

Impact Report

Grattan Institute

2021-22

Independent policy research to improve the lives of all Australians

GRATTAN
Institute

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Grattan Institute produces high-quality public policy recommendations for Australia's future. Since we were established in 2008, our independent research has helped shape the Australian policy conversation, from childcare to the COVID-19 response, from superannuation to school funding, and well beyond.

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Our supporters

On Grattan's impact

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'Thank you for your excellent contribution, which helped set the tone for the Summit. Equal opportunities for women, full employment, and productivity growth are central objectives to my Government's economic policy.'

Prime Minister Anthony Albanese on Grattan Institute CEO Danielle Wood's address to the Jobs and Skills Summit, September 2022

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'I particularly want to commend to the House the recent Grattan Institute report on policies that could improve the electric vehicle uptake.'

Trent Zimmerman, former federal Liberal MP, Hansard, August 2021

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'The speech to open the Jobs Summit, by Danielle Wood, is one of the best economic speeches – public policy speeches, for that matter – I've read in a very long time.'

Crikey political editor Bernard Keane, September 2022

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'When the Grattan Institute publishes a report, we always take it seriously and look at what they're recommending.'

Assistant federal Treasurer Stephen Jones on ABC TV, December 2022

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'Neither side of politics wants to talk about how we'll get to net zero. Which leaves us in debt to a top energy expert, Tony Wood, of the independent think tank the Grattan Institute, who does want to talk about it.'

The Sydney Morning Herald economics editor Ross Gittins, March 2022

Policy impact highlights

How Grattan work is changing the lives of Australians

Expanding paid parental leave

Grattan has been calling for years for expanded paid parental leave, to improve children's development and make it easier for mothers to return to paid work if they want. Now, the federal government is acting, in line with our recommendations.

The Albanese Government has committed to increasing paid parental leave to 26 weeks by 2026, and the scheme will be made more gender-equal with a use-it-or-lose-it component for each parent.

Our 2021 *Dad Days* report advocated for more gender-equal parental leave, and called for an expansion to 26 weeks, including a 6-week use-it-or-lose-it component for each parent.

Cutting carbon emissions to limit global warming

Grattan has been warning for years that Australia's energy and climate-change policies are not yet sufficient to hit the national target of net-zero emissions by 2050.

We were an early advocate for reducing industrial emissions by using the former Coalition government's Safeguard Mechanism, and this approach is now a signature policy of the federal Labor government.

The new government is also considering our recommendations on industry policy to reduce emissions while creating economic and employment opportunities in regional Australia.

Providing better aged care

Grattan has also been calling for years for better aged care in people's homes. Now, the government is revamping home care policy, in line with our recommendations.

The Albanese Government has already adopted one core Grattan recommendation: a commitment to fund wage increases for aged care workers determined by the Fair Work Commission.

The government is also acting on our call for it to adopt a rights-based approach to a redesigned system.

Boosting student performance

State governments are spending hundreds of millions of dollars on catch-up tutoring programs based on Grattan's *COVID Catch-up* report.

We published our report in June 2020, at the height of the COVID crisis, and state governments, notably in Victoria and NSW, have now invested about \$1.2 billion on catch-up tutoring initiatives over 2021 and 2022.

Grattan's calls to improve the ways Australia builds, recognises, and deploys teaching expertise and attracts high achievers into the profession are also bearing fruit. The Albanese Government has committed to a \$146.5 million package to boost the attractiveness of teaching as a career, and to strengthen the career path for expert teachers, in line with our recommendations.

Making housing more affordable

Grattan's proposal for a federal shared home equity scheme was adopted by the then Labor Opposition in the lead up to this year's federal election.

The Albanese Government is set to establish a \$10 billion Housing Australia Future Fund and reinstate the National Housing Supply Council – both Grattan recommendations.

And the Victorian Government has introduced a tax on windfall gains from land re-zonings – a reform we recommended in our landmark 2018 report, *Housing affordability*.

Getting a better deal for taxpayers on major projects

Grattan's reports and advocacy have been influential in improving the selection and management of major projects in Australia.

On project selection, the NSW Government announced in May this year that it would mothball three megaprojects, substantially in response to recommendations in our November 2020 report, *The rise of megaprojects: Counting the costs*.

