The Policy Pitch - Prime Minister's Summer Reading List 2017

5 December 2017

Grattan Institute launched our annual Summer Reading List for the Prime Minister, in Melbourne at the State Library Victoria on Tuesday 5 December**.**

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. Melbourne broadcaster Sally Warhaft joined Grattan Institute CEO John Daley in Melbourne to discuss how this year's titles illuminate some of Australia's most important debates.

Speakers: Sally Warhaft, Melbourne broadcaster
John Daley, CEO, Grattan Institute

SARAH SLADE: Good evening and welcome to State Library Victoria. My name is Sarah Slade and I'm the Head of Digital Engagement and Collection Services here at the Library. Before we commence I'd like to acknowledge the Kulin nation, the traditional owners of the land on which we stand, and 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* presented by Grattan Institute and State Library Victoria. I would particularly like to welcome the speakers this evening, John Daley and Sally Warhaft, Grattan Institute members and Friends of the Library. As always, we're delighted to partner with Grattan Institute to present this series which we've worked together on since 2014. The Library and Grattan Institute are very different organisations that have much in common, both are driven by big ideas, by the importance of research to answering society's important questions and, of course, both aim to make this knowledge accessible to a broader public. In terms of big issues, 2017 has certainly been a big year and, always topical, the *Policy Pitch* has reflected this. We've covered issues from the battle against obesity, the need to create better classroom environments, and housing affordability, to the rise of populism. Whatever the topic we've been talking about, we've seen engaged audiences all year long and that includes tonight. We look forward to seeing many of you next year as we continue to present this intriguing and challenging series of discussions. We also hope to see you at many of the other events and programs that we offer here at the Library.

Now to the discussion this evening. Grattan Institute is launching this year's *Annual Summer Reading List for the Prime Minister*. The list includes books and articles that play a critical intervention into Australia's public debates and is a must read not only for the Prime Minister, but for all Australians. It comprises a great selection of reading material for the holidays and I look forward to hearing more about it soon. With that in mind, I'm very pleased to introduce our speakers this evening. Sally Warhaft is a Melbourne broadcaster, writer, and former Editor of *The Monthly* magazine. She is the author of *Well May We Say: The Speeches That Made Australia* and host of the Wheeler Centre's *Fifth Estate* series. John Daley has been CEO of the Grattan Institute since it was founded eight years ago. He's published extensively on economic reform priorities, budget policy, tax reform, housing affordability and generational inequality. He has worked at the University of Oxford, the Victorian Department of Premier

and Cabinet, consulting firm McKinsey & Company and ANZ Bank in fields including law, public policy, strategy and finance. Please join me in welcoming John and Sally.

JOHN DALEY: Thank you very much Sarah for that introduction and thank you, once again, to the State Library of Victoria for the chance to use this magnificent venue, which is pretty much perfect for events of this kind. We're really grateful for the partnership that we've got with the Library. Both the Library and the Grattan Institute are institutions and we'll doubtless talk at various stages tonight about how important institutions are, although obviously the Library is a little older than Grattan and a little larger, perhaps. We're very grateful for your support through the year and this evening. I too would like to acknowledge the traditional owners of the land on which we meet tonight, the Kulin nation, and acknowledge their elders past and present. I too must welcome Sally. Those of you who haven't heard Sally before are about to discover what a treat this is in terms of having Sally talk about books. I can't think of anyone I would rather talk to about books. It's great to have you here.

SALLY WARHAFT: That is so delightful, John. It feels like all I do at the moment is talk about books the Prime Minister should be reading. I've just finished up my work as a judge on the Prime Minister's Prize for Literature in the Australian History and Non-Fiction categories, they were announced on Friday and that involved reading 150 books. Then John rings up and says, "Hey, want to read six more? Do you want to shove a bit more reading down the Prime Minister's throat?" and I'm so happy to do that, to gently recommend, steer him in a way that just might be helpful. Look, it is a fantastic pile of books, John. Before we kick off, tell us how you come up with such a list, because I had nothing to do with it.

JOHN DALEY: As you know, working on tax policy, housing policy and energy policy is the most fun one could possibly have on two legs. So what we do when we decide it's really about time that we do some work at Grattan Institute is we have a book club at which we bring forward the books that might make this year's list. Various members of Grattan Institute bring their book for this month, or maybe two or three, and argue about why it should be included. Given that we literally go through about 150 books, albeit between us, and I'm afraid we don't read all of them, we occasionally argue that a book should go on the list and more often we wind up explaining to each other why this book should definitely not go on the list, which is invariably entertaining and we do have to bring those conversations to a close eventually. So we talk about these books, we argue over them, we then pick out the ones that meet the criteria we have, which are, firstly and lastly, it's got to be a good read. If it's really tedious to read, no matter how worthy it is, if it's worthy but dull it does not make the cut.

SALLY WARHAFT: It's a terrific process and it's lovely to know that at Grattan Institute you're having a book club, as well as everything else that you're doing. It's a terrific way to do it.

JOHN DALEY: Then we're looking for things that have got something to say, one way or another, about politics, about policy, about power, about the country that we live in, what it means and how it might be governed. Then we try and obviously get a spread of books that cover different things. One way or another, we gradually whittle it down and I have a number of people to help and I'd like to thank them, in particular Lucille, Carmela and Owain this year, who put many, many hours into coming up with a list and then put up with the fact that their Chief Executive comes in over the top and says, "Well that's great, but here's the book I really want, even if you don't like it".

SALLY WARHAFT: Great.

JOHN DALEY: So given that, Sally, you've had the chance to read all six books and thank you for bringing your total for the last two months up to 156.

SALLY WARHAFT: My pleasure.

JOHN DALEY: The first of them is Rebecca Huntley's *Still Lucky*. What did you make of this?

