

The Policy Pitch – Prime Minister's Summer Reading List 2016

Melbourne 7 December 2016

Grattan Institute launched our annual Summer Reading List for the Prime Minister at the State Library of Victoria.

Every year Grattan Institute releases a summer reading list for the Prime Minister. It recommends books and articles that the Prime Minister, or any Australian interested in public debate, will find both stimulating and cracking good reads.

This year's list explores big themes in Australian contemporary life and politics. Modern China matters to Australia, and we explore what it has been like to live through the economic, social and cultural changes of the last 40 years. We follow an indigenous Australian journalist searching for his identity as he both reports on wars overseas, and journeys to past conflicts in Australia. The list includes an essay on the direction of Australian public policy and economic reform, and another on how globalisation has changed the political landscape and provoked nationalist movements. There's also a story about how ground-breaking studies from the UK, spanning decades, are transforming our lives today. Finally, the list includes a delightful fiction piece that playfully interweaves the big events of 2016 with the small pleasures, the mundane and the everyday.

ABC Presenter Sabra Lane joined Grattan Institute CEO John Daley in Melbourne to discuss how this year's titles illuminate some of Australia's most important debates.

Speakers: John Daley, CEO, Grattan Institute
Sabra Lane, Chief Political Correspondent 7.30

SARAH SLADE: Good evening and welcome to State Library of Victoria. My name is Sarah Slade and I'm the Head of Digital Engagement & Collection Services here at the Library. Our event tonight is being held on the traditional country of the Kulin nation. I wish to acknowledge them as the traditional owners and I would also like to pay my respects to their elders and to the elders of other communities who may be here tonight.

It's my great pleasure to welcome you to *The Policy Pitch* which, as you know, is presented by Grattan Institute and the State Library of Victoria. I would particularly like to welcome the speakers this evening, John Daley and Sabra Lane, Grattan Institute members, and Friends of the Library. We're delighted to be partnering with the Grattan Institute to present this series. I believe we have much in common, including a shared interest in big ideas, research and deep thinking, accompanied by an aim to make the outcomes accessible to a broader public. It's been a great year of discussions on topics ranging from climate change, tax reform, school education, this year's Federal Election and the state of our hospital care. We've seen highly engaged and healthy attendances all year, including this evening. We look forward to seeing many of you next year as we continue to present intriguing and challenging discussions and I would encourage you all, if you haven't already, to join the Friends of the Library, like the Grattan Institute, we offer exclusive events to our Friends of the Library, and we also hope to see you at many of the other programs we offer. Our current exhibition celebrates 40 years of Tripe R Community Radio and I encourage you to visit with friends and family and to attend the exciting activities and programs that accompany that exhibition; please visit our website.

Now to our discussion this evening, Grattan Institute is launching this year's annual *Summer Reading List* for the Prime Minister and for any Australian interested in public debate. The list includes books and articles that say something important about Australia and its future and is a great selection of reading material for the holidays. I look forward to hearing more about them soon and how they illuminate some of Australia's biggest debates. I think it's fitting that, in partnership with Grattan, the State Library are recommending a *Summer Reading List* for the Prime Minister and the wider community to expand public engagement in public policy. I'm very pleased to introduce our speakers this evening. John Daley is the Chief Executive Officer of the Grattan Institute. He is one of Australia's leading public policy thinkers with 25 years' experience in public, private and university sectors. He has worked for ANZ and McKinsey in a career that also includes expertise in law, finance, education and workers' compensation. Sabra Lane has been covering federal politics in Canberra since 2008 and has been Chief Political Correspondence on nightly TV current affairs flagship 7.30 since September 2013. Prior to that, she was Chief Political Correspondent for Radio Current Affairs from 2011 leading federal politics coverage. Before going to Canberra, Sabra was a reporter for ABC Radio Current Affairs in Sydney as well as an Executive Produce on AM, The World Today and PM. Prior to joining the ABC she was Executive Producer of Seven Network's weekly national news and public affairs programme Sunday Sunrise. Sabra will also shortly be taking over as presenter of flagship ABC Radio Current Affairs programme AM. So please join me in welcoming John and Sabra.

JOHN DALEY: Thank you very, very much Sarah. We too would like to acknowledge the traditional owners of the land that we're meeting on tonight, the Kulin nation, and acknowledge their elders past and present, and indeed we will be talking about the writings of one of them in due course. Thank you too Sarah, at Grattan Institute we're really appreciative of the work that we're doing with the State Library through this *Policy Pitch* series. It's a real privilege, it's a great venue, it's a great audience, and the Library has been a constant source of support this year, as it has been now for several years. You'll be delighted to hear that we spent about 20 minutes on Monday morning at Grattan Institute with myself and the Program Directors arguing about exactly who was going to fill what slot next year, and so the series will be back after we've all read everything on the reading list over the holidays.

That takes us to the reading list and, Sabra, thank you very much. Sabra has agreed to do one of the toughest things that we ask any Grattan co-presenter to do. Normally you just have to show up here and talk about your thing and what you do for a living, but for this event you have to read four books and two articles, which is a big ask.

SABRA LANE: Two very meaty articles.

JOHN DALEY: Yes. So thank you, it's great to have you here and I look forward to doing lots of radio instead of lots of television next year!

SABRA LANE: Before we get to the first book, shall we do a little explainer for everyone? How do you come up with this shortlist? Do you have a long list? I know you have a long list because some of it's on the floor here.

