

Summer Reading List for the Prime Minister - Melbourne

Grattan Institute launched our annual Summer Reading List for the Prime Minister at the State Library of Victoria on Wednesday 4 December. Lucy Turnbull joined Grattan's CEO, John Daley in a discussion of the List. Now in its fifth year, the List contains books and articles that we believe the Prime Minister – or indeed any Australian – will find stimulating over the break. They are all good reads that we think say something interesting about Australia and its future. And they make terrific Christmas gifts.

Panel: John Daley, CEO, Grattan Institute
 Lucy Turnbull

Host: Sue Roberts, CEO, State Library of Victoria

SUE ROBERTS: Good evening and welcome to the State Library. I'm Sue Roberts, I'm CEO and State Librarian here at the State Library of Victoria and it's my great pleasure to be with you with this evening to host the annual Grattan Institute *Summer Reading List for the Prime Minister*. And as you can tell, as somebody who has not been an Australian resident for that long, I'm going to learn a lot this evening. I'd like to welcome our distinguished guests John Daley and Lucy Turnbull, and I'll say a little bit more about them in a few moments. I would also like to acknowledge that we are gathered on the traditional lands of the Kulin Nation and pay my respects to their elders.

Tonight we are gathered to hear what promises to be a lively and interesting discussion on a number of books especially selected as part of the *Summer Reading List for the Prime Minister*. When it comes to books, public debate and ideas, this event couldn't have been held in a more appropriate setting. The State Library, as you will probably know, is the oldest public library in Australia and actually one of the oldest public libraries in the world. It is also one of the most popular and most visited. The State Library has also been a site of robust civic debate with regular lectures and forums on a range of topics, a place where people feel safe to express the broadest range of views, and we see that a lot on our forecourt where people express the broadest range of views on most weeks. The Grattan Institute, as you know, provides a platform for public debate and public engagement. It is one of Australia's most respected public policy think tanks providing independent, rigorous and practical solutions to some of our country's most pressing problems. It runs six policy programs: Cities, Energy, Health, Higher Education, School Education and Productivity Growth.

I'd now like to introduce tonight's guest speakers.

John Daley is the Grattan Institute's Chief Executive Officer - although he did say to me he'd much prefer to be the State Librarian, we can't arrange that John, sorry – and one of Australia's leading public policy thinkers with 20 years' experience spanning policy, academic, government and corporate roles at the University of Melbourne, the University of Oxford, the Victorian Department of Justice and consulting firm McKinsey & Co. and most recently John was the Managing Director of E*TRADE at ANZ leading Australia's second-largest online stockbroker.

Our other special guest Lucy Turnbull is a businesswoman and company director and Chair of Prima Biomed Ltd and Deputy Chair of the Council of Australian Government City Expert Advisory Panel. She was Director and Chair of Web Central and is now a member of the board of Melbourne IT and the Redfern Waterloo Authority. Just in case she had any spare time, Lucy was Sydney's Lord Mayor 2003 to 2004 and Deputy Lord Mayor 1999 to 2003, and she served as a councillor on the City of Sydney Council from 1999 to 2004. She has been active in the not-for-profit sector and is currently the Chair of the Salvation Army City of Sydney Red Shield Appeal.

So I will now hand over to John and Lucy to outline what informed the choice of the works on the list that we have in front of us and what messages government can take away from them. There will be time towards the end for questions from all of us in the audience and, as this event is being recorded, we'd ask that you wait for the microphone before introducing yourself and asking your question. And for those of us interested in adding to our own personal library, Readings has a stand this evening outside where we can purchase the books which particularly take our attention. So I will hand us over to John and Lucy.

JOHN DALEY: Thank you very much Sue and, of course, it's an enormous privilege to be here at the State Library. By way of introduction in terms of the list, a little bit of history. The idea for this first came to Grattan Institute four years ago, more or less towards the end of our first year. One of the people who worked for us, and still works for us, Jane-Frances Kelly had at one stage actually worked in the Cabinet Office in Whitehall and they had really participated in the, I gather, quite extensive debate amongst the various public servants there about what books would be actually put into the Prime Minister's case as he went on holidays and apparently they really did give him a number of books to go away and read on his holidays. And, of course, in the United States there is an annual game that goes on about what it is that the President is going to take away to read over the Christmas holidays and an enormous amount of debate about whether or not that is or is not appropriate.

I'm delighted to say that in Australia we don't by and large know what it is the Prime Minister has read over the holidays and I actually quite like that. I think it's one of those things, a little bit like voting, you're entitled to read whatever you like over the Christmas holidays and if it turns out to be Agatha Christie, frankly, good luck to him, he probably needs the break. But the object of this list was for Grattan Institute, as an institute very worried about Australian public policy and how we can do better, to think about if you had a bit of time over the break and you wanted to read something that was relevant to policy and to politics and, at the same time, really well-written and written over more or less the last year, what might that be?

So those are the rules we set ourselves. It's got to have something to say to politics and to policy, written more or less in the last year and, most importantly, well-written. We go through a complex process of inviting submissions from all sorts of people, a very complex voting process internal to Grattan Institute which ultimately results in one person having the casting vote on all books. But I did want to acknowledge while we're here tonight two of the people at Grattan Institute who actually do most of the hard work around this, Julie Sonnemann and James Button who put a lot of work into creating the long list, creating the short list and then creating the document you have in front of you, which is the sort of bluffer's guide to the books.