SALLY WARHAFT: I think even if the Prime Minister doesn't have time to read this book - and he should - he should just wave the title in front of his face. *Still Lucky,* Malcolm, we're all still lucky. Rebecca Huntley's research is impeccable and it goes back over time. I think one of the things I really liked about this book are some of the longer term comparative studies that she's done. I am not an optimist in the same way Rebecca is and the subtitle of this book *Why You Should Feel Optimistic About Australia & Its People*, I don't share that feeling. There are obviously parts of this book that make me a little less concerned, I suppose. I would've retitled this book, I was thinking about it, *Still Grateful*.

JOHN DALEY: I can see where you're coming from, because certainly what I took out of it was that Australians today are not really feeling that lucky. They're feeling that they're much better off than they were 15 or 20 years ago, they do acknowledge that and I think, as you say, the way that Rebecca draws out this history so that you can see that and also the way they talk about things and how that's changed over time, you can see how social attitudes have really moved for the better. You can see people acknowledge that they've got more resources than they used to, that they live better than they did but, at the same time, you can see this extraordinary anxiety.

SALLY WARHAFT: Through everything.

JOHN DALEY: Yes. The bizarre thing about it is that even though they recognise they've become a lot more prosperous, in many ways they're more anxious than they were 15 years ago.

SALLY WARHAFT: The fine tracking on this shows it dates to the GFC and this really strange and interesting anxiety ebbs and flows for a while, but basically becomes cemented into something that feels a bit like a change in our culture. But that anxiety that you're talking about is picked up in this book with everything, with parenting - the chapter on how children are dealt with and raised and parental guilt, it made me feel like we really are quite a child-loathing country.

JOHN DALEY: I think that's a little unfair when it points out how much time we spend ferrying them to where it might be.

SALLY WARHAFT: Out of guilt and anxiety, though.

JOHN DALEY: Yes, absolutely. I think one of the fascinating things is a lot of the time this guilt and anxiety is about things that we're often wrong about. For me, one of the things that comes through is a huge anxiety about work, the security of work and all the rest of it. Now this of course is something that we do study at Grattan Institute and any way you cut the numbers, more people are in work than they used to be, more work is available, participation rates are up, people are staying in work for longer than

they used to - so in any given job the typical length is longer for a person of a given age. On the other hand, they are perpetually reading about the future of work and the insecurity and that the robots are coming. The fact that the robots haven't actually come and the fact that when the robots have come, actually other jobs have been created seems to have passed the population by, because that's not what they're reading a lot of the time. So I think one of the things that's going on here is that people are being told to be anxious and they are.

SALLY WARHAFT: I think that's true, although you're a real optimist too aren't you, John? I forgot. You see, I think the robots still are coming in one form or another, but the really deep anxiety too, and I think it's throughout this book, is the attitude to government. The two things that Rebecca identifies are Australians want to be governed. It gets back to the late and great historian John Hurst's idea that we are a very obedient people and I think the contract of that is we expect to be governed and governed well. We don't feel like we are being governed well and for this book for Malcolm, for anybody in parliament at the moment, that sense of nothing being done into the future, nothing that is taking a long term view. The chapter on women just starts off with the words "Australian women are exhausted". We know, we didn't need any research at all to understand that, but the reasons why, again, are interesting. They tap into the lack of long term - everybody knows this, everybody knows that 50%, if we just take this chapter, of Australians are struggling under a weight of an exhaustion that isn't being changed by a parliament that is still vastly men. I was at Parliament House on Friday and I was walking around the Great Hall. I mean, it's all men. There's painting after portrait after portrait after photograph and they are almost all men and it is still far too much that way, the Liberal Party in particular. People want something to happen.

JOHN DALEY: I think she does a lovely job of talking about the history of attitudes to politicians, the enormous hope that went with Kevin '07 -

SALLY WARHAFT: Yes.

JOHN DALEY: And that he was the first person who'd been voted for in a long time. Then a series of leadership changes and many people didn't quite understand why they were happening, but they saw them as evidence that politicians were more interested in each other, basically, than in the public interest. Then, of course, a bit of a wave of hope when Malcolm Turnbull came in and then a perception that he's not acting out his own personal values, that he's captive to conservative forces in the Liberal Party, and a frustration that politics is not delivering for them. I think one thing that does come out of the book very much and is very insightful is the way that a big part of this anxiety is a belief that the country is doing quite well and we've got a lot to be grateful for - I think that's a lovely retitling - but the biggest worry of all is that politics is not going to deliver the policy that we need for the long term.

SALLY WARHAFT: I think that is a really great summary.

JOHN DALEY: So why don't we move on to Michelle de Kretser's *The Life to Come*? We do try and keep a novel on the list. Apart from anything else, the Prime Minister, above anyone, works very hard and is entitled to read a novel for pleasure. What did you make of *The Life to Come?*

SALLY WARHAFT: Well, as you will have gathered by now, I don't read very many novels and this one threw me, actually. I mean, I love reading novels; I just don't get time to. I struggled with this. I love Michelle de Kretser's work. I think she's a remarkable Australian writer, a remarkable writer, but I kind of felt like I wasn't getting it. Part of that was because it's non-fiction after non-fiction and suddenly here's a book - you know, you want to enjoy a novel and it didn't give me feelings of joy. It gave me feelings of great irritation about so many characters in it that I just really disliked, mainly the one character that actually links all the others together, whose name is Pippa. She's just horrible. She's kind of everything you don't like about young people in the world today. She's somebody who possesses, as Michelle writes, "everything needed for greatness except talent". She's just this ambitious, pretentious - she's sort of also the perfect progressive, which really irritated me as well. So she's got all the correct views on everything. Everything, except -

JOHN DALEY: But that's what's fun about it!

SALLY WARHAFT: Except when they impinge on her happiness. So she deeply wants to be a vegetarian, but she likes taking Instagram photos of food more, and this is just throughout her. You loved it, didn't you?

JOHN DALEY: I didn't mind the fact that some of those things were slightly punctured. I mean, Michelle has a very, very sharp tongue, it does have to be said, and I enjoy a sharp tongue, which probably explains a lot about my family time.

