

## Conversations with Future Generation Podcast

### Episode Four

#### Anna Bligh

L Welcome to Conversations with Future Generation. I'm Louise Walsh, the CEO of the Impact Investing Companies Future Generation Australia and Future Generation Global. In this series we explore the worlds of investing, philanthropy, mental health and supporting children and youth at risk with amazing Australians who are leading the way. Joining us today is the Honourable Anna Bligh AC. Anna is the CEO of the Australian Banking Association and has been since 2017. Anna of course is well known to Australians as a former Queensland Premier from 2007 to 2012. The first woman to hold that position and the first female Premier in Australia to be popularly elected to the role. She also demonstrated truly outstanding leadership dealing with the horrendous Queensland floods in 2010 to 2011. Anna worked for various community organisations before entering politics, including childcare, neighbourhood centres, women's refuges, trade unions plus the Queensland Public Service. Interestingly Anna moved back to the non-profit world after politics to be CEO of YWCA of New South Wales in Sydney 2014. Welcome Anna. I'm definitely looking forward to our conversation. So if you don't mind we'll get on with it now.

A Absolutely.

L So firstly Anna if you had to single out one single career highlight, I know that's probably a difficult question for you, but what would it be?

A It is a very difficult question and I did think about it. Well there's probably two parts to the one thing. And it's pretty hard to go past becoming Premier of any State of Australia and for me to become Premier of Queensland was an extraordinary moment and I think there are times, I think everybody is making history every day, but there are times when you can't help

but be deeply conscious that you are making history. And so I became Premier when Peter Beattie retired before his term was up and I was elected by the Labor Caucus and sworn in as Premier. I was actually sworn in by Quentin Bryce who at the time was the Governor of Queensland. And it seemed a pretty remarkable thing to be standing in Government House with Quentin Bryce, who I had first met when she was a Junior Lecturer at the University of Queensland, and then to be sworn in as Premier many years later. And of course as you would expect Quentin in her comments during the ceremony spoke about the history making moment that we were both sharing. And so that was one of those extraordinary moments. And I suppose the other aspect of becoming Premier is I subsequently had to go to an election and was, as you noted in the intro, elected in my own right and that was an interesting experience to go from having been a Premier that had taken on the reins without an election to one that then did have a very clear electoral mandate and there is something about getting a mandate from the people in a very robust democracy that significantly enhances your authority. And so the moment on election night there was a lot of elation in the room. Even people who had voted for the other side felt that it was a pretty remarkable thing that Queensland now had their first woman Premier and saw that as a bit of a badge of pride even if I hadn't been their electoral choice. So as I said they're sort of two aspects of the same thing. And I've been lucky to enjoy many interesting and varied career moments, but it's pretty hard to go past those ones.

L Well I think there's nothing like making history I'd say and you certainly did that in many aspects so you know hats off to you for that. Now you've had quite a journey with your career and I love the fact that you've taken on those truly challenging roles, including of course being Premier, but CEO of a large non-profit and now of course the Banking Association role. I mean what drives you to keep taking on these challenging roles because most would probably have stopped taking the more challenging roles after being Premier. They might have taken a lobbying job or I don't know some sort of maybe some Board roles. But you keep on reaching for those challenging roles?

A Very good question Louise, one I ask myself quite often. Like what is it deep inside me that makes me keep running towards the fire. And I have actually thought about that because I mean prior to becoming Premier I'd had the opportunity to be a Member of the Cabinet in a number of different roles as well. So I was the first woman Education Minister in Queensland, the first woman to be Leader of the House in the Queensland Parliament. These were all kind of roles where I had to go and carve out a place. And I think what drives me is the professional satisfaction I get from wrestling really gnarly, difficult questions and public policy issues to the ground. But by no means do I do that by myself but in all of those roles that's really what I think distinguishes them is they're often really wicked problems, and you don't get to solve all of them but when you do actually have the chance to tackle them to the ground that's what I find satisfying, that's what excites me. And there's plenty of roles like that around it seems and I certainly have a talent for finding them. So I do think you have to actually enjoy them to chase them, and I do. There are times when I find it frustrating, times when you think I'm going to throw this away, but then you get a chance to do something, to pull a lever that makes a big difference and as I said it's very professionally satisfying, it's very personally satisfying. And I actually also just really enjoy the sort of intellectual challenge and the sort of leadership challenge of the really difficult problems, not the simple ones.

L And what about the toughest decision you've had to make professionally? I'm guessing there's been many of those. Is there one that you really remember as being the toughest?