So that's by way of background and maybe if we turn to the first of these books, Ian McLean's *Why Australia Prospered*, essentially it's a book of economic history. I know that sounds like a really dry topic and I will confess that of all the books there it's probably the driest book but, on the other hand, it's a topic really important. As Mark Twain said, "History doesn't repeat itself but it sure as hell rhymes" and I think you can learn a lot from it. Like any history, I suspect you take away many different things. Lucy, what did you take away from it?

LUCY TURNBULL: Well, I took away from it that it is a book whose time has definitely come, so it is an amazing work of research and intensive research and learning and understanding that's been provided here. And it's a very dense book, I have to warn you, the font size is dangerously small, and it's dense in the way that it treats the topic, but I don't think economic historians are often light-hearted comedic kind of characters. But it does take a very, very long range, serious look at what Australia's

great advantages and competitive strengths and disadvantages have been through history starting with, of course, maybe not so much here and certainly not in South Australia, but starting with having very cheap and forced labour in the form of convicts which actually gave us an advantage. Then we went on to develop a great strength and competitive capacity within the agricultural and pastoral industries with sheep and wool in particular, then gold.

But then what I found most intriguing was the way in 1890 – and Victoria was at the epicentre of this problem – the economy kind of peaked and we had a very, very tough time in the collapse of the housing and finance bubble from 1890 really up until 1938. Our growth rates were much lower than the rest of the world. Argentina was outstripping us. The US was outstripping us incredibly in that early part of the 20th century. We really lost a lot of momentum and a lot of mojo at that time, so it's interesting to look at that. And another thing that's fascinating is that the Second World War was a real boom time for us. Our GDP grew by 26% during the war and it had only grown by 5% from 1914 to 1938, which is incredible when you think about it. So we did have a very long time when we didn't do so well and we've got to be careful that that never happens again.

JOHN DALEY: Yeah. And the other question of course that he's interested in is why is it that Australia was the richest country in the world in 1850 and 1890 - and we forget we were incredibly wealthy - and his underlying question is, given that dip, why did we actually manage to stay there and why have we remained again today an extremely prosperous country? So he explicitly draws these comparisons with places like Canada and Argentina that have had relatively similar histories or relatively similar economic histories, particularly through the 19th century, and asking to what extent was Australia lucky and to what extent did we make our own luck?

LUCY TURNBULL: And I think another thing that's actually quite interesting is that he points out how the resources sectors in Canada and the US had a dynamic relationship with the manufacturing sectors there and the industrial sectors there. For example, in Canada the forestry industry led to a lot of industrial capacity in forestry and timber and paper. In the US their energy source, their coal was concentrated around the Great Lakes and so that was the source of energy that fed the industrial boom in the late 19th and early 20th century. And, of course, they had an oil rush in Texas and the southern US, so the resources sector had a dynamic relationship with the industrialisation of the country which was never the case here.

JOHN DALEY: I think one of the other things is that he does talk about the policy decisions that got made at various stages, and some of them seemed very small at the time but turned out to be really big in retrospect. So for example, he talks about the way that in the 1850s Far North Queensland essentially wanted to set up a system of indentured labour essentially getting very cheap labour from the South Pacific to come and work the sugar plantations of Far North Queensland. And the only reason that it didn't happen was that a bunch of bureaucrats in Whitehall essentially said "We don't think that that's a very good idea" and essentially just stopped it from happening.

And of course in retrospect, if that had happened we might well have wound up with an Australia, at least to Far North Queensland, that looked an awful lot more like the Caribbean than Queensland in terms of the economic decisions that were made during the 1980s in terms of economic reform of Australia and see how that set up a lot of current prosperity. And, again, those decisions could have come out very differently and the history would have been different.

LUCY TURNBULL: And the big advantage of course, I think we're all aware of it, but the big geographic advantage we've had really since the late '40s, certainly the mid-50s and beyond, is being

geographically close to the industrialising countries to our north, especially to Japan then Korea and now China. So our geography, having been a massive disadvantage, is now a key competitive strength.

JOHN DALEY: The other sort of theme that runs through the book, apart from economic growth of course, is shifts in equality. And we forget that Australia not only was one of the wealthiest countries in the 1850s/1890s but was also one of the most equal. And he points to the somewhat almost random decision around mining rights. I mean, we never think about these little things. Because the Australia government or the various colonial governments set up mining rights that were, I think, eight yards by eight years, incredibly small, it essentially meant the benefits of the mining boom of the 1850s were really widely spread and consequently Australia wound up much less unequal than many other places, saw a decline in inequality the whole way through the 1980s and since then it's been rising again. But again, you see how these kind of economic and policy decisions wind up at times being almost accidental but the having these enormous impacts. Of course, we could have made very different decisions.

LUCY TURNBULL: Exactly.

JOHN DALEY: And that brings us perhaps to the next book, *The Blunders of our Governments* by Anthony King and Ivor Crewe. I love the way that they define blunders. A blunder is anything which is so bad that people on both sides of politics in retrospect are somewhat ashamed of what happened. It could never happen here, could it Lucy?

LUCY TURNBULL: Well, I think the next thing that needs to happen is the cost of you John or somebody else should actually do a survey of blunders in Australian political life. It's a very bipartisan operation making political blunders, but it's actually good to actually look back at some of the blunders that have been made. And, of course, a lot of the ones referred to are in the UK which we would know about, obviously not nearly as much as people who lived through it in the UK, the Poll Tax being one, this massive investment in IT for the National Health Scheme which was supposed to cost 2billion, ended up costing 30 and they walked away from it at a cost of \$20billion.

JOHN DALEY: We'd never do that would we?