Let me give you an example. She's talking about the fact that not enough Australian novels are taught in literature classes in our universities - I think Michelle actually has it in for universities in general, but we'll come back to that:

> "They run a survey and they discover that 86% of English Majors had never read an Australian book; asked to name a contemporary Australian novelist, responses were more or less equally divided between 'that *Oscar & Louise* guy' and Stephen King; and most declined to name a novel by Patrick White, although one student recalled *Riders on the Storm*. But the Liberal Government was delighted about this because these results were welcome; they could be blamed on the ousted Labor Government. Predictably, the national broadcaster, a viper's nest of socialists, tree-huggers and ugly barren females, had seized on the survey, exhuming one of its bleeding heart ideologues to moan about funding cuts to education. The flagrant bias of the national broadcaster was a gift to the government's spin doctors, but the survey struck an unexpected chord with the Right-wing press. 'Aussie heritage lost to multiculturalism', broadsheet, was backed up by 'Our classroom shame', tabloid. At this warning shot from its chief ally, the government acted decisively and the Centre for Australian Literature opened after just five years".

SALLY WARHAFT: Yes, she's sharp, isn't she? It's a great critique of our modern urban life. There's no "Don Bradman taking Phar Lap for a walk on the beaches of Gallipoli" in this book. In fact, there's a lovely one-line quote where one of the characters is invited to a sheep station in western New South Wales and someone says to him, "'It's the real Australia out there,' said Lachlan, as if Sydney were a collective hallucination." I do love that about looking at our cities and our urban centres, but it's rather like Canberra, this book, in that it involves a whole cast of characters who are desperate

to make sense of things, of their lives, and imagining things being better, I suppose that there's something around the corner that's always going to be better. In that sense, there are lots of things in this novel that tap very directly into Rebecca Huntley's work.

JOHN DALEY: Yes, into all of our anxieties. The structure of the novel is quite interesting. It's essentially about five episodes and they only link very loosely together through the central character or, rather, the binding character, Pippa; she's not even really central. But this did worry me slightly and I went back and read it again. It's a book that does bear reading twice -

SALLY WARHAFT: Yes.

JOHN DALEY: Which is one of the marks of, I think, a really good novel. What really struck me second time around - and it's a bit of a clue in the title - was it's a book about what does it mean to live well? Because, as you point out, Pippa lives badly, she uses the people around her purely as fodder for her books - you think that she's doing you a favour and then you discover that the only reason she cooked you chicken soup when you were feeling sick was so that she could blog about it. It's awful. Then the two characters of the last section, which is almost perhaps the longest, they met as children in Sri Lanka. One of them has been sent away from school, as we ultimately discover, because she became pregnant and she winds up in Australia. The other, her mother dies, her father dies and she winds up poverty-stricken, and this friend finds out that she's in trouble and gets her to Australia. Then they live in what you would probably describe as mostly poverty for the rest of their lives. They're not lovers, but they live in the same house for the rest of their lives and they genuinely look after each other and genuinely die happy, despite all that poverty, and maybe that's the other half of that Rebecca Huntley thing. One of the things she points to in her work is the way that in the past people perhaps had less, but felt under less pressure as well and, in that sense, maybe they were happier and maybe that's one of the things that this book is pointing to.

SALLY WARHAFT: I'm going to have to read it again, because now that I'm talking about it out loud I'm really going to need to, but I'm also going to have to really know whether I agree with you about that's what they've done, that they've lived well and died happy. Maybe, again, it's your optimistic reading. It certainly wasn't miserable, but it made me very sad, aspects of the loneliness, particularly that Cristobel was left with.

JOHN DALEY: Yes and that is sad, that she's left as Bunny gets dementia and ultimately dies, but -

SALLY WARHAFT: I get your point though. It is that compared to where Pippa's heading, I mean, where is she heading?

JOHN DALEY: Oh look, doubtless spending her time ferrying kids to the football.

SALLY WARHAFT: Perhaps, yes.

JOHN DALEY: So that probably takes us to the next one, which is a little bit more serious - not that a novel isn't very serious, but one that's maybe closer to the core work that Grattan Institute does, *The Captured Economy*. For those of you who are very, very keen spotters of the Prime Minister's Reading List, there was in fact an online article by Steven Teles that we had on the PM's Reading List

about four or five years ago called *Kludgeocracy* which was actually a fascinating piece about the way that, with the very best of intentions, we make things really complicated in policy and that has costs that are much higher than we imagine. This is a book that he's written with, as it turns out, a friend of his who's coming from somewhere completely different.

SALLY WARHAFT: Yes. *The Captured Economy* starts "big surprise here, the game is rigged for the wealthy". What I really like about this book is that it's written by two authors who are coming from really different political viewpoints. When you read it you realise how lacking that is in Australia, that we probably couldn't get a book of this kind up in Australia. They argue that the US is in a bipartisan blind spot. John, you'll be better at explaining what that is.

JOHN DALEY: They're interested in the way that the Left in the US is kind of fascinated about inequality and says, "It's the job of government to step in and reduce inequality" and the Right is fascinated by the idea that if only government would get out of the way, then corporates could make more money and everyone would be better off. What they both miss is that government is simultaneously part of the solution and part of the problem, that a lot of that inequality is a consequence of government intervention, that particularly both large companies and also small companies and businesspeople have become very good at getting government to intervene and change the rules so that they do really nicely and that actually a major source of inequality is government intervention. Secondly, from the Right what we miss out on is the way that to get an economy to work properly you do need strong government that sets the rules and that doesn't then come back in and rig the rules, and in fact that's quite a lot of what's going on.

What's fascinating about this is that two people from very different perspectives, one a libertarian, one a social liberal - it's kind of American code for socialist - come to the same conclusion, that what we need here is a lot more government in the public interest, institutions that, one way or another, minimise or at least reduce the power of vested interests and maximise the power of the public interest. That's a very different conception of government to that that's held by either side of politics in the United States.

