



CENTRE  
FOR POLICY  
DEVELOPMENT

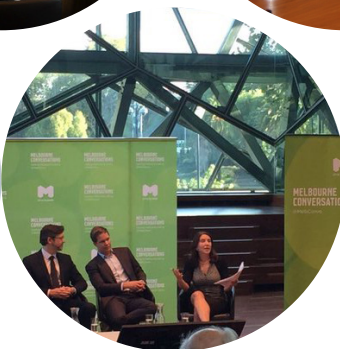


CENTRE  
FOR POLICY  
DEVELOPMENT



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# 2015-2016 Annual Report





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“CPD brings the highest quality intellectual rigour to its work drawing on the expertise of Fellows with experience in a range of sectors and applying that to issues of high importance and complexity, to Australia and the region. CPD’s capacity to navigate through complex environments and sets of stakeholders in a sensitive and constructive way has become increasingly evident.”

**Kirsty Allen, Program Manager  
Sidney Myer Fund & The Myer Foundation**



# FOREWORD FROM THE CHAIR



The past twelve months been a tumultuous time for policy and politics in Australia and globally, and there is every sign that these strains will grow in the years ahead.

In this environment, developing the policy memory, expertise and networks needed for good ideas to flourish is more important than ever. As I said when I joined CPD as Chairperson earlier this year, the need for thoughtful focus on Australia's long-term future and our evolving national interest has never been more pressing. In a time of complex policy challenges and major political polarisation, CPD calls on a range of different perspectives and professions to reconcile opposing standpoints and propose policies that reach equitable and practical compromises.

I am happy to report that CPD continues to make a significant contribution on the issues that matter across its three interconnected policy programs.

In the Effective Government Program, the flagship report Grand Alibis built on CPD's record of outstanding research on how a single-minded focus on shrinking government undermines the quality of public administration, policy development and human services. Grand Alibis highlighted the problematic record of Australia's outsourced employment service system, showing that fully-outsourced jobs services had created a two-track system that struggled to deal with the complex needs of the most disadvantaged job seekers. CPD also released Uneven Playing Field, an important and influential analysis by CPD fellows Chris Bonnor and Bernie Shepherd of equity and achievement in our school system. Their work documents the widening gap between our least and most advantaged schools and students and calls for a revitalisation of the Gonski consensus around need-based school funding.

In the Sustainable Economy Program, CPD's report The Longest Conflict put the security impacts of climate change firmly on the policy agenda. The report highlighted how far Australia has fallen behind key allies in preparing for climate-related security threats, and kick-started what is now shaping up to be a much more fulsome conversation about this crucial area of defence policy. I was pleased to see the Expert Panel for the 2016 Defence White Paper highlight CPD's work on this issue. CPD also released a new discussion paper on agricultural sustainability, and commenced some exciting new work on company directors' legal obligations to consider the business impacts of climate change and other sustainability issues – research that we are expecting to have a major impact over the next 12 months.

Lastly, CPD's Intergenerational Program – and particularly the Asia Dialogue of Forced Migration which sits within this program – is testament to CPD's growing regional reach and ambition, and the unique strength of its 'create-connect-convince' model. Over the past year the Asia Dialogue has evolved from a promising idea to an established forum that brings together officials, experts and stakeholders from key countries, policy institutes and international organisations to focus on improving regional policy architecture on forced migration. The ADFM has already had a positive impact at ministerial and intergovernmental level, the speed and substance of which is unprecedented. I am confident that this unique and influential network will continue to develop through its next meeting in Kuala Lumpur in September 2016 and beyond.

You can read more about the ADFM and the rest of CPD's research and policy development in this report and at [www.cpd.org.au](http://www.cpd.org.au).

Finally, I want to give thanks to CEO Travers McLeod and the rest of the team for the dedication, rigour and passion they bring to CPD's work, and to the many donors who generously support CPD's research. I anticipate a productive year ahead that sees continued breadth and diversity of successful policy development.

Terry Moran AC  
Chair



# MESSAGE FROM THE CEO

This past financial year was again one of uncertainty, partisanship and gridlock in Australian politics. The difficulty governments continue to have in identifying and addressing pernicious, long-term challenges was on display. It served as another reminder of how valuable and important the work of CPD is in the current landscape.

CPD finished 2015-16 stronger than when we entered it. Throughout the past twelve months we have built momentum, expanded our intellectual firepower, while becoming more productive, influential and sustainable than ever before. We moved our Sydney office to the heart of the CBD, 115 Pitt Street. We have a strengthened Board and Research Committee and a new Fundraising Advisory Group, meaning our governance processes and leadership are more effective. Thanks to the generosity of existing and new supporters, we have also diversified our funding base, bringing increased certainty to our work pipeline.

Importantly, we welcomed Terry Moran AC as our new Chairperson in April 2016. Terry's career as a distinguished public servant, including his time as Secretary of Prime Minister and Cabinet between 2008 and 2011, makes him an ideal addition to the CPD network. Terry's agreement to serve on our board is an enormous vote of confidence in CPD's future. An enormous thank you is also due to our Acting Chair, Martin Stewart-Weeks for his devotion and commitment to the position over the year prior to Terry's appointment.

Sadly, we bid farewell to Policy Director Kelly Farrow, but welcomed Annabel Brown as program manager on our forced migration work. We also added a number of new expert fellows: Peter Whiteford, Ryan Goss, Claire Molinari, Mark Triffitt, Kate Charlesworth and Bernie Shepherd, giving us access to their field-leading expertise on everything from constitutional and legal affairs to sustainable finance. We have also appointed three new board members: Vishal Beri, Luke Green and Dr Jeni Whalan. Collectively, they offer expertise and experience across government, law, international relations, business, academia and consulting. They are committed to CPD's values and will offer considerable strategic nous.

This Annual Report outlines our record of achievement in what has been a year of significant productivity, impact and growth for CPD. In each of our research programs we examined key challenges considered by many governments as too hard. These included the perils of outsourcing human service delivery and its disproportionate impact on the disadvantaged, the use of social innovation to revitalise democratic participation, the effect of climate change on national security, strengthening sustainable agriculture policy and practice, and improving the treatment of forced migration across our region.

Aside from reports, CPD has been kept busy with a number of books, opinion pieces, events, speeches and submissions. On top of these there have been keynote speeches to the Committee of the Ageing, Sustainable Business Australia and the Festival of Dangerous Ideas.

My heartiest thanks are owed as well to all of CPD's contributors, donors, subscribers and followers. You make our work possible and your support and enthusiasm for our mission is greatly appreciated by all the team. This Annual Report shows that CPD is going from strength to strength – I hope you enjoy reading about our accomplishments this year and following our work in the years ahead.

Travers McLeod  
Chief Executive Officer

# OUR APPROACH

## OUR VISION

CPD develops long-term policies to promote wellbeing, fairness and sustainability through our democracy, economy and society. Our goal is to develop practical and innovative policy ideas for Australia's long-term future and foster a collaborative environment to make them achievable.

## HOW WE'RE DIFFERENT

CPD is about the big picture and the systemic reform. We combine domestic and international insights. We bring constructive policy thinkers together into innovative

alliances. We're open about our values and funders. We don't just criticise current policies: we put forward practical solutions that can outlast political cycles. We have an intergenerational focus. We want to grow the policies that can help Australia to thrive over the long term.

CPD is not an academic research unit, a lobby group, a campaign body, or affiliated with any political party. We're an independent, non-partisan and evidence-based policy institute. We're willing to think unconventionally and build unlikely alliance in pursuit of solutions.