JOHN DALEY: The way that we do this is that everyone at Grattan Institute gets involved, indeed we have a book club, we show up on Friday afternoon where we bribe Grattan staff members to stay around with alcohol and we all talk about the book that we have read that we're putting up for the very long list. There is a bell that gongs you out if it's obvious that that book is not going to make the list

and the bell gets used a lot because, of course, in order to come up with six and only six things to read you have to read a lot of other things; a lot gets published in one year. We look for things that have been published this year or maybe very late last year and that have got something to say about policy and politics, one way or another, then we look for a balanced list and, we'll come to some of the somewhat unprepossessing titles in due course, it must be well-written.

SABRA LANE: Was it hard settling on these six items?

JOHN DALEY: It's always hard and, of course, there is a long and complex voting procedure at Grattan Institute as to what should go on the list.

SABRA LANE: do you think you're 50 percent of the say?

JOHN DALEY: Yes, as it so happens, what happens at the end of the process is that I decide.

SABRA LANE: You do - 51 percent of the say. Excellent. Now, it's the Prime Minister's Reading List. Do you know whether Prime Ministers past do read it and do you select with the person in mind who might be sitting in the big chair at the time? That's been a hard task in recent years.

JOHN DALEY: That's right, you wouldn't want to put it out too early.

SABRA LANE: No.

JOHN DALEY: More we select things that we think would be appropriate whoever is in the chair. I don't think there is anything on this year's list that is particularly apposite to the current incumbent. There was last year, but I won't tell you what it was. We do invariably get a polite thank you note saying thank you for the books, because we do physically send the books to the Prime Minister. We do know that in the past the Prime Minister has read some of the books that happened to be on the list. Now, whether there was causation from one to the other who knows. As we know, correlation does not imply causation, although one year we did have a book about Australia economic history on the list, which was actually a terrific book, and Tony Abbott said he had read it and I'm not sure it would've been on his reading list otherwise, but who knows.

SABRA LANE: Okay, well let's get cracking shall we onto the first book?

JOHN DALEY: *The Phoenix Years: Art, resistance and the making of modern China* by Madeleine O'Dea. We put this on the list and when the list got published late last week someone rang me up and said, "John, a book about China? Didn't you know the Asian Century is, like, so last year?" Are people stopping talking about China?

SABRA LANE: People are not stopping to talk about China at all. I found this was a really fascinating book because barrels of ink have been written about pulling people out of poverty, about how much of an economic powerhouse China has become, about the strategic importance, and about the South China Sea, yet this is an amazing portrayal of what's happened in China through the eyes of artists and writers. Madeleine O'Dea is an Australian who worked in China for the Australian Financial Review and the ABC for more than 30 years, so it's through her eyes as well. Why did you think this was a must-include on the PM's list?

JOHN DALEY: Well, I'm with you; I don't think the Asian Century is that last year. Clearly China matters an enormous amount to the world and to Australia in particular. Understanding what is going on there is not always easy, it is another country and it's not a place that's often easy to get really good information on what's it like on the ground. This provides both an on the ground view, as well as a 40 year view. It starts in 1975 or so and over that 40 year period, of course, China has travelled a long way economically, socially and politically, and it provides you with that vista. I'm very firmly in the camp that says you can't possibly understand a country unless you understand its history, and this provides genuine social history of China from the ground up in a way that I think is very hard to obtain anywhere else.

SABRA LANE: Also it really focuses on a group in China called The Stars, some contemporary artists who started really in the late '70s, and we all know a lot about what happened in Tiananmen Square, but this book told me about some history of China that I didn't realise before, that there'd been another uprising in the '70s that effectively had been airbrushed out of history.

JOHN DALEY: And that people died in Tiananmen Square not only in 1989, but also in 1976. There's an extraordinary interview with someone who said, "Yes, I cleaned the blood off the Tiananmen Square pavement in 1976". So it's not the first time it happened, so that kind of history and then you also realise just how far China has come. So in 1976 you had artists in China who had never seen an image of an Impressionist French painting and when they held an exhibition of Impressionist French paintings in 1977 it caused an artistic revolution in China, 100 years after those paintings had been made.

SABRA LANE: Yes, it sparked a real creative wave in China.

JOHN DALEY: The other thing I liked about this is, particularly the 40 year timespan really gave you an understanding of the shape of Chinese history. It has a lovely image at one stage about the shape of Chinese history is like a wave, it goes up and then down and up and then down, and is really very volatile, and you see that up in terms of flowering of artistic expression, a flowering of free expression, and then it all clamps down again, then it gradually builds up again and then it clamps down again. You start to realise that after 40 years you've kind of seen this movie before and this is a consistent pattern of how it's been working, albeit on where it isn't like it was 40 years ago. So 40 years ago not only was there literally no image of an Impressionist painting that an artist could find anywhere in China on access, but it was also a place in which simply printing 100 copies of a magazine, the contents of which mostly were actually pretty tame, poems about flowers and things, was a highly revolutionary illegal act. Now I don't want to suggest that China is a model of free expression today, but it's certainly not where it was 40 years ago.

SABRA LANE: And I know that there's an element in the book that really tickled your fancy where some artists were displaying some material and there was a police raid.

