



Annual Financial Report

For the year ended 30 June 2025

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Corporate Information

Directors	Mr Lindsay Maxsted (Chairman)
	Ms Carol Austin
	Prof Andrew Cuthbertson AO
	Ms Geraldine Doogue AO Retired 21 November 2024
	Ms Kathryn Fagg AC
	Mr Ian Marshman
	Ms Jillian Segal AO
	Dr Ian Watt AC Resigned 9 August 2024
	Prof Michael Wesley
	Mr Michael Traill AM Appointed 21 November 2024

Registered office and principal place of business	8 Malvina Place, Carlton, Victoria 3053 Australia
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Australian Business Number	17 134 323 756
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Bankers	National Australia Bank
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Auditors	KPMG
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Directors' Report for the Year Ended 30 June 2025

Your directors present this report to the members of Grattan Institute (the "Company") for the financial year ended 30 June 2025.

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, Housing and Economic Security, 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 \$2,468,000 (2024: profit of \$1,946,000). 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.

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Endowment Income							
Interest and Dividends Realised	1,748	1,325	3,943	812	2,686	2,309	2,404
Gains (Losses) from the Sale of Investments	(472)	138	1,301	10	64	118	336
Movement in the Market Value of Investments	1,074	(1,624)	1,096	(2,570)	1,624	1,955	2,564
Investment Rebates	-	-	81	96	75	78	89
Total Interest and Investment Income	2,350	(161)	6,421	(1,652)	4,449	4,460	5,393
<i>Additions to the Endowment</i>							
Other Donations	763	728	1,188	1,812	1,875	2,482	2,744
Total Additions to the Endowment	763	728	1,188	1,812	1,875	2,482	2,744
Total Endowment Income	3,113	567	7,609	160	6,324	6,942	8,137
Operating Result							
Other Income	886	714	1,132	531	713	823	880
Operating Expenditure	(5,682)	(5,690)	(4,689)	(5,142)	(5,505)	(5,819)	(6,549)
Total Entity Profit (Loss)	(1,683)	(4,409)	4,052	(4,451)	1,532	1,946	2,468

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 8 and forms part of the Directors' report for the year ended 30 June 2025.

Member contributions

Grattan Institute is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Institute is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. At 30 June 2025 the total amount that members of Grattan Institute are liable to contribute if the Institute is wound up is \$2,600 (2024: \$2,600).

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.

Directors

Mr Lindsay Maxsted FCA FAICD

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.

Ms Carol Austin FAICD

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

Ms Austin is Chair of Housing Australia, and a Director of Infoxchange. She is on the Board of O'Connell St Associates and a member of the General Sir John Monash Investment, Audit and Risk Committee.

Prof Andrew Cuthbertson AO FAA FAHMS FTSE

Director appointed 27 November 2018.

Prof Cuthbertson is 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. He 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; retired 21 November 2024.

Ms Geraldine Doogue 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.

Ms Kathryn Fagg AC FACID

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

Ms Fagg is a Non-Executive Director of Medibank Private Limited, National Australia Bank Limited, and Djerriwarrh Investments Limited. She is Chair of Breast Cancer Network Australia (BCNA), Chair of Watertrust Australia Limited, and is a board member of The Myer Foundation and Champions of Change Coalition.

Mr Ian Marshman AM

Director appointed on 27 August 2019.

Mr Marshman is currently a Honorary Fellow at the Melbourne Centre for Study of Higher Education, President of Queen's College Council, Chair of Yea and District Memorial Hospital and a director of the Australian National Academy of Music.

Ms Jillian Segal AO FAICD

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

Ms Segal is the Chairman of the General Sir John Monash Foundation. On 9 July 2024, she was appointed as Special Envoy to Combat Antisemitism in Australia.

Mr Michael Traill AM

Director appointed on 21 November 2024. Member of the Investment Committee.

