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Is the COVID moment a time for reform? Discussion

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Abstract

Prof Knight: Our final session today is on reshaping Australia's institutions. My task today is to invite my colleague Julianne Schultz to moderate this session. Julianne is the Professor of Media and Culture at Griffith University and Chair of *The Conversation*.

Prof Schultz: Thank you, Eric. I would like to introduce Dr Martin Parkinson, who is one of the two panellists in this session. This session is going to be slightly different from the rest of the day, more a discussion between myself, Martin Parkinson and Professor Anne Tiernan, who is behind the border in Queensland. And while Anne could have travelled to Sydney, she couldn't get back to Brisbane without going into quarantine for two weeks. She's a very loyal Queenslander, but that was a price too high.

Like the other presenters I would like to acknowledge the traditional owners, the Gadigal people of the Eora nation.

This conversation is about how to use the COVID moment as a time for reform, how to use this crisis to think quite fundamentally about the big issues of governance and public organisation and so on. Before we start I would like to note that I found the Governor's welcome this morning, speaking in language, to be profoundly moving. That she should do so in this place, at the epicentre of colonisation in Australia is particularly noteworthy. That the state's governor would speak, acknowledging traditional owners using their language, sends a very important signal that we are ready for quite big changes in this country, even though we remain rather diffident about it.

So in that context we are going to be discussing how to use a crisis. As Professor Genevieve Bell said earlier, this is a liminal moment. The question is how we might emerge, what opportunities are there to re-establish new ways of doing things or ways of really building on the strengths of the past, to create something which maybe fosters a new normal going forward.

The pandemic has really reminded us of the importance of good governance and of capable and appropriately responsive public sector institutions in fulfilling the state's duty of care to its citizens, economy and society. The discussion that we are going to have is going to develop that. I must say that I thought the presentation and discussion from the New South Wales health people earlier today really was a great indication

of the capacity of a well-resourced, well-thought-out and capable public sector to step up to the mark in a really profound way. And I found that description that Teresa Anderson gave, about how the organisation of the New South Wales public health sector had actually operated, was a really powerful model of what might be one of the best things that we might take forward.

In this discussion, we are going to talk about that. We'll talk about the strengths and weaknesses that have been revealed by the COVID X-ray, the lessons and new opportunities for reform, and reflect on our capacity to create the sort of society and the future that we want to have in the future. The challenge goes beyond recognising the problems and the opportunities. The bigger task is really how to mobilise that collective ability and willingness to act to address them. The failure to do so will have ramifications for generations, but the right response has the potential to set the country up in a really strong way to look further for the future.

This is not a crisis to waste, and the cost of failure could linger for generations. Success could be transformative and set the country up to really thrive. In starting that discussion, let me introduce our guests. Martin is most recently the head of the Prime Minister's Department and is now Chancellor at Macquarie University, amongst a number of other important roles. And Anne Tiernan, whom you can see on the screen — hello, Anne — is the Dean of Engagement in the Griffith Business School at Griffith University. She's a member of the Board of the Museum of Australian Democracy and occupies a number of other important public policy positions.

I'm going to start by just reading a little quote that comes from an Anne Applebaum's terrific new book *Twilight of Democracy*. She wrote, "Throughout history, pandemics have led to an expansion of the power of the state. At times when people fear death, they go along with measures that they believe, rightly or wrongly, will save them, even if it means a loss of freedom."

In Australia, there was a consensus that people needed to stay at home, that quarantines needed to be enforced, that police needed to play an exceptional role. But in some other countries, fear of disease became another inspiration for a whole new generation of authoritarian nationalists. My opening question to Martin and to Anne is: what has surprised, excited and disappointed you about the Australian response? Martin, we'll start with you.

Dr Parkinson: Thanks, Julianne. And as someone who lives on Ngunnawal country, allow me to associate myself with an acknowledgement of country that was given by our colleagues earlier, and extend that to people who, from wherever they are around the country, are on Aboriginal land.

I think it's worth separating two issues. I'll focus predominantly on the economic, rather than the social issues, that COVID has just opened up. It's worth separating the economic crisis from the medical crisis that initiated it. If I think about crises, it's useful to think of three lags. The first is the recognition lag. How long does it take policymakers to realise something is occurring and they need to change course? Then there's a reaction lag or gestation lag. How long does it take them to work out what it is that they should do? And then third, there is a response lag. How long does it take for

their actions to begin to have the impact that they're attempting to create?

So, if I think about the medical dimension of this crisis, I think we were very, very quick to recognise the emergence of, what we believed to be, the Wuhan-based virus. And remember, the Australian government closed the border to people from China on the 1st of February. And I think it was about the 3rd or 4th of February before the WHO declared that it was a pandemic. So government was very quick to recognise. They were very quick to react, and by this, I mean both the Commonwealth and the states together as the Federation, they were very quick to react and to put in place policies to settle on an approach of trying to bend the curve, not eliminate the virus.

Putting Victoria aside for a minute, I think the speed with which the policies they put in place actually had impact was really quite remarkable in the circumstances. I say put Victoria apart because I think it was inevitable we were going to have "a Victoria." It was going to happen somewhere, because, by the very nature of the virus, there would be some form of secondary breakout. Now, could Victoria have done better or worse? Clearly, it could have done a lot better. We've lost a lot of Australians because of those circumstances.