JOHN DALEY: Yes, I think one of the things that comes out through the book is the way that inherently art and visual art, in particular, is much more ambiguous than text. Consequently, the kinds of things that would automatically be clamped down on if you wrote them down you could create in an artwork because, as the book says, the artists thrived in a world of ambiguity where the interpretation of the works was left to others and they could always hide behind that ambiguity to some extent, although of course it didn't always work. There's a lovely bit where one of the artists has made an

image and it consists of a Chinese policewoman who, instead of holding up her warrant card or police ID, is holding up a bank note. The artist has just opened the exhibition, the police show up literally as the doors open to the exhibition, that's the first work that they take off the wall and, as he says, "They thought that I was implying there was a connection between power and money and they didn't like it". Then he added, "I was saying that, of course". So clearly art was important in terms of this continuing conversation about freedom and non-freedom in China.

The other thing that I think you realise from the book is we hear a lot about China is different, it's exceptional, the only way you could possibly govern China is through the Communist Party regime, and democracy has no place in China, and you realise no, no, no, there is a 40 year history of a significant pro-democracy movement in China, and you can airbrush it out all you like but it's always been there.

SABRA LANE: Excellent. Well, we hope that that's on the PM's reading list.

JOHN DALEY: Indeed.

SABRA LANE: This next book, actually it'd be interesting to know, hands up who has read Stan Grant's *Talking to my country?* A few hands have gone up. I know that you think that this will be a classic.

JOHN DALEY: Yes, I think people are going to read this in 40 years' time. One, it's got lots of important things to say and, two, it is astonishingly well-written. We talked about the process that we went through and my initial reaction was, "But it's so fashionable and everybody's saying it's a good book and surely we should do something a wee bit more original" and "Jeez, do we really have to put it on the list?" Then I read it and I went, "Yes, we've got to put it on the list". It's such a good book; you can pick up pretty much any page to see that it's well-written. One of my favourite bits is when he's remembering his childhood and, "I remember pineapple juice from a Golden Circle can. I can picture the two triangles punched in the lid to release the taste of a world of possibilities. I was probably five years old and in one sip all of my senses were jolted to life. My small hands folded around the can, I can still smell that tangy, sticky sweetness. Then there was the taste, an explosion on my tongue like a bee sting". It's great.

SABRA LANE: It is great. There is a lot in the book that is very evocative.

JOHN DALEY: What did you love?

SABRA LANE: What did I love? I have to admit, there are parts of it that I wouldn't say I loved. I felt deep anguish and I felt deep anguish for him, I felt incredibly emotional when I was reading effectively about his breakdown overseas. He was diagnosed with having depression, but the incident itself and how he wrote about it, I found that difficult to read. Again, I'll read a part of it about him not wanting to be identified as an Indigenous journalist, "I made a conscious decision that I would not be the Indigenous reporter. I railed against this straightjacket. I'd seen other black people embark on careers, lawyers, doctors, only to be marginalised, box ticked, Aboriginal. This was career death. If I was to have any impact or to be able to tell the stories of my own people I wanted first to be a credible reporter". He goes on to say that his time at CNN was the absolute pinnacle but, by the same token, that was also the time when he had that episode and came back home. But there are parts of it that

are very, very powerful. People are saying that this should be on reading lists for students in secondary school.

JOHN DALEY: One of the main things that I think is very powerful about it is that it enables someone who is non-Indigenous to genuinely empathise with someone who is. Like many very, very great writers, you get inside his head, you see the world from inside his point of view, which is an incredibly generous thing to do, and you see him struggle. To me, the central struggle of the book was him saying, "I've been born in Australia, I'm an Indigenous person, I am part of a culture which has been treated appallingly over history".

He grew up near a place called Poisonous Waterholes Creek and the name does slightly say it all, there was fighting going on, the white settlers literally poisoned the creek or the waterholes and a whole pile of Indigenous people died. So that's the history and as he says at one point, "The conflict doesn't end when the guns stop. The conflict keeps going on" and towards the end he talks about what happened to Adam Goodes, this is still going on in some ways. It's his wrestle with that's the country I come from where my people have been treated appallingly but, on the other hand, my wife is non-Indigenous, this is where I live, this is where I'm always going to live, so how do I reconcile that history with who I am and with the other people who also live in Australia? He's very upfront about saying that yes, they also live in Australia, they are also Australians, they're also part of it, and ultimately he wrestles with that history to say this is where "we" are from. It's an incredibly powerful story of his own personal reconciliation: how does he deal with both the history and the fact that he wants to keep living here with other people?

SABRA LANE: There are also parts in it, for me, I grew up in a country town where Indigenous Australians and the rest of us lived in separate parts and there wasn't really reconciliation. I grew up there in the '70s and '80s. Stan writes about how for some people, and again I'll read this, "It's hardly surprising that some of our people prefer to stay where they are. Here is another uncomfortable confronting question: who says we have to aspire to white Australia's idea of a good life? Sometimes defiance is all we have". For me, that also is a very powerful paragraph, that people feel so helpless.

JOHN DALEY: Yes and I think then what's transcending about the book is that he says, "Well, at least for me that's not how it worked out". Anyone who can write that is clearly ridiculously talented. He has transcended that and he has made a life that's not like that and he is now able to say this is where "we" are from, so it's a very powerful book I think. So yes, my guess is we're still going to be reading this in 40 years' time, so I know you've got your name in the front, don't lose it.

SABRA LANE: *Time for a new consensus: fostering Australia's comparative advantages*, are you going to drag that down to the beach?

JOHN DALEY: Your colleague, Virginia Trioli, was really rude about this on national television saying would you ever take that down to the beach?

SABRA LANE: I would say I would, but I'd ensure that I had a hip flask with me.