LUCY TURNBULL: But it shows the way these mistakes happen and the way the mistakes happen is because you don't obey the cardinal rules of not making blunders. And those rules are basically you have to make sure all the right people that are necessary to make an informed decision are in the room; that the right information is available or easily available in oral or written form, that's a fundamental thing; you've got to have the right people there, so you can't have kind of a bunch of so-called insiders deciding what's a great thing to do and then excluding a whole lot of people. And the Poll Tax in the UK, which destroyed Margaret Thatcher's government, was a result of two of her key ministers, Nigel Lawson the Chancellor and Michael Heseltine, not agreeing with it but, rather than speaking up and being part of the initial decision or not decision, they just sort of stayed away and in the process a really bad series of decisions were made.

And there are lots of other ones to talk about, but you've got to have the right people in the room and you've got to have a discussion which people can challenge what people are saying. One of the other interesting things is PowerPoint is not the way to achieve that. PowerPoint is an instrument of group-think domination. So be very careful about people who want to persuade you with PowerPoint, you are likely to reach a crazy decision.

JOHN DALEY: Indeed. You hear that history of how they made the decisions around the Poll Tax and it's almost, dare I say, a bright bunch of management consultants walk in with their PowerPoint, convince the assembled room of half a dozen people that they've got a good idea and off it goes. And then it was seen to be too late to ever stop the whole thing again.

LUCY TURNBULL: Yeah, and the whole issue of how consultants are used and often all the decisions nobody actually owns, there's often not a strong client in government. Basically they say "Okay, well let's do that" and then there's no continuous oversight or involvement by the political leaders in how it's going, whether it's on-track, off-track. It's a wonderful series of case studies and vignettes of what not to do and I think it's really essential reading for anyone who ever wants to go into politics, anybody who wants to work as a political staffer, anybody who works in the public service, because it is a salutary sort of warning, warning, warning, this could happen to anybody and it does in government.

JOHN DALEY: These are all things that happened in the United Kingdom, so we can learn from their mistakes without having to feel guilty that we made them.

LUCY TURNBULL: Yeah. But some of the biggest mistakes weren't visible because the media didn't report them, like the Metronet PPP fiasco, because it was so complex and convoluted and hard to understand that nobody really dived in to how hopeless the whole thing was. So, complexity actually drives out transparency a lot of the time.

JOHN DALEY: And that was a fascinating one. I was certainly unaware of it, but the UK government essentially privatised a chunk of the Underground, it was labelled Metronet, at least in theory on the basis that the deal would be that the private investors would upgrade various bits of the Underground. The conservative estimate is that that entire exercise which, for a whole series of reasons, was a disaster probably cost the British taxpayer about £20-£30 billion. Now, it's quite a lot of money to drop on an essentially misguided attempt in that particular case to privatise something without really thinking it through. I think that's the other thing that for me really comes through is how often the objective gets lost.

LUCY TURNBULL: Yeah.

JOHN DALEY: People have a bright idea but as they're trying to implement it they lose sight of what are we really trying to do here, if they were ever clear about it. And there's a lovely example around the Millennium Dome where no-one every quite really nailed what it was that they were trying to do and the thing just grew like Topsy, became incredibly expensive.

LUCY TURNBULL: But now it actually works beautifully. It's been sold to a private consortium and it's like a really good facility, but at the time it was a complete catastrophe. Another thing I found interesting John is that Gordon Brown, the Labour Chancellor, actually was responsible for initiating and driving two of the biggest blunders in the book, one being the Metronet thing which was inspired by his intense loathing of the incoming Mayor of London Ken Livingston, so it was really all a "get Ken" program, and the other one was the tax credits, that was entirely his idea, and I think he was a big supporter of the individual learning accounts. And it's a real example of the fact that you can bungle three things beautifully, make three beautiful blunders, you know, textbook blunders as we can see in this textbook, and fail upwards and become the Prime Minister.

JOHN DALEY: There's clearly hope for all of us. That brings us maybe to the next one which is Tyler Cowen's book about *Average is Over*. So this isn't so much a blunder as a worry about what might come next. This is a book that's been widely discussed in the United States. President Obama was

asked that question on air about it and actually answered the question in a way that suggested either 1) he had read the book or 2) he had been very extensively briefed so it could appear as if he had read the book. But either way, it's certainly garnered a lot of interest.

I guess the basic thesis of the book is that with the rise of computing power, with the rise of various electronic devices, there will be a group of people who are good at using them and good at controlling them, good at programming them and so on, and they will do really, really well. And then really everybody else will struggle and consequently average is over, the people at the top will do much better and essentially everyone else will struggle. Is it plausible?

LUCY TURNBULL: I think it's plausible but thinking about it, following the discussion we had in Sydney last night, I think some of the bold statements he makes where he said that maybe 15-20% of the population will be on the top and the rest will be at the lower end of the spectrum. My own observation is that I think most young kids, really the test is whether you can manipulate and manage and use your smartphone really well. And in my opinion I would say most young kids have smartphones, so most young kids demonstrate the skills and the capacity to be part of, I guess, the digital mechanised age.

So I'm not as gloomy about the future as he is because basically what he's saying is if you're smart at using mechanised instruments – and the smartphone's the best example of that – you can get ahead and you'll do well. It's a mindset, you have to have a conscientious mindset, you have to be persistent and you have to value continuous education and learning, but you don't necessarily have to have a PhD or a Master's Degree or anything like that. It's actually got a very, I think, positively meritocratic and open-ended approach to the skills that you'll need to succeed in the future.