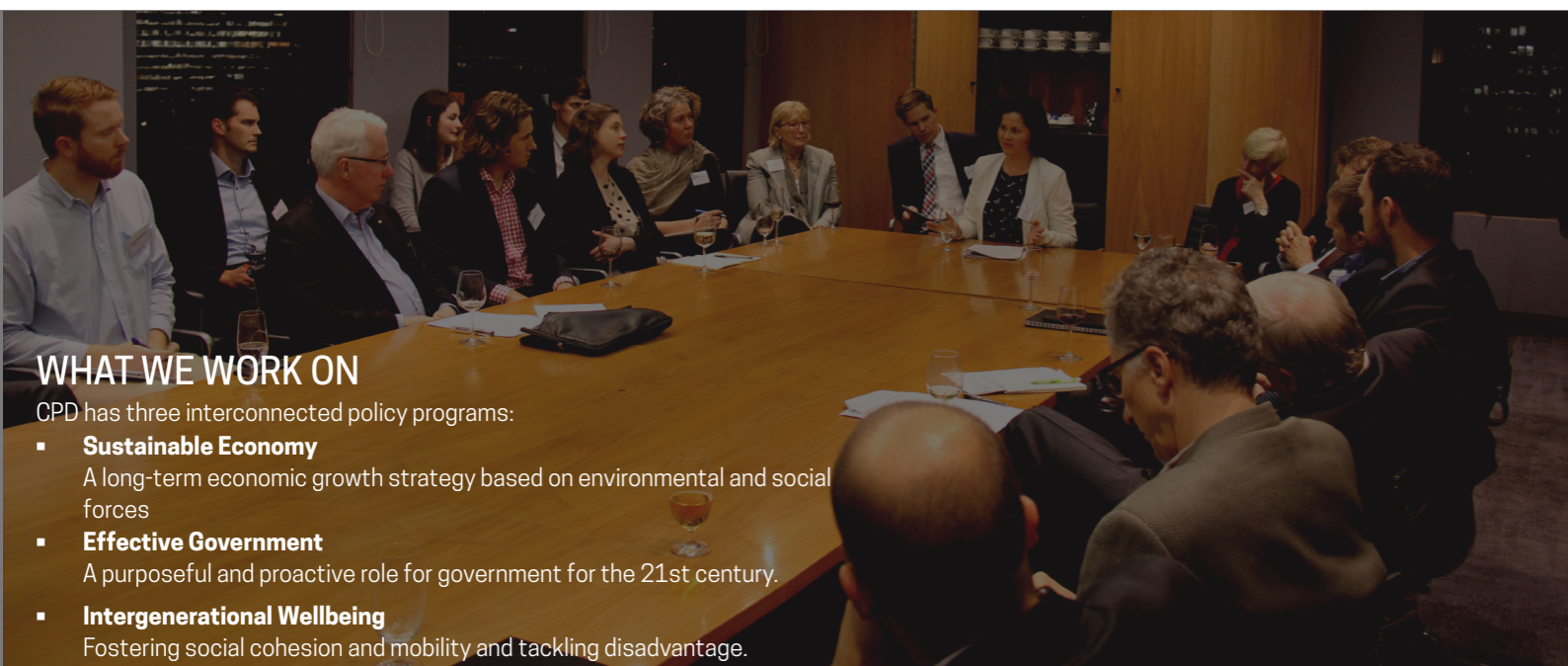


## HOW WE DO IT

CPD's core model is threefold. We create, connect, and convince.

CPD is pluralist. Australia faces increasingly complex challenges for which there is often no 'right' answer, whether it is climate change, debt or socio-economic disadvantage. CPD engages with a range of voices and decision-makers, encouraging cross-sectoral debate and collaboration.

Our board, research committee, staff and fellows have been deliberately chosen for their diverse backgrounds. There are academics, authors, economists, former advisors and bureaucrats, lawyers, business people, commentators and advocates. Together, we'll prod, poke and unsettle, in the pursuit of better policy to position Australia for the 21st century. We'll call out Australia's opportunities and weaknesses without fear.



## WHAT WE WORK ON

CPD has three interconnected policy programs:

- **Sustainable Economy**  
A long-term economic growth strategy based on environmental and social forces
- **Effective Government**  
A purposeful and proactive role for government for the 21st century.
- **Intergenerational Wellbeing**  
Fostering social cohesion and mobility and tackling disadvantage.

# BOARD OF DIRECTORS

As of September 2016



**Terry Moran**  
Chair



**Jeni Whalan**  
Director



**Antoinette Le Marchant**  
Secretary



**Martin Stewart-Weeks**  
Director



**Kate Miller**  
Director



**Luke Green**  
Director



**Nadine Flood**  
Director



**Robert Partos**  
Treasurer



**Vishal Beri**  
Director



**Wendy Field**  
Director

# RESEARCH COMMITTEE



**Jeni Whalan**  
Chair



**Anand Kulkarni**



**Antoinette Le Marchant**



**Geoff Shuetrim**



**Kate Miller**



**Mark Joiner**



**Peter Mares**



**Roy Green**



**Travers McLeod**

# FUNDRAISING ADVISORY GROUP



**Wendy Field**  
Chair



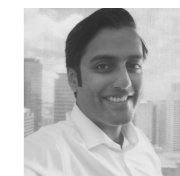
**Luke Green**



**Martin Stewart-Weeks**



**Peter Binks**



**Ravi Chandra**



**Rob Sturrock**



# OUR TEAM

As of September 2016



**Travers McLeod**  
Chief Executive Officer

Travers has worked as a Policy Adviser for the Oxford Martin School at the University of Oxford. There he focused on *Now for the Long Term*, the report of the Oxford Martin Commission for Future Generations, chaired by Pascal Lamy, former Director-General of the World Trade Organisation.

Travers has taught in Australia and the UK, including nearly two years as a Lecturer in Politics and International Relations at Merton College, Oxford. He has also worked as a lawyer and was an associate to Justice Michael Kirby in the High Court of Australia.

Travers remains an Associate of the Oxford Martin School and is an Honorary Fellow of the University of Melbourne's School of Social and Political Sciences and the University of Western Australia's Faculty of Law. He is a Board member of the Victorian Foundation for Survivors of Torture.



**Annabel Brown**  
Project and Research  
Manager (Forced Migration)

Annabel Brown is an advisor and facilitator with over 15 year's experience supporting effective social and economic development in Australia and the Asia-Pacific. Annabel has particular expertise leading research and evaluation projects focused on understanding policy influence, advocacy, leadership development, governance, accountability and empowerment.

Agencies and networks she has worked with include Oxfam, WaterAid, the Secretariat of Pacific Community, the Australian Public Service Commission and the Australian Aid Program.

Annabel has a Masters in International Development from RMIT University and a Bachelor of Arts from the University of Western Australia, majoring in Philosophy. She is President of the Acacia Indochinese Community Support Association.



**Monica Logan**  
Engagement and  
Communications Coordinator

Monica Logan is CPD's Engagement and Communications Coordinator. She has 20 years of marketing, communications and fundraising experience gained across manufacturing, life sciences, financial services and charity sectors. Over the last 10 years she led multidisciplinary teams in World Vision Australia to develop and implement insights programs, brand and customer experience strategy, and marketing and communications campaigns.

Monica holds an MBA from Monash University, a BA - Graphic Design from Monash University, and a Bachelor of Commerce from Melbourne University.



**Robert Sturrock**  
Policy Director

Rob Sturrock works predominately in the Effective Government Program, examining ways to ensure our public institutions are best able to deliver an active and effective government in the 21st century.

He is the co-author of CPD's 2015 report, *Grand Alibis: How Declining public sector capability affects services for the disadvantaged* and lead author of *The Longest Conflict: Australia's climate Security Challenge*. Rob has expertise in public sector capability, service design, international relations and climate change.

He has previously worked in consultancy, law and the public service.



**Sam Hurley**  
Policy Director

Sam worked for six years as an economist and policy analyst at the Commonwealth Treasury. Much of Sam's work at Treasury focused on international economic and political trends and how these shape Australia's longer-term policy challenges. Sam had a particular focus on commodities, trade opportunities with China and telling the story of structural reform.

Most recently, he worked at ANU's Crawford School of Public Policy on a project investigating the role of trade and investment policy in Myanmar's economic reform and development. Sam holds degrees in commerce and law and recently completed a Masters of International Affairs at ANU.



**Shivani Nandan**  
Administration and  
Research Officer

Shivani has had previous experience with not-for-profit organisations, holding volunteer roles with Oxfam and the Cancer Council. She has also previously held an internship with CPD assisting with the production and launch of the report *Beyond the Boats*, released in late 2014.

Shivani is a graduate from the University of Technology Sydney, with a degree in Communications (Social Inquiry) and International Studies. She spent a year abroad in Switzerland learning French and investigating the role of gender within conscription in Switzerland.

## FORMER STAFF & INTERNS

We would also like to thank staff and interns that have also assisted within the 2015-2016 period including Kelly Farrow, Sue Ogilvy, Anand Kulkarni, Erica Vogels, Jesse Carey, Matthew Bowron, Angie Sassano, Jacob Rodrigo, Massimo Amerena, Ali Sutton and Thomas Lovelock.

