

PROMOTING THE  
**NEXT GENERATION**  
OF AUSTRALIAN LEADERS



ANNUAL REPORT 2018

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## VISION

To inspire and nurture Australia's future leaders.

## MISSION

The Menzies Foundation works to create a vibrant future for all Australians by:

- // supporting the development of entrepreneurial leaders to harness and exploit new opportunities from innovation in science and technology
- // supporting school-based education leaders from all sectors and systems who have the capacity to dramatically improve student outcomes
- // supporting international law specialists who can help shape Australia's response to increasingly complex global issues.

## OBJECTIVES

The Menzies Foundation was established in 1979 to perpetuate and honour the memory of Sir Robert Menzies, Australia's longest serving Prime Minister.

Building on the work undertaken in the previous year, in 2018 we continued to develop our strategic framework to guide our endeavours over the coming years. Due diligence was undertaken to finalise our three new focus areas: entrepreneurship in science; school leadership; and supporting the legal sector's response to increasingly complex global issues, with a focus on cyber security.

During this time of transition, we continued to support talented Australians who had been awarded scholarships and fellowships by the Foundation. We also awarded the final grants to assist health and medical research and supported a range of other initiatives that promote leadership in the community.



To inspire and nurture Australia's future leaders.

## FROM THE CEO AND CHAIR



2018 was an exciting year for the Menzies Foundation. As we reflected on and celebrated the Foundation's first 40 years of operation, we continued to develop the strategic framework to build platforms for our work for the decades to come.

Importantly, this process required consideration of the Foundation's grant making philosophy. It also required a deeper understanding of our Theory of Philanthropy and its implications for the approach we will take to support our three strategic focus areas: entrepreneurship in science; school leadership to support improved student learning outcomes; and supporting law specialists' responses to global issues. Our work in regard to these initiatives is discussed in this Annual Report.



An important focus for the year was the celebration of the Foundation's 40th anniversary. A wonderful dinner was held at the Melbourne Museum to celebrate this milestone, attended by many who have been supported by the Foundation over its first 40 years, as well as partners who will shape and define the Foundation's future. We were delighted to launch a video commemorating our first 40 years and an online resource called *Taking the lead: 40 stories of impact*, which showcased 40 stories that reflect on the achievements of our scholars and the initiatives we have supported over the past four decades.

Another very significant event was the relocation of the Foundation from Clarendon Terrace in East Melbourne to The Commons in South Melbourne. The Menzies Foundation has had a long association with Clarendon Terrace and careful thought was given to ensuring that memorabilia were housed appropriately. We were delighted that the University of Melbourne agreed to archive the Foundation's records to ensure the organisation's historical legacy is preserved.

During 2018 there were a number of changes to the Board of Directors. Peter Jopling AM QC was appointed as Chair of the Foundation in February. Chris Butler joined the Board in December 2017 as Treasurer and Company Secretary. Unfortunately, Chris retired in September due to ill health and sadly died in October. Chris did a significant amount of work to support the Foundation's transition to new investment management arrangements and the Foundation was very grateful for his contribution.

Diana Menzies retired from the Board after 10 years of dedicated service to the Foundation, and her uncle John Menzies joined the Board in February. Kathryn Greiner AO, Tony Surtees and Glyn Davis AC also joined the Board during the year, and the Foundation is delighted that the transition to our new strategic platform will benefit from the experience and wisdom of these eminent Australians.

Additionally, there have been a number of staff changes. At the beginning of the year, Liz Gillies was appointed as CEO, replacing Sarah Hardy. Communications Manager Kate Nolan, who made a significant contribution to the 40th anniversary celebrations and the rebranding of the Foundation, resigned in July.

Most importantly, we would like to acknowledge our donors and supporters who continue to invest in our work. We very much look forward to working with you and future partners to support the leaders of tomorrow.

**Peter Jopling**  
AM QC Chair

**Liz Gillies**  
CEO

## NEW STRATEGY, NEW DIRECTIONS

The Menzies Foundation aspires to support leaders and leadership initiatives with the capacity to make catalytic changes to improve Australia's future.