But if you think about the medical side, I've been really excited and surprised by how quickly we moved and also by the reliance on expertise and the trust that the community has put in to the chief medical officers when they've been standing up there talking about what needs to be done. And I put that down to a couple of things. Like Shane Fitzsimmons and the other fire chiefs back in December and January, they treated the Australian public like adults. They were open with them. They were transparent with them. They gave them data. And what happens? The public responds by putting trust and faith in those people. And I think that is a lesson our political class needs to take away from this. Treat the public as adults, share with them what the issues are in an open and honest way, rather than trying to spin it for short term political advantage. And ultimately, you will get — you'll find yourself in a better position.

If I think about the economic crisis, those same three lags, we were very quick to recognise the economic implications. We were seeing the public sector designing Jobkeeper and Jobseeker within days of recognising what was going on. So the recognition of the economic consequences, which were going to be severe, was very quick. The reaction was very quick and the response to that dimension of it was very quick.

Now there is a separate set of issues which came about with the budget, and I'll come back to those because they're in the disappointment bucket. I was really pleased to see the embrace of fiscal activism rather than the fixation on the budget surplus. The budget surplus fixation was arguably sensible policy in a different set of circumstances. Circumstances changed. The political class changed. You know, it's that classic thing: why did you change your mind? Well, the facts changed, sir. They did the right thing.

I suppose the other thing is, I think the thing that's pleased me is the recognition with Jobseeker, that we can't really go back to the sorts of unemployment benefit levels that we'd had prior to the crisis.

And quickly, on the two disappointments.

Prof Schultz: Save the disappointments. We'll bring Anne in on the pleased and the surprised and delighted, and we'll wrap

up disappointments together. Anne, what excited and surprised you about the Australian response?

Prof Tiernan: Thanks, Julianne, and good afternoon everybody. I'm from Jagera and Turrbal country on the edge of the Brisbane River here at Southbank. Sorry not to be able to be there. What surprised me? I work with the public sector every day in different jurisdictions around Australasia. So I wasn't surprised by the latent capability for innovation, a lot of which Teresa described earlier today. But I was delighted that the rest of the country got to see this and to appreciate that capability and expertise that exists in the public sector.

Martin talked about the speed of the response. I'm really pleased that the X-ray has revealed the kind of hidden wiring that really drives our public policy system, our Federation, and the Australian Health Protection Principal Committee, for example. None of us knew what the acronym AHPPC stood for, but we do now. It is an incredibly powerful mechanism for insight, early warning, access to data, information and evidence and projections around the epidemiology of the pandemic. That has pleased and surprised me, the level of innovation. Martin referenced the community as co-producers of outcomes in this, and I think that has been extraordinary. I think it's something that governments often don't think about — the public as co-producers — and they've really demonstrated the capacity to do that.

The other thing that surprised me, while it lasted, was the big effort that political combatants made to try and put their differences on a leash. And you could see what a struggle it was, Julianne. It lasted for a while through national cabinet before everybody reverted to their same habits again. I'd be keen to come back to a conversation about habits and cultures in terms of what we need to get through the crisis. But I've seen some amazing things in terms of cross-sectoral partnerships. Teresa alluded to some of that as well in terms of the public, private and community sectors working together. There's been some extraordinary examples of that and real social innovation and individual communities stepping up and stepping in to do things and work together. These are pretty strong foundations from which to take some lessons from the pandemic.

Prof Schultz: Martin, let's just flip it now to a couple of the disappointments.

Dr Parkinson: Right. Disappointments. I think we have to set two tests for the fiscal stimulus, and we're not in a position to judge yet because arguably we can run through until the May budget next year to see what comes next. But the two tests were the economic response — is it likely to generate jobs and growth in the short term? Arguably, yes. I think it deserves an absolute pass mark there. You can argue about the composition at the margins, but I think they've done a pretty good job. Second question, much more open-ended. Does the fiscal stimulus — and think about the magnitude of this, we're going to end up with a debt to GDP ratio heading towards 50 per cent and over a trillion dollars' worth of debt — position us better for the future? If we're going to spend all that money, does it position us better, either because we're more innovative, we're more productive or we've set ourselves up to deal with a big problem, e.g. climate change? To date we haven't seen that money being directed to those sorts of issues.

Second issue is that the composition of the stimulus: to date that has been what I

would see as akin to fighting the recession of the early '90s. It's predominantly gone to areas where the professions or the occupations are predominantly male-dominated. And yet the initial hit — and I say initial because this will change over time — the initial hit has been on areas dominated by women and young workers. And so there will be very long-term consequences on the gender wage gap, the difference between male and female superannuation balances. If you're starting out in the job market today, you're likely to have lower lifetime earnings than if you'd started out even just a couple of years ago.

Prof Schultz: Anne, before I go to you, I just want to follow through this little bit with Martin. You've been in those very senior jobs as head of departments in Treasury and Climate Change, and Prime Minister and Cabinet. Throughout most of your career, money has been tight, it's been about balanced budgets. No new policy could be implemented if it needed "new money" essentially. All of a sudden there is lots of money, money's not the problem. And I'm not asking you to criticise those who have succeeded you in the role, but I'm just wondering how, in that sort of environment, in the Treasury, Prime Minister and Cabinet office environment, could you have argued for different outcomes along the lines that you're suggesting? You're saying that, in a way, the budget response has addressed a short-term problem rather than set us up for a longer-term outcome.