SALLY WARHAFT: You talk about timeliness and this couldn't be worse timing, really. One of the things they're arguing for is to give a much better public service in the US that can really look at these issues, but of course at the precise time where we've got Trump the vulgarian and a bunch of billionaire lobbyists and other people doing almost everything in secret. I mean, it would've been hard enough to have got some of these things seriously talked about, I'd imagine, in the Obama years wouldn't it, let alone now? These guys are couple of policy wonks in Washington who obviously have decided to write this book instead of kill themselves, in my opinion.

JOHN DALEY: I think that's right, but one of the advantages of optimism is that you imagine that maybe we can do better and until you imagine we can do better, chances are you won't. One of the optimistic advantages of truly dreadful government is that often that can be the opportunity to really do better -

SALLY WARHAFT: Yes.

JOHN DALEY: Because you create the space for people to intervene.

SALLY WARHAFT: How much of the detail in this book on the US economy and the case studies that they use applies to Australia?

JOHN DALEY: The short answer is quite a lot. The longer answer is that one of the key features of the American economy that they start with is the way that it's becoming increasingly concentrated amongst oligopolies, and we published a piece this week, as it so happens, saying that doesn't in fact appear to be true of the Australian economy. It has industries that are relatively concentrated, but actually not particularly more concentrated than those industries in other countries of a similar size overseas, so that bit is a bit different. The increasing inequality of incomes that is very much a feature of the American economy is not true of the Australian economy. It's changed a little bit, but not much. On the other hand, we are seeing a rapid increase in inequality of wealth and when you look at the particular industries that they talk about being captured they talk about the finance industry and I think, in particular, our superannuation regulation completely captured by the industry. That's partly because on one side of politics you've got a series of large banks and other private institutions that have historically always been seen as being more aligned by the Liberal Party; on the other side you've got a whole series of industry super funds that are, in any number of ways, entwined with the Labor Party. Consequently, it's quite hard for politicians of either side of politics, let alone from both sides of politics, to regulate that industry in a way that's ultimately in the public interest, as opposed to the producer interest.

So that's finance. Then you get intellectual property, which has essentially become a game for increasing the rights of rights holders at the expense of the public interest. A number of interests in the US have very successfully used trade policy to impose US intellectual property rules on the rest of the world including Australia, so we, for example, now protect the rights of copyright holders for 70 years after the death of the author. Now, maybe there are a couple of authors who write because they're hoping to make their children rich, although I'm guessing it's not that many of them. The number who write to make their great-grandchildren rich, I'm guessing that's pretty small.

SALLY WARHAFT: Yes.

JOHN DALEY: You can see that in all sorts of areas of intellectual property and, as they point out, the actual economic and intellectual case for the protections of intellectual property that we've got are quite weak. There are any number of areas where there's no intellectual property protection at all and where you, nevertheless, get lots of innovation. The most obvious of those is restaurants. It's basically impossible to protect a recipe and yet we have any number of restaurants around Australia that innovate like crazy. Then there's occupational licencing. Ask anyone in medicine about how our medical specialities protect what you can and can't do if you are or are not a member of the specialty and protect how easy or, more to the point, difficult it is to become accredited as a member of a speciality. Then there's land use planning and the way that essentially benefits all of the people who already own property at the expense of the people who don't. Those are therefore case studies and they all apply to Australia in spades.

SALLY WARHAFT: Yes. When you see books like this you measure them up against the ongoing mantra that everything's going to be okay with the economy, which of course people don't feel. Whatever the numbers are, people are not feeling it and Rebecca Huntley's work shows us that. A sense of things can even give you that. I think if you look at the housing problems in Australia at the

moment or the sense that there's a boom, there's a bubble, it's going to burst, lots and lots of people are saying it, lots and lots of people are writing about it, but it doesn't have any correlation with what government says, which is always, "No, everything's going to be fine. Everything's just going to be a version of what it has been". I think that's where books like this - I'd really like to see an Australia version of this book, actually.

JOHN DALEY: We're working on it.

SALLY WARHAFT: Are you? Terrific.

JOHN DALEY: So that takes us to *Burn Out*. You told me beforehand that you'd read this quickly. I will confess - no disrespect - that when I sent you these six books I would not have picked that as the one that you read straight through.

SALLY WARHAFT: When he says "I read it quickly", I couldn't put it down is what he means. It still took a while. I really, really enjoyed reading this book. Does Malcolm Turnbull need to read this book? Yes. Yes, he does. It's called *Burn Out*. It's about the endgame for fossil fuels and what I really liked about it, it is difficult to find compelling reading on climate change and fossil fuels to be engaged in a book from beginning to end, but I just thought what this guy, Dieter Helm - I'd heard of him but I'd never read his work – is basically arguing is really quite simple. He says, "The revolution is coming. The world in 30 years' time is going to be as different as it was 30 years ago". That's how he introduces it. He took me on a journey where I actually was able to find a way to feel vaguely optimistic about the biggest anxiety of all, except, again, when I came back to Australia. He talks about the innovation, the science, what is going to save us, we are going to be okay and the planet isn't going to end. Then I thought I just want Australia to be at the front of this. We could be at the front of this. We could be doing things in science, in technology, in energy that we used to be capable of. For that reason, it's an incredibly important book for the Prime Minister, but really it made sense to me too, the arguments that he puts in this book made sense to me. He said, "There's going to be a lot that I get wrong" but he bases it on three very high probabilities, one of them being that fossil fuel is on the way out.

JOHN DALEY: Yes. Pretty much every year, and we've held this event for the last four years, someone at the end has put up their hand and said, "Why isn't there a book about climate change?" and I say because, frankly, no-one this year has published a book about climate change that's said anything particularly new. Lots of people keep publishing books saying climate change is a problem and we need to change our ways and all of that and it's kind of, "Yeah, yeah, yeah, I know that! Tell me something I don't know".