PATRONS	Fred Chaney AO	FELLOWS	Peter Hughes ANU	Anand Kulkarni University of Victoria	James Arvantakis Western Sydney University	Chris Bonnor Retired school principal
	Julian Burnside		Mark Davis University of Melbourne	Ben Eltham New Matilda	Miriam Lyons Former Executive Officer/ GetUp	Jennifer Doggett Health Sector Consultant
			Tani Shaw University of Technology Sydney	Ian McAuley University of Canberra	Tony Moore Monash University	Ian Dunlop Climate Change Taskforce
			John Wiseman Melbourne Sustainable Society Institute	John Menadue CPD Founder	James Slezak Purpose, New York	Pter Whiteford- ClANU
			Bernie Shepherd University of Technology Sydney	Fiona Armstrong Climate and Health Alliance	Adam Rorris Monash University	
			Claire Molinari Q Super	Ryan Goss ANU	Kate Charlesworth The Royal Australasian College of Physicians	
			Mark Triffit University of Melbourne	Arja Keski-Nummi Immigration Civil Society Expert	Ray Ison The Open University	





## Welcoming CPD's new Chairperson Terry Moran

Terry Moran joined CPD in March 2016. He has served as Secretary of the Department of the Prime Minister and Cabinet, Australia's most senior public servant position, from 2008 to 2011. As Secretary, Terry was responsible for leading the work of the Department on national security and international policy; environment, industry and economic policy; social policy and reforms negotiated by the Council of Australian Governments; and coordination of government administration, including Cabinet support. During the global financial crisis in 2008 and 2009, he helped to lead the development of Australia's highly successful policy responses. He also chaired the Advisory Group on the Reform of Australian Government Administration, which developed a blueprint for reform of the Australian Public Service. Prior to joining PM&C, Terry held a number of senior positions at state and federal level, including Secretary of the Department of Premier and Cabinet in Victoria, Director-General of Education in Queensland and CEO of the Australian National Training Authority. In 2012 Terry was named a Companion of the Order of Australia (AC) for "eminent service to the community through public sector leadership, as a significant contributor to policy development, program delivery and effective governance, and to the implementation of contemporary government administration". Terry is also Chair of the NSW Barangaroo Delivery Authority, Chair of the Melbourne Theatre Company, a member of CEDA's Board of Governors, and a Special Adviser at the Boston Consulting Group. He sits on the editorial board of The Mandarin.

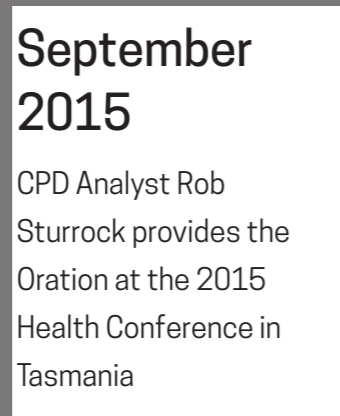
# CPD HIGHLIGHTS



**August 2015**  
Launch of 'Vicious to Virtuous Cycles: a sustainable future for Australia's agriculture', hosted by EY in Canberra



**August 2015**  
The first meeting of the Asia Dialogue on Forced Migration, hosted by Corrs Chambers Westgarth in Melbourne



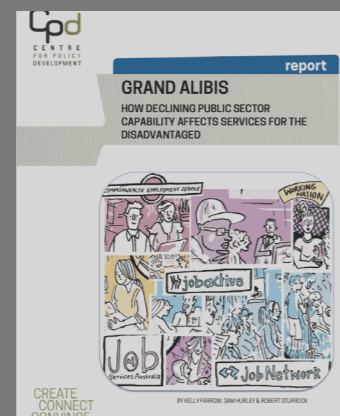
**September 2015**  
CPD Analyst Rob Sturrock provides the Orator at the 2015 Health Conference in Tasmania



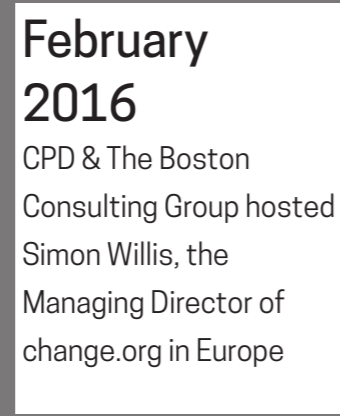
**October 2015**  
CPD & ANU hosted a roundtable with Ross Garnaut, Robyn Eckersley and Fergus Green



**December 2015**  
12 prominent Australians participated in CPD's Secret Santa series, offering a gift of good policy ideas



**December 2015**  
The release of the 'Grand Alibis: How Declining Public Sector Capability Affects Services for the Disadvantaged'



**February 2016**  
CPD & The Boston Consulting Group hosted Simon Willis, the Managing Director of change.org in Europe



**May 2016**  
CPD & ANU held a post-Budget roundtable with Greg Smith, Janine Dixon and Peter Whiteford



# CPD IN THE MEDIA



**148** written media pieces

Does apathy to the political system among young people point to a crisis in Australian democracy  
Meanjin

Too little, too late: Australia still missing from serious climate change debate  
The Age

**11** radio segments

**6** roundtable events

Five things about innovation Australia can learn from other countries  
The Conversation

Educating young refugee and asylum seekers the smart thing to do  
The Sydney Morning Herald

Key government services to be hit with Australian public service industrial action  
The Canberra Times

**1** book released

Terry Moran's insider view of how governments stuff things up  
Australian Financial Review

**6** speaking appearances

There's no trade-off between economy and environment  
New Matilda

**4** TV appearances



# CPD ON SOCIAL MEDIA

**Twitter**  
**5,038**  
followers  
in July 2015

10.90%



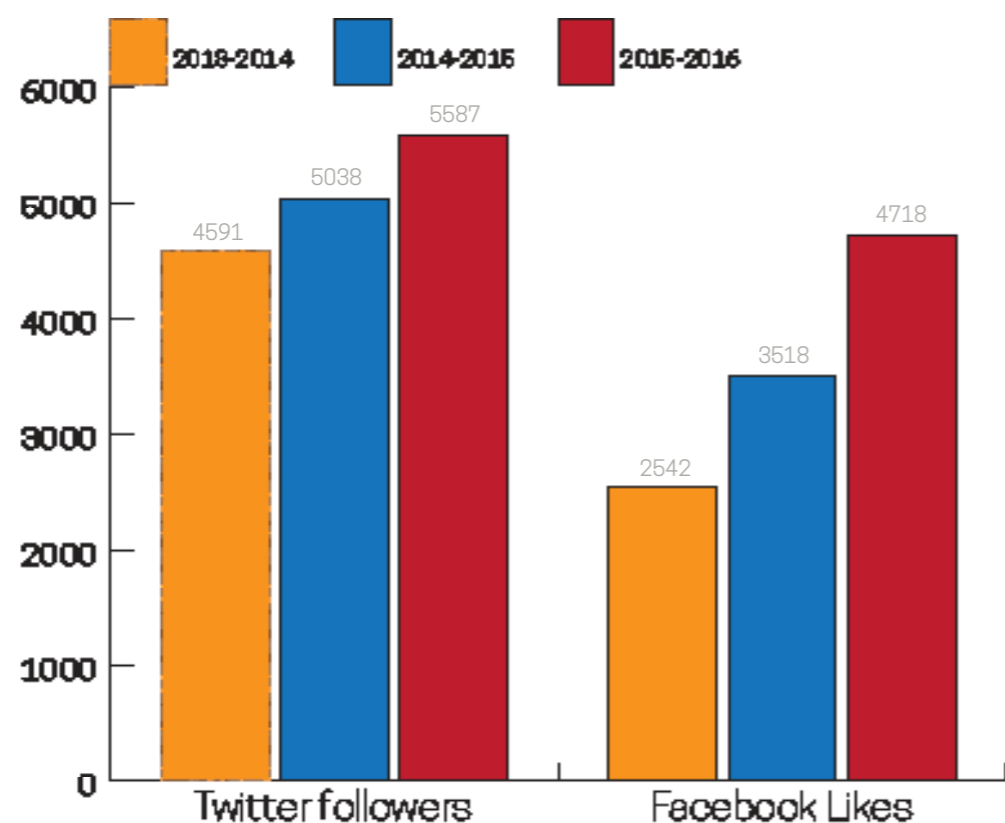
**5,587**  
followers  
in June 2016

**Facebook**  
**3,518**  
page likes  
in July 2015

34.11%



**4,718**  
page likes  
in June 2016



# INTERGENERATIONAL WELLBEING

The Intergenerational Wellbeing program's objectives fall under the categories of fostering social mobility and tackling disadvantage, understanding the structural and spatial determinants of inequity, and accounting for social and knowledge capital. The program is also interested in examining the relationship between security, migration and trade, paying particular focus on the protection space for asylum seekers. Throughout 2015-16, CPD focused on the first and the second meeting of the Asia Dialogue on Forced Migration, held in August 2015 in Melbourne and in January 2016 in Bangkok.

## The Asia Dialogue on Forced Migration

2015/16 saw the first and second meeting of the Asia Dialogue on Forced Migration (ADFM) in August 2015 and January 2016 respectively. The ADFM arose from CPD's Asylum Seeker Roundtable in July 2014 and November 2014's Beyond the Boats report. The ADFM's long term aim is to make clear inroads towards the creation of a regional framework, which will guide national actions and cooperation between states in responding to forced migration. A track II dialogue was chosen as it allows participants to act in a less rigid, formal environment with less political pressures, enabling constructive processes of problem solving to occur with a long term vision. ADFM members are from Indonesia, Thailand, Malaysia, Myanmar and Australia, as well as the offices of the United Nations High Commissioner for Refugees and the International Organization for Migration.