Mr Michael Traill is the Chair of Paul Ramsay Foundation, Executive Chair and Executive Director of For Purpose Investment Partners, Investment Committee Chair of Palisade Impact and a Director of MH Carnegie & Co., Australian Philanthropic Services, Catalyst Education, For Purpose Aged Care Australia and Hearts and Minds Investments.

Dr Ian Watt AC

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

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. Dr Watt is a Senior Advisor to Flagstaff Partners.

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.

Company Secretary

Mr Alan MacKinnon GAICD CA FTIA FGIA

Company Secretary appointed 22 February 2023.

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:

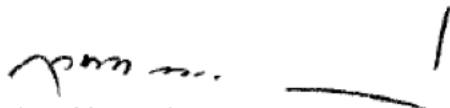
- Costs and expenses incurred by the relevant officers in defending proceedings whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information or position to gain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

Premiums totalling \$23,095 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' 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.

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, 5 November 2025



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 2025 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

5 November 2025

**Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 30 June 2025**

	Notes	2025 \$'000	2024 \$'000
Operating Revenue			
Interest and Investment Income	3	5,393	4,460
Endowment Funds and Donations	3	2,744	2,482
Other Income	4	880	823
Total Operating Revenue		9,017	7,765
Operating Expenses			
Employee Expenses	5	5,448	4,946
Audit Fees	5, 16	27	25
Investment Expenses	5	332	304
Other Expenses	5	742	544
Total Operating Expenses		6,549	5,819
Profit (Loss) before Tax		2,468	1,946
Income Tax Expense	2(l)	-	-
Profit (Loss) for the Year		2,468	1,946
Other Comprehensive Income		-	-
Total Comprehensive Income (Loss)		2,468	1,946

The Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 24.

**Statement of Financial Position
As at 30 June 2025**

	Notes	2025 \$'000	2024 \$'000
Current Assets			
Cash and Cash Equivalents	6	2,965	2,315
Financial Assets	8	-	-
Trade and Other Receivables	7	1,895	1,873
Total Current Assets		4,860	4,188
Non-current Assets			
Financial Assets	8	34,013	31,873
Property, Plant and Equipment	9	10	7
Intangible Assets	10	16	30
Total Non-current Assets		34,039	31,910
Total Assets		38,899	36,098
Current Liabilities			
Trade and Other Payables	11	1,233	1,089
Employee Entitlements	12	661	492
Total Current Liabilities		1,894	1,581
Non-current Liabilities			
Employee Entitlements	12	71	51
Total Non-current Liabilities		71	51
Total Liabilities		1,965	1,632
Net Assets		36,934	34,466
Equity			
Retained Profits	13	36,934	34,466
Total Equity		36,934	34,466

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 24.

**Statement of Changes in Equity
For the year ended 30 June 2025**

	Notes	2025 \$'000	2024 \$'000
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Retained Profits			
Opening Balance		34,466	32,520
Profit (Loss) for the year	13	2,468	1,946
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Closing Balance		36,934	34,466
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Total Equity		36,934	34,466

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 24.

**Statement of Cash Flows
For the Year Ended 30 June 2025**

	Notes	2025 \$'000	2024 \$'000
Cash Flows from Operating Activities			
Cash Receipts from Donations, Endowments and Other Income		3,522	3,111
Interest Received		84	82
Investment Income Received		1,982	2,386
Cash Payments in the Course of Operations		(5,691)	(5,055)
Net Cash (Used In)/From Operating Activities		(103)	524
Cash Flows from Investing Activities			
Sales of Investments		2,600	1,870
Purchases of Investments		(1,841)	(2,220)
Payments for Property, Plant and Equipment		(6)	-
Payments for Intangible Assets		-	-
Net Cash (Used In)/From Investing Activities		753	(350)
Net Increase /(Decrease) in Cash and Cash Equivalents		650	174
Cash and Cash Equivalents at Beginning of the Year		2,315	2,141
Cash and Cash Equivalents at the End of the Year	6	2,965	2,315

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 13 to 24.