A In a political leadership in a robust democracy like Australia if you're sitting at a Premier's desk or a Prime Minister's desk or a Minister's desk you're inevitably dealing with really tough challenges literally every day. And I think this question's very interesting because some of the challenges that I found very tough were often sort of sitting around in a room quite distant from the issue, so particularly things in budget committee where you know

that putting money into this little pot will make a big difference but if you put it in there you have to take it away from somewhere else, and they're hard calls they really are. But I think probably the most difficult one for me was, it was during the floods and there were many tough decisions in those floods but, actually sorry it was the cyclone that followed the floods. And the cyclone was directly on course, about 20 hours out from landfall, 24 hours out it was directly on course to hit Cairns which is an area of high population. And the Cairns Hospital is built right on the esplanade of Cairns. And the force of the cyclone was forecast to bring with it a very significant tidal surge that on all forecasts would have taken out the entire ground floor and underground parts of the hospital. And that would have meant the hospital couldn't function, it would have taken all the electricity, all of the gas, all of the medical supply, everything. There's no certainty about where a cyclone is going to hit but we had literally kind of four hours to three hours to make the call on whether or not to relocate every patient from that hospital to Brisbane. And I can't remember now there's about 240 patients, but that included a number of ICU patients including neo-natal ICU patients. And this was before a cyclone hit so it's pouring rain. Something like this had never been done in peacetime Australia. The army had to set up a base hospital on the tarmac at Cairns Airport, sort of a staging post. Patients were transported. We had to get aeroplanes from everywhere mostly the Air Force. The army had to stabilise patients in tents in pouring rain on the tarmac of the airport, and bring very sick people, many of them undergoing treatment, into Brisbane, again stabilise them on the tarmac in big army tents and then transport them to hospital. As it turned out thankfully we didn't lose one of those patients. And as it turned out nor did the cyclone hit Cairns. It was one of those ones where you had to make the call there on the basis of the information, best information you had at the time, but literally knowing that you were putting very fragile lives at risk and it's one of those moments that you just know if I get this wrong I will live with it for the rest of my life. If we lose one of these neo-nates it would just be something very difficult to bear. And they're the sorts of things that really sit on your shoulders as the person who has to make the call. I still think it was

the right call but as I said given the cyclone didn't hit it would have been one of those decisions that people picked over for years to come if we'd lost anyone. Yeah.

Now listen you were of course Premier of Queensland during the GFC. And on that note I think you could be quite well placed to discuss the recession that we're now in or some would say we're going into. What did you do then and what would you do now to navigate, stimulate and drive the Queensland economy if you were in that situation again?

A Well I should start by recognising that the GFC and what we're experiencing now while there were some similarities there was also very significant differences. For a start it was banks and financial institutions that were de-stabilised both here and globally. So the first and most important thing that was done, and it was a decision for the Federal Government but there was consultation with all the States, was the decision to guarantee deposits so that we didn't see a run on the banks and that immediately served to stabilise the banking system, because you needed to have that stabilised before anything that government was doing was going to have any impact or effect. So Queensland is a big State that has some very significant economies. It's the only State that has more people living outside the capital city than in it. So you've got very big population centres that are also important generators of economic activity. Right up the coast, whether it's Rockhampton, Mackay, Townsville, Cairns, these are all big population centres. They've got big agricultural bases. They're servicing mining operations. They're big generators of tourism. As well as some of the big inland centres like Mount Isa. One of the first things that went globally in the GFC, it's happening now because of border closures, but travel was one of the first things that people globally cancelled. It's the first big discretionary expenditure that gets cancelled and out of the budget for the year. So the Queensland economy got hit very badly. And it was very clear to me and to my team that we as a government this was a moment when government had to put their foot on the accelerator and take up the reins where the private sector was flagging. So we put in place, we already had a very significant infrastructure programme that was laid out sort of this is what's going to happen year by year

for the next ten years, so we were well placed to bring a lot of that forward. And I think that made a very big difference and there were some very big projects. But we also gave grants to local councils and in a State like Queensland that is structured like it is councils can have very significant economic impact when they generate their own. They might be quite small projects if you compare them to the national economy but they mean a lot to employment in those smaller population areas and they leave good legacies for civic amenity. I think the other thing that was really important, and this is sort of less activity based, but crises whether they're natural disasters or economic crisis or pandemics are frightening and I think there's a really important role for leaders at moments like that and for governments to be able to provide people firstly with reassurance that you've got things under control, that you've got a plan, and comfort that you're not going to leave them behind, and you need to back that up with authority and competence. And so there was a lot of work done promoting and we also put a lot of money into big promotional campaigns around Queensland tourism which did certainly have an impact. But I think you can't overstate the importance of confidence and people can only have confidence in their business and the confident in their ability to recover if they've got certainty about what government is doing, what is likely to happen next, why is it happening that way, having people who can explain and comfort and reassure and inspire people to have hope that we can get out of this together. So I think it's a combination of actually putting money where it needs to go to stimulate, but I think there's also that really important much more sort of high level role of a leader at that time.