In acknowledgement of our past, we are considering how best to build philanthropic programs so that our support of future leaders deepens Australia's understanding of leadership in the 21st century. With our partners, we will leverage these insights to build leadership capability across systems.

A comprehensive due diligence is well underway regarding each of our three strategic areas of focus. This process deepens the Foundation's knowledge, gives us a system perspective and helps us to build the right partnerships to best support us in this important work.

Our three areas of focus are:

**// ENTREPRENEURSHIP IN SCIENCE**

**// LEADERSHIP IN OUR SCHOOLS**

**// GUIDING AUSTRALIA'S RESPONSE TO  
COMPLEX GLOBAL LEGAL ISSUES.**





## SCHOOL LEADERSHIP



### **MENZIES SCHOOL LEADER FELLOWSHIP PROGRAM**

Leveraging leadership in schools is critical for school system improvement. Launched in October 2018 following an extensive due diligence process, the Menzies School Leader Fellowship Program is based on a high powered collaboration between the Menzies Foundation, Melbourne Graduate School of Education, University of Melbourne, Angela Mina Consulting and Ernst & Young.

Our hypothesis is that the education system requires a talent pipeline of school leaders who are better prepared for the complexities of leading interventions that will lift student performance.

The Fellowship Program is central to a dynamic incubator process that will develop leadership at the individual, school and system level. The incubator will gather and use insights from the Fellowship Program to develop scalable systemic leadership interventions to improve student learning outcomes.

The Fellowship Program will take each recipient on an integrated leadership development journey over a three-year period. Applications opened in October 2018 for the inaugural 2019 Fellowships. Piloted in Victoria and supported by the Collier Charitable Fund, four Menzies Fellows and one Collier Fellow will be appointed for the next three years.

# LAW AND SCIENCE ENTREPRENEURSHIP

## NINIAN STEPHEN MENZIES LAW PROGRAM

The Ninian Stephen Menzies Law Program will support Australia's capacity to grapple with the most pressing legal issues confronting our nation's future.

During the first half of 2018, we undertook a comprehensive review of the most challenging legal issues in a global context. Having identified and considered a dozen of the most pressing issues, the Board determined that the Menzies Foundation will focus on legal implications of cyber security and resilience, with a particular focus on the Association of Southeast Asian Nations (ASEAN), for the next three years.

The second half of 2018 was spent deepening our understanding of cyber security in a legal context. We consulted the legal sector regarding cyber legal challenges and best practice capability building platforms. We also explored collaborative models to co-design programs to support this work.

We are particularly indebted to AustCyber and the ANU Cyber Institute for supporting us in this journey and look forward to launching this program in 2019.

## SCIENCE ENTREPRENEURSHIP

The Menzies Foundation is committed to raising the profile and importance of support for Australian entrepreneurial science and technology start-ups.

During 2018 we deepened our understanding of science entrepreneurship. We investigated how best to support entrepreneurs in ways that build a better understanding of what helps and hinders Australian science and technology start-ups. We also explored partnership opportunities to support this initiative.

We anticipate we will launch the Menzies Entrepreneurship Fellowship Program in 2019.





## OTHER ACTIVITIES



### LEARNING THROUGH LEADERSHIP

As the recipient of the **2018 Sir Robert Menzies Indigenous Mentoring Fellowship**, Serena Rae Thompson spent 12 months as a mentor to Year 7 students at the Melbourne Indigenous Transition School (MITS). Indigenous students from remote and regional communities attend MITS for a year as a supported transition to city life and high school the following year.

The \$20,000 Fellowship enabled Serena to provide essential mentoring, peer support, and cultural connection to MITS students on a regular basis throughout the school year, whilst undertaking her own studies at university.

The Fellowship helped Serena to further develop her leadership skills through education and governance training. At the same time, she supported the leadership growth of the MITS students themselves through shared experiences.