### Meeting 1 - Melbourne (August 2015)

The first meeting of the ADFM brought members together to discuss improved policy responses to those forms of migration within, and into, the Asia-Pacific region, which are proving the most difficult for governments to manage. These migratory movements involve people in the most vulnerable of circumstances and raise complex challenges within national communities – the movement of asylum seekers, refugees and trafficked persons. ADFM members believe no country in the region can unilaterally and satisfactorily address the escalating challenges posed by forced migration. They require regional cooperation, shared responsibility and distributed capacities.

### Meeting 2 - Bangkok (January 2016)

The second meeting of the ADFM focused on the Andaman Sea refugee crisis, where thousands of migrants were left stranded at sea by smugglers who abandoned them and National Authorities who refused to allow the boats to land. At least 370 migrants died during the crisis. The members of the ADFM wrote a letter of recommendation that was presented to the Bali Process Ad Hoc Group Senior Officials meeting advising that there should be a review of the Andaman Sea crisis. This recommendation was taken up by the Bali Process, leading to a formal review into the lessons learnt from the crisis.





# EFFECTIVE GOVERNMENT

Throughout 2015-2016 CPD continued to address how we could best ensure our public institutions are able to deliver an active and effective government in the 21st century, with the intent of influencing major national policy debates. Our work has cut across three main streams: the capabilities of the public sector to design and deliver human services and develop high-quality public policy; the persistent problems inherent in creating a market for service delivery; and options for democratic renewal, rebuilding the meaning of citizenship and revitalising public debates on politics and policy.

## Public Services International Forum 2015

In March 2015 CPD hosted a high-level roundtable that explored some of the more challenging aspects of designing and implementing welfare services to assist vulnerable Australians. Following on from this work, policy directors Kelly Farrow and Robert Sturrock presented at a conference convened by the Public Services International in July 2015 on the 'Alternatives in the Public Interest' in Sydney.

Kelly and Rob provided one of the key presentations of the forum, which outlined alternative modes of service design and delivery by government. The presentation was well received by the audience, which comprised of union members and government service providers, including members from the Pacific Islands.



## Democratic Renewal Roundtable

With the generous support from the Boston Consulting Group and the Australian National University (ANU), CPD hosted Simon Willis, the Managing Director of Change.org in Australia and Europe in February 2016. The roundtables were hosted in both Sydney and Melbourne, and had an audience of key experts and influencers from government, start-ups and not-for-profit organisations. Recognising that it was fascinating time for digital platforms because of the crisis of the ability for democratic institutions serve the interest of the community, Simon led a robust discussion regarding the need for online petition platforms, like Change.org, to have greater linkages and cross-community collaboration in order to sustain causes and coalitions beyond a single petition, in order to generate holistic change. This includes utilising the community's experience, skills and diversity to increase legitimacy and credibility.

## Post-Budget Roundtable

Following the release of the 2016 Budget, CPD, in partnership with the ANU, hosted a roundtable 'The View from 2030 - getting the budget right for the long term'. The roundtable was held in Melbourne in May 2016, and was led by three expert guest speakers: Greg Smith; Dr Janine Dixon; and Professor Peter Whiteford. The Roundtable was also attended by ANU Chancellor Gareth Evans and CPD Chair Terry Moran. With a focus on the stocktake of the policy outlook for the newly elected government, the roundtable discussed taxes, transfers and the tough policy issues that future governments have to deal with. It examined the policy challenges and decision points that will matter most for the health of Australia's budget, economy and society in the medium term, and discussed how different sections of the policy community can push for better outcomes than we've seen so far.

## 'After Russell Brand - Making Democracy work better for you'

In February in Melbourne, Travers McLeod participated in a panel discussion entitled 'After Russell Brand - Making democracy work better for you'. The panel, hosted by Melbourne Conversations, discussed how citizens can have greater and more meaningful power in policy decisions made by government, and how the public sector can better engage the community in deliberative policy discussions that go beyond typical submissions and consultation processes.

## Uneven Playing Field

In May 2016 CPD Fellows Chris Bonnor & Bernie Shepherd co-authored the report *Uneven Playing Field: the State of Australia's Schools*. *Uneven Playing Field* analysed data from 2010-15 from the *My School* website and found that by a number of metrics Australian schools are becoming more divided on socio-economic grounds. Family background having a greater impact on educational outcomes, as students with the means to shift to higher achieving schools do so which concentrates disadvantage, the "local school" is becoming less representative of the local area which damages the local community bonds, and government and non-government school funding is converging for schools in similar socio-economic ranges.

The report reiterates the necessity of implementing the full Gonski reforms, as well as recommending a permanent shift to targeted investment in schools based on need, and also the potential for public interest obligations being placed on private schools who receive certain levels of funding. The report and its findings were released to significant and ongoing media interest in radio, print, and TV.



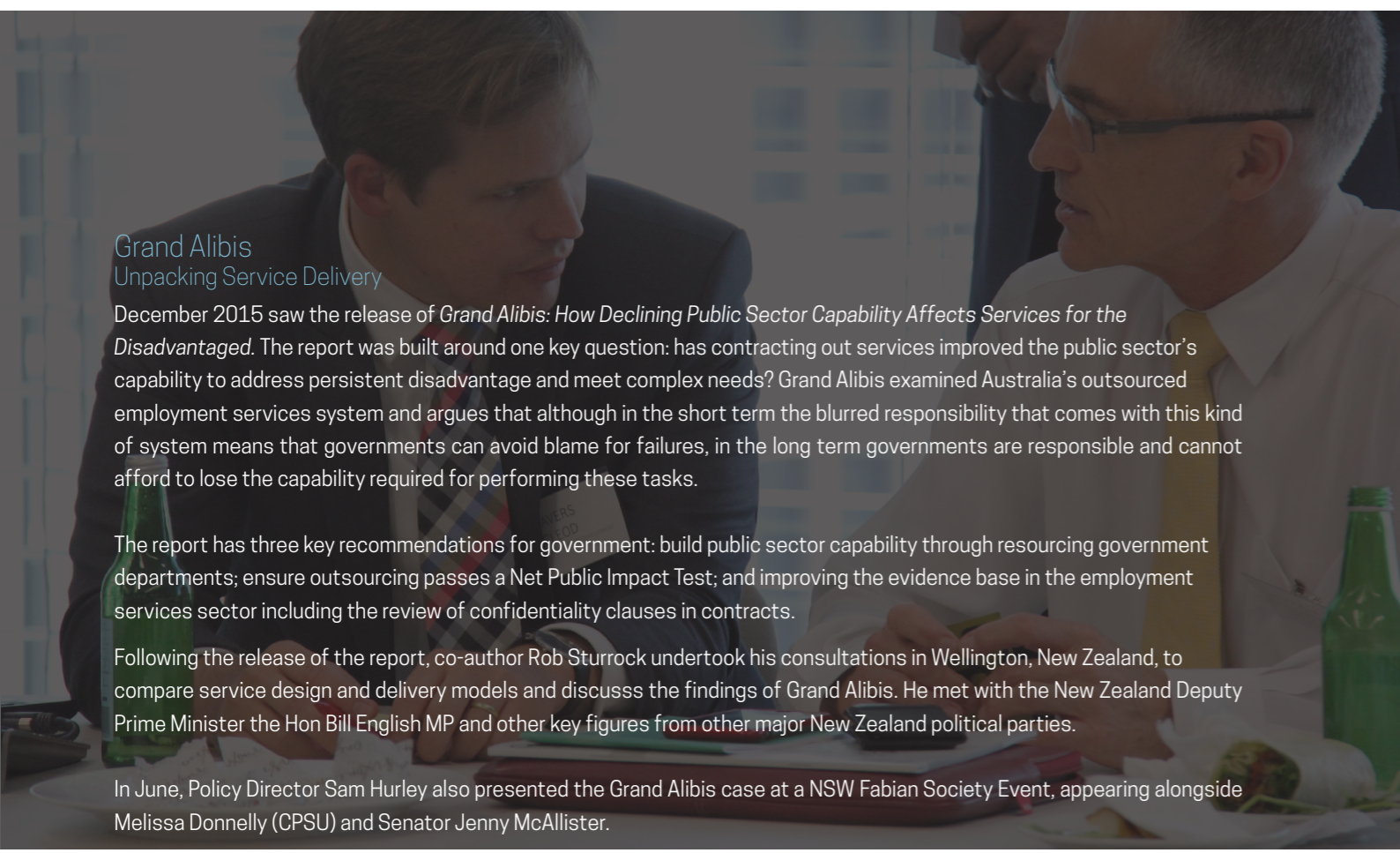
## Grand Alibis Unpacking Service Delivery

December 2015 saw the release of *Grand Alibis: How Declining Public Sector Capability Affects Services for the Disadvantaged*. The report was built around one key question: has contracting out services improved the public sector's capability to address persistent disadvantage and meet complex needs? *Grand Alibis* examined Australia's outsourced employment services system and argues that although in the short term the blurred responsibility that comes with this kind of system means that governments can avoid blame for failures, in the long term governments are responsible and cannot afford to lose the capability required for performing these tasks.