And on project management, the Victorian Government has accepted several Auditor-General recommendations based substantially on Grattan analysis, including to create a repository of lessons learnt from major capital projects.



17

REPORTS PUBLISHED



173

OPINION PIECES
PUBLISHED



46,732

REPORTS
DOWNLOADED



33,009

MEDIA MENTIONS



77,189

SOCIAL MEDIA
ENGAGEMENTS



229

SPEECHES



118

OFFICIAL CITATIONS

Budgets and Government



Danielle Wood

Budgets and Government
Program Director

Childcare and parental leave policies were the focus for the Budgets and Government Program in 2021-22. Our work had a significant impact on the policies of both the new and previous federal governments, as well as commitments from the NSW and Victorian governments to expand early education and care.

The federal Coalition's childcare policy came into effect in March, reducing costs for about 270,000 families with 2 or more children under the age of 6 in care. The change of government in May means Labor's policy will now augment this from July 2023, reducing costs and improving work incentives for the 1 million families with children in formal care.

State governments have also committed to expanding early education and care. The NSW and Victorian governments jointly announced plans for a free year of play-based learning for every child before their first year of school.

The team has worked with governments and oppositions on these policies behind the scenes over the past three years, advising ministers, shadow ministers, political

advisers, and public servants, on questions of design and impacts, as well as providing modelling on various policy options.

The federal government recently announced a major expansion to paid parental leave. The government scheme will be gradually increased to 26 weeks by 2026, and the scheme will be made more gender-equal with a use-it-or-lose-it component for each parent. Our 2021 *Dad Days* report advocated for more gender-equal parental leave to support child development, women's workforce participation, and parental satisfaction. We recommended an expansion to 26 weeks, including a 6-week use-it-or-lose-it component for each parent. The team has continued to advocate for this reform publicly and behind the scenes.

I provided expert commentary on the federal budget for the ABC, immediately after the Treasurer's budget night speech and interview. I warned of the economic risks of a large pre-election splurge in an environment of record-low unemployment and inflation challenges.

I also gave the opening keynote at the 2022 Jobs Summit, urging Australia's leaders to forge a plan for full employment and higher productivity. I'm pleased to report that the speech was met with wide acclaim, and received glowing write-ups in major news outlets.

'Danielle Wood was the star of the summit.'

— Fran Kelly on ABC TV's *Insiders* after the Federal Government's 2022 Jobs and Skills Summit

Economic Policy



Brendan Coates

Economic Policy Program Director

Grattan's Economic Policy Program continued to influence housing, tax, retirement incomes, migration, and macroeconomic policy in Australia in 2021-22.

Our proposal for a federal shared equity scheme was adopted by the then Labor Opposition in the lead up to the federal election in May this year. The Albanese Government is set to establish a \$10 billion Housing Australia Future Fund and reinstate the National Housing Supply Council – both recommendations of recent Grattan reports. And the Victorian Government introduced a new tax on windfall gains from land rezonings – a reform we recommended in our 2018 *Housing affordability* report.

The Program's work on migration policy has started to pay substantial dividends. After the release of our reports on temporary and permanent skilled migration and a guidebook on migrants in the labour markets, Grattan was able to influence debate heading into and beyond the 2022 Jobs Summit. Several of our recommendations are being implemented, including expanding the number

of permanent employer-sponsored visas available and scaling back both the Business Investment and Innovation and Global Talent programs. The Victorian and Tasmanian governments have also reformed their state-nominated visa programs by introducing extra points for onshore applicants with higher-paying jobs – in line with Grattan recommendations. With the new federal government committed to a wholesale review of Australia's migration program, we are ideally placed to push for reforms to better target Australia's skilled migration program towards younger, high-skilled migrants who can make the greatest contribution to Australia.

The Program's influence in macroeconomic debate continued to grow this year. Grattan was one of the first to call for an independent review of the Reserve Bank – now underway – and our recent report, *No one left behind*, showed how low-income and low-skilled workers benefit most when unemployment is low.

The retirement income policy debate in 2022 centred on taxation, fees and efficiencies, and what superannuation should look like in the drawdown phase. Grattan had its hand in all three issues. The Economic Policy team was regularly called upon for commentary and analysis, and Grattan was invited to participate in key roundtables and working groups during the review of the Your Future, Your Super legislation.