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 5 November 2025.

Details of material accounting policies are included 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.

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 2025.

(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 2024-25 was \$175,632 (2023-24 \$172,020).
- 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 2024-25 and 2023-24 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	2025 \$'000	2024 \$'000
Interest and Investment Income			
Interest		84	82
Dividends and Distributions		2,320	2,227
Realised Gains from the Sale of Financial Assets		336	118
Movement in the Market Value of Financial Assets		2,564	1,955
Investment Management Fee Rebates		89	78
Total Interest and Investment Income		5,393	4,460
Endowment Funds and Donations			
Donations and Philanthropic Support		2,744	2,482
Total Endowment Funds and Donations	14	2,744	2,482
Total Endowment Income		8,137	6,942

Note 4 Other Income

	2025 \$'000	2024 \$'000
In-kind Services provided by the University of Melbourne	176	172
Affiliate Fees	282	280
Grattan Academy	293	223
Other Income	129	148
Total Other Income	880	823

Note 5 Operating Expenses

	Notes	2025 \$'000	2024 \$'000
Employee Expenses		5,448	4,946
Audit Fees	16	27	25
Investment Expenses		332	304
<i>Other Expenses</i>			
Insurance		26	25
Travel Expenses		171	142
Other Expenses		369	205
Expenses for In-kind Services		176	172
Total Other Expenses		742	544
Total Expenses		6,549	5,819

Note 6 Cash and Cash Equivalents

	2025 \$'000	2024 \$'000
Bank Balances	2,965	2,315
Total Cash and Cash Equivalents	2,965	2,315

Note 7 Trade and Other Receivables

	2025 \$'000	2024 \$'000
Trade Receivables	12	76
Accrued Income	1,736	1,620
Prepayments	26	23
Other Receivables	121	154
Total Trade and Other Receivables	1,895	1,873

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

Note 8 Financial Assets

	2025 \$'000	2024 \$'000
Non-current Financial Assets at Fair Value Through Profit and Loss		
Managed Investments	34,013	31,873
Total Non-current Investments	34,013	31,873
Total Investments	34,013	31,873

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

	2025 \$'000	2024 \$'000
Leasehold Improvements		
At cost	8	8
Less accumulated depreciation	(4)	(3)
Total Leasehold Improvements	4	5
Plant and Equipment		
At cost	47	72
Less accumulated depreciation	(46)	(70)
Total Plant and Equipment	1	2
Furniture and Fittings		
At cost	17	11
Less accumulated depreciation	(12)	(11)
Total Furniture and Fittings	5	-
Total Property, Plant and Equipment	10	7
Movements in Carrying Amounts		
Leasehold Improvements		
Balance at beginning of the year	5	5
Additions	-	-
Depreciation expense	(1)	-
Carrying amount at end of the year	4	5
Plant and Equipment		
Balance at beginning of the year	2	7
Additions	-	-
Depreciation expense	(1)	(5)
Carrying amount at end of the year	1	2
Furniture and Fittings		
Balance at beginning of the year	-	-
Additions	6	-
Depreciation expense	(1)	-
Carrying amount at end of the year	5	-
Total Property, Plant and Equipment	10	7

Note 10 Intangible Assets

	2025 \$'000	2024 \$'000
Intangibles		
At cost	70	70
Less accumulated amortisation	(54)	(40)
Total Intangible Assets	16	30
Movements in Carrying Amounts		
Intangibles		
Net balance at beginning of the year	30	44
Additions	-	-
Amortisation expense	(14)	(14)
Total Intangibles	16	30
Total Intangible Assets	16	30

Note 11 Trade and Other Payables

	2025 \$'000	2024 \$'000
Trade Payables	359	287
Other Payables and Accruals	874	802
Total Trade and Other Payables	1,233	1,089