JOHN DALEY: In its defence, it is actually very well-written. I will accept the title, *Time for a new consensus: fostering Australia's comparative advantages* is not necessarily what I would have chosen.

SABRA LANE: Not sexy, no.

JOHN DALEY: But the content is really interesting and it's, again, very well-written, it's an easy read, albeit dealing with very complex concepts, and for me it asks a really good question. If we look at the history of Australia, the first 70, 80 years was what we now describe as the Federation Settlement and we had a consensus amongst politicians and people who did policy and so on that said what we're really trying to do here is we've got a country with high tariff barriers, we're trying to encourage manufacturing, we control migration so that it only comes from basically white places, and we have a highly regulated industrial relations system that means that we will spread whatever benefits there are in the country pretty well. And for 80 years it didn't work too badly, Australian prosperity went up and the benefits of growth were reasonably well-distributed, there were a few minor problems like the White Australia Policy along the way through, but life went on. That was the consensus and eventually it ran into the sand in the seventies and it stopped growing so fast and Australia really started to fall back relative to the rest of the world.

Then we saw a new consensus from the '80s under Hawke and Keating and, as many people have quite rightly pointed out, the non-opposition of John Howard, and as a result we had what Paul Kelly has written about extensively in terms of that new settlement around okay, we're going to de-regulate the labour market, we're going to float the dollar, we're going to bring down those tariff barriers, we're going to run quite a high level of migration and it will not just be white migration, instead it will be skilled migration, we'll open the borders to people from all sorts of places and, obligingly, Australian productivity went through the roof and the OECD continues to write up case studies about Australia in the '80s and '90s and just how well it did as a result of that new consensus. Great.

SABRA LANE: The paradox now is it's holding us back.

JOHN DALEY: Well, now we're sitting here and going, "So what do we do now?" and there's concern about the fact that growth is not very fast, there's concern about the political blowback from migration and so on, there is concern that inequality is rising, less so in Australia than elsewhere but it is rising. All of these concerns and a sneaking suspicion that one of the things going on is that we're still trying to fight the last war of the 1980s and when the centrepiece of the government's economic package, the thing that's going to drive jobs and growth and be the big thing for the next two terms is a corporate tax cut that increases gross national income by 0.6% more than otherwise, that's a wee bit difficult to get excited about. Growth will be about three months more than you would have expected over a 20 year period. It's not the kind of thing that I'm going to go the barricades for and I'm certainly not going to be nailing things up on the Tiananmen Square railings for that one. So I think they ask a great question, do you think they've got the answer right?

SABRA LANE: I'm not sure that they do. They focus very much on this comparative advantage, which is basically identifying the areas where Australia could do well and investing our money in building capacity, capability and people to get that knowhow. Essentially it comes down to picking winners.

JOHN DALEY: Yes and we haven't been picking winners or at least not that much and that's true, but it's not been immediately clear that picking winners is the answer. The thing I like about it is that it's a great thing to argue with. It's one of those things that has literally sat on my desk for most of this year with a whole bunch of comments scrawled in the margin of, "yeah, yeah, yeah" and then, "no, no, no, no" and it's something you can argue with.

So one of the key things it picks up is, as you say, this idea of comparative advantage and the classic Ricardian way that the French economists put this was to say Portugal was better at doing wine than textiles and so it made sense for them to focus on doing wine; and England was better at doing textiles than wine, let's face it, it's a long time since you drank a good bottle of wine from England, so it made sense for them to focus on textiles. But, as they point out, wine certainly at the time was not a very innovative industry, so Portugal wound up more or less going nowhere; textiles inherently were a more innovative industry in which technology was moving faster and the applications of those technologies were moving faster and so that set them up for a whole bunch of other industries, so far so good. The conclusion then is you don't want to be in primary industries like mining or wine. I'm not so sure about that. I think you don't want to be industries in which technology is not moving very fast and, in fact, I think people like Andrew McKinsey and others are right, technology in mining is moving really fast. Go and have a look at a real life mine.

SABRA LANE: Rio Tinto in the west has got the big dumpsters with nobody at the wheel at all; they remotely drive in, pick up the load and drive out.

JOHN DALEY: Other mines in Australia have remote vehicles like that, but there's not even anyone on the controls anywhere else, they're literally completely autonomous. They're like robots, they know what they're supposed to do and the trundle themselves out to the last place that there was blasting and pick up as much as they can and then they trundle their way back and they dump it where it's going to get picked up for the next stage to process, then they go back and do it again. If there's a sensor that says your tyres are too hot, or whatever it might be, then they trundle to the place where that gets dealt with, or your tyres are too hot so then they deliberately do a short load. This is an industry that's innovating very, very rapidly and you can see that in the way that a lot of the Australian miners have wound up right at the bottom of the global cost curve, precisely because they're really good at innovating.

SABRA LANE: Yes.

JOHN DALEY: But I'm not sure that that solves the answer about what is Australia's next consensus.

SABRA LANE: We're stuck on that, Australia's stuck on that issue. It's like we're swimming through treacle at the moment.

JOHN DALEY: On the other, we're not alone because globally growth is not really going anywhere very fast in developed countries, globally inequality is increasing and, of course, globally that's causing political issues.

SABRA LANE: Sadly, the answer is not here, but it's definitely worth a read and I advocate a hip flask. The next article is *When and Why Nationalism Beats Globalism*. It was published on July 10th and was written just after BREXIT had happened, but I read this the day that Donald Trump was elected President and a lot of this was ringing true and finding answers to it all, it was a terrific read. It's a really, really good read.