JOHN DALEY: It may be that one of the things that he's reacting to is the things that are already happening in the United States in terms of trends. And we've already got a situation in which the share of profit that's going to labour as opposed to investors and entrepreneurs is falling and falling rapidly; we're seeing a very substantial rise in unemployment; we're seeing a particularly substantial rise in unemployment amongst those with lower levels of education. And I think one of the distinctions is we're not really seeing much of this in Australia. We are seeing an increasing profit share going to capital rather than labour, but we haven't seen a big divergence in incomes and, whereas educational outcomes in the US have been stagnant, in Australia we've seen an enormous jump in the percentage of the population getting tertiary education. So it may be that he's responding to those trends in the United States that are already visible there and, for whatever reason, are not visible?

LUCY TURNBULL: Yeah, and I think as a consequence of the great recession in the US, typically people have been fired from middle class jobs, sort of, office, clerical kind of jobs. He's basically saying clerical-type jobs are not going to exist anymore so a lot of these people have had to take a big downward shift in their earning capacity and worked in much lower-paid jobs, which is a terrible consequence of the great recession. So in order to get out of that track you just need to, I guess, be part of the machine and the digital age is essentially what he's saying.

JOHN DALEY: Of course, that takes us to education and Amanda Ripley's book about *The Smartest Kids in the World*. So this is a book that looks at the three experiences in particular of three American students who go to be school students in Poland, in South Korea and in Finland. So they go to these countries, receive very different educational experiences, and Amanda uses that as a way of looking at what's going on in the American education system, what's going on in these education systems and what can we learn from that? It's a particularly apposite thing for Australia today, of all days,

because today was the day that we fell behind Poland in the international tests on education. So whatever they're doing in Poland, it's working better than whatever we're doing here at least on some dimensions. Did it frighten you this book?

LUCY TURNBULL: In one way it did frighten me but it actually gave me enormous hope because the situation in any given country can shift for the better very quickly. And the experience in Finland, actually in Canada, in Poland and – well, Korea's always been pretty good, but in places which she doesn't delve into so much, our comparators I guess in the geographic sense, the Hong Kong education system has just streaked ahead in recent years. So improvement is possible even if our rankings are low now. And what she says is that improvement doesn't depend on a straight money in outcome. There is no direct cash in/outcome out relationship. You actually have to change the way the school system is run to the extent that you have to give the Principals of schools much more autonomy in hiring and firing teachers; you have to actually inculcate – and this is what the Fins did – a much greater respect for the teaching profession; you have to make it harder for teachers to go to university and to be qualified as teachers; and you have to have a very stringent approach to testing kids. In the US they don't have the equivalent of a VCE or the HSC and that's a very important part of trying to measure quality.

So you can change things if you do the right things, but it doesn't mean that change is easy. But I think that the latest results show us that we've got to get on the program of changing things and that there is no direct relationship between increased investment, as there has been in Australia over the last five to ten years in education, and better outcomes. So we've got to get smarter about the way we spend money.

JOHN DALEY: And the other thing I took away from it, and I guess this is a particular American problem, is if you are reluctant to set clear benchmarks and actually stick by them then it's very hard to make progress. And one of the biggest distinctions that she notes between these American students' experience in America and their experience in the countries they go to is the way that essentially the teachers are prepared to fail students.

LUCY TURNBULL: Yeah.

JOHN DALEY: And to tell them "You're not making it, there it is and this is what you're going to have to go to get a lot better". And they don't try and sugar-coat that in a way that has certainly become culturally normal in the United States.

LUCY TURNBULL: Yeah, what she says is the self-esteem obsession with nurturing children's self-esteem when they're young and at school has meant that they're never given hard information about how they're performing relatively speaking or in absolute terms. So what that in fact means is they're being set up to fail later in life, which is harder to recover from than if at the age of eight you're told your maths is hopeless and go away and do it again, come back and you improve. That's actually a much better lesson for learning and for life than being told suddenly when you're 22 or 25 that you're completely hopeless.

JOHN DALEY: Yeah. So it's a very entertaining book as with all the others, it's very well-written. That takes us to one of the harder pieces I think. What did you make of Michael Wolff *A Life Worth Ending*?

LUCY TURNBULL: Oh, I think it's essential reading for anybody who has had the problem of ageing and demented members of their family or their friends. It's a really searing account of the demise of his mother and how the healthcare system – and a lot of it is US healthcare system-specific, but I

think anybody who's had the experience knows that it's not a lot easier here. The health system I think works a lot better, but just the difficulty and the challenges of the decisions you make and the information you need and, I guess, the euphemistic ways that things are expressed and nothing's ever put out on the table. The incredible cost of treating people who are demented who, if they had sat down and thought when they're of sound mind "Would I like to continue living in these circumstances?" would definitely have said "No, if I get to this point please don't intervene too much, it's time to go". I think all these things are really salutary and very searing, almost terribly poignant and disturbing things. It's a beautifully written article.

JOHN DALEY: As you say, it's incredibly poignant. The story is about his mother and his mother was obviously an extraordinary individual, this was somebody who started off her life in journalism, clearly did very well, got married and had children and essentially stopped working. And then his father died quite early so she went back into the workforce, was clearly very talented, became an extremely senior marketing executive and did very well, was clearly an incredibly bright and fascinating person with this enormous network of friends. And, essentially, gets extreme dementia, is in enormous pain and also very poor health and this poignant thing about all her friends who clearly don't know what has happened and who write these sort of chatty engaged interesting letters referring to what they've done and he's got to read them and make something of this enormous disjunction between what they remember and, indeed, what he remembers his mother was like and what she's like today.