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

Note 12 Employee Entitlements

	2025 \$'000	2024 \$'000
Current		
Annual Leave	439	299
Long Service Leave	222	193
Total Current Employee Entitlements	661	492
Non-current		
Long Service Leave	71	51
Total Non-current Employee Entitlements	71	51
Total Employee Entitlements	732	543

Note 13 Retained Profits

	Notes	2025 \$'000	2024 \$'000
Retained Profits at the Beginning of the Year		34,466	32,520
Profit (Loss) for the Year		2,468	1,946
Retained Profits at the End of the Year		36,934	34,466
Reconciliation of Retained Profits			
Retained Profits from Endowment Funds	14	36,934	34,466
Total Retained Profits		36,934	34,466

Note 14 Endowment Funds

	Notes	2025 \$'000	2024 \$'000
Commonwealth Fund			
Opening balance at beginning of the year		11,086	11,215
Contributions during the year		-	-
Fund income for the year		1,976	1,591
Less: Contributions made to operating costs		(1,858)	(1,720)
Closing balance at end of the year		11,204	11,086
General Fund			
Opening balance at beginning of the year		11,272	11,374
Contributions during the year		-	-
Fund income for the year		2,038	1,642
Less: Contributions made to operating costs		(1,891)	(1,744)
Closing balance at end of the year		11,419	11,272
Public Fund			
Opening balance at beginning of the year		12,108	9,931
Donations and Philanthropic income		2,744	2,482
Fund income for the year		1,375	1,217
Less: Contributions made to operating costs		(1,916)	(1,522)
Closing balance at end of the year		14,311	12,108
Total Endowment Funds		36,934	34,466
Represented in Equity by:			
Retained Profits	13	36,934	34,466

Note 15 Financial Instruments

A. The following table shows the carrying amounts of financial assets and financial liabilities.

	Notes	2025 \$'000	2024 \$'000
Financial assets measure at fair value through profit or loss			
Managed investments	8	34,013	31,873
		<u>34,013</u>	<u>31,873</u>
Financial assets measured at amortised cost			
Cash and Cash Equivalents	6	2,965	2,315
Trade and Other Receivables*	7	1,869	1,850
		<u>4,834</u>	<u>4,165</u>
Financial liabilities measured at fair value through profit or loss			
Not applicable		-	-
Financial liabilities measured at amortised cost			
Trade Payables	11	359	287
Other Payables**	11	837	728
		<u>1,196</u>	<u>1,015</u>

* Excludes prepayments

** Excludes non-contractual income received in advance

B. The following table shows the valuation techniques used in measuring fair value for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Managed investments	The fair value of managed investments is determined using market observable rates, being quoted ASX stock prices for listed Australian instruments, respective stock exchange quoted prices for Foreign listed instruments, or pricing based on net asset values reported by fund managers which is based on observable data	Fund manager pricing and net asset value adjustments

Note 16 Auditor's Remuneration

	2025 \$	2024 \$
KPMG Australia		
Audit and review of financial reports	27,000	25,000
Other Services:		
Advisory services in relation to Cybersecurity	20,000	-
Total Auditor's Remuneration	47,000	25,000

Note 17 Key Management Personnel

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

	2025 \$	2024 \$
Key management employee benefits	577,831	568,741
Total Benefits	577,831	568,741

Note 18 Related Party Transactions

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

Note 19 Subsequent Events

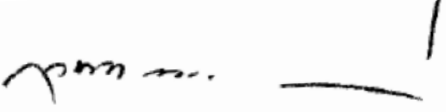
Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of Grattan Institute, the results of those operations or the state of affairs of Grattan Institute in subsequent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

Directors' Declaration

In the opinion of the Directors of Grattan Institute:

- (a) the Financial Statements and Notes, set out on pages 13 to 24, 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 2025 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 5th day of November 2025.



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 2025, 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 2025.
- 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

5 November 2025