So what did this book tell me that I didn't know? The answer is it started with that premise that said that governments, one way or another, are starting to get vaguely serious about regulating emissions. Secondly, there are a bunch of technology changes that are clearly now happening, in particular the cost of renewable energies is falling and falling very fast and it's a pretty fair bet that they're going to keep falling, so solar and wind, in particular, are a lot cheaper than they used to be. Thirdly, we have the electrification of a whole series of things that currently require various kinds of fossil fuels, not least and, in fact, most importantly cars and trucks. When you put those together and say, "Okay, let's just assume that all of those things keep going - and, by the way, that is a very, very good assumption -

where do we wind up in 20 or 30 years? What things are probable?" He goes through the geopolitics of that and it's kind of in that world not that many people are going to be buying oil. Ironically, as he points out, it is most likely that oil will become cheap but, on the other hand, nobody much will want to buy it. Very bad news, by the way, for Saudi Arabia and, as he points out, probably pretty bad news for Russia as well. As soon as you think about it in those terms you realise yes, of course it's going to have those kinds of geopolitical implications.

SALLY WARHAFT: And mixed news for China. I thought that what he wrote about China was really, really interesting. He suggests that people have just been sort of carried away a bit with China as always ending up somehow the winner in this century, but he actually makes a really good case that it'll be the USA.

JOHN DALEY: Yes, because the USA, ironically, even through everything that's happened, has done an awful lot of the innovation and probably will wind up doing quite well. He also goes through and thinks about what are the implications for companies? The smart strategy for an oil and gas company is dig it up as fast as you possibly can and sell it as fast as you possibly can, because the chances are there may not be a lot of buyers in 15 years' time. Don't worry about the reserves and don't worry about the fact that might depress the price in the short run because you're not going to be able to sell anything in 15 years. Actually, one of the dangerous scenarios of the book is that it encourages even more emissions in the short to medium term. An interesting story for electricity companies in this world with a lot more wind and solar, inherently it's a much more distributed grid and, any way you think about it, this is going to be an awful lot of disruption. Only very agile companies tend to survive those kinds of disruptions. If you think about which companies survived some of the IT disruptions from 20 years ago, IBM is one of the very, very few companies that survived. It completely reinvented its business model, got out of making big machines and got into consulting, and it's about the only one that made it through.

SALLY WARHAFT: He takes you through the little history of how poor big companies are at redirecting, doesn't he?

JOHN DALEY: Yes.

SALLY WARHAFT: When you think about how the words "innovation" and "agility" have completely disappeared from our dear leader's lips, it's like something was just switched off and yet it's at the very moment that we really do seriously need to be talking about these things.

JOHN DALEY: I think innovation not only in the sense of Australia inventing things, important as that is, but even more so in terms of Australia adopting things. The the big part of innovation is if there are better ideas out there in the rest of the world, and chances are 98% of the good ideas are not invented in Australia, we're only 2% of the world economy, so the big game is adopting those 98%. Hiding our heads in the sand and hoping this is all going to go away is probably not a great strategy.

SALLY WARHAFT: Power was such a big issue politically this year and when I read this book I thought what a missed opportunity it was for actually Malcolm Turnbull to be able to get a discussion of climate change back, to couple it and to talk about energy, how we're going to get it and how we're going to get it long down the track. Instead, it was all about the price.

JOHN DALEY: And the cost of it to a household and so on.

SALLY WARHAFT: Yes, in a way that people's anxieties are greater than that. It is important, what power costs is important, but it was a missed opportunity in terms of perhaps looking longer range. Maybe he can't say "innovative" anymore because people just roll their eyes.

JOHN DALEY: To be very slightly fair, I think that the National Energy Guarantee actually has inside it - and heaven knows it's very sketchy - a little bit of that very forward thinking. How do we regulate the grid in a world where most of the power is generated at zero marginal cost? Inherently that means a quite radical shift in the way that the market works. That is a problem that countries around the world are grappling with and no-one's really solved, so we're kind of making up the regulation as we go along here. It's not a big deal in Europe because the reality is the European grid is interconnected, so most of the European grid remains with a marginal cost and backs itself up. Australia, and particularly South Australia, is one of the places in the world that has really a very high proportion which is zero marginal cost and that does require a different kind of regulation. So at least we've started talking about that problem and I think you're absolutely right to say that security of supply in this slightly different world of costs and so on is a genuine issue and does need to be thought through. Yes, we are slightly making it up, but pretending that, on the other hand, we are going to hit our emissions target with electricity only doing its share of the reductions, even though on any analysis reducing emissions in electricity is way lower cost than most of the rest of it, doesn't look as though we're really facing up to the problem.

SALLY WARHAFT: The other thing in his analysis - and he goes through the main countries, the producers and the consumers and how they'll be affected - is how much history matters. Saudi Arabia are in a far worse position for absorbing what's going to happen than, say, Iran simply because Iran has a much, much deeper history and covers a lot more ground in trade, in culture, in all these different areas without simply relying on one thing by a massive extended royal family. It's really interesting.

JOHN DALEY: That history in terms of understanding that this is how it's played out in the past and you can probably expect these kinds of things to play out the same way.

SALLY WARHAFT: Yes, so Australia too should look to its history as well as into the future. We're so stuck in today every day.

JOHN DALEY: Now we're going to talk about something that breaks the mould -

SALLY WARHAFT: Great.

JOHN DALEY: Which is Angela Pippos' book, *Taking a Hammer to Sexism in Sport*.

SALLY WARHAFT: Oh gosh, I enjoyed this. I really did enjoy this. Angela is a Crows supporter and that's the only thing about her I don't admire, because I am a Tiger. I wouldn't want to gloat, that would be undignified. But sport is all about timing isn't it really? This book, you talk about good timing, that she has published this at a time where we have, of course, witnessed in an area of Australian life that is just - this is a quote, Angela says, "If sport were a cake, the filling would be chest hair". Yet in this most male bastion, we've actually seen a leap, a leap in the past 12 months that politics and the working world of Australia is unable to achieve for women.