The report has three key recommendations for government: build public sector capability through resourcing government departments; ensure outsourcing passes a Net Public Impact Test; and improving the evidence base in the employment services sector including the review of confidentiality clauses in contracts.

Following the release of the report, co-author Rob Sturrock undertook his consultations in Wellington, New Zealand, to compare service design and delivery models and discuss the findings of *Grand Alibis*. He met with the New Zealand Deputy Prime Minister the Hon Bill English MP and other key figures from other major New Zealand political parties.

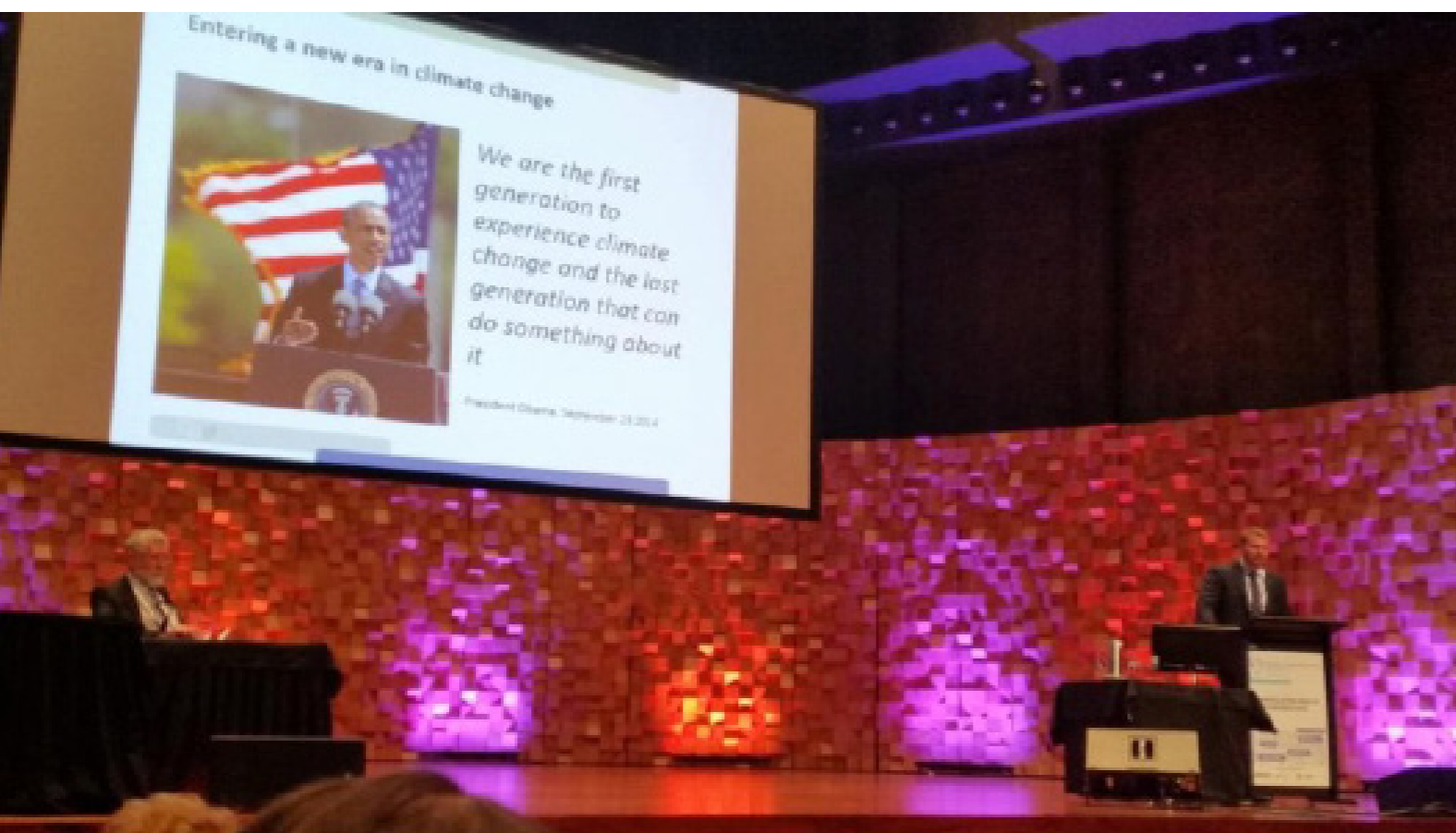
In June, Policy Director Sam Hurley also presented the *Grand Alibis* case at a NSW Fabian Society Event, appearing alongside Melissa Donnelly (CPSU) and Senator Jenny McAllister.





# SUSTAINABLE ECONOMY

The Sustainable Economy Program aims to identify options for Australia to make a transition to an environmentally and socially sustainable economy. Australia has tremendous opportunity to leverage its abundant natural resources and skills in innovation to build a fair, sustainable and prosperous economy – one that provides a secure future for all Australians. To do so, we need to get the policy settings right. In 2015-2016 our team has continued to improve understanding and measurement of the long-term drivers of wellbeing, and ensuring the impacts of resource depletion and pollution are no longer ‘invisible’ to markets. By doing so we can avert systemic failures in public and private decision making that undermine the sustainable management of our natural and social capital.



## The Longest Conflict: Australia's Climate Security Challenge

2015-16 saw an extension of the work from CPD's June 2015 report *The Longest Conflict: Australia's climate security challenge*. Since the release CPD has briefed the Chief of Army, Chief of Navy, other members of Defence, DFAT and Intelligence, and those part of the White Paper drafting team on our findings.

Because of the efforts of CPD and other organisations and individuals, the Defence White Paper released in February 2016 included many explicit references to the national security consequences of climate change, something that it was not expected to contain whilst *The Longest Conflict* was being written.

## Population Health Conference 2015

Co-author of *The Longest Conflict* and CPD Policy Director Rob Sturrock presented an oratory drawing on the report to the *Third Population Health Congress* held in Hobart in September 2015 which generated substantial discussion amongst the congress attendees.

## Green, Garnaut and Eckersley roundtable

In October 2015, CPD convened a roundtable with some of Australia's leading climate policy experts to discuss the state of play in the lead up to the 2015 Paris Climate Conference (COP21). The roundtable was co-hosted by ANU, and featured contributions from Professor Ross Garnaut, Professor Robyn Eckersley and Mr Fergus Green.



## Vicious to Virtuous Cycles

August 2015 saw the release of the discussion paper *From Vicious to Virtuous Cycles: a Sustainable Future for Australian Agriculture*. The paper argues that although farmers at the leading edge of sustainable, regenerative farm businesses are opening up exciting new opportunities for better economic and ecological performance in Australian agriculture, the condition of soil, water and other resources remain largely invisible to markets so are being depleted over time. This depletion is leading to farmland becoming less resilient to stressors such as pests, drought and climate change, so farmers are exposed to more risk and are less likely to invest in the long term.



*From Vicious to Virtuous Cycles* envisions a future where innovative farmers devise sustainable farming methods to ensure that their prosperity continues into the long term, and this is supported by consumers who are becoming more sustainability-conscious.

## Sustainable Business Australia - Business in Action Summit

Travers McLeod spoke at Sustainable Business Australia's *Sustainable Business in Action Summit* in Sydney on 'Rethinking Australia's business model'. He argued sustainable growth was only possible via a diversified and innovative economy focused equally on societal value creation as well as shareholder return on investment.



## Directors Duties & Sustainability

The major project for the Sustainable Economy has been the project on Directors Duties and Sustainability. The project is a joint venture between CPD and the Future Business Council (FBC), and will focus on Company directors' legal obligations to their corporations are key to whether they can (and indeed must) factor longer-term financial, social and environmental considerations into board-level decision making. A narrow focus on the immediate financial interests of a corporation can place sustainability on the margins of corporate strategy and risk management, to the longer-term detriment of shareholders, stakeholders and society.

CPD and FBC have sought authoritative legal advice on what statutory directors duties do and do not permit and require when it comes to considering sustainability issues. During 2015-2016, a legal opinion on directors duties has been prepared, based around a hypothetical set of facts dealing with the impact of climate change on business profitability, sustainability and risk. Sarah Barker (Minter Ellison) will prepare the brief and Noel Hutley SC (President of NSW Bar association) will provide the opinion. Watch this space as this work continues in 2016-2017!

