JOHN DALEY: In fact, we had a Jonathan Haidt piece on the list I think about three or four years ago called *Why People Vote Republican*, and this essentially is a "why people vote for Trump" which is, in fact, a slightly different question. The powerful lens that Haidt brings us is he's a psychologist by

training and so his professional point is what motivates people to do what they do, what presses their buttons?

It's a really compelling piece and, interestingly, not much of this kind of thinking has made it to Australia yet, but it's starting to increasingly be talked about in the United States. His theory is that what's going on is that the very success of globalisation is creating this increasing cultural gulf between cities and more regional areas. One way of thinking about that is many people from Melbourne have quite close connections with New York, but actually not that many people in Melbourne have close connections with, say, Mildura, let alone somewhere further away from Mildura, and the culture of Melbourne is probably a lot closer to New York than it is to Mildura. This culture of pulling apart is leading to people in regional areas saying, "The culture of my country is not what it used to be. I used to be part of the dominant culture of my country and I'm not anymore" and when they can feel it slipping away from them like that they resent it, and then that of course shows up in politics bigtime.

SABRA LANE: He also talks about how the values and the behaviour of the elites and the way that they talk and act unwittingly are activating the authoritarian tendencies from people and in a subset of nationalist groups as well.

JOHN DALEY: He talks about this concept of authoritarianism and he explicitly picks up a whole series of academic work that's been done on this. I don't think his article has this, but the way that those authoritarian studies have been done is trying to identify people who are not necessarily conservative, they're authoritarian and the two concepts are slightly different and, of course, you can't figure out whether someone is authoritarian by asking them "Do you think that the government should be a repressive fascist regime keeping everyone in check?" Funnily enough, people tend to say no to questions like that. Instead what you can do is ask them "Do you think that it is more important for children to be considerate or well-behaved? Do you think it is more important for children to be curious or obedient?" and the answers to those questions tell you very much whether people are authoritarian and they correlate frighteningly closely with whether or not people vote for Donald Trump and whether or not they vote for BREXIT.

His theory is that people who have those kinds of authoritarian attitudes are predisposed to really want to clamp down on things if life goes in a particular direction and, in particular, if they feel that their culture is under threat. So his argument is that what globalists tend to be doing is talking about difference, talking about the value that people from other cultures bring and talking about the value of internationalism as opposed to nationalism, and that is the precise thing that makes people with authoritarian tendencies very nervous about their future. I think one of the things that's really helpful about this, and indeed he's written a subsequent piece that follows up on this, is it turns out that the way that you frame things really matters. So if you frame things as saying "People from other cultures are coming to Australia and that's great because they bring the richness of their culture and their food and their way of life to Australia" you will provoke highly authoritarian reactions. If you frame it as "People from other countries and cultures are coming to Australia and we can all share in the food traditions that they bring in, the literature that they have that we can all get something out of, they contribute to the democracy that is Australia" you get a completely different reaction.

So it turns out the way that you frame these things really matters and you can also see how, as has been pointed out, Hillary Clinton ran a campaign in which she was perpetually playing up all of the

ethnic groups in the United States except white men. Almost the only category that didn't appear at the convention was essentially white men.

SABRA LANE: In fact, they got dubbed "deplorable".

JOHN DALEY: Yes and, not surprisingly, people who fell into that category particularly because their perception is "Well, people like me used to run the country" you had a political reaction, and that's exactly what happened.

SABRA LANE: How does it fit in with the story that's happening here in Australia? Do you think it partly explains the rise? We had 23%, 24% of people have their first preference to not the major parties.

JOHN DALEY: That's right. So the short answer is yes, there are lots of parallels and, indeed, those preferences for non-major parties were much higher in regional areas and much lower in central business districts of large cities, and there's a perfect spectrum in-between.

SABRA LANE: "Goat cheese circle" as it's become known.

JOHN DALEY: Well, yes, it's in fact more like a dartboard; it's dark in the centre of the CBD and then it goes out from there. There's also no question that this vote for minor parties is increasing over time, but I think it's also a mistake to say this is all about Pauline Hanson. It's not; it's all about everybody else.

So even in Queensland, Pauline Hanson and the One Nation Party were comprehensively out-pollled by all others who got less than 3% of the vote in any state in the country, and that's true when you go and look at individual electorates or polling booths, that this minor party vote is extremely splintered. Typically, with the exception of South Australia and Nick Xenophon, it goes to all sorts of different parties which I suspect even you would struggle to know the names of, and some of them you would be surprised. So the Sex and Marijuana parties, which ran an alliance at the last election, actually don't fit into that all other categories, they did get more than 3% of the vote in some states. So it was incredibly splintered. Yes, that's exactly what's going on and I think some of the motivations that lay behind Trump and the sorts of things that Jonathan Haidt is talking about in *When and why nationalism beats globalism* are exactly the kinds of things that are going on here, the biggest difference of course being that in Australia far more of the population lives in the big cities so there are many more globalists in Australia than there are nationalists, certainly relative to the United States where far more of the population live in relatively regional areas. The same is true for the United Kingdom. We think of London is the big city that dominates the United Kingdom but it's actually less than 10% of the population, whereas Sydney is pushing 20% of the Australian population.

SABRA LANE: Excellent. Shall we move onto our next one?

JOHN DALEY: Indeed.

SABRA LANE: *The Life Project*, Helen Pearson. Hands up those who have taken part in any kind of survey in the last five years. Lots of hands. Have you been willing and happy participants or begrudgingly taken part? Hands up if you have been willing participants and happy to do it. About half.