LUCY TURNBULL: And see her diminish and one of the things I think that people who've been responsible or involved in the care of patients with dementia is sometimes really crazy things happen. For example, this lady got a heart problem and instead of treating it in a managed way and not overdoing the medical care so that she could basically die with dignity without any active intervention, but just to let her die with dignity, they decided to give her major heart surgery at the age of 84 when she had serious dementia, which accelerated the dementia to the point that she was completely unrecognisable after the operation. And who takes responsibility for those decisions? How do the family make informed decisions about the wisdom of doing something like that? The conversations and the way the problems are communicated and dealt with and managed are just so badly done and I think we need to get a lot better at it.

JOHN DALEY: Yeah.

LUCY TURNBULL: And the best way to do it is for us, if we want to, to write in effect living wills to say that if we're ever like that please don't intervene. Because it's a really heavy burden to put on any family that are trying to look after and make humane and loving and decent decisions about their future.

JOHN DALEY: And I think the thing that's wonderful about the piece is it's very non-judgemental about it, it just lays out the problem and I think, as you say, this is a conversation that we're all really reluctant to have. Nobody wants to talk about this and you can understand why nobody wants to talk about this, but the point that it's making is well, if you don't talk about it the outcomes are horrible.

LUCY TURNBULL: Yeah.

JOHN DALEY: To the extent that this encourages a conversation, both at an individual and a societal level about this, I think it's terrific. And one of the other points that I think he makes very well is modern medicine has succeeded in creating a state of living that did not used to exist.

LUCY TURNBULL: Correct.

JOHN DALEY: It used to be that you kind of made it to, whether it was 80 or 100, at the point that the systems started to shut down basically you tended to die pretty quickly. And modern medicine is now capable of keeping people sort of at that threshold for a very long time and this is, as he points out, it's a new problem in a funny way.

LUCY TURNBULL: Yeah, and it's a really, really expensive problem and the cost of this problem is exploding. In a few years' time he said it's going to cost the US Medicare/Medicaid system a trillion dollars a year, from a few hundred billion to a trillion. It's exploding and we shouldn't think about humans in terms of money, but he said one of the big controversies about the Obamacare was the idea of having death panels and I remember Sarah Palin went on the rampage about death panels. And I think he said he wouldn't call them death panels, he'd call them I think "deliverance panels" or some other word. So the idea of death panels sounds terrible, but there needs to be a humane and a fair and a caring but a sensible way of dealing with the problem.

JOHN DALEY: That takes us to some other problems in terms of dealing with terrible things, which is Richard Flanagan's book about *The Narrow Road to the Deep North*. We always try and have a novel on the list. I guess novels are a way of getting us to imagine another world, see the world through somebody else's eyes and that always I think is an amazing way of changing what you think. So this is a book partly about what happened to a series of Australian prisoners of war and, indeed, their Japanese guards as they were trying to build the Burma railroad in the Second World War; it's partly about those Australians before they went to war; and it's partly about those Australians and indeed the Japanese after the war and what happened. Like any novel, you can take away any number of things from it. What did you take away?

LUCY TURNBULL: Well, the central character Dorrigo Evans is a very heroic man, he's a surgeon, he grew up in Tasmania and studied medicine in Melbourne and then he was, I think, a Colonel when Singapore fell. And then he was on the Burma railroad working there and he was the surgeon that had to look after all the Australian prisoners of war, which was kind of a searing, traumatic experience as you can imagine looking after people with cholera, who'd been assaulted by the Japanese soldiers sometimes, just had this incredible experience. And I think he depicts beautifully the burden that this man carried for the rest of his life which was remembering the men who had died, the great humans who had died and always wandering around his life with the ghosts of those men in his heart and in his soul. And it really depicts that burden of people who have been in the war, who are constantly thinking of the people that were lost at that time.

So it's an incredibly moving book. It's about lost love and terrible sad coincidence and so on, but the love of his life he never reunites with etc. It's a really sad and tragic story, but it's a beautiful story and I think it's a must read. I think it's one of the great Australian novels actually.

JOHN DALEY: The other thing because, as you say, it concentrates on the figure of Dorrigo Evans and this sort of disjunction between everyone thinking he's a hero and his internal dialogue about "I'm not a hero and I'm certainly not that virtuous".

LUCY TURNBULL: Yeah.

JOHN DALEY: But then it also looks at all the other people who were involved who did survive the war and the different ways that they coped with it, some appalling and clearly it just completely blighted their lives; some who somehow managed to transcend it and lived quite wonderful lives afterwards although, you're right, there's always a tragic overtone. The one who seems to cope with it best is the bugler and his one thing that he does every year of course to remember it is to play the last

post and then after he dies his bugle gets thrown away. Nobody realises the immense significance it held for him personally. It's very sad.

LUCY TURNBULL: It is a very sad book. I mean, the story of the demise of the man they called the Black Prince - I can't remember what his name was, you'll know who he is when you read the book – but the poignant story about how when he died towards the end of the war he was just falling behind and then other people kind of ratted him out and his demise, he was beaten to death basically. It was one of the most searing stories of assault and attack. It was one of the most moving narratives I've ever read about anything like that. And the other one is when people were put on funeral pyres when they died of cholera and stuff and one of them was an artist who had painted these wonderful pictures of life at the camp before when that group were in Syria before and it was only just a mere fluke that those paintings were not burnt on the pyre with him. It's just these beautiful little vignettes which are really quite magnificent.