# REPORTS & DISCUSSION PAPERS

# ADDITIONAL WORK

2015-16 saw CPD make a series of substantive contributions to the battle of ideas outside of its research programs.

## Secret Santa's 2015

In December, CPD asked 12 prominent Australians to participate in our 'Secret Santa' series. Each day, one of our guest writers had offered 'gifts' of fresh thinking and good policy ideas on an issue close to their heart. By mid-December, when each of our Santas had been revealed, they had offered a collective present to Australia's future – or at least, a thought-provoking summer reading pack for people prepared to think big for 2016 and beyond!

	The gift of belonging to Australia's futures Yassmin Abdel-Magied		Learning to think for ourselves is the most powerful gift of all Lord Robert May		Gender equality can't be a token gift Helen Szoke		Giftng a sustainable food future requires a radical rethink Richard McLellan		Recognition – the greatest gift for all Australia's children Tanya Hosch		Universities – translating the gift of good ideas across society at large Glyn Davis
	Giving people with a disability the opportunity to shine Fiona Sharkie		A new strategy for corporate Australia's gifts to the arts Janet Holmes à Court		Protecting human rights is not a gift Jennifer Robinson		Resilient cities will be critical gifts for Australia's futures Clover Moore		Giftng more resources to transform mental health Patrick McGorry		Genuine 'excitement' requires gifted policy Travers McLeod

## 'Fairness, Opportunity and Security: Filling the Policy Vacuum'

CPD founder and fellow John Menadue and former Deputy Secretary of the Department of Prime Minister and Cabinet Michael Keating launched their new book *Fairness, Opportunity and Security: Filling the Policy Vacuum* at Corrs Chambers Westgarth Sydney in November 2015. This book is a collection of the special policy series of blogs that was published on John's blog *Pearls and Irritations*.

Topics included democratic renewal, the role of government, foreign policy, the economy, retirement incomes, population, migration and refugees, communications and the arts, security – internal and human rights, security, health, development of human capital, environment, Indigenous affairs, welfare and inequality.

The book was launched by Fairfax economics columnist Ross Gittins. In his opening remarks about the book, Gittins said the following:

*"In view of this policy vacuum needing to be filled, it's really great to have John providing this new platform and encouraging former bureaucrats to use it. Never has their contribution been more needed. We independent media commentators do our best to evaluate the government's performance, but there's nothing like a former bureaucrat to be able to see through the smoke and mirrors and decipher the true position."*



## Meanjin

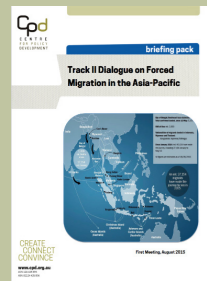
CPD's CEO, Travers McLeod, was a contributing author to a special edition of Meanjin Quarterly, edited by the University of Melbourne's Vice Chancellor Glyn Davis. The issue was released in Spring 2015 and questioned whether there is a crisis in democracy. Travers' article 'Does apathy to the political system among young people point to a crisis in Australian democracy?' focused on the need for long-term democratic renewal to be embraced as a core element of Australia's nation-building infrastructure.



## Speaking events

Throughout the year a range of staff, fellows, Board, and Research members have spoken at various events. Below are some of the highlights:

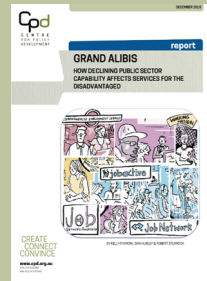
- CPD Fellow and Former Executive Officer, Miriam Lyons, spoke at the Festival of Dangerous Ideas in September 2015, speaking on 'After Luck: Should We Welcome the end of the mining boom.'
- Fellow Ian McAuley appeared with Professor Tim Flannery at the Brisbane Writers Festival, in September 2015 discussing how to transition Australia's economy to sustainable footing.
- The Cranlana Programme hosted Asia Dialogue on Forced Migration member Khalid Koser as a part of the 2016 Alumni Speaker Series to discuss how the global response to mass migration is failing, and how a new approach requires a new wave of thinking.



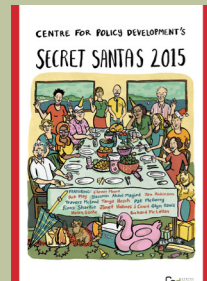
TRACK II DIALOGUE ON FORCED MIGRATION IN THE ASIA-PACIFIC Meeting 1



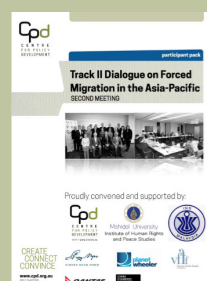
FROM VICIOUS TO VIRTUOUS CYCLES: A Sustainable Future for Australian Agriculture



GRAND ALIBIS How Declining Public Sector Capability Affects Services for the Disadvantaged



CPD'S SECRET SANTAS 2015



TRACK II DIALOGUE ON FORCED MIGRATION IN THE ASIA-PACIFIC Meeting 2



UNEVEN PLAYING FIELD The State of Australia's Schools



# WHAT'S AHEAD?

2016-2017 will mark the beginning of exciting new projects and opportunities for CPD, as well as the continuation of successful projects from 2015-2016.

## INTERGENERATIONAL WELLBEING

The next financial year will see CPD, with its regional partners from Indonesia, Thailand and Malaysia, convene the third and fourth meetings of the Asia Dialogue on Forced Migration in Kuala Lumpur (September 2016) and Indonesia (March 2017).

The ADFM will focus on the development of policy ideas regarding the real and perceived security risks associated with forced migration and advancing the antimigration and progressing the anti-trafficking in persons agenda in the region. It will also continue to reach out new national and regional actors, including the private sector and ASEAN.

Drawing on our experience in delivering the ADFM CPD is set to broaden the Intergenerational Wellbeing Program, including looking at how forced migration and other immigration policies are impacting social cohesion, multiculturalism and wellbeing in Australia.

## EFFECTIVE GOVERNMENT

Expanding on the CPD's report 'Grand Alibis', in 2016-2017 CPD will continue to work on public sector capability. CPD Policy Director, Rob Sturrock will be expanding on one of the recommendations of 'Grand Alibis', the introduction of a Net Public Impact Test (NPIT), and will release a discussion paper to explore this issue with greater rigor and depth.

CPD fellow Mark Triffit, Policy Director Rob Sturrock and CEO Travers McLeod are working on a discussion paper on reform options to improve both the democratic participation of Australian citizens and the openness and effectiveness of the Federal Parliament. This is due to be released in 2017.

Following on from CPD fellows report, 'Uneven Playing Field', CPD will seek to continue to engage with education stakeholders, increasing conversations and gauging sufficient appetite in building consensus for a new approach to school funding.

CPD interns Angie Sassano and Thomas Lovelock produced a paper that largely dealt with the challenges migrants faced after resettlement, particularly around employment. In early July CPD and BCG co-hosted a roundtable on this topic. This work will continue into 2017, examining the reform options to the settlement services provided to humanitarian migrants.

## SUSTAINABLE ECONOMY

On the back of CPD's paper *From Vicious to Virtuous Cycles: a sustainable future for Australian agriculture*, CPD will be continuing its work in the Sustainable Agriculture sector.

Studentship recipient Alexander Marks has written a paper that focuses on Australia's national energy landscape. The paper argues that an updated approach to the regulation of energy distribution network is vital, particularly in considering to uptake renewable energy technology, and the leaps forward in energy efficiency and storage. The paper is due to be released in October 2016.

In May 2015, CPD Policy Director Sam Hurley led a panel at *Progress*, 'Rewiring Business for the Long Term', which examined how businesses can actively champion a more positive future focussed agenda. On the back of this panel, CPD has been pursuing work on Directors Duties and Sustainability. A roundtable has been scheduled for October 2016, to discuss a legal opinion by Noel Hutley SC.



# FINANCIAL STATEMENTS

## 2015-2016

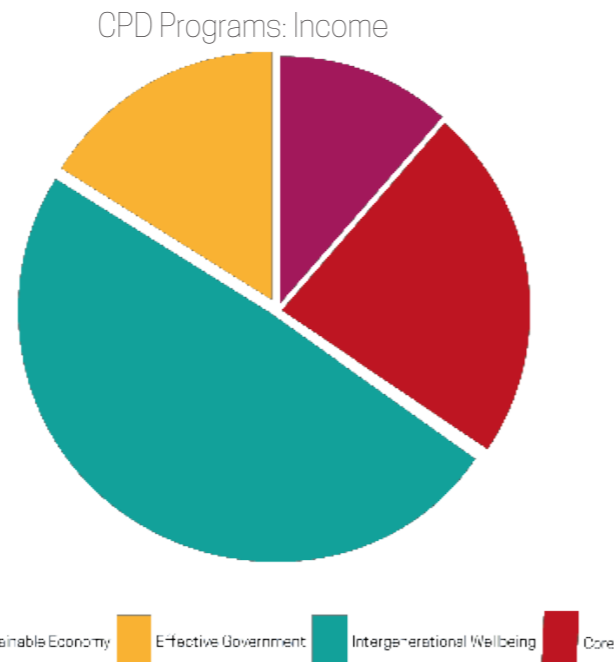
During the 2015-2016 period the Centre for Policy Development was able to retain a secure position of financial stability during the financial year ending June 2016.

