the next month.

6 OUR INITIAL CONTRIBUTION

In our first part-year we focused on building foundations. Now the first bricks are starting to appear. We have held events involving Thomas Mann from the Brookings Institution, Ross Garnaut on the CPRS scheme, and our seminar this evening involves Daniel Price, a leading US figure on carbon pricing in the light of international trade rules. This seminar program is starting to expand, along with our staff.

We have also started to publish: some of you may have seen the regular Age column by Saul Eslake, and a recent opinion piece in the AFR. I am sure they will be the first of many.

7 IN CONCLUSION

In getting this far, I would like to thank all of those who contributed to Grattan Institute's first year. Our staff in the "engine room", including Angela Henderson, Liz Cini, Pat McLean, Ian Coulson, Andrew McDonald and Erica Traicos. On the research side, Peter Breadon and Andrew Nipe made valuable visiting contributions, while our permanent staff have already had an impact: Saul Eslake, Jane-Frances Kelly, Ben Jensen, Bruce Cohen and Tristan Edis. And finally many thanks to the Board and Members for their support, particularly in defining the philosophy, role and functioning of Grattan Institute.

We are building an institution. We have laid out a philosophy, defined a role, and set an agenda for Grattan Institute. To make this happen, we have built foundations, and hired many of the builders. I am confident that this is the beginning of an important institution for Australia's future.

Prepared by:

John Daley
CEO
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