JOHN DALEY: Yes. I suspect there might have been just a little bit of good luck. From what I can make out, Angela started writing this book round about 2014/2015 and the first half of the book is about how women have got a raw deal out of sport for a long time and this genuinely matters. The reality, like it or not, is that sport is a big part of Australian culture and if sport really only applies to half the population, that's a wee bit of a problem. She documents all of those issues in terms of the social barriers, the cultural barriers and the institutional barriers to women in sport. She talks about the frustration of all of that and the chicken and egg argument about the way supposedly no-one's interesting in women's sport, therefore nobody actually plays women's sport, therefore there are no star players for women's sport and because no-one's interested, therefore nobody televises women's sport, and because no-one televises it, no-one's interested in women's sport, and around and around and around you go.

SALLY WARHAFT: Not just in professional sport. She talks too about women participating in sport. We all know, thanks to Rebecca, that they're just too exhausted because they can't get childcare and all the other things that need to happen to actually go and play netball or whatever it is that's fancied on a Wednesday night. That wouldn't be my cup of tea. I want to read one little quote, if I can. I found this hilarious. Some of you might know some of these names. This was when Australian Rules returned to the Adelaide Oval and Angela went to check out the development of the ground, she's having a wander around, it's all exciting and then she noticed the names. Here it is:

> "I'd read about Barrie Robran becoming the first football great honoured with a bronze statue at Adelaide Oval. Terrific, I thought, you can't argue with three medals. He's one of four football icons to be recognised in this way at the revamped Oval, the others are Russell Albert, Ken Farmer and Malcolm Blight. Statues have also been commissioned to honour four South Australian cricketers, Darren Lehmann, Jason Gillespie, George Giffen and Clem Hill. Max Bashir, the South Australian Football League's longest serving President, is one of the five men with a pavilion named after him on the eastern stand. The others are Gavin, Jack, Fos and Mark. The Chappell Stand recognises brothers Ian, Greg and Trevor There's also the Bob Green Gate adjacent to the Clarrie Grimmet Gate. The William Magarey Room, the Graham Cornes Deck, the Rick Davies Stadium Club Bar, the Neil Kerley Members' Bar and the Lindsay Head Terrace. The names Bob Hank and Len Fitzgerald adorn the two bridges that link the southern and eastern stands, while John Cahill and Andrew McLeod have a room each in the southern stand, a stab pass from the Peter Carey Bar. Are you detecting a trend? The John Halbert Room is located in the eastern stand with a section for the John Platten Bar and on the ground level is the Gary McIntosh Bar. Then there's the Lee Wicker League Room too. I'm surprised they didn't commission a giant set of brass testicles to hang above the entrance".

How good is that?

JOHN DALEY: It is terrific, but she also picks up the cultural pieces around this. There's a lovely bit where she talks about research. When you go and ask ten year old children what is it like to run like a girl they say, "Well, you kind of run fast, like a girl" but when you ask adolescents what is it like to throw like a girl they start bringing in ideas of awkwardness and so on. It just shows the cultural patterning of this and it clearly runs deep. That's part one of the book. Part two of the book is about quite a lot has changed. In 2016 there was a women's AFL game that was televised and a million people watched it.

That's not niche anymore, that's a lot of people. They all voluntarily, without having lots of things pushed at them, watched a game and loved it, clearly.

SALLY WARHAFT: Absolutely, even if those women were paid about 10% I think of what their male counterparts were. It's interesting this and I don't really know how to feel about it. I'm so thrilled about women's football and I can see what the AFL is doing in trying to nurture it, but they're not paying equal wages. In 2017, why does it have to be part-time for the women? Yet they've come this far, they will go on with it, they've done something that politics has been completely incapable of doing and it hasn't been easy, I think, for the AFL. I think, as Angela writes about, they've been really courageous. They detected something; they picked it up, totally supported it, and have a plan.

JOHN DALEY: And there have been sports in which women's pay has started to increase, but it's still got a long way to go. Tennis actually got there a long time ago essentially because the players, more or less, went on strike and said, "We're not going to play in the US Open unless we get paid as much as the men". It's not universal across tennis, but it's pretty close. There are a number of other sports which have at least made progress over the last couple of years and we have a full-on AFL draft for women, so progress. I think one of the really interesting things is, in a world in which the common complaint is we're not making progress on any of this stuff in terms of either policy change for economic purposes or for social purposes, how did this happen?

I think that's where the book is also really strong in terms of telling the stories about how did it happen? The answer partly was a bit of social institutional pressure that said, "It's really just not good enough to have an AFL Commission where everybody is a man. You've got to have a token woman" so they got a token woman, but of course it was Sam Mostyn and she actually did a great job. Then they said, "Actually, one's probably not good enough either" so they wound up with Linda Dessau, and they talk about how they basically raised the fact that there was no women's competition and the AFL was not taking women's football seriously literally every board meeting they showed up to, until the rest of the Commission got with the program. Today you're in a world in which 25% of the children doing Auskick are female. That's got a way to go, but still it's a transformation and it's a transformation that happened partly because there was social pressure to put more people on the governing bodies and partly that led to more women getting roles inside the organisation, partly because there were women who'd been playing football for a really long time who just kept working away to make it possible. I think it shows that if you really believe in a cause and you plug away at it for long enough, it is surprising that you can make some progress.

SALLY WARHAFT: Yes. I guess we've become accustomed to not expecting progress.

JOHN DALEY: Well, let's remember how far we've come.

SALLY WARHAFT: Yes. That's easy for you to say, John.

JOHN DALEY: But let me remind you just how far we've come. In 2008 somebody wrote, and it was a man - you can find out who it is if you go and read the book - that "the true spectacle and essential attraction of the game (i.e. Australian Rules) requires 36 exquisitely fit testosterone-pumped men attempting to subdue each other with speed and skill. Football is men's business, it is quite possibly

sacred men's business, and the attempts to feminise it are ideologically driven, nasty and envious attempts at a weird kind of retribution which could prove absolutely counterproductive". He wasn't joking. He was deadly serious.

SALLY WARHAFT: Yes I know, he was not joking. See, that doesn't surprise me like it surprises you.

JOHN DALEY: Yes, okay, point taken.