### SUPPORTING YOUNG ACADEMIC LEADERS

Each year the Menzies Foundation awards the \$10,000 **Menzies Centenary Prize** to an exceptional graduate from Dimboola Memorial Secondary College (DMSC), a small school in country Victoria, to contribute to the cost of their first and second years of tertiary study.

Hard work and enthusiasm paid off for student Sam Polack, who received the 2018 prize. Graduating year 12 as dux of the College, he attained the

highest ATAR any DMSC student has ever achieved, with a score of 99.25. The academic star also showed wholehearted enthusiasm for College activities, especially sporting events.

The Menzies Centenary Prize was initiated by the Foundation in 1994 in association with the Dimboola Memorial Secondary College to mark the centenary of Sir Robert's birth in Jeparit.



## ALLIED HEALTH RESEARCH

In 2018 the Menzies Foundation provided \$150,000 to the Menzies Health Institute Queensland (MenziesHIQ) at Griffith University to support the Menzies Foundation Professor of Allied Health Research position. Physiotherapist Professor Michel Coppieters was appointed to this role in December 2017. One of Prof. Coppieters' research interests is the management of people with persistent musculoskeletal pain.

## UNIVERSITY OF MELBOURNE MENZIES ORATION

The Menzies Foundation has had a long association with the Menzies Oration at the University of Melbourne.

In 2018, a new agreement was developed with the University of Melbourne to align the oration with the Menzies Foundation's new strategic plan. In partnership with the Foundation, the University of Melbourne will host the annual oration with a focus on one of the Foundation's strategic platforms. Holding the oration as a public lecture event will provide opportunities to engage in public policy conversations, with deep relevance to younger generations.

// The Hon. Scott Morrison MP, Prime Minister, Senator the Hon. Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation, and Liz Gillies, Menzies Foundation CEO, with the Prime Minister's XI team. Photo courtesy Penny Bradfield Auspic/DPS.

## HONOURING SIR ROBERT'S PASSION FOR CRICKET

A lover of cricket, Sir Robert Menzies created the Prime Minister's XI concept in 1951, selecting his own team to play against visiting international squads. In memory of Sir Robert, the Menzies Foundation has provided the Sir Robert Menzies Memorial Trophy and the Menzies Medallion since 2005. The trophy is presented to the winning team and the medallion is presented to the man-of-the-match.

On 31 October 2018, the Prime Minister's XI team celebrated a win over South Africa at Manuka Oval in Canberra. Prime Minister Scott Morrison presented the Menzies Memorial trophy to Australian captain George Bailey and Menzies Foundation CEO Liz Gillies presented the Menzies Medallion to man-of-the-match Josh Philippe.

In a speech at The Lodge the night before the match, Mr Morrison spoke warmly of Sir Robert and his legacy as Prime Minister and 'die-hard cricket tragic'.



# ALUMNI

## ALUMNI ASSOCIATION REPORT



As the Menzies Foundation finalised its new strategic direction in 2018, the Menzies Alumni Representative Committee (previously 'Advisory Group') reviewed the role the Menzies Alumni will play in this context.

The Committee provides a formal structure for representatives of the Menzies Alumni to collaborate and innovatively apply their expertise to support to the Foundation in its vision and strategic direction. We thank all our members who contributed in 2018 to the strategic direction meetings. In June 2018, the

committee revised the Terms of Reference to reflect the Foundation's new strategic direction. Our new objectives can be found at [www.menziesfoundation.org.au/alumni/representative-committee](http://www.menziesfoundation.org.au/alumni/representative-committee)

I would like to thank outgoing Chair, Dr Sheree Hurn, for her leadership in this process, and welcome David Bowly as incoming Deputy Chair.

The Menzies Foundation's 40th anniversary celebration in May was a wonderful occasion for alumni to reconnect. The Foundation took the opportunity to release a commemorative book, *Taking the lead: 40 stories of impact*, which featured stories about the work of some of the scholars the Foundation supported during its first 40 years of operation. The diversity of stories highlights the powerful impact our alumni have had in making Australia – and indeed the world – a better place to live.