Dr Parkinson: Look, I don't want to be critical because you're in the midst of a crisis and so often, in the midst of a crisis, your horizon is really close to your face. And so going for the traditional instruments, it's not an unusual response. But this was the first budget ever to be put together without a budget constraint. Once you decided it didn't matter whether we were going to have a $150 billion deficit or a $200 billion deficit or a $250 billion deficit — and it didn't because once you are in those ballparks, we're talking the economic differential — the long term is neither here nor there. I would have liked to have seen a real clear focus on how does this set Australia up for the future? And that could have been fostering innovation, accelerating digitization and automation or, encouraging — and there's been a little bit of this, I'm not saying there's none — but encouraging faster response in the climate change space or modern manufacturing, or fill in whatever it is that you're most interested in. And I'd say, if I could, my third disappointment has been the revealed attitude towards the higher education sector. It is not just the creative arts.

Prof Schultz: Education is a crucial one. So — and, Anne, I'm going to come to you in a second — I just want to follow this through for a few minutes. You say that when you're in a crisis, you deal with what you've got in front of you, and that is an obvious pressure and constraint. But this is something which is completely different, so the ballpark changes. I'm just interested in the process by which the advice that becomes available and where you draw it from in those roles. In a way the limitation is the available advice, and I say this in the context of the Royal Society and the Four Academies where there are very different disciplinary bases. There are people who come at these big problems from many different disciplines. It seems to me that the advice that filters through to Canberra now, and has done for a long time, comes from very much a narrower economic base than

you would get if, for instance, you drew on the full range of sort of intellectual resources from the humanities, the sciences, the technology sciences and social sciences. I wonder whether that is part of the problem in terms of the thinking being short term, that the frame a bit too narrow.

Dr Parkinson: No, I actually disagree with the premise. You're getting advice from the social welfare departments, from the Health department, from Human Services, from Social Services. You're getting advice from the Industry department. We've had a National Innovation Strategy but it hasn't gone very far. We have had a Digital Economy Strategy, but it hasn't gone very far. The reason these things haven't gone very far is because the political process hasn't wanted to pick them up and run with them. Now you can understand why government might not have prioritised that in a world where the budget constraint is binding, but in a world, where all of a sudden, the budget constraint is no longer binding, you would really have hoped that there'd been a much greater focus on those long-term things.

I'm quite confident, because I know the people who have done this work, that governments — and I say this, both Commonwealth and State — have received that advice. You can see it overseas. Look at the difference in the composition of our fiscal response and of that of some of the Europeans, where the Germans alone have put a massive amount of money in to accelerate the transition to a more hydrogen-based economy. They've really focused on how — and not just Germans, Europeans more generally — they've really focused on how do to actually position themselves better to succeed in a low-emissions world as we come out of this.

Who knows who wins the US presidency? But Biden's been quite clear: if he were to win, he'd be drawing on elements, similar elements. And in a way, we look like the odd one out in that we haven't done much in that space. It is not the case we haven't done anything. We have, because we've put a little money into the technology roadmap, and we've put some sensible investment into improving the transmission links. But we could have done a lot more and positioned ourselves a lot better. But to do that, you would have had to have changed your language, your narrative about coal. You would have had to change your narrative about when are we going to aim for net zero by, insert what year you want.

Prof Schultz: Okay, thank you. Anne, two things, you might want to respond to what Martin's just said and then come back to your disappointments, or the other way around.

Prof Tiernan: My disappointments would be not dissimilar to the line of questioning that you've pursued with Martin, really, Julianne — the personalisation and narrowing of the advisory arrangements. The National COVID-19 Commission is one example, the limited thought diversity of the people who were drawn into these different commissions and task forces is an issue. Then, the stubborn resistance to contestability or scrutiny and accountability of those bodies. Martin has understandable confidence in the capacity of the APS, as I do too. but I think it would have been really nice to have some lived experience from people in lots of different places instead of people suddenly being surprised that aged-care homes were really vulnerable and in shocking shape. The only person who didn't seem to know that was the minister at Senate estimates when he got

asked about it. There are a bunch of vulnerabilities that everybody knew were problems. What's disappointing is the extent to which it's been impenetrable.

Martin points rightly to the lack of effective demand for advice that's not consistent with preferred ways forward. That there is so little in these stimulus and support programs for women, I think, it is scandalous, and similarly for young people. I'm not as good natured as Martin is, and I really agree about the extraordinary way the higher education sector has been dealt with. If you're actually serious about setting up the country for knowledge and skills, and other opportunities that might exist at the place level to create prosperity in lots of different parts of the country that haven't enjoyed it over the last period of time, then those are very short-sighted strategies.

There is something about the architecture of our advisory arrangements and how vulnerable they are to the whims of political leaders of whatever colour, to filter out anything they don't want to hear. I think, to some extent, the success of the public health response might be masking some of those problems. There's a lot of goodwill to go around at the moment, but there are real questions to be asked as we get to March when the stimulus support is planned to stop.