SALLY WARHAFT: The other thing that Angela does in the book - and in this Weinstein fervour, you wonder when it's going to hit particularly the Australian sporting world - is she tells one great story about her own just horrendous experience. You think about Angela's own working life, she was one of the first female journalists in sport going into locker rooms, all of that sort of stuff. She brings a great insight to this book, but she deconstructs things too at quite subtle level. For example, the professional sportsman who "unfortunately" gets caught - it's always "unfortunately I got caught" - and then says, "It wasn't my intention to be disrespectful, it was just a joke and I'm sorry if someone was disturbed by it". She points out these subtleties, I suppose. I mean, they're not subtle for many people, but it matters that these things are being pointed out, not to mention that we still have Grand Prix with women running around in bikinis and sponsored by a state government. Why is that okay?

JOHN DALEY: Yes. We can do a lot better.

SALLY WARHAFT: No, we must do better.

JOHN DALEY: What's courageous about this book and what's really, I think, helpful is to say things have got better and this is how people have made them better. That's important because there is a lot to be pessimistic about, so having role models for change is in itself really important.

SALLY WARHAFT: Yes.

JOHN DALEY: It's obviously incredibly important to have role models for women in sport. It's also important to have role models for change.

SALLY WARHAFT: Absolutely.

JOHN DALEY: And maybe that takes us to the next one.

SALLY WARHAFT: Wow, this next one is the book of the year for me. *The Enigmatic Mr Deakin,* I love this book. I keep going back to it and I've talked about it more than any other book I've read this year. It's one of those books when you look at your bookshelf and you feel like there's a hole in it just waiting for a book to be written and put in it. A lot of great things have been written about Alfred Deakin over the years, but nobody has put all the different parts of him together until now. They're three really interesting parts, his public life, his private life and his fascinating inner life. I really, really hope Malcolm Turnbull reads this one.

JOHN DALEY: Yes. What's interesting about Deakin? One thing that's really interesting, and it's a bit of a contrast to Pippos, is the way that although Deakin was a huge figure in his own time, he was never

a mate, he didn't swear and rarely drank, he didn't play organised sport nor fight in the Great War, was unfailingly courteous and, although many loved him, he always held himself a little aloof.

SALLY WARHAFT: And in fact he was a reluctant politician. I've been thinking about this for a while, you know how they drag the Speaker in who's meant to be reluctant? We should stop that. We should start dragging our Prime Ministers in and we should find leaders that are reluctant. Deakin didn't want to be Prime Minster most of the time that he was Prime Minister. I think that's a big part of why he was able to believe in things and follow them through. Whilst much of Australian settlement, of course, has come undone, things that he was very supportive of, the two greatest achievements of Deakin are the two very things that are driving Malcolm Turnbull absolutely bonkers this year which are Federation and the High Court. They did it so well in so many ways and they did it so that it couldn't be undone. The idea of something being that lasting, it's marvellous.

JOHN DALEY: That and I think that on any number of policies, some of which haven't survived but many of which survived for a very, very long time, what's interesting about Deakin is that most of the time he was Prime Minister of a minority government.

SALLY WARHAFT: Yes.

JOHN DALEY: On the other hand, he writes about the way that he, in many ways, preferred that because it meant that when change happened it had to be change that was across parties. It was therefore change that was, as he put it, "distilled from the wisdom of Australians" and it was change that was likely to last precisely because it had been forged out of a compromise.

SALLY WARHAFT: Yes. He called it "organic" didn't he?

JOHN DALEY: Yes. I think there's something to be said for that kind of desire for a compromise in which everybody gets something and most people get most of what they want, we all accept that we've got to do this together, and that staying together is actually more important than unalloyed victory. A lot of our politics seems to have got to the point where it's about winning rather than about a policy compromise that we can all live with and that will leave us all better off. Deakin's entire life work was about statecraft and Judith talks about statecraft. The first time I read it I was kind of crikey, that's an old-fashioned word. Then I thought jeez, it should be a new-fashioned word. There's nothing wrong with statecraft.

SALLY WARHAFT: It's a beautiful word. The other thing that Deakin really got was understanding that there was often only a window for ideas and policies, that it had to be a moment in time and if you missed it, it might be gone forever. That's something certainly Malcolm Turnbull, if you think of the two things he's said he's been most passionate about in life are the republic and climate change. He ought to start understanding that you've got to take your moment, because they might not come back again for a long time.

JOHN DALEY: The other thing I think is terrific - Judith is a fantastic historian, so you can always smell and feel the time you're in and, for me, this was a lovely window into late 19th century Melbourne. You hear about all of those séances and mediums and spiritualism and you think jeez, that was pretty weird, everyone sitting in a room, holding hands and hoping the dead were going to speak to them. What was that all about and what were respectable people doing? Then you realise that actually the holding hands

and talking to the dead sort of thing was not the point. In fact, the point was that it was a way of people coming to talk about ethics and values, that's most of what they talked about, in a way that wasn't explicitly religious and wasn't controlled by the existing churches. For me, that was a real insight, that's what was going on, and seen through that lens the enormous fashion for spiritualism in the late 19th century makes a lot more sense.

SALLY WARHAFT: And just a sort of intellectual depth to it that you certainly don't see in public debates now. His most common prayer and if you're going to have one and be Prime Minister was, "Oh Lord, show me the way". I think what Australians are sensing now is that everything's just about politicians and this reminds you of a time where actually people didn't feel that way. Everything was different.

JOHN DALEY: It was very different. One of the fantastic things of course about Deakin's life is that whilst a Minister and, indeed, a Prime Minister, he was busy simultaneously writing for the London media about Australian politics using a pseudonym and "The Enigmatic Mr Deakin" is how he described himself.

SALLY WARHAFT: Yes.

JOHN DALEY: So it was a different time.

SALLY WARHAFT: He wrote two books on India.

JOHN DALEY: Yes.