This amazing book is about all these cohort studies in the United Kingdom. The first one got underway in the 1940s when the Brits were really quite worried that the birth-rate there was in decline and there were real concerns that this might lead to the extinction of the Empire. So a bunch of scientists funded with something from the government decided to go out and get all the details of all the babies born in a particular week and ask all sorts of questions to the mothers. They picked one particular week in March 1946, a 31 year-old doctor led this study, he set about collecting all the information about these babies and, funnily enough, because it's 1946, they actually captured the baby boom at this particular point. But what information ended up coming from these cohort studies and the studies that followed thereafter has been absolutely fascinating. I found this was the surprise read for me out of everything that you gave me in the list, I really thoroughly enjoyed it.

JOHN DALEY: I'm delighted to hear it. If there's a works book on the list this is a works' book, and I think for works one of the things it shows is the way that traditionally most public policies tend to be cross-sectional. It looks like the census: we go and ask a whole bunch of people questions at a point in time and then we can say okay, at this point in time people who tended to be like this also tended to be like that. The problem is that gives you lots of correlation and very little causation, you can't tell what caused what. The beauty of a longitudinal study like this one, because they followed these babies, and they eventually of course grew up and they're still following them 70 years later, is that you can start to infer causation a lot more often: when such-and-such happened to people in their lives, such-and-such tended to happen to them later on.

SABRA LANE: These studies have come up with findings that we now take for granted, like women who drink when they're pregnant have low-weight babies and parents that read to their children when they're quite young, how their educational attainments are far superior to anyone else, but it also pointed out the inequality problem still exists. What was also fascinating was the absolute passion that some of these researchers had, some of them were prepared to mortgage their own homes to make sure that these studies continued.

JOHN DALEY: We don't think of social science as heroic do we? But it is.

SABRA LANE: It is, it's fascinating, it's so important and it's such a shame. Helen Pearson points out that the last major cohort study got underway in 2012 at the Olympics and the government cancelled the funding in 2015 because it was too expensive.

JOHN DALEY: And, of course, you can't go backwards.

SABRA LANE: No.

JOHN DALEY: These studies are only useful if they've been done, and if it hasn't been done in the past that's just data you haven't got. The other thing I think for me that is truly heroic is this study was started by someone aged 31 in 1946 and there was a point at which he had to hand it over because he was going to die and he did, as you tend to when you're kind of like that old. So it's the heroism of people who then picked up the ball and are still running with it, because the participants are still "only" 70 and many of them are going to live for another 20 years and we will learn things in the next 20 years.

SABRA LANE: At the time they asked all sorts of weird questions and they could never possibly know just how significant those questions were, like the first survey was “How many petticoats did you have to buy?” and “How many rubber sheets did you buy for baby?” and all that. They discovered that there was a great gap between wealthy mothers and poor and it led to maternity payments and eventually to maternity leave. So the findings that have come out of these various studies have been important not only to the UK, but the world over. I reckon it was a great read.

JOHN DALEY: Yes. I think beautifully titled, I mean, it's *The Life Project*, this has changed people's lives. People are living better lives because of the insight we got from this work and without this work we might well not have known.

SABRA LANE: It also has lovely little vignettes through it too of people who've managed to break out of their demography as destiny, they were born into poor families, they didn't have a toilet inside the house, there was domestic violence and people have done really, really well. They forced themselves, they left school young but they went to night school, they've beaten the odds and they've done quite well. I thought it was great.

JOHN DALEY: Great. Did you like Ali Smith and *Autumn*?

SABRA LANE: I loved Ali Smith and *Autumn*, but initially this is a terrific book and what's amazed me is that such beautiful writing could happen in such a short timeframe. This is being billed as the first BREXIT novel. Ali Smith had decided that she wanted to write four books each one titled after each season and this one she'd formed a lot of before BREXIT happened, but when BREXIT happened she asked her publisher if she could have one more month please to finesse and finish things. It was fantastic. The first chapter I thought, “Hello, what's this book going to be about? Do I need my hip flask now?” I've learnt so much, I mean, there's just so much in this, there's BREXIT, there's feminism, there's art. There's something for everyone, I thought.

JOHN DALEY: I found it a book that's against a background of BREXIT and the very unpleasant politics that's gone with it, and I think that's true of Britain, the United States and Australia and any number of other countries. Our public debate has become particularly uncivil and not very nice some of the time, people are playing the man a lot more than they're playing the ball. There are lots of things that you just look at and think you don't have to say that, and you can maybe blame social media and you can blame all sorts of things, but it's not very nice and then we've also got a whole series of things that are much more authoritarian than they used to be. Australian has passed its fair share of authoritarian legislation over the last five years and some of it's not being used in ways that are very nice, and the same thing is going on in the United Kingdom and, at the same time, these incredibly beautiful stories about people and their human relationships just transcend all of that.

SABRA LANE: Yes. This story is about a 31 year-old woman, Elisabeth Demand, she's a contract lecturer, I think she's out of work at the moment. There are a fantastic couple of scenes where she's in a post office waiting for her number to be called up, she's applying for a passport and when she gets to the front counter she's told that her photo is unacceptable because the eyes aren't quite right.

JOHN DALEY: There's a lovely line in the book, “This is not fiction. This is the post office”.