JOHN DALEY: The other thing of course that it does is it talks about the Japanese who were involved and he's clearly got a very deep respect for the Japanese culture that they were a part of. He talks at length about the death poems, the tradition in Japan -

LUCY TURNBULL: Haiku, yeah.

JOHN DALEY: Well, and particularly the death poems, the traditional that on your deathbed you compose a poem and the people do their best to record this and the whole sort of culture that lies around this. And the way that the guards were as much, in many ways, prisoners of the whole situation and their lives were as much blighted afterwards as the people that they were guarding.

LUCY TURNBULL: Yeah. It's a really remarkable novel, and there are some beautiful scenes in Australia too with the Tasmanian bushfires in 1967, there's a fantastic scene about that. It's just a really wonderful novel, very highly recommended.

JOHN DALEY: So we've talked about these books. I'm hoping that some of you have perhaps read them or have some questions about some of the things we've talked about. We will also have a little opportunity at the end for you to talk about what book is not there but ought to be and why, so please start thinking about that question. But in the meantime, does someone want to ask a question about any of the things we've touched on, either from a book point of view or a policy and politics point of view?

AUDIENCE: I'd just like to ask a question about *The Blunders of Government* and whether the author makes any distinction between blunders that government make or non-government people make? Do governments do special types of blunders or does the private sector create their own special type?

JOHN DALEY: Well, in fairness to the author -

LUCY TURNBULL: It is called *The Blunders of Government*.

JOHN DALEY: And they wrote 400 pages on blunders of governments and I dare say they could have written an equally large number of pages on blunders of other people. But it's focused on government and, firstly, it goes through here are 20 appalling stories and it just dissects each of them minutely. I mean, they are quite appalling. And then it goes through what were the human dynamics that led to that and then what were the institutional dynamics. So it's focused on government. I'm sure that those

in the private sector could learn a lot from them. It certainly attributes many of the things that went wrong to the very human aspects and dynamics, which are pretty much universals.

LUCY TURNBULL: It's actually interesting to speculate. I think that businesses, the private sector makes huge blunders of course too, but it's an interesting thing. If you are a listed company and you have made a blunder you have to answer your shareholders. Now of course, governments have to go to the people every three/four/five years, depending where you're living, but what's interesting is when those elections are held it becomes a very tight race and the blunders are part of the narrative, but they're not a central problem that's kind of unpicked during the election whereas in business, if you have a company that's totally lost its way it does get beaten about the head by the shareholders. So the accountability in the private sector in a sense is a little bit clearer and a little bit more direct I think than it is in government, not saying that businesses don't make blunders, don't get me wrong.

AUDIENCE: I think the government is almost designed to make blunders because when you're elected you're not elected usually for your expertise in any given area. Most successful politicians are generalists and therefore they will not have all the facts. Particularly at Prime Minister level, they've got dozens of different issues they have to be thinking about and how can they almost ever have the level of information they need to make good decisions?

LUCY TURNBULL: Well, I think it is really hard and it's always a challenge but, what I was saying before, always make a decision with the right people in the room, all the right people in the room not just the ones that agree with you or want to do something, and get all the available information, which means the process of deliberation becomes essential, and that's what this book discusses. And what's a bit of a challenge in this modern age is the process of calm deliberation is sometimes really hard to manage or to have when you have media and the sort of the "gotcha" culture. So it is really hard to do but one of the adages they say is make haste slowly, and that's definitely the right thing to do. Certainly it's easier to do that in business than sometimes it is in government.

AUDIENCE: In the first book *Why Australia Prospered* is there any mention of the migrant population and what it contributed? And, related to that in a way, is the growth of our cities, the urban development and so on which is so much part of that, does he cover that at all?

LUCY TURNBULL: I would say he deals with immigration kind of a little bit, but I would say that's one of the weaknesses in the book. I would say the change in trends and immigration I think aren't really dealt with enough. For example, what's interesting, he does talk about it but he doesn't go into it too much about why Argentina strangely, my perception – I wasn't very alert to this – was that Argentina was actually probably doing badly from 1890 as we were. But Argentina and Canada and New Zealand did really well from 1890 to 1914, the population of Argentina basically more than doubled in that period whereas ours just sort of tracked along. And the period when we weren't doing so well, like the golden age of growth after the 1850s to the 1890s was basically from 1938 actually, the growth kicked in during the war, until 1973 when we started to have stagflation. And that immigration from 1945 onwards was a big part of our success.

And he doesn't really talk about urban settlement or the pattern of human settlement in Australia very much at all, which I think is something he could have done too. But it is a very long and very dense book. I think he could have done more comparative analysis between, say, the labour regime and employment, relative costs of labour etc. in Australia, Canada, New Zealand and the States and other comps. He could have done other things, but don't let me give the impression this is not an amazing book; it's a fantastic book.

JOHN DALEY: One of the reasons that we've put it on, even though it is quite a dense read, is this is the most important book on Australian economic history that's been written for a very, very long time. You will not find anything else that kind of puts this story together anywhere else and it's an important story for understanding how we got here and therefore what we might do next,

LUCY TURNBULL: Just going back to the book actually, one of the important points he makes in the book is that we were pretty much like Finland in terms of the amount of the population that finished high school. You know, we were about 10% in I think about 1950 or thereabouts, only 10% of Australians actually finished high school in 1950 or 1960 and that really transformed. The US on other hand had really high high school completion rates right from the beginning of the 20th century and also their investment in university education in the first half of the 20th century and the early post-war period really set it up to being an educational powerhouse certainly at the tertiary level which I think, in turn, set up the US to become the place where Silicon Valley is and where all the Googles and the Facebooks and Apple were all founded. It was because of the investment and the approach to education and the importance of engineering and stem subjects way, way back in the first half of the 20th century. Which he doesn't say expressly, you can infer it, but he's very clearly of the view that, I think, that's what he thinks and I would partly agree with that.