SALLY WARHAFT: He also had three daughters like Tony Abbott, so Tony Abbott should read it too. One thing I don't understand is why the Liberal Party shuns Deakin in the way that they do. I've never understood it. They don't have handfuls of heroes, you can never have too many, I guess, as a political party, and Deakin is somebody I think, again, I just see so many missed opportunities. I think of Malcolm Turnbull as an intelligent, urbane, educated man and there were opportunities even in this citizenship drama where he at least could've cracked a joke that referred to Deakin or showed that he had a sense of history, showed that he had a sense of respect, that we didn't get it necessarily perfect for the times, but how well it has served us. There's nothing like that anymore. You see in Deakin's letters to some guy he's met and known for one week who's from America a richer, deeper sense of culture than we get now.

JOHN DALEY: To be fair, we're not reading Malcolm's private letters at the moment and he would not be the first politician that was deeper in private than he was in public.

SALLY WARHAFT: That is true.

JOHN DALEY: Although, one of the things that's really interesting about Deakin is that in public he was quite deep and he was prepared to talk about ethics and values and what he cared about and why he cared about it.

SALLY WARHAFT: Well that's how they did it, isn't it? That's how they got Federation. I look at Deakin and I think wow, imagine Federation, trying to do something like that today. Just forget it, forget it. We

can't agree on anything anymore, let alone something that complicated that was done through speech in halls and town halls and rooms like this but without microphones, travelling all over the country, persuading people of something they thought they didn't want, something grand.

JOHN DALEY: Clearly Deakin was great at that business. Here's another thing that was really different, maybe not so much for Australian politicians but to others. There's a lovely scene that Judith paints of Deakin in a regional Victorian area - I can't remember where it was - basically rousing up the crowd against one of his opponents who was in the room. About three quarters of the way through he suddenly realised that he's really roused the crowd and -

SALLY WARHAFT: Oh, this is at Bendigo Australian Natives' Association is it or Ballarat?

JOHN DALEY: Yes, I can't remember. It could get very, very ugly and he realises this and deliberately just quietly starts leading them in a slightly different direction, their focus goes away from this opponent and it all ends very happily. He writes about how that was a real wake-up call to him and that he had to be careful about power and not misuse it.

SALLY WARHAFT: Amazing just to sense all that and be able to act on it and do it in the right way. The level of detail in this book is really, really wonderful and it's one that you can read right through and then keep dipping back into.

JOHN DALEY: So Sally, that's the list. What would you have picked?

SALLY WARHAFT: Well, I would've put the winners that we chose for the -

JOHN DALEY: Having read 150!

SALLY WARHAFT: That's right, although it's a different purpose isn't it?

JOHN DALEY: Yes.

SALLY WARHAFT: This is the Prime Minister's actual reading, but I would put them both on. The Australian History Prize went to Elizabeth Tynan, who's not an especially well-known writer in Australia but she's written a book called *Atomic Thunder* about Maralinga, again, really, really well researched but with great resonance to today, and *Quicksilver*, which was Nicholas Rothwell's book on northern Australia. Two wonderful books but that would be eight, it would be quite a lot wouldn't it for one summer?

JOHN DALEY: Indeed. Also what we do - and it's in the back of the publication which, by the way, if you want to send on to your friends you can find online at the Grattan website - is put together a wonks' list, which probably does apply to Malcolm and Lucy, who are both people notoriously interested in policy. It's Alan Gyngell's *Fear of Abandonment,* which is about Australia's foreign policy and the attitudes that have driven it over the last decades; Cordelia Fine's book *Testosterone Wrecks*, which is an intervention into the debate about how our minds are shaped about gender; *Rethinking the Economics of Land and Housing*, for anyone who's working in the housing space this is the big book of the year thinking about the way that land is actually a very different kind of thing to other kinds of assets

and to income and you have to think about it very differently; James Meek's *Somerdale to Skarbimierz*, which is about the way that a Cadbury factory moves from the UK to Poland and basically everybody winds up unhappy about it, including the people in Poland, but it's a fantastically beautiful read; Seth Stephen-Davidowitz's *Everybody Lies*: *Big data, new data and what the internet tells us about who we really are*, that's about the way that people tell Rebecca Huntley one thing and then you go and find out what they actually put into search engines and it tells you what they really think and they're not necessarily quite the same; essentially the entire issue of the Meanjin quarterly winter edition - it was just one of those things where there are any number of really great pieces in that particular journal.

SALLY WARHAFT: That's a very handy list, John.

JOHN DALEY: Yes. And, finally, Yochai Benkler and *A Breitbart-Led Right-Wing Media Ecosystem Altered Broader Media Agenda*, which is a bit of a mouthful and is even more horrifying when you discover it was the headline voluntarily chosen by the Columbia Journalism Department, so heaven knows what they're teaching their students. But it is a completely brilliant analysis of what kind of media different people with different political opinions in the US read and the way it's coming apart, totally amazing, understanding what's going on in the US. So that's for the wonks and there may be one or two of those in any given Grattan audience.

I should wrap up at this point. Firstly, again, an enormous thanks to Lucille Danks, Carmela Chivers and Owain Emslie and, indeed, all of the Grattan staff for their work in reading and recommending tonight's list. Thank you to the authors who are here tonight - Judith Brett, Rebecca Huntley and Angela Pippos. Thank you for your work, we have enjoyed reading your books and we hope that lots of other people here and elsewhere do. I have never written a book, but I've got close enough to people who have to know it's no small thing and your readers are very grateful. Thank you, again, to Sarah Slade and the State Library staff, we're looking forward to the 2018 calendar of *Policy Pitch* events and partnering with the Library for another year. Thank you to you, the audience, without whom of course this event wouldn't happen, although I suspect Sally and I would've had a lovely time nevertheless.

SALLY WARHAFT: I think I could talk to you anywhere, anytime, John, yes.

JOHN DALEY: The list, as I mentioned, is online and to purchase the books you can either go to any one of the Readings bookstores across Melbourne or online, or you can join us upstairs for a drink and a nibble after this event, you're all welcome, and you will find a Readings stand where you can purchase the books. Thank you all very much for coming, it's been a complete pleasure to have you here and we look forward to seeing you at any number of Grattan events in 2018. Thank you for a great 2017. Happy holidays and we hope that you too find time to read a few books. Thank you.

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