I look forward to supporting the Foundation in our new direction in 2019, and welcome ongoing feedback from our broad alumni group. Thank you to all the scholars and fellows who have continued to show support to the Foundation in various ways.

**Associate Professor Anne-Marie Hill**

## MENZIES ALUMNI REPRESENTATIVE COMMITTEE MEMBERS

Dr Sheree Hurn, Chair  
Allied Health Scholar, 2010

Associate Professor Anne-Marie Hill,  
Deputy Chair  
Allied Health Scholar, 2008

David Bowly  
Engineering Scholar, 2014

Julie Hides  
Allied Health Scholar, 1993

Adrian McCallum  
Engineering Scholar, 2007

David Riglar  
NHMRC Menzies Fellow, 2014

Deborah Walsh  
Allied Health Scholar, 2001



// The Menzies Foundation's 40th anniversary was a chance for many of our alumni to reconnect.



## CELEBRATING 40 YEARS OF THE MENZIES FOUNDATION

The Menzies Foundation celebrated its 40th anniversary on 18 May with a gala dinner at the Melbourne Museum.

Marking 40 years, the event was an opportunity to reflect on the Foundation's achievements and usher in a new era of significant change.

The dinner was attended by more than 140 guests, including the Foundation's alumni, directors, councillors and partners from the past 40 years, and philanthropists and interested parties who will play a role in the new work of the

Foundation. Menzies family members were also present, along with two of Sir Ninian Stephen's daughters.

President of the Senate, Senator Scott Ryan, toasted the Foundation, and special guest Sir Gus Nossal discussed the need to support entrepreneurial young scientists with Menzies Foundation Deputy Chair Dr John Stocker AO. The event also featured a video about the Foundation narrated by Sir Robert's grandson, Robert Menzies, a performance by Gertrude Opera of a piece written by a young Sir Robert, and an evocative welcome to country.



// Speaking at the 40th anniversary dinner, Menzies Foundation Chair Peter Jopling AM QC outlined the Foundation's three new areas of focus. See pages 3-7 of this report for information about the new strategic direction.



To mark the 40th anniversary, the Menzies Foundation released *'Taking the lead: 40 stories of impact'*, a collection of stories about the achievements of some of the Menzies scholars and fellows over the past four decades, as well as the significant contribution made to the establishment of the four Menzies health and medical research institutes. To download the publication visit [www.menziesfoundation.org.au/40-years-of-the-menzies-foundation](http://www.menziesfoundation.org.au/40-years-of-the-menzies-foundation)

# THE BOARD

The Menzies Foundation is governed by a Board of honorary directors, chaired by Mr Peter Jopling.

## MENZIES FOUNDATION BOARD

**Peter Jopling** AM QC LLB (Melb),  
Chair

**Chris Butler** BCom (Melb),  
BLaw (Melb), CA  
(Resigned September 2018)

**Professor Glyn Davis** AC BA Hons  
(UNSW), PhD (ANU), FASSA, FIPAA  
DUniv

**Kathryn Greiner** AO BSW (UNSW),  
DLitt (honoris causa) (UNSW)

**Harvey Kalman** BEc, Grad Dip App  
Fin & Inv, Grad Dip Acc, CFTP (Snr),  
FAIBF, ACPA

**Professor Simon Maddocks** BAgSci  
(Hons), PhD, FAIAST, FAICD  
Chair 2016-2017  
Sir Robert Menzies Memorial Scholar  
in Medicine, 1987

**Diana Menzies** BA (Melb), Grad Dip  
(Couns Psych), MAPS  
(Resigned February 2018)

**John Menzies** CA

**Terry Moran** AC BA (Hons) (LaTrobe)

**Dr John Stocker** AO BMedSc (Melb),  
MBBS (Melb), PhD, FTS, FRACP  
Acting Chair December  
2017-February 2018

**Tony Surtees** BCom (UNSW),  
MS (Stanford), MAICD

**Dr Sheree Hurn** PhD (UQ), BHSc  
(Pod) (Hons 1) (QUT),  
GradCertAcaPrac (QUT)  
Sir Robert Menzies Memorial Scholar  
in Allied Health, 2010

