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Session on Corporate Philanthropy

**More than shark attacks and tennis players:
the establishment of the Lowy Institute for International Policy**

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Thank you Robert, and many thanks to Michael Stutchbury and *The Australian*, and to the Melbourne Institute, for hosting such an important conference on Australian society.

Someone once said that the problem with society is not the haves and have-nots, but the *give-nots*. Geoff Allen gave a learned account of trends in international philanthropy. That's not a subject on which I'm expert, but I can provide one case study of *giving*: Frank Lowy's decision to establish and fund the Lowy Institute for International Policy.

This presentation is in two parts. First, Frank Lowy's decision to direct his philanthropic impulses into an unusual vessel, at least in the Australian context – a public policy think tank. I don't speak for Frank Lowy, but I was involved in the process, so I can share some observations. Second, I'll discuss the product of his philanthropy, the Lowy Institute itself.

A case study of giving

We heard earlier about corporate philanthropy; the Lowy Institute, by contrast, is a personal initiative, funded entirely out of Frank Lowy's pocket. So let me start with him.

Frank Lowy's story is well-known. He arrived in Australia after the Second World War as a penniless refugee, much of his family having been killed in the Holocaust, and he built one of this country's great businesses from scratch.

As the fiftieth anniversary of Frank Lowy's arrival in Australia approached, he began to consider what philanthropic gift he could make to this country in return for what he called 'the half-century of opportunity Australia has given me.'

Common objects of philanthropy include hospitals and medical research organisations, art galleries and cultural bodies, universities and schools, and community groups. Frank Lowy respects those kinds of causes, and supports them when he can. But establishing the Lowy Institute was a different kind of philanthropic exercise, in direction as well as magnitude.

Establishing the Institute was an investment in ideas. The goal was to help thicken Australia's intellectual topsoil, and in so doing further Australia's long-term national interest.

This kind of initiative is very rare in this country. It is much more common, of course, in the United States, and in fact the idea for the Lowy Institute came to Frank Lowy on a trip to Washington with his son Peter Lowy. Frank Lowy had been impressed with the American tradition of successful individuals establishing institutes to generate and disseminate public policy proposals, such as the Brookings Institution and the Carnegie Endowment for International Peace.

He also believed that international policy was the arena in which a new Australian think tank could make its mark. As Westfield has gone global, Frank Lowy has been increasingly exposed to international leaders and international issues. He has also come to the view that despite Australia's distinguished service on the world stage in all areas of human endeavour, recognition of Australia's international role does not register as highly as it should, either here or abroad.

When I first started working on the project, Frank Lowy expressed this observation to me in his direct and intuitive way. He told me he was sick of opening the newspaper in New York or London and finding the only references to Australia were stories about ‘shark attacks and tennis players.’

The establishment of the Lowy Institute for International Policy was announced in mid-2003, and we were delighted with the response. Both the Prime Minister and the Leader of the Opposition welcomed the announcement, and a spokesperson from Philanthropy Australia described it as the ‘largest single commitment made to one organisation in Australia.’ Denis Tracey from Swinburne University of Technology commented that Frank Lowy’s approach was ‘a lot more strategic’ than some other examples of philanthropy. May I say, as a policy junkie, that I thought the commitment was far-sighted and exciting, and I feel fortunate to be involved.

About the Lowy Institute

Our challenge at the Lowy Institute is to make a contribution to the development of Australia’s international policy, and the broader international policy debate, that is commensurate with Frank Lowy’s great gift to the Australian people.

The Institute has a broad focus and ambitious goals. Our objective is to undertake policy-oriented research and analysis about the world from an Australian angle. The subject matter of our work will be all those international events – political, economic, strategic – which affect Australia and its future. In Frank Lowy’s words, the Institute’s aim is to help ‘connect Australia to the international marketplace of ideas, and combine academic rigour with real-world nous to achieve this.’

The Lowy Institute has a very distinguished Board of Directors, consisting of Frank Lowy, the Chairman of the Institute; Ambassador Martin Indyk, a former Australian now at Brookings; Ian Macfarlane, Governor of the Reserve Bank; Professor Bob O’Neill,

formerly of Oxford University; Rob Ferguson, formerly of Bankers Trust; Professor Ross Garnaut, of the ANU; and Peter and Steven Lowy, from Westfield. An International Advisory Council is also being established to provide on international issues. The Council will comprise eminent policy practitioners and business figures, including the President of the World Bank, James Wolfensohn and the President of the International Peace Academy, Dr Rita Hauser.

The Executive Director of the Institute is Allan Gyngell, a former senior diplomat with very wide experience in international policymaking, and the author of this year's book from Cambridge University Press, *Making Australian Foreign Policy*.

The Institute's research program will be directed towards informing policy outcomes. Accordingly, our research and events will be directed at several audiences. The first of these is the Australian community. We start with the firm conviction that the success of Australian international policy depends on the engaged attention of an informed Australian public.

Second, we will seek to be relevant to Australia's international policymakers by drawing their attention to emerging issues and problems, broadening debate and offering practical options for action. Third, in line with Frank Lowy's conviction that Australia has a distinctive and valuable contribution to make to the international community, the Institute will have a particular interest in helping to project an Australian voice into the international debate about foreign policy.

We will serve these various audiences through published reports, a mixture of formal and informal seminars and conferences, and liaison with the media. We believe that being located in Sydney – an international city, a business capital and a popular travel destination – gives us significant advantages in reaching our audiences. Having said that, we will pay particular attention to Canberra, where many international policy decisions are made and where a critical mass of Australia's international policy expertise is located. We will also direct a number of our programs to other cities in Australia, and indeed international capitals as well.

In conclusion, we hope the Institute will come to be seen as an essential part of the nation's intellectual infrastructure. I think it is great news for the Australian philanthropic sector that Frank Lowy is backing ideas like this – and I hope that we'll see other private sector leaders take a similarly generous and strategic approach to giving back to the country.