The majority of the funding for the 2015-2016 period is multi-year recurrent funding. This will provide further stability for the organisation going forward in 2016-2017.

The organisations cash assets and equity position have increased from June 2015.

A complete copy of the audited statements are available upon request. These can be obtained by emailing [admin@cpd.org.au](mailto:admin@cpd.org.au).

CPD is committed to full adherence to the conditions of the Australian Securities and Investments Commission and the Australian Charities and Not-for-Profits Commission.



# INCOME STATEMENT

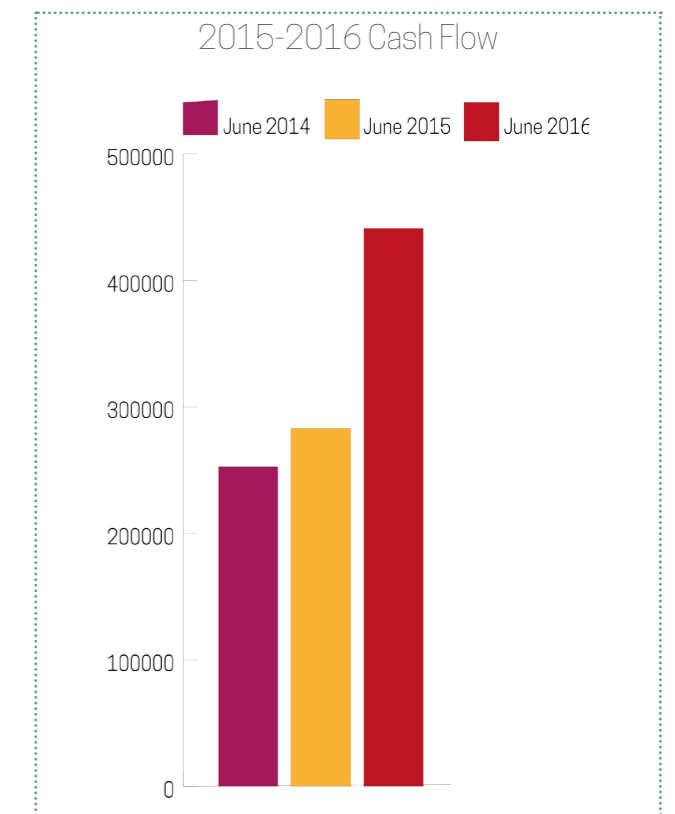
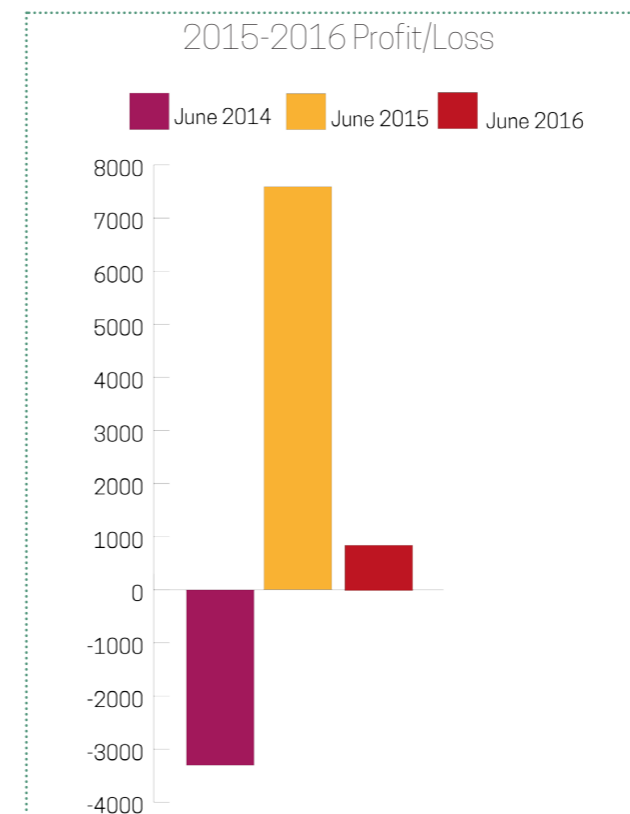
For the year ending June 2015

	2016	2015	2014
<b>Revenue</b>	636,220	419,161	502,019
Expenses	635,361	411,568	505,326
<b>Profit/(Loss) before Income Tax</b>	<b>\$859</b>	<b>\$7,593</b>	<b>\$(3,307)</b>
Income Tax Expenses	-	-	-
<b>Profit/(Loss) Attributable to Members of the Company</b>	<b>\$859</b>	<b>\$7,593</b>	<b>\$(3,307)</b>

# CASH FLOW

For the year ending June 2016

	2016	2015	2014
<b>CASH FLOWS FROM OPERATING ACCOUNTS</b>			
<b>Receipts from Customers</b>			
Receipts from Customers	777,427	427,849	379,718
Payments to Suppliers & Employees	(662,454)	(402,778)	(485,441)
Interest Received	7,286	5,434	10,097
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$162,259</b>	<b>\$30,505</b>	<b>\$(95,626)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Plant & Equipment	-	-	-
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>\$(4,120)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>\$158,139</b>	<b>\$30,505</b>	<b>\$(97,307)</b>
Cash at beginning of financial year	283,256	252,751	350,058
<b>Cash at end of financial year</b>	<b>\$441,395</b>	<b>\$283,256</b>	<b>\$252,751</b>





# BALANCE SHEET

For the year ending June 2016

	2016	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	441,395	283,256	252,751
Trade and other receivables	10,959	8,314	80,639
<b>Total Current Assets</b>	<b>\$452,354</b>	<b>\$291,570</b>	<b>\$333,390</b>
<b>Non-Current Assets</b>			
Property plant and equipment	3,765	1,319	3,159
<b>Total non-current assets</b>	<b>\$3,765</b>	<b>\$1,319</b>	<b>\$3,159</b>
<b>Total assets</b>	<b>\$456,119</b>	<b>\$292,889</b>	<b>\$336,459</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	59,103	70,029	59,836
Financial Liabilities	211,033	48,151	124,021
Employee benefit obligations	33,105	23,116	8,642
<b>Total current liabilities</b>	<b>\$303,617</b>	<b>\$141,296</b>	<b>\$192,499</b>
<b>Total Liabilities</b>	<b>\$303,617</b>	<b>\$141,296</b>	<b>\$192,499</b>
<b>Net Assets</b>	<b>\$152,502</b>	<b>\$151,593</b>	<b>\$144,050</b>
<b>EQUITY</b>			
<b>Contributed equity</b>			
Retained profits	152,202	151,593	144,050
<b>Total Equity</b>	<b>\$152,202</b>	<b>\$151,593</b>	<b>\$144,050</b>

# STATEMENT OF PROFIT OR LOSS

For the year ending June 2016

	2016	2015	2014
<b>REVENUE</b>			
Interest Received	7,286	5,434	10,097
Donations Received	628,782	411,063	427,533
Book Sales	152	15	15,926
Other	-	2,649	3,463
<b>Total Revenue</b>	<b>\$636,220</b>	<b>\$419,161</b>	<b>\$502,019</b>
<b>EXPENSES</b>			
Personnel Expenses	488,619	323,472	346,599
Depreciation and Amortisation Expenses	1,674	1,839	1,508
Advertising	768	217	17,596
Bank Charges	1,060	1,328	1,536
Insurance	3,746	3,920	7,418
Postage	-	-	574
Travel	17,162	13,243	-
Printing & Stationary	396	2,204	3,188
Rent & Outgoings	33,529	26,281	19,982
Telephone	5,644	6,066	2,117
Other Expenses	82,763	32,998	104,709
<b>Total expenses</b>	<b>\$635,361</b>	<b>\$411,568</b>	<b>\$505,326</b>
<b>Total Profit</b>	<b>\$859</b>	<b>\$7,593</b>	<b>\$(3,307)</b>



# AUDIT REPORT

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CENTRE FOR POLICY DEVELOPMENT LIMITED ACN 124 425 896

### Scope

#### The financial report, and directors' responsibility

We have audited the financial report of Centre for Policy Development Limited, being Balance Sheet, Income Statement, Statement of Cash Flows, notes accompanying the financial statements and the Director's Declaration for the year ended 30 June, 2016. The company's directors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and errors and for the accounting policies and accounting estimates inherent in the financial report.

