



Let's not flatten the learning curve, it's invaluable
by Innes Willox, Chief Executive, Australian Industry Group
Published in *The Australian*, Friday 15 May 2020

We've made mistakes but also got much right in the response to the virus crisis.

There are some fundamental lessons to consider as governments, the national cabinet and industry chart the path back to work out of the coronavirus lockdowns.

The first consideration is that while the lockdowns can be considered a success, our economy should take steps to avoid another nationwide shutdown. Planning should be focused on building capacity, where it is economic to do so, that will reduce the need for such drastic action. We should clearly identify the shortfalls in pandemic preparedness and address them to enable a change in focus from national action to appropriate regional and community responses.

Thankfully, Australia did not follow the flawed policies of some countries and Scott Morrison argued successfully to keep many industries open, including manufacturing, construction and a range of retail outlets. Positive virus cases in these industries have been rare, suggesting this was the right call. We have shown we can follow the rules and stay safe. In the future, governments should appreciate that the heavy hand of the law is not entirely necessary.

Should there be a second wave, rapid identification of contacts and treatment using testing and technology, such as the government's COVIDSafe app, will be the frontline in preventing more generalised lockdowns.

Second, we have found a new appreciation of locally based manufacturing. Shortages of vital medical and health equipment also have generated an important debate about Australia's engagement with global supply chains.

We have learned hard lessons about over-reliance on single sources of imports, but we should not forget the wealth we have accrued as a trading nation, from not attempting to make everything ourselves. The reconciliation of these competing pressures lies in understanding what is strategically important and in valuing flexible capacity underpinned by solid local foundations in innovation, science, engineering and manufacturing nous.

Third, Australian Industry Group members, large and small, have been affected by state border closures. Once Australia quarantined travellers returning from abroad, internal border closures became anachronistic. The idea that Australians, particularly border communities, should be locked apart by 19th-century boundaries should have had no place in the response to this virus or other crises. It is not productive for states to try to outdo each other by, for example, keeping schools closed or holding on to restrictions longer when national advice says otherwise. Fortunately, the national cabinet was able to temper some of the planned actions from the states. The unimpeded movement of freight across borders was achieved following days of chaos.

Fourth, another priority would be to learn from the misinformation that has driven alarmist actions in other jurisdictions by considering a better approach to data. We should be as sure as possible of the data that is being used and transparent in the assumptions and limitations of the models. At the start of this crisis there were loud voices calling to shut everything down. The success we have experienced by keeping many of our industries operating is proof that governments were wise to resist this pressure.

The fifth point is that the Prime Minister and Josh Frydenberg have made very clear that this is both a health crisis and an economic crisis. There needs to be a balance of risk approach based on these two priorities. Policy responses that don't take into account both sides should be carefully scrutinised. In the washup of this crisis, policymakers should investigate the full cost of the actions taken and the consequences for lives and livelihoods.

The sixth lesson: the aphorism "don't waste a crisis" is proving to be true, with many AI Group members telling me they are discovering new work practices that will outlast this crisis. In industries and parts of industries where working from home has been possible, the big surprise to many

recalcitrant employers is that working from home works. It will change the policies of many offices, including AI Group. While Zoom conferences were novelties for many, they are now second nature. There will be no turning back from this. Jumping into a taxi or on a plane for a meeting may well become a second or third option.

Factories also are finding liberalised workplace laws are allowing them to take new approaches to shifts to lighten workplace numbers and reduce the risk. This is not an argument for or against lockdowns, just a side benefit of the actions that have been taken, bearing in mind the enormous impact on the million or so people who have lost some or all of their livelihoods.

Hopefully we will return to the new normal soon. It would be a shame if we didn't learn from this experience to deliver some long-term good.

Innes Willox is chief executive of the Australian Industry Group