I suppose my other disappointment is the extent to which we have accepted these tropes of: people have lost their jobs, through no fault of their, presumably people previously lost their jobs through some fault of theirs. I think there's a bunch of things that I still don't like in the discourse that I think will come to a head if we get to March and there's an attempt to put Jobseeker back to where it was at the Newstart level, which is just wholly inadequate. There are a whole bunch of other questions about very fragmented, damaged delivery systems, aged care just being one of the most spectacular. What will be the ways in which those will be dealt with? Will it be similarly piecemeal? That is my concern.

Prof Schultz: There's a strong contrast, isn't there? If we're thinking about being forward looking, the importance of the education sector is obviously crucial. And there's a very strong contrast, I think, between the resources, the capacity and so on that have been thrown at the health system and the medical research community, by contrast with the support for the higher education sector. I'm just interested to try and understand this. I'm sure everyone in this room is dealing with this one way or another, in terms of the cuts to the universities, the huge numbers of people that we are seeing lose their jobs, the lack of opportunities for young academics, as well as the increased costs for young students. I'm interested in how important and how damaging you think that targeting of education has been in terms of creating a new future, for creating a new normal. What do you think the consequences of it might be? And I guess in a way, maybe you have some insights into where it's come from?

Dr Parkinson: If I've got any insights, they'll stay with me. But, look, I think there was a view in parts of the political process and in parts of the business community that universities — and I'm not saying this is right, but there is a view — were fat and complacent, that they had big reserves, they were profligate and they indulged in a whole pile of "research," in inverted commas, that was going to do nothing about helping Australia's future.

And to be frank, I suspect that part of the response has been opportunistic, that's because of the departure of international students, this is a chance to put the screws on the universities and force them to actually engage more with business, force them to get more efficient.

I don't actually disagree that much of the university sector is inefficient. I also don't disagree with the argument that the university sector has taken on a lot of risk with the way it's come to rely on international students and particularly international students from China. My response is that under both Coalition and Labor governments, these were the incentives that governments put in place for universities to respond to.

And, yes, you [the government] don't like the outcome. Well, congratulate the universities for acting rationally in response to the incentives you put there. If you didn't like that outcome, you should not have put those incentives there. And please don't tell us that you didn't know this was the obvious outcome because you've been told, and you've been told time and time again.

The flip side is, I think the university sector is absolutely, utterly hopeless at engaging with government as a sector. Not individual universities, some are very good, but, as a sector, it's hopeless in engaging with government. The university sector has an incredible sense of entitlement. And frankly, there have been parts of the universities which have looked down their nose on engaging with business because that's all a bit dirty and beneath them. I think one of the things that will come out of this is that we have imperilled a $38-billion-a-year export industry, our third largest. That has been imperilled. I can't undo what's been done there. What I can do as a chancellor is work with vice chancellors and other chancellors, and people like my dean, Eric Knight here, to try and drive better engagement with government, so government has a better appreciation of what universities are actually doing, a better appreciation in the community, and better appreciation and engagement with business and community groups.

Prof Schultz: Anne, you're very involved in that business engagement through Griffith University. What's your take on all of this?

Prof Tiernan: Look, I really agree with Martin on both sides of that debate. I don't think universities have always been very good at doing those kinds of things. And I think the other thing I point to, Julianne, is that the federal government has seemed incredibly surprised that it was in charge of higher education policy and has shaped these incentives and outcomes in lots of ways. But I think that state governments have been a bit missing in action, too.

As we all know, there's no real policy home for thinking about the universities as platforms for economic activity. I mean in terms of their sheer size, resources, capability, what big employers they are, what big purchasers they are. I work in the engagement space at a university that was set up to be an engaged one and has a proud tradition of doing that, but at time the times didn't suit us. That seemed like not where we needed to be heading. I'm pleased that we stayed the course at Griffith. But I don't know that state governments and the universities and local governments, frankly, have thought enough about the ways in which, if they align their procurement, if they thought about their local workforce strategies, they could come together as anchor institutions to really shape some fan-

tastic outcomes. That's a lot of the work that we're interested in doing. I know a number of other Australian universities are interested in doing that, too.

That seems to be understood by local federal MPs. The unis have to get better at communicating that. I'm really worried about the loss of talent in the very precarious early years of academic careers, of what will happen to talented young researchers. The volume of those that will be lost in the period ahead is quite tragic. And you can't just flick the switch and bring those kinds of careers back, unfortunately.

Dr Parkinson: Can I just add to that? Look, I agree totally with Anne, that's where the big risk is. The one thing is, the sector has got to stop complaining about the situation we're in. We're in it, we can't undo that, so now we've got to make the very best of it, and that means actually stepping up and doing things and being more innovative and taking risks and moving out of our comfort zone. In that respect, we're no different to any other part of the community in the way we're going to have to respond to this new environment.

Prof Schultz: It's very interesting because I'm sure you're both right in your analysis, I don't quibble with it at all, but it does strike me that there is something particular about education, as indeed with the cultural sector that we've been talking about. Education — whatever the inefficiencies and arrogance and what have you of individual universities or universities as a group — they have objectively succeeded. The incentives they were given as the funding was reduced, they responded to rationally, created a market, as have so many other sectors. Our export market has grown primarily with China across all sectors of Australian industry, the universities have responded in that same way, they've made a business. Similarly in the creative and cultural areas. people have made businesses. They've made businesses which have been quite successful and have sustained the sector. What I think has taken people, both in education and in the cultural space, by surprise is that at the base of both education and culture is a purpose. The purpose is about building capacity, it's about creating meaning; they are both about making meaning which is also an economic activity.