#### Auditor's Responsibility

Our responsibility is to express an opinion in the financial report based on our audit. We have conducted an audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability for persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

Our procedures included the evaluation of accounting policies and significant accounting estimates and examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report presents fairly, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

#### Independence

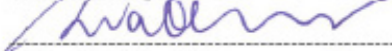
In conducting our audit, we followed the independence requirements of the Australian professional ethical pronouncements and the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Centre for Policy Development Limited on 20 October 2010 would be in the same terms if provided to the directors as at the date of this report.

#### Audit Opinion

In our opinion, the financial report of Centre for Policy Development Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2016 and its performance for the year ended on that date; and
- ii. complying with the Australian Accounting Standards, Corporations Regulations 2001:

Watkins Coffey Martin



Richard Watkins - Partner

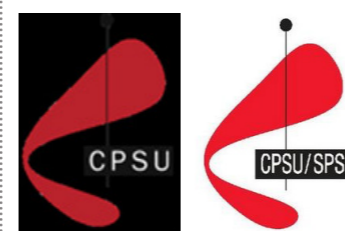
Dated this 6<sup>th</sup> day of October 2016

65 Hill Street Roseville NSW 2069

# OUR SUPPORTERS

CPD's work would not be possible without the generous support of our donors. These include a diverse range of organisations and individuals who contribute financially and in-kind to help create viable ideas from vigorous research, convince experts and stakeholders and connect government business and civil society.

### Effective Government



### Sustainable Economy



- The Digger and Shirley Martin Environment Trust
- Curlew Fund
- Fairer Future's Fund
- The Madden Sainsbury Fund

### Intergenerational Wellbeing



### Core



- Brian and Diana Snape
- Garry White Foundation

We would like to thank the following groups and people who have generously contributed to CPD's work over the past two years, including: Anne Coombs and Susan Varga, Anne De Salis, Beth Mohle, David Day, Jacki Hayes, Robert Partos and Stuart Lloyd-Hurwitz.

We offer special thanks to those who have signed up as Ideas Sustainers and are supporting our work by making a small monthly donation. This group of generous and forward-looking people includes: Christine Paterson, Ian Anderson, Prudence Brewer, Renate Watkinson, and Rory Sutton.



# YOUR VOICE, OUR FUTURE: BE PART OF CPD'S LONG-TERM AGENDA

*CPD is always looking for passionate, enthusiastic and ambitious people to join our national conversation about the direction of Australia.*

There has never been a more conducive time to invest time or resources in CPD. We are currently more productive, influential and sustainable than at any time since our foundation in 2007. In 2015 we have promoted our agenda to military chiefs, captains of industry, senior public servants, independent experts, and former Federal Ministers. There are three ways you can become an active member of our network:

## 1. Become an Ideas Sustainer

Developing good ideas is just the start of our work. The important part is connecting the right people together to discuss those ideas, and convincing the policy makers about why action is necessary.

By becoming an Ideas Sustainer, you generously provide a financial contribution, either a once off or on a monthly basis. This contribution assists CPD to produce high quality, evidence based policy and to engage with the key influencers around the country in order to generate reform for the long-term.

## 2. Participate in the conversation on social media

CPD regularly uses social media to highlight the latest trends across a range of long-term policy challenges. We actively welcome and encourage our subscribers and ideas sustainers to join in the conversation with us online. CPD's twitter handle is @CentrePolicyDev. You can also interact with CEO Travers McLeod (@TraversMcLeod), Rob Sturrock (@RobSturrock\_CPD), Sam Hurley (@samhurley05 and Annabel Brown (@ABellBrown).

## 3. Receive the latest CPD updates and findings

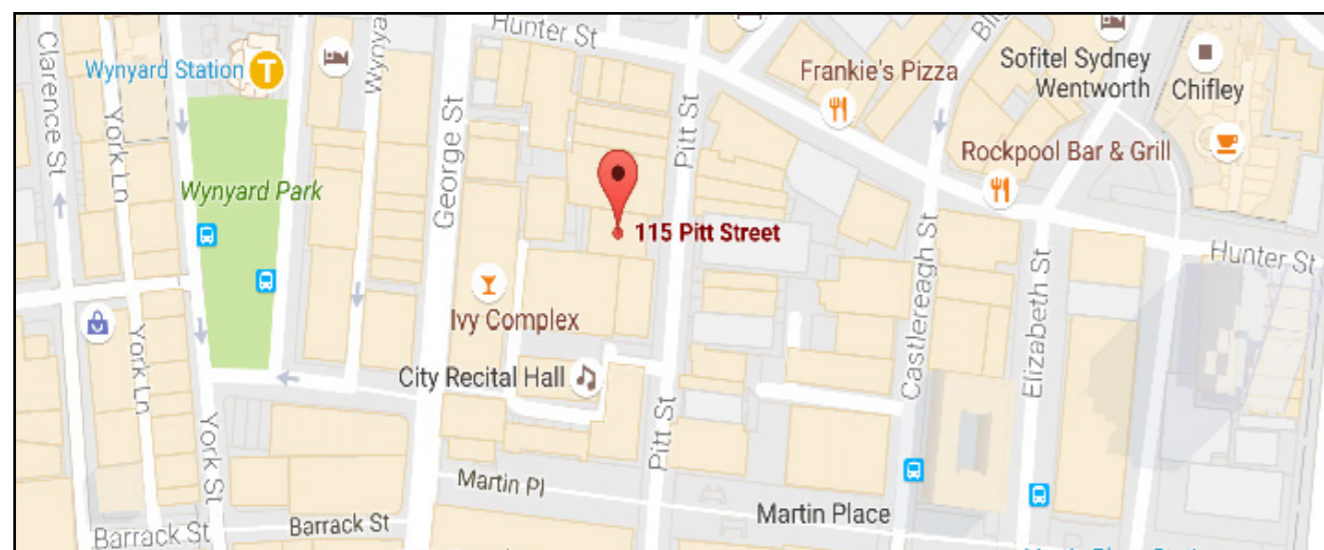
CPD subscribers receive regular news updates on the activities involving CPD staff. By subscribing to our content, you will receive early notice of our events and roundtables, as well as early access to our published material. To subscribe to CPD, simply email admin@cpd.org.au and we will respond to your request.

# CONTACT US

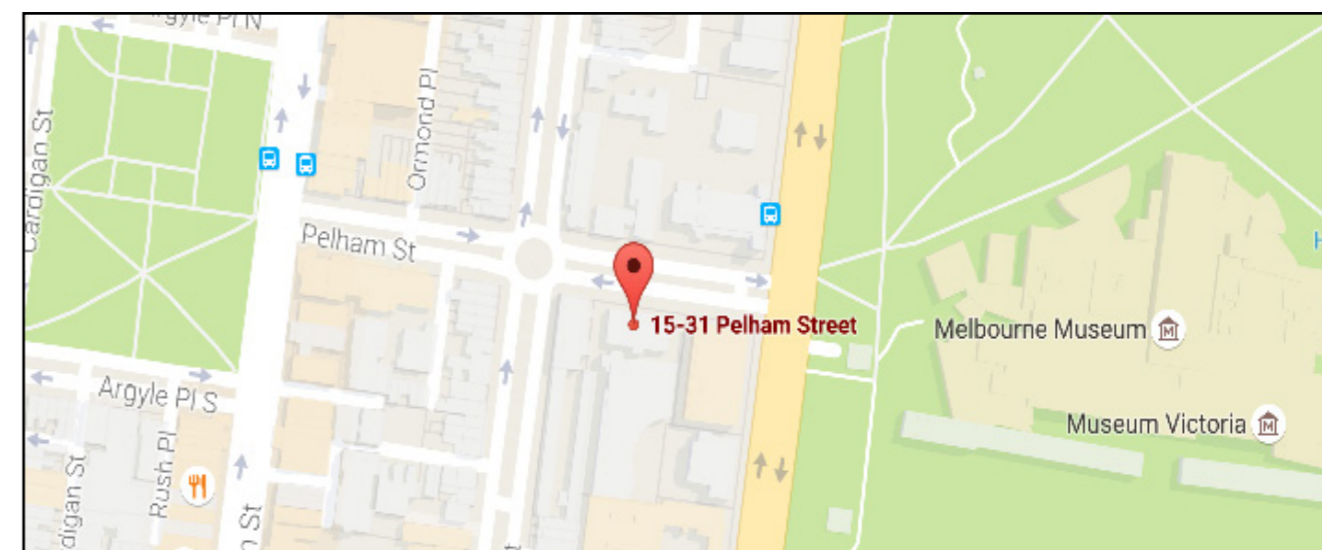
 [www.cpd.org.au](http://www.cpd.org.au)

 <https://www.facebook.com/centrepolicydev>

 @CentrePolicyDev



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