AUDIENCE: Just in regards to *The Narrow Road to the Deep North*, aside from being just a good and powerful book, what is it about it that made it to the *Prime Minister's Reading List*?

JOHN DALEY: Well, for me, the thing that it says to politics and to power is about that kind of internal narrative and that the disjunction between your public face, you're a hero, you have a public image, all of those kind of things, and the internal dialogue that says "Actually, none of that's really true". And I suspect that many people feel that kind of disjunction and particularly people in power. And he's very good at portraying that, very good at showing both sides of that coin and what does it mean to have expectations and public expectations that you feel are just inherently fraudulent relative to how you really think about life?

LUCY TURNBULL: Yeah. I'll just read you a couple of passages which I think are incredibly powerful and I think this generates a lot of power in the book. "To the contrary, Dorigo Evans understood himself as a weak man who was entitled to nothing, a weak man whom the thousand were forming into the shape of their expectations of him as a strong man – they're the men that he was commanding when they were prisoners of war – it defied sense. They were the captives of the Japanese and he was the prisoner of their hope." And then, just a little bit later, "Dorigo Evans – and this is in his later life – hated virtue, hated virtue being admired, hated people who pretended he had virtue or pretended to virtue themselves. And the more he was accused of virtue as he grew older, the more he hated it. He did not believe in virtue. Virtue was vanity dressed up and waiting for applause." I think that's pretty strong and I think a lot of people would agree with that.

AUDIENCE: In *A Life Worth Ending* does Michael Wolff go into much detail as to what was preventing his mother from dying? Obviously he's got the opinion that life should only go on for so long, but it's presented very much as if she was being kept alive and I'm just wondering what those reasons were?

LUCY TURNBULL: I think there were a lot of interventions to keep her going for longer, which is I guess one of the questions. He didn't go into it chapter and verse I have to say, but I think one of the questions is that there was much too much medical care and 20 or 30 years ago, or certainly early last century, there wouldn't have been so much intervention so their life wouldn't have been nearly as long.

JOHN DALEY: And I think the central dilemma that he's setting up is the way that the precise point that people are most likely to say "This is a life worth ending" is the precise point at which they are no longer capable of making that decision or expressing it. And it's a very difficult dilemma. I mean, he certainly talks about the cost of the treatment that is given to his mother and, of course, the sort of bizarre US system that does actually cap that cost but only for an individual hospital stay. So if his mother, as she does, goes back into a nursing home for a week then the whole clock starts ticking again and the whole medical establishment starts spending money on her again. I mean, there's some really horrifically perverse things about the way that the US system works. I dare say our own system has its own perversities, just no-one's written about it.

LUCY TURNBULL: And what he really talks about in a general sense, so you can imagine that this is what he thinks about his mother in particular, by promoting longevity and technologically inhibiting death we have created a new biological status held by an ever-growing part of the nation, a no exit state that persists longer and longer, one that is nearly as remote from life as death but which, unlike death, requires vast services, indentured servitude really and resources. And that's kind of like the central point he's making.

AUDIENCE: Can I ask, is it very much set from an elderly perspective? Because I also think we do the same thing with newborns, that we're intervening earlier and earlier and you can keep a baby alive but at what cost and they spend years in hospital? It's the same situation but at the other end of the scale.

LUCY TURNBULL: No, he doesn't talk about newborns.

JOHN DALEY: And I suspect inherently there's a difference to that situation because there's almost invariably hope that you'll pull through the other side, the child will live a terrific life and so on. The whole point about this is that everybody knows that it simply will never get better and he has this lovely phrase about I think that there's been a – what is it – a detriment? What's the word he uses, I can't remember?

LUCY TURNBULL: A decrement in capacity?

JOHN DALEY: That's right, a decrement in capacity is the way that the medical profession keeps talking about it and, of course, everybody knows that these decrements are permanent.

LUCY TURNBULL: Yeah, and it's quite interesting, I just thought of this then, but there's sort of like a euphemisation of the language of dementia and decline is a little bit like the use of language – I don't know whether any of you ever read that novel by Evelyn Waugh called *The Loved One* about the way death is treated in California? And it sort of goes into the same territory sometimes where it's so hard to get a straight, clear answer of what the options are, what you should do. Nobody says to you "Listen, your mother is really, really going downhill quickly, you should withdraw treatment, there is no point in extending this" or not have very strong intervening treatment. The impression I get is that this man will probably be quietly relieved, but nobody ever has that conversation. There's so much kind of obfuscation and mealy mouthed discussion about what the likely outcomes are going to be.

JOHN DALEY: That brings us to ask, what have we missed? So any suggestions about any books that anyone would like to have seen? Maybe we'll break the rules and put them on next year.

AUDIENCE: I guess this doesn't quite answer that but it's kind of a more general question. None of the directly policy-related books on that list are Australian and does that say something about the state of Australian policy writing or is there something there that should be on the list maybe?

LUCY TURNBULL: I think *Why Australia's Prospered* is a very Australian book. I think it's written by a gentleman called Ian McLean who teaches at Adelaide University.