SABRA LANE: I loved this particular sentence too about after BREXIT, “It is like democracy is a bottle someone can threaten to smash and do a bit of damage with” and she also talks about when the result happened, “All across the country there was misery and rejoicing. All across the country what had happened whipped about by itself as if a live electric wire had snapped off a pylon in a storm and was whipping about in the air above the trees, the roofs and the traffic. All across the country people felt as if it was the wrong thing. All across the country people felt it was the right thing. All across the country people felt they were really lost. All across the country people felt they’d really won” and that was it.

JOHN DALEY: Yes. So it goes from the big picture of politics and how people react to politics, to the incredibly personal. Elisabeth’s mother is not very nice actually.

SABRA LANE: Not very nice at all.

JOHN DALEY: But, “Elisabeth’s mother is much cheerier this week, thank God. This is because she has received an email telling her she has been selected to appear on a TV programme called *The Golden Gavel* where members of the public pit their wits against celebrities and antiques experts by trawling around antique shops on a fixed budget and trying to buy the thing which in the end will raise the most money at auction. It’s as if the Angel Gabriel has appeared at the door of her mother’s life, kneeled down, bowed his head and told her in a shop full of junk, somewhere among all the thousands and thousands of abandoned, broken, outdated, tarnished, sold on, long gone and forgotten things, there is something of much greater worth than anyone realises and the person we have chosen to trust to unearth it from the dross of time and history is you”. That play between those two registers is what the book’s all about and it’s just great.

SABRA LANE: It is great. The other thing which is great is the relationship with her elderly neighbour. In the contemporary time that it’s written Daniel is 101 and he’s in a care facility in his autumn days, he’s on his way out. It’s beautiful, it’s tender and, again, the mother is really suspicious of this relationship, why is my daughter seeing this old bloke? But it is just beautiful, the stories that they tell one another. There’s so much in this book, there are so many redeeming things in this book that make up for the elements that aren’t very redeeming in the mother. I loved it, it was really good.

JOHN DALEY: Great. So no hip flask required?

SABRA LANE: No, no hip flask required for this one.

JOHN DALEY: Great, well you might need a hip flask for some of what comes next. For the *Prime Minister’s Reading List* we have to take into account the fact that the Prime Minister may not necessarily be quite as excited about policy as people at Grattan Institute, but we do also construct a wonks list every year. Do you have a derivation of the word “wonk”?

SABRA LANE: No, I don’t.

JOHN DALEY: What does it spell backwards? It’s “to know it” backwards, or at least that’s one theory. Anyway, so what we’ve got on for wonks, and there may be one or two people here in the audience who are wonks, is a piece on *Secular drivers of the global real interest rate*. Now I realise that makes Tom Bentley and Jonathan West seem positively risqué but, on the other hand, for people in policy one of the biggest questions we’ve got at the moment are why are interest rates at their lowest in

5,000 years and why are they staying there, why is global growth so slow, what is going on. You go and talk to people who study this stuff for a living and they haven't got very good answers to those questions. This is staff working paper number 571 from the Bank of England, but it's clearly one that they lavished even more attention on than normal, it's incredibly good. You go and talk to economists anywhere and they say this is the thing you've got to read, it's pretty hard work but, on the other hand, it's the best answer we've got to those questions which are probably the most difficult questions we've got in terms of our economic policy at the moment.

Then we have a piece edited by Marcia Langton and Megan Davies, *It's Our Country*, a whole series of different essays by Indigenous people talking about what their view is on constitutional recognition and reform. They're all well-written, they've all got something to say, and it would be fair to say that they've got very different things to say and they don't agree with each other at all a lot of the time, but this is a debate that we're clearly going to have over the next couple of years and this will give you a better idea about where people are coming from in the debate than many other things. Then we have Ezra Klein, an article you can pull online from Vox called *Technology is changing how we live but it needs to change how we work*. The whole meme out there at the moment is technology is changing really fast, what does this mean, does this explain why our measured productivity growth is so slow? This is a very thoughtful article about what's going on with that whole game of technology change. Peter Varghese was the Secretary of Foreign Affairs & Trade until recently in Australia, and this was his parting speech as he stepped down.

SABRA LANE: It's a cracker.

JOHN DALEY: It is a cracker. He talks about institutions, how important they are and how we mess with them at our peril, how valuable those institutions are, how hard it is to build them, how easy it is to destroy them, and what a big difference they make when we get them right. It's not very long, but I think it's a very powerful reminder of just how much all that stuff matters, particularly for people who spend a lot of time in policy worrying about economics. So I think it's really helpful to be pushed back and reminded the lawyers and institutional design, all of that stuff matters as well. Then we have a book by someone who at one stage was a Grattan staff member. We have a very hard rule that no-one who is a Grattan staff member can have something on the list, but Peter Mares was at Grattan and he's written a fantastic book called *Not Quite Australian* which is about our migration program and the temporary migration program we have which effectively means that you can be a temporary migrant in Australia for a very, very, very long period of time, indeed for a lifetime. We've created this kind of half-world of migration, as he puts it not quite Australian, and all of the policy issues that that is creating. Very thoughtful and, as you would expect of a Grattan staff member, it's deeply buried in the numbers but it's also a very human book as well understanding how this affects real people and what we might do from a policy perspective.