It is particularly striking that the two sectors which have been most directly affected by political decisions in this round have been the ones which have been in that space of making meaning and having a clear public purpose. Reflecting back on what Peter Hobbins was saying this morning, about the Sydney University professors in the early days walking around the city, and finding the treatments or ways of dealing with the early pandemics and diseases in the colonies, the university professor was a sort of adjunct of the purpose of the state.

And what we are now seeing in both of these areas is somehow that that purpose bit of education has been cut off or ignored. It is as though they have been punished for being successful in the financial and economic space, and the purpose of education to increase human capacity has been lost sight of. I don't know, it's just an observation.

Dr Parkinson: I think it's actually a good observation. I won't talk about the creative sectors, but I think the universities in part lost sight of their role of purpose and stopped articulating. I think there's a presumption — and I'll be blunt — "don't you know how important my work is? Therefore, the Australian taxpayer should fund me."

Well, actually, there is a person who is sitting at Mount Druitt earning minimum wage and living in crappy housing, so why should I as a politician prioritise giving money to you, an academic, when I could equally be giving it to improve their health, their education or their housing experience?

Prof Schultz: But we're not in a zero-sum game anymore.

Dr Parkinson: Well, no, no, no. But we —

Prof Tiernan: I was going to say, they didn't really do that either, Martin.

Dr Parkinson: No, no, no. I'm not saying that is the way they've thought about it. But if we want to win that argument, we've actually got to get back out there and explain the purpose. And saying our purpose is to educate people to go into jobs, well, no, that's only an element of it. Our purpose is to educate people to be good citizens, yes. But at some point, there's got to be an economic dimension to it. So how do you actually think about those economic dimensions? And that's got to come back to engagement of the academy with business. Now, I think the medical research side of the higher education sector has done that so much better than other parts of the universities.

And interestingly, you don't see that degree of tension when it comes to funding medical research, but you do see it when it comes to other areas. And the more you go into the humanities space, that tension becomes sharper and sharper. And I think that is because it has become almost fashionable for both ends of this debate to sit there and throw rocks at one another and not try and find a common ground. It's too easy. The two camps are entrenched. Coming out and trying to find middle ground requires effort, and neither side has been willing to do it.

Prof Schultz: I want to say something but, Anne, I'll let you go first.

Prof Tiernan: Well, I was going to say, I'm always sort of bemused. I don't disagree with Martin, that I think universities need to work harder to articulate their purpose. And I think you don't see the kinds of collaboration that, say, joint appointments or embedded activity that the medical research and training sort of allows in other parts of the universities.

But I must say, a lot of the culture war against universities is framed through the student politics experience of the very narrow group of people in parliament, or in cabinet, who tell these stories of the great wars they fought on campuses. That's not the reality at my university. Students don't have time to be doing that stuff. That was a luxury that the hyper-partisans were learning so that they could progress through the ministerial staff system to become ministers themselves. It's just deluded that that's what's happening on university campuses. But it is a very entrenched view and not — when we were framing this session, one of the things we didn't want to do was admire the problem too much. It absolutely is a problem. It is really incumbent on all of us to sort of see if we can find a way past it to articulating purpose.

I think that is a massive opportunity. What we're seeing now, in terms of the public health capacity, in terms of the testing regimes and capacity, is all about partnerships that were forged between government, business, the health systems over a long period of time. Every crisis this country has ever had where we found a solution and a way out of it was multi-sectoral in its response. If we're talking about post-war reconstruction, or we're talking about

modernising Australia through the 1980s and '90s economic reform, academics and researchers were really important players. As were business and other players in politics and the public service. This is why I'm so worried about the narrowing of these advisory structures, because it's just too selective and you can filter out anybody you don't want to hear. And that's evident in the packages that we can see.

Prof Schultz: It is interesting when you think back to the sort of founding principles that guided the growth of the universities. It was about the nation being more than a firm, you know, so it was about building the capacity across the board. When you talk, for instance, of the family at Mount Druitt struggling to hold body and soul together, the data show that people in those households, their aspiration for their kids not to stay there, they want them get opportunities to get an education that opens other doors for them.

You see that in the surveys that are done of the mining communities in Central Queensland, that they don't actually want their kids to be working in the mining industry. They don't see that as something that's got a long-term future. They want the pathways that broaden out. I think that that the sort of polarity that has developed between good doctors and bad humanities people, which we're all sort of vaguely aware of shapes some of these responses. Of course, doctors are good. That's is why they take a Hippocratic oath. They can save us. They have the power of life and death. It is the unique proposition that attaches to medicine. So it sits on its own pedestal.

The notion that by drawing on the resources of history, of philosophy, of religion, of studies of the humanities and social sciences we might actually inform the richness of the human response. There is a perception that somehow or other that is of less value in the sustaining of human life. In the short-term, of course, the medical knowledge comes first. You are going to give me the drugs that will save me. The longer term, that is probably not sufficient. It's going to be that extra thing that's going to make the difference.