'This excellent speech elevates Brendan Coates to the esteemed company of Saul Eslake as one of the great truth-tellers of Australia's housing disaster.'

— *Crikey* political editor Bernard Keane on Brendan Coates' Henry George Lecture



Education



Jordana Hunter

Education Program Director

Grattan's Education Program reports have been highly influential over the course of the year, as federal and state governments grapple with COVID-related disruptions to schools, workload pressures on teachers, and concerns about potential teacher shortages.

Our January 2022 *Making Time for Great Teaching* report presented the findings of a Grattan survey of 5,442 teachers and school leaders, which found that 92 per cent of teachers don't have enough time to prepare for effective teaching in the classroom. We called for a greater focus on how the wider workforce in schools is utilised to let teachers focus on teaching, and how teachers can be supported to work more effectively in lesson planning. We published an accompanying *Guide for Principals*, which focuses on what school leaders can do to lighten the load on teachers.

Grattan recommendations on how to improve the ways Australia builds, recognises, and deploys teaching expertise and attracts high achievers into the profession continue to gain traction. The Quality Initial Teacher Education Review, published in February 2022, closely tracked Grattan's recommendations on attracting high achievers. And the new federal government has committed to a \$146.5 million package to boost the attractiveness of teaching as a career, and to strengthen the career path for expert teachers.

The Education team continued to draw attention to the urgent need to tackle the ever-widening gap in student

achievement levels. Our analysis of 2021 NAPLAN data showed how the learning gap between advantaged and disadvantaged Year 3 students more than doubles by the time students reach Year 9.

Governments took up our call for strategies to minimise the impact of COVID-related school shutdowns, particularly for disadvantaged students already behind in their learning. We recommended catch-up tutoring initiatives in our June 2020 *COVID Catch-up* report, and state governments, notably in Victoria and NSW, have now invested about \$1.2 billion on catch-up tutoring initiatives over 2021 and 2022. We are now pressing governments to invest in rigorous evaluations of different types of tutoring programs and delivery formats, to identify the most successful and cost-effective ways to use catch-up tutoring to close the wide gaps in student achievement that pre-dated COVID-19.

'I am keen to talk to teachers about the findings in this report, as well as ACARA (the Australian Curriculum, Assessment, and Reporting Authority) and my state and territory colleagues.'

— federal Education Minister Jason Clare on Grattan's latest report on teacher workloads



‘Tony Wood probably knows more about energy than anyone else in this country.’

— Michael Rowland on ABC TV’s *News Breakfast*

Energy and Climate Change



Tony Wood

Energy and Climate Change
Program Director

Australia requires a new industrial revolution to meet its newly legislated climate change emissions-reduction targets. Grattan’s Energy and Climate Change Program was an early advocate for reducing industrial emissions using the Coalition government’s Safeguard Mechanism, and this approach is now a signature policy of the federal Labor government. The new government is also considering our recommendations on industry policy to reduce emissions while creating economic and employment opportunities in regional Australia.

Policy recommendations from our series of sector-focused climate-change reports have been welcomed by the new cohort of independent federal MPs.

Grattan’s submissions on gas and electricity policy have been widely sought and are being seriously considered as all Australian governments struggle with the energy transformation.

Our series of five reports on practical, sector-focused policies to enable Australia to set off on the long road to net zero continue to influence the thinking of government departments, agencies, and industry.

Our July 2022 report, *The next industrial revolution: transforming Australia to flourish in a net-zero world*, showed that Australia’s industrial sector faces transformative change to meet global and domestic emission-reduction targets, and that current policies are not up to the task.

We have received numerous requests for our input to policy thinking based on this package of reports, on topics including: a review of the Australian Domestic Gas Security Mechanism to make it effective in delivering affordable and reliable gas to east-coast consumers; the design of a so-called capacity mechanism to ensure sufficient future investment in dispatchable power in the National Electricity Market; and a review of Australian Carbon Credit Units to ensure their integrity as a source of emissions offsets.

The collapse of the east-coast electricity and gas markets in May-June this year led to an unprecedented level of media interviews, opinion and analysis pieces, and interactions with governments and agencies. We have warned that the full price impacts of that crisis have yet to be felt.

And state governments continue to seek our input on key energy and climate-change policies, including on the closure of coal-fired power stations, electricity transmission planning, and the future of the gas industry.