**Associate Professor**

**Anne-Marie Hill** PhD (UQ), MSc, Post  
Grad Dip Pt, B App PT, Grad Dip Uni  
Teaching  
Sir Robert Menzies Memorial Scholar  
in Allied Health, 2008

There were a number of changes to the Board during the year. Peter Jopling AM QC was appointed as Chair of the Board in February 2018. Chris Butler, Treasurer & Company Secretary, retired from the Board in September due to ill health. Diana Menzies retired after 10 years of service and her uncle, John Menzies was appointed to the Board in February 2018. Kathryn Greiner AO, Tony Surtees and Glyn Davis AC, were appointed to the Board during 2018.

Dr Sheree Hurn completed her term as President of the Menzies Alumni in November 2018, with new Chair Associate Professor Anne-Marie Hill taking up the role. David Bowly is the Deputy Chair elect.

Details of the current Directors' experience can be found on the Menzies Foundation website: [www.menziesfoundation.org.au](http://www.menziesfoundation.org.au)



# GOVERNANCE

## PATRON

as at 31 December 2018

His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) Governor-General of the Commonwealth of Australia

## APPOINTMENTS AND GOVERNANCE COMMITTEE (formerly Board Appointments Sub-Committee)

as at 31 December 2018

- Mr Peter Jopling AM QC, Acting Chair
- Mr Terry Moran AC
- Dr John Stocker AO
- Ms Liz Gillies, CEO

## AUDIT AND INVESTMENT COMMITTEE

as at 31 December 2018

- Mr Harvey Kalman, Chair
- Mr Adrian Lombardo, honorary committee member
- Mr John Menzies (appointed May 2018)
- Ms Liz Gillies, CEO

Mr Chris Butler, Treasurer and Company Secretary, resigned in September 2018.

## STAFF

- Liz Gillies – Chief Executive Officer
- Kate Nolan – Communications Manager (until July 2018)
- Charlie Summons – Philanthropy Intern (February–May 2018)

## COUNCIL MEMBERS

as at 31 December 2018

Professor M I Bullock, AM  
Mr N B Callinan, AO  
Mr M H Codd, AC  
The Hon Sir Daryl Dawson, AC, KBE, CB  
Mr Brian Doyle AM  
Professor T Dwyer, AO  
Ms B G Gibson  
Sir Guy Green, AC, KBE, CVO  
Dr T H Hurley, AO, OBE  
Mr Ross Illingworth  
Mr Brian Jamieson  
Mr C P H Kiefel, OAM  
Professor S Leeder, AO  
Ms S K Mackenzie, OAM  
Professor J D Mathews, AM  
Ms E C Menzies  
Assoc Professor D A F Morgan, OAM  
Professor K O'Dea, AO  
Professor R E O'Hehir  
Professor R Porter, AC  
Mr A P Sheahan, AM  
Professor P L Waller, AO  
Mr M Whalley

Sadly, Prof John Coghlan AO passed away in May 2018.

# KEY FINANCIAL RESULTS

## AUDIT AND INVESTMENT COMMITTEE REPORT

At the end of 2017 Walsh Bay Partners were appointed as the Menzies Foundation's investment managers, which was a significant change in terms of the management of the Foundation's investment portfolio. Walsh Bay Partners assumed effective control of the portfolio from 1 April 2018.

Walsh Bay Partners have worked assiduously during 2018 to: review the Foundation's investment portfolio; reposition the Foundation to have a more global perspective; and reflect an absolute return approach to further the income and capital growth requirements to meet the Foundation's requirements. The Foundation will continue to benefit from a more diversified portfolio, especially in the context of market volatility during 2018 and beyond.

The Foundation's allocation to global equities, property and private investments, along with a generous bequest, assisted the portfolio to grow modestly in value despite the volatile market conditions. By including the bequest of \$500,000 and alternative assets such as private equity and venture capital, as well as property and global equities, the Foundation's portfolio increased by \$450,288 since 1 April 2018.