Dr Parkinson: I don't disagree at all. And I think Anne touched on a key part of the problem, which is — and I'm on the public record, I've said this before — I think our political class has been narrowed. Just look at the experience set of people now. Compare them back to, say, the Hawke government of 1983, or go back even further and just see the more disparate sets of experiences. Too often now, kids go to university, they play university politics. And what do we know about that? It's the old Henry Kissinger thing. The reason why it's so vicious is because the stakes are so small. They learn winner-take-all approaches and they parlay that into a junior adviser's job or electorate officer job, and they become an adviser or senior adviser, and they parlay that eventually into some sort of pathway. They might have a few other steps out in, typically a law firm or some government relations, or, on the Labor side, they've gone into the unions. Then they come back. But they've learnt a set of behaviours when they were more formative, which they then carry through into national politics.

The other thing I'd say is that what we've seen in the last 15 years or so has been the injection of behaviours that have been, unfortunately, have become more common in state politics in Australia into the federal scene. And those two things are, I think,

quite corrosive for us. But anyway, while it's interesting, we're digressing.

Prof Schultz: But that does raise the question, in terms of thinking about where the new opportunities might lie. If this is a genuinely transformative moment, like the Great Depression or like the end of the Second World War, if you were trying to think, well, what are the opportunities, how might you go about imagining a restructuring, a reshaping, where do you want to be? A couple of questions. One, what might that look like? But a prior question in a way is, where would you begin to have that conversation apart from here? Anne?

Prof Tiernan: Well, there's been a bit of talk about the federation and how well or otherwise the federation has performed in the crisis. I think there's a whole series of questions that relate to decentralisation, devolution of responsibility, recognition of the subsidiarity principle. What we know is that Australia is diverse and becoming more diverse and to accommodate that diversity and difference was why we've got the design that we've got.

But we need to find ways of tapping local knowledge and insight in the way that the pandemic has revealed we need to do. We need to normalise and institutionalise that. And that's pushing against 30 years of centralisation backed up by the vertical fiscal imbalance between the states. One of the things, Julianne, that we haven't had a chance to talk about is the role of essential workers in this crisis, and how the roles of people doing that really important work need to be valued.

Now, these are the people who work for state and local governments and often who are performing those kinds of roles, and there are frontline roles in the federal government too, of course. I think there is something about getting power and responsibility and opportunity and capacity out into the different and diverse parts of the country. And that will take be a big shift of habits and cultures. I think people can see that their community, how things have been organised, that this level has been really important. How do we sustain that? What are the mechanisms we can put in place to sustain that rather than going back to business as usual? And we haven't got time to kind of talk about the national cabinet and what might be good about that, but also what might be weakening about that as well.

I think it's all about subsidiarity, non-absorption, putting things back out and keeping these communities, and their willingness to be co-producers. We talked about data and insight about what's going on, on the ground and being able to match those things up in terms of local action. Everywhere that the pandemic is being handled badly there has not been enough local capacity. There was too much trying to be done from the centre, as in the UK, which is the classic example. We need to think about the partnerships that exist in different places to accommodate the very different needs that have been exposed and have probably been there all along.

Dr Parkinson: Just to add to that, the data that's available and the technology now allows you to move away from one-size-fits-all approaches. And if we're really serious — people have talked about it for years — let's embrace, citizen-centric design. Well, if we're really serious about it, we've now got the data, we've got the technology, to deliver it. And the circumstances are sufficiently different geographically and across different cultural groups, across different

socioeconomic groups that we should actually start putting much more emphasis on pilots and fail fast. Have a go, fail fast. The problem is, our whole culture in Australia is, if you fail, then forever you've got a big black mark on your forehead. Contrast that to the US: as an entrepreneur, if you fail, if you try something and you fail and then you try something again, the first thing people ask is what did you learn from your failure? Whereas in Australia the response is, well, why would we? You failed once. Why would we want to back a loser? That cultural dimension is pretty important.

Prof Schultz: I think you're absolutely right, but the other side of that is that we have perpetual trials. We have short-term grants. We have the systems that — things that are put out but not followed through. People do something, they get it up, they do it. They do not get it to a sustainable practice, but they get it to the point where it is almost ready to go and it stops, and then nothing: it disappears. A few years later someone will say, let's do a trial in this area again. I mean, I, in my own experience, can probably count a couple of dozen examples where that's happened, where things have been done as a trial, and then closed down and then come back again as another trial.

Prof Tiernan: Yeah, I really agree with that, Julianne.

Prof Schultz: They haven't failed, but they've never gone anywhere, not be implemented to the point of sustainability.

Dr Parkinson: I couldn't agree more. And that's particularly acute in Indigenous affairs. The flipside, though, is the experience of NDIS. The National Disability Insurance Scheme was set up in a series of trials. Geographic areas were going to do different things. We were going to learn. We were going to make sure that, because we'd absorb those lessons and then we'd roll it out, that it would work much better.

What happened? As we started, people here were saying, hang on, that person there is getting something I'm not getting, that's not fair. The political class put on pressure to abandon the trials, abandon the "let's learn where the problems are going to come from" approach and jump immediately to trying to offer it to everybody. That's fine if you can actually provide the supply. But part of what the trial was about was how do you actually build the supply of resources and facilities to match what will be the growing demand? And so, again, as citizens, our impatience and our sense of equity was being insulted —

Prof Schultz: And a noisy public response.