Health and Aged Care



Peter Breadon

Health and Aged Care
Program Director

This year saw sharp surges in the number of COVID cases, hospitalisations, and deaths, accompanied by unprecedented policy measures and heated public debates. Throughout the year, Grattan advocated for effective and proportionate responses as the pandemic's shape and intensity changed. Our report from the previous year, *Race to 80*, report continued to influence pandemic policy making and debate. Many of the responses that Grattan proposed were widely adopted, including compulsory vaccination of teachers, rapid antigen testing for school students, and vaccination passports. The newly-elected federal Labor government also reversed its decision to scrap COVID leave entitlements, in line with Grattan advocacy.

Our *Unfinished business: Practical policies for better care at home* report continued a series of work on aged care policy in Australia. It made recommendations about how to better manage the home care system, cut waiting lists, and expand and develop the over-stretched workforce. The report was timely, as the government is now revamping home care policy as part of its

response to the Royal Commission into aged care. One core recommendation from *Unfinished business* has already been adopted by the new federal government: a commitment to fund wage increases for aged care workers determined by the Fair Work Commission.

In our earlier reports and advocacy on aged care, we had strongly urged the government to adopt a rights-based approach to a redesigned system. This has now been reflected in a government concept paper that outlines the intended approach to regulating the sector.

The Health and Aged Care Program also released a major report on consumer fees and charges in the health system, *Not so universal: how to reduce out-of-pocket healthcare payments*. As costs for consumers and patients continue to rise, creating a barrier to care for many, the report outlines how to reduce fees for specialists, diagnostic services, medicines, allied health, and GPs.

A report in 2020-21 called on governments to develop health sector plans to reduce carbon emissions, among other things. This action is now underway, with the federal Minister convening a meeting of states and territories for this purpose, and commissioning his Department to develop a strategy.

**‘Excellent, informative,
evidence-based.’**

— Shaun Gath, former CEO of Australia's private health insurance regulator, on Grattan's COVID-19 analysis



Transport and Cities



Marion Terrill

Transport and Cities Program Director

Grattan's Transport and Cities program has been influential in improving the selection and management of major projects, and in identifying policies to cut transport emissions as Australia seeks to meet its net-zero-by-2050 commitment.

The NSW Government announced in May that it would mothball three megaprojects, substantially in response to recommendations in our November 2020 report, *The rise of megaprojects: Counting the costs*, and subsequent opinion pieces and media appearances. We have been prosecuting these arguments since our 2018 report, *Remarkably adaptive: Australian cities in a time of growth*. Our recommendations were picked up in the NSW State Infrastructure Strategy, published in May.

The move away from megaprojects has also been apparent at the federal level, with Minister Catherine King asking the federal department to 'make sure all the claims that are made about [megaprojects] by state governments, by local governments, are true'.

On discount rates, a policy shift appears to be underway, in line with our recommendations. We published a report

in 2018 calling for the 'unfreezing' of discount rates, and have been prosecuting the case since. Following representations in Senate Estimates about our report, the federal Treasury has been leading a process with state governments to update the approach to discount rate setting.

On project management, the Victorian Government has accepted several Auditor-General recommendations based substantially on Grattan analysis. These include that the government develop and maintain a public-facing dashboard of scope, cost, and time variance analysis against previously reported results; and to create and disseminate a repository of lessons learnt from major capital projects.

With many groups now pushing the federal government for an emissions ceiling, The *Grattan car plan* (published November 2021) is being used by many advocates because it contains the most current and credible modelling of the impacts of such a policy.

And Grattan's Transport and Cities Program has been one of few voices on the broader implications of a switch from petrol and diesel cars and trucks to electric vehicles. One of the recommendations of the Grattan car plan was for Australia to join the worldwide movement to lower speed limits to 30 kilometres on urban streets.

'This is a very important analysis. It has sensible and practical suggestions to rein in the massive cost blowouts.'

— Victorian shadow minister David Davis on Grattan's megaprojects report

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Impact
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Year
2021-22

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An aerial photograph of a beach. The top portion of the image shows the golden sand of the beach, with a white line of surf washing onto the shore. Below the sand, the ocean water is a mix of light blue and turquoise, with several darker blue patches scattered across it. In the foreground, the water is more turbulent, with white foam from breaking waves visible.