

DIRECTOR'S REPORT



Professor Stephen Sedgwick

The Melbourne Institute provides world-class applied economic and social policy research about issues of contemporary relevance to Australia.

As can be seen from this Annual Report, the Melbourne Institute has been particularly fortunate to have established strategic partnerships with a number of key funders and sponsors which have patiently supported independent long-term research in a number of fields. I want to take this opportunity to acknowledge and celebrate the importance and the variety of these partnerships.

Most of these relationships are with government departments. However, a number are with commercial organisations or non-government entities. We are continually adding to our 'family'. For example, this year we have concluded a new multi-year funding relationship with the National Centre for Vocational Education Research (NCVER), amongst others.

Long-term, strategic relationships contribute to our effectiveness in a number of ways. The financial certainty they provide improves our capacity to hire good talent, and continuity of work allows our researchers to deepen their understanding of Australian data and institutions. Just as importantly our strategic relationships provide a basis for dialogue that enables our researchers to inform and be informed about research issues that are of highest contemporary importance to our stakeholders. They help us ensure that all of our research is relevant and that we remain engaged with our community. We are hopeful such strong strategic relationships can be extended and sustained into the future, despite the difficult

budget environment that many organisations now face.

However, strategic relationships extend to a wide variety of our activities, well beyond the nature of our research. For example, strategic relationships also support our work to develop and publish a range of unique policy-relevant datasets. These datasets notably include the HILDA Survey data, the contract for which was again won by the Melbourne Institute this year from the Department of Families, Housing, Community Services and Indigenous Affairs; plus a range of economic indicators published by the Melbourne Institute's Applied Macroeconomics and Industrial Economics teams, a number of which have been sponsored by the same organisation for many years. Several new publications were added to our existing portfolio this year, including the *Melbourne Institute Monthly Bulletin of Economic Trends*.

Well-established relationships also support elements of our outreach activities to promote research-based debate on contemporary economic and social policy in Australia, and to facilitate public discussion. A highlight of 2008, for example, was the fifth Economic and Social Outlook Conference, hosted jointly by the Melbourne Institute and *The Australian*. This brought together 65 speakers from politics, academia, business, non-government organisations, and commentators and drew a capacity audience. Held in March, well before the onset in September 2008 of the sharp global credit crisis, the conference provided an opportunity to take stock of Australia's framework of economic and social policies shortly after the election of the new government. However, this activity was one of a number of public or semi-public events and seminars, including our regular Forums held in Melbourne and Canberra, and a series of in-house seminars on issues as diverse as skills formation, and the health workforce.

It is particularly pleasing that during 2008 the Intellectual Property Research Institute of Australia (IPRIA) moved to the Melbourne Institute, and is now under the leadership of Associate Professor Beth Webster. IPRIA is jointly funded by IP Australia and the University of Melbourne. It is also a multi-year funding arrangement, which supports research and outreach activities concerning innovation.

Although fully self-funded, the Melbourne Institute prides itself on maintaining high academic standards. We are an academic institution after all. This Annual Report details an impressive list of publications, peer review grants and other indicators of the academic excellence of the work of our dedicated staff. I extend my grateful thanks to all of our people, academic and professional. We could not survive as a successful enterprise without their enthusiasm, talent, professionalism, integrity and flexibility.

Thanks are also due to the long-standing Chairman of our Advisory Board, Tony Cole, and to the other members of the Board — some of whom have been friends of the Melbourne Institute for many years. We very much value their wisdom, insights and continued support.

In 2008 the senior management team began a review of the Melbourne Institute's strategic plan. With human capital issues figuring increasingly in policy discourse, both here and abroad, this review has enabled us to consider how we can work with our established strengths and build our capacity to contribute across a broader range of human capital issues. This review will be taken further in 2009.

We expect 2009 will be another exciting year, with a range of new work coming to fruition as the year progresses. This includes, for example, research on the extent of Australia's integration with Asia; further developments in our modelling capability regarding the operations of the tax and transfer system and general equilibrium dynamic modelling; and measures of the extent of social exclusion in contemporary Australia.

At a time of significant policy challenges across the world — as governments come to grips with the evolving global financial crisis and its aftermath — we at the Melbourne Institute are looking forward to another productive year working with all of our partners and stakeholders.

A stylized, handwritten signature in black ink, appearing to read 'Stephen Sedgwick'.

Professor Stephen Sedgwick
Director