Dr Parkinson: A noisy public response.

Prof Schultz: A noisy and ill-informed public response.

Dr Parkinson: Yeah, exactly. But so much of what happens now is politicians hear the megaphone, but they don't know how many people are yelling into the megaphone. And more often than not, it's a very small number of people who are yelling into that megaphone. And so they politicians are responding to social media.

If you look in the climate-change space, the proportion of people who really, utterly disbelieve the science, as an absolute you'll never be able to change their mind about anything, is minuscule. I mean, it might get to 10 percent of the population. But they're disproportionately influential in the media and in particular parts of the media, which are influential with the political —

Prof Schultz: In our very shrunken media.

Dr Parkinson: Shrunken media.

Prof Schultz: Anne, you wanted to say something?

Prof Tiernan: Yes, I really agree with that. There are these tensions between the expectation of universality and sameness and equity and accommodating different requirements in place. But I'm really interested in the potential to be aggregating capacity and resources at the place level, or closer to where people are from the different sectors. I always get really frustrated when — it doesn't matter what tier of government it is — they decide to open a new office with a boundary that overlaps somebody else's but doesn't align. I actually think there's a lot of scope, and maybe this is a role for universities, Martin, in terms of thinking about aggregating local capacity as a platform from which to do a variety of things, of a shared information base with a good understanding of the local context and trying to build local capacity to do that.

What I'm worried about is that there are these cycles of fashions of — it'll be all about the place, or it'll be all about this or that. And then there'll be turnover and churn and the institutional memory of what's happened before will be gone and there's no history. And people will want to start again. I think it's really incumbent on citizens and people who have thought quite hard about the experience and what the pandemic has taught them, to be thinking about demanding these kinds of things from decision-makers. We've got a lot of unfinished business, don't we, in terms of reforming the constitution, local government recognition, the Uluru Statement. There's the republic debate that many people are kind of keen to reanimate. There's a whole bunch of issues that that we need to talk about as a nation. What's the catalytic opportunity to do that in a way that isn't divisive, that is inclusive and doesn't break up into the usual camps?

Dr Parkinson: Can I just back that in? I think one of the great things about the changes in the Closing the Gap strategy has been the emphasis on place. We've been trying to edge up to that and localised data and people on the ground being able to actually play a key role in determining what needs to be done is absolutely central.

But if we come back to the question of COVID and its impact more broadly, one of the things that's really interesting — and to me it's a two-edged sword — is the whole phenomenon of working from home.

Working from home could have some real benefits. It's about localism. It's about strengthening community. You live, you work, you participate in the community. You have your children educated, whatever, all in a geographically constrained area. That could be really good for mental health and social cohesion and a whole variety of things. But the social cohesion could well be at a micro level and the macro social cohesion could be eroded because I am spending more and more time with the people I have nearby — I've self-selected into a place where everybody who is there looks like me.

Equally, if you think about working from home, there is going to be some really big implications for how we do housing design, how we think about the risk shift and the cost shift. The risk shift is the OH&S risk, which is now sitting at home with you. The cost shift is the electricity and heating and the like, that the employer used to provide, it's sitting at home with you. What does that then say in terms of compensation arrangements?

Prof Tiernan: The care shift.

Dr Parkinson: And then there's the other thing: does working from home simply mean that women end up taking on even more of the domestic duties than they do now? The other thing in all of this is to remember that working from home is a white-collar phenomenon. It might impact on all of us and it could be advantageous, or it could be disadvantageous, but if I'm a blue-collar worker or if I'm in the personal services sector, I've still got to go to the building site or the factory or the café or wherever. I'm not getting the benefit of that. And so it's not to me the panacea people are presenting it as.

Prof Schultz: Did you want to add something, Anne?

Prof Tiernan: No, no, I was just really agreeing that I think that's right. And I think there's a lot of potentially stranded assets, too, in CBDs and built-up areas. I think there's a lot of concern about that as well.

Prof Schultz: We're going to take some questions?

Prof Knight: I think we've come to time, so maybe —

Prof Schultz: Oh, sorry. I thought you wanted me to go on and then —

Prof Knight: No, no, that's fine. Pass around the conversation on the panel.

Prof Schultz: Okay. What will we do as our last topic? We have many left here. I think that one of the things, just pulling together a couple of the comments that you were making earlier. I think we've all got good reason to feel quite proud of the way Australia has responded to this. The way individual citizens have responded and how we responded as a community, it's actually been an exemplary set of behaviours over a trying time.

And so that level of trust in government, public services and expertise is quite high. The question is how that higher level of trust can be maintained and built on to create something better in what is going to be a very volatile global environment. We're looking at a situation with China where it looks like Australia could well be the demonstration project of China's power.

Who knows what's going to happen in the US with the outcome of the election there? Europe's very fragile. Britain is no longer able to provide us with meaningful guidance.

We've demonstrated that the community is resilient, that it has got trust, it's got capacity and is willing to actually take that extra step. How do we play that out in a global environment where our normal sources of guidance and advice are not really looking like places you want to take a lot of guidance and advice from and where it is much more volatile. And that's before we add in climate change and the other things which are going to be profoundly destabilising. How do you see this playing out in that global context? We've got some good opportunities. But how do we measure it?