Then, finally, a book called *Trillion Dollar Baby: how Norway beat the oil giants and won a lasting fortune* by Paul Cleary. Norway, as we know, largely nationalised its oil industry, did very well out of that and they have built a vast sovereign wealth fund, so large that the biggest question in Norwegian public policy is what do we do with the sovereign wealth fund money because it is now supporting so much of the Norwegian budget. Clearly a very different strategy to what happens in Australia, a very different outcome, and I think an interesting challenge about how did the Norwegians make that decision, why did they make that decision, was it a good idea and, implicitly, Australia's just been through an extraordinarily large mining boom, chances are it will not be the last mining boom in

history, do we want to make different choices next time. I think it asks that question in very thoughtful ways, so a little extra reading for people with two hip flasks.

SABRA LANE: I won't need two hip flasks. I lived for a time in Norway, so this is fascinating stuff.

JOHN DALEY: Terrific. That's what's from us. We should just throw very briefly to the audience, has anyone got a burning question?

AUDIENCE: Can you tell me what you think our Prime Minister will learn from the one novel on the list, apart from that he may get some joy and happiness, which he hasn't had much of this year?

JOHN DALEY: Thank you, that's a great question. I think the beauty of novels is that they put you inside the head of someone else if they're well-written, and this one is. So it's an act of imagination that enables you to see the world from someone else's point of view different to you, walk a mile, indeed, many more than one mile in their shoes, and I think that that's valuable for any politician to truly understand where people with other backgrounds are coming from. I guess that's actually a bit of a theme of this year's list, I hadn't thought about that, but Jonathan Haidt's piece is about that, the book on China is about that, these are all things that push you into walking a couple of miles in someone else's shoes. So I think it's about that and, as Sabra was saying, it enables you to think about both sides of the BREXIT debate, that there were some people who were furious and some people who were delighted and making you think through okay, what was it like to be in both kinds of people's shoes and what was it like to be in the shoes of people who actually were really in neither, but had to live their lives anyhow?

SABRA LANE: I just want to add there, interestingly, the Prime Minister has said in the past week, and I hope I'm not breaking confidences here, but he insisted that he's been the happiest he's ever been.

[Laughter from speakers and audience]

JOHN DALEY: Next question. Anything that you wish was on the list and we have outrageously omitted?

AUDIENCE: You've managed to go a whole hour without mentioning the environment and climate change, which is one of the great moral issues of our time. Is there nothing worth reading on this subject?

JOHN DALEY: I think there are obviously lots of things worth reading on that topic. We try and keep the list manageable, that gives us six books or articles, and we have had things about that in the past. I guess we didn't see anything this year in the way that I think these pieces really made me and others at Grattan think, "I haven't thought about that problem that way". I think one of the problems with climate change is the ground has now been so thoroughly dug over it's really hard to say something genuinely fresh and new about it that you haven't read somewhere already. These pieces I think all, one way or another, had something that you look at and think, "I hadn't thought about that before" and one of the things we're really looking for in this list is things that you keep coming back to over the year. One of the real underlying criteria is what's the thing that I keep telling everyone that they've got to read because otherwise they won't understand what I'm talking about?

SABRA LANE: Interestingly though, I did read on the weekend something about some of the books that pollies will be reading over the summer break and one of the books that the Prime Minister did nominate was Tim Winton's *Island Home*. From memory, I think climate change is part of that book and reconciliation with Indigenous Australia is another feature in that book and reconciling our past, so hopefully the Prime Minister will take a lot away from that. One big issue that politically Australia will be grappling with next year is what do we do with the question of Indigenous recognition in the Constitution? We've got the various forums that are happening at the moment and it certainly looks like we are definitely not going to make the 50th anniversary target of having it next year, but it'll be how do we tackle that issue. And the Indigenous community is not one voice, there are many different voices with many different views and attitudes as to what should be happening with that.

JOHN DALEY: Yes and, indeed, the point of the book that we've got on the wonks' list is precisely you can see just how broad that set of Indigenous views is. One more question, anything else that anyone desperately wants on the list? No? I'm delighted that this year we've done such a good job! Well in that case, let me wrap up by thanking a few people, says he desperately looking for his list so he doesn't forget anyone!

First of all, thank you to the people at Grattan Institute who do all of the hard work of assembling the long list, trying to keep the whole exercise manageable, writing it up and helping me to choose. As I said, it's ultimately a thoroughly totalitarian exercise, but it's one in which I like to think as a very beneficent dictator who takes lots of advice. So thank you to Kate Griffiths, Lucille Banks and Brendan Coates who did a huge amount of work putting this together and really finding, I think, some brilliant gems. Thank you too to a very large number of members of Grattan staff who read, one way or another, most of the things that showed up on the extremely long list and therefore, by definition, read things that did not make the cut and which were therefore, by definition, nothing like as well-written or interesting as the things that were on the list. It is hard work reading books that are not well-written and not worth reading or less worth reading, so huge thanks to them. Thanks to Tom Bentley, who's in the audience, thank you for coming Tom, it's great to have you here and thank you for your contribution to the list. Thank you to Sarah Slade and the Library staff for tonight, as well as the ongoing relationship with Grattan Institute. And thank you to all the Grattan Institute and Library staff who've been working behind the scenes to make tonight a success.

That leaves me only to thank, once again, Sabra. As always, it's a complete pleasure to talk to you, it's much more fun when we're actually in the same room rather than talking down the barrels of cameras from remote places. Thank you for all the work you've put into reading all of the stuff on the list, thank you for your deep insight into what was there, and best of all possible luck for Radio National next year.

SABRA LANE: Thank you. Thank you very much. This will make me a better journalist at the end of the day, so thank you.

JOHN DALEY: Thank you very, very much and thank you all for coming. Thank you and goodnight.

END OF RECORDING