The investment portfolio increased from \$23,752,093 to \$25,078,682 as at 31 December 2018.

Throughout 2018 considerable work was undertaken to review the Foundation's core grant making activities and associated expenditure to ensure the Foundation maximizes the funds available to support these activities. The Foundation's future budgets aspire to a 65% grant/35% expenditure ratio. Significant cost savings were achieved when the Foundation returned Clarendon Terrace to the National Trust due to the increasing costs of building maintenance.

The Foundation was delighted to accept the very generous bequest from Bob White AO's estate of \$500,000. The Board determined that these funds would be added to the corpus of the Foundation to ensure that this generous gift will continue to support grant making activities in the decades to come.

The Committee will continue to work closely with Walsh Bay Partners to review the current investment markets at quarterly meetings and manage the portfolio accordingly.

The Key Financial Results for 2018 have been extracted from the audited General Purpose Financial Reports of the Sir Robert Menzies Memorial Foundation Limited.

## Key financial results for the year ended 31 December 2018

Income statement	2018 (\$)	2017 (\$)
Revenue from continuing operations	2,207,039	2,422,317
Expenses from continuing operations		
Menzies Health Research Centres	(150,000)	(300,620)
Scholarships and Fellowships	(237,244)	(512,673)
Other memorial activities	(25,151)	(41,692)
Salaries and salary on-costs	(217,134)	(520,822)
Communications and operations	(369,818)	(253,636)
Clarendon Terrace maintenance and repairs	(30,030)	(72,149)
<b>Total expenses excluding gains/losses from financial assets</b>	<b>(1,029,377)</b>	<b>(1,701,592)</b>
Operating surplus	1,177,662	720,725
Realised gain/(loss) on financial assets at fair value through profit or loss	700,008	-
Unrealised gain/(loss) on financial assets at fair value through profit or loss	(2,964,513)	646,117
<b>Total gains from financial assets</b>	<b>(2,264,505)</b>	<b>646,117</b>
<b>Surplus/(deficit)/for the year</b>	<b>(1,086,843)</b>	<b>1,366,842</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(1,086,843)</b>	<b>1,366,842</b>
<b>Balance sheet</b>		
Current assets		
Cash and cash equivalents	1,423,199	3,775,927
Trade and other receivables	221,011	281,333
Investments	25,078,682	23,752,093
<b>Total current assets</b>	<b>26,722,892</b>	<b>27,809,353</b>
<b>Total assets</b>	<b>26,722,892</b>	<b>27,809,353</b>
<b>Total liabilities</b>	<b>96,846</b>	<b>96,464</b>
<b>Net assets</b>	<b>26,626,046</b>	<b>27,712,889</b>
<b>Total equity</b>	<b>26,626,046</b>	<b>27,712,889</b>



## ACKNOWLEDGMENTS



We are grateful for the generous pro bono legal support provided by King & Wood Mallesons throughout the year.



**Australian Government**  
**Department of Education and Training**

We thank the Australian Government for its financial support for the Sir Ninian Stephen Menzies Scholarship in International Law.

### **Menzies Alumni**

We continue to enjoy a productive relationship with our alumni association which has worked tirelessly during the year to provide opportunities for all members.

### **Private donors**

A heartfelt thanks to all our individual and corporate donors who have donated to our work. We are particularly grateful for the generous bequest from Mr Bob White AO's estate.

With your support our work continues to grow.

## DONATIONS

Be one of the early supporters of the Foundation's new direction.

To invest in our work to inspire and nurture Australia's future leaders, please make a tax deductible donation to the Menzies Foundation.

Tax deductible donations can be made:

- online: [www.menziesfoundation.org.au/donate](http://www.menziesfoundation.org.au/donate)
- by direct deposit:

WBC BSB 033 002

Account 376862

(Ref: DONATION and your LAST NAME)

If you would like more information about bequests or other donation opportunities, please call +61 3 9070 3489 or email [menzies@menziesfoundation.org.au](mailto:menzies@menziesfoundation.org.au)



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