Dr Parkinson: Yes, this is one of those things where I think we and a handful of other countries have the opportunity to improve perceptions of our domestic operations, if you will, because of the way in which we've handled the virus. And I think in terms of Korea, Taiwan, Japan, Singapore, New Zealand, Australia, and the Asia Pacific looks like a blip compared to the failures of Europe and the United States.

There are two things we have to think about. One, internationally, is any coordination on challenges of the global commons is going to be harder going forward than it has been in the past. You started off with the questions of what excited, surprised and what disappointed us. What I should

have said in the disappointed space is this is the first crisis I have seen in my lifetime where there has not been some attempt at a coordinated or, if not coordinated, at least collaborative, global response. Think about SARS, MERS, H1N1, think about Ebola, think about the GFC and the role that we probably glossed up a bit on Australia's role, but we played a pretty important role.

Think about the G7 and the role it played — go back to the recessions of decades earlier. Yet there's been no international response. Yes, scientists have worked together. Medical researchers have worked together. Businesses have worked together. But nations have not. And that's a reflection of two things. One, the United States not being prepared any longer to pay the price of global leadership or global coordination. It created the system and it no longer believes in, or at least its current leadership no longer believes that it is getting a fair return from that investment. And then you've got a China which is unwilling to lead, is incapable of leading. Then you've got a whole pile of other players who are big enough to be disruptive but not big enough to step in and replace that US coordination role.

I think the multilateral system — and I've said this elsewhere, and here I'm really channelling my friend Alan Gyngell — the international order is no longer under threat. The international order is gone. It's destroyed. And the question is, how is that going to constrain Australia's ability to take decisions around trade, economic investment decisions, migration decisions, foreign investment policy, national security? We are going to be in a world where this is the most contested part of the world and we are going to spend more on national security. And to the extent that we are going into this with much higher debt, that is going to put real pressure on our ability to spend in other areas.

The second thing, coming back to domestic issues, is economists love to talk the concept of creative destruction. One of the things that happens in a recession is you wipe out a lot of inefficient firms and, in your classical economics model, those workers immediately transform into other jobs that have magically appeared. We know the world doesn't work like that. Never did. You run the risk of, as you withdraw either the stimulus or Jobkeeper, throwing people onto the scrapheap too early if the economy has not yet picked up enough to be able to begin to generate jobs that will absorb those people.

How we navigate that and the tension of having to wind back fiscal stimulus is going to be really, really difficult. The one thing is there is no inflation on the horizon. I can't see in the foreseeable future — and by that, I mean many, many years — where inflation is a problem. So, it does allow the central banks globally to focus on keeping interest rates low. And that means that we can fund the fiscal stimulus that's been injected globally. But what it does mean is that we are going to need to find new instruments. And, where there are pockets of pressures emerging, we're going to have to rely much more on regulatory and particularly macroprudential instruments. And that has not been a space in which we have been particularly comfortable historically. So, I think they're two interesting perspectives.

Prof Schultz: Anne?

Prof Tiernan: I really agree with all of that, but, you know, at the same time, we've totally divested our investment in our diplomatic capacities, so we're carrying big

diplomatic deficits. That doesn't seem like a very smart thing to have done in terms of a time that's so dangerous and difficult and requires really good insight.

I think the opportunity of the climate transition, the transition to low carbon is one that is being embraced even in the absence of any coherent national policy leadership. And poor Martin has had to endure having done all that proactive work and having things in place, only to have them dismantled through the political cycle.

I think we'll see a lot more subnational collaboration around some of that stuff. The New South Wales government is doing some really aggressive work on decarbonising the economy. I think everybody's wishing the Queensland government would do that — particularly in light of the Deloitte report that came up on Monday (Philip, 2020) that showed that 70 per cent of the new jobs will be created here — or otherwise it'll just be a complete disaster. I think the way policy gets catalysed and the way some of these shifts are made will be a lot less centred than they have been in the past. They'll have to be, because we can't endure another wasted decade, it's just too dangerous.

One hopes that the capabilities around smart regulation, or some of these other skills that we haven't necessarily maintained, can be can be activated quickly. But, there's a number of areas of policy where we may not have what we need and so how do governments partner with other sectors in order to get where we need to go? And citizens just really need to be making that demand.

On the social cohesion front, Martin, while you were talking about the generational divides, some of the reports we're seeing of how pessimistic young people are about their prospects are really very concerning. I would hope that, just as Australia was a democratic innovator back at the turn of the last century, we might be able to leverage off that history and energy We might be able to kind of get off our humility wagon and hold ourselves up as a bit of a beacon. But we'd have to hold ourselves to some high standards.

I do think the fundamentals are there, and the holding centre of Australian politics has been clear. Unemployment will really strain that. And particularly in parts of regional Australia, where it's not implausible that right-wing extremist groups and other groups become very disenfranchised. And it doesn't take that many. The Scanlon survey (Markus, 2020) is showing at least some of that already, even if it is modest it doesn't take much to grow. People need to feel like they've got a stake and need to be involved. And that's what this country always did so well. That it seems to me, is the big policy opportunity.

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