AUDIENCE: I just wonder whether in subsequent years there might be more – I can't think of a title off-hand, but there might be books that deal with developments in Asia because that's increasingly important to us? And then the other point I'd just make is that, just in case the Prime Minister doesn't read any of these books you might like to pass on your notes.

JOHN DALEY: Thank you very much. We did actually think about a number of books on Asia this year, we have an artificial limit, there's only allowed to be six things and they didn't quite make the cut. But Kissinger's book on China is a fantastic, riveting read, even if he's coming from a particular perspective it's nevertheless absolutely fascinating. There's also a very interesting book – and I'm now going to forget the name of it – essentially about why various Asian countries got ahead economically, which is a quite original analysis and a lot of fun. So we did think about it, we did have I think on last year's list Michael Wesley's book essentially about what was going on in Asia and how that related to Australia. So yeah, we certainly thought about it.

AUDIENCE: Just picking up the question about the quality of writing around politics and public policy in Australia. I mean, the McLean book's very good, it's a book of history largely. Is there a lack of quality writing and quality books on policy and politics in Australia? Should we worry about that?

JOHN DALEY: Look, we of course disqualify anything that's been written by Grattan Institute or any of its staff, so that knocked out a number of, not things written by Grattan but some of the things written by our staff. That restricted us somewhat. I think though it is a worry. I don't think that there is as much as there could be and I think that's a shame. But there were some things that very nearly made the list. There was Chris Garneau's book *Dog Days* which is a really interesting view of what has happened over the last 20 years and what might happen next. There were certainly some options there. I don't think it's terrible. One of the advantages is that we have the entirety of at least the English-speaking world and anything that gets translated to choose from. If Australians wrote more than 2% of the best books on politics and policy globally then we'd be batting ahead of the average and so I think it's not surprising that we wind up finding some really interesting opinions from the rest of the world that have got something to say to us.

LUCY TURNBULL: And just a point I'd like to make on that, I think it's really important to encourage and promote really good books on Australian policy and the Grattan clearly does. I'm convinced it does. But I think that a lot of the problems we face certainly in education, in the economy more generally, the issues that are drawn out in all of the books that are not the Australian book are really quite universal challenges that any developed economy faces. And I think that sometimes – and this is what I think wasn't properly drawn out enough in the political blunders book – a couple of the political blunders that happened in the UK would not have happened if the UK government had looked at some of the things that were happening in Australia, particularly with the development of the personal superannuation system that happened in the 1980s. If they had seen what we did and followed it they wouldn't have made that blunder. And I think often governments have this very insular idea of what they can do and they don't look at what other countries are doing. So to that extent I think it's quite good that we look at what other people are looking at from right around the world

because we don't have any myopic narrow focus on what our problems are or what the possible solutions might be.

AUDIENCE: I'm just wondering why the PM can't relax? All the books are fairly heavy. What about a Matthew Riley book or Ricky Ponting's cricket book?

LUCY TURNBULL: Well, he's a very resourceful person. He can choose them for himself.

AUDIENCE: There's been no suggestion of drawing up a list of relaxing books?

JOHN DALEY: I'm sure he has plenty of other people to do that. Speaking of things that are not so relaxing, you'll note on the back we have also published a *Summer Reading List for "Wonks"*. So what is it that the Prime Minister's advisors might want to read? You'll notice that they are all things available online, which probably says something about that generation, and they go from Jonathon West's somewhat provocative piece on Tasmania essentially arguing that Tasmania's problems come from governments, federal government in particular, being too generous and that they should be cut off the public teat as quickly as possible; Karen Hitchcock's piece *The Medicine* essentially about mental health issues; John Bridgeland and Peter Orzag's piece on *Can Government Play Moneyball?* essentially asking how can government use big data to make much better decisions and what are the problems and obstacles to government doing that; Mariano Mazzucato's piece *The Entrepreneurial State* looking at the way that government has actually been very heavily involved in the development of many of the key innovative technologies of the last 30 or 40 years; Peter Shergold, of course, a former Secretary of Prime Minister and Cabinet, looking at *Why Economists Succeed or Fail*, and the emphasis is by and large on fail, to influence policy, looking at what is it that makes it difficult today for academic economists to have an influence on policy; and finally Stephen Teles' piece *Kludgeocracy in America*. Kludgeocracy - I'm hoping that's probably going to be the word of 2014 – is the way that we try and design perfect policy, we work out all of the things that we need to do that will cope with all of the different circumstances, we design something which is magnificently perfect in dealing with every problem and, in so doing, create something very complex which then turns out to be very dysfunctional. And he talks about essentially the costs of that complexity, the way that it effectively encourages vested interests and what we might do about it.

So those are a few things and for the wonks amongst you I encourage you to download them and enjoy them over your holidays. That concludes our contribution and now it just remains for me to hand back over to Sue.

SUE ROBERTS: It's my job and my pleasure just to round off this evening and, before I thank John and Lucy, I'd like to announce a joint initiative between the State Library of Victoria and the Grattan Institute which will begin in 2014. We're both delighted to bring you a new public interest series titled *The Policy Pitch* which will focus on key policy themes – it does what it says on the tin. And this will begin on the 18th February next year and they're free public seminars which will offer lively, intelligent and thoughtful debate, obviously leading on from what we've heard this evening, and we hope to see you there.

So in closing, it's my great pleasure to thank John and Lucy for an inspiring discussion, we've got a lot to read, and I just want to say that for those of us who lived in the UK during the '80s, we'll be having nightmares tonight about the Poll Tax. So thank you everyone and thank you to John and Lucy.

END OF RECORDING