L      What options do you think the Queensland Government has? I mean it's as you know such a strong exposure to tourism which obviously is being hit incredibly hard. If you were sitting in the Premier's shoes today is there anything more that you'd be doing to stimulate and drive the economy?

A      I think it's always a good thing not to give your successors advice.

L Noted.

A And I've watched not only in this State the other Premiers and Prime Minister and I don't envy the task. They're in very uncharted waters. And I think it is very tough to make the call that how long do you play it safe and keep your borders closed, and at what point do you feel confident you can take the risk of opening them and I think we're all watching what's happening in Melbourne right now, but the call is a tough one. Whether it's Queensland or tourism in Australia more broadly I think it's going to be very interesting to watch because it's possible that the national borders of Australia could be closed for twelve months, eighteen months, longer, and so not only are we not going to see international visitors here, and you're right places like Queensland although it's not alone in this have very high exposure to international visitation, but we're going to see Australians wanting to go on holiday and not be able to go overseas. And Australians actually spend more overseas than international visitors spend in Australia, which I think's a really interesting statistic. And if you think about it, so I think we've got to see some things as very possible and hopeful, if people can't go overseas, if Australians who want a holiday can't go overseas for two years then they're going to find parts of their country they've never been to, and they are going to decide it's time to take the family to Great Barrier Reef, it's time to do the trip of a lifetime to Uluru. If all of those people who head to Bali every year substitute that with a trip to the Gold Coast or to the Great Ocean Road then you could actually see tourism find its feet again before this thing is over and that's what I'd hope for. It's difficult at the moment because of course most people are still being told to, we're not in lockdown except in Melbourne, but we are being told to be careful, to self-isolate where you can, to social distance. So I think we're not going to see that substitution effect yet. But it's very possible that if we can get the disease under control and the national borders are locked down that we could actually see a very significant shift in return to domestic tourism.

L I know it's interesting my mother who's 86 is always harping on at me about you're always travelling overseas to this this and this you still haven't seen lots of places within Australia. So she's sort of clapping her hands at something like this because she said finally you'll be doing the things that you should be doing in your own country. And of course I always say to her look I'll do those later Mum I'll do those when I'm older. But it is a real positive I think that's going to come out of this.

A Yeah and I was surprised, I'm always surprised by that statistic, because it seems so expensive when you go overseas, and we see so many visitors here it sort of felt like it's roughly the same but actually we spend more overseas than international visitors spend here so even if you only substituted three-quarters of it there could be a real impact.

L Now I just want to change tack a bit. I'm interested in your views of the new National Cabinet that of course has replaced COAG. I mean it seems to have been getting a lot of positive press since it formed due to COVID. I mean where do you see the opportunities in this collective leadership beyond COVID? Let's assume we get through this situation we're currently in. Do you think it would lead to any reduced levels of government in Australia to improve the complexity and layers of government or am I just dreaming?

A Well I think one of the signs of a strong and robust democracy is that it evolves. And Australia's federation has evolved from the moment the constitution began. There's been regular challenges in the High Court to various powers of either the States or the Federal government and the division of responsibilities between the State and Federal government in 2020 is vastly different than it was in 1901. And that's largely been by either settlement of the issue in the High Court or just as often by an agreement between the States and Territories. But I think the National Cabinet presents a real opportunity. I think it's been a really critical part of the success that Australia has had to date in managing the COVID outbreak. And I think what makes it different to COAG is that as I understand it Premiers



and first Ministers have agreed that they will be as bound by the decisions of the National Cabinet as they would be by a decision of their own Cabinet. And so it relies on a lot of faith from each Premier's caucus members or Cabinet members particularly. State Cabinets are no doubt debating some of these issues and expressing a view and a preference, their Premier then heads off to the National Cabinet, and it's the nature of those sorts of meetings that you often have to change your position during the meeting because you get different information or it's clear that you can't find consensus unless someone shifts, a combination of those things. So you really need to hold the confidence of your own Cabinet. And they need to be absolutely confident that you've taken all of their views into the national environment, but that you've made the right decision on behalf of the State, because you've agreed to be bound by it. Whereas COAG, certainly people reached binding agreements from time to time but there was certainly no expectation that you would come out of a COAG meeting with decisions that would be implemented immediately. And so it's quite a different culture. Having said all that for the National Cabinet to work there has to be an ability to leave ideology at the door. And in the middle of a national crisis that's kind of an instinctive thing I think that politicians do. There are moments when the public interest, the urgency of the public interest is so commanding that you just instinctively know that if you start arguing party politics you're in a bad place. And all of that's been I think left at the door. I mean there's certainly been some ups and downs and hiccups with the National Cabinet process, but I haven't felt that any of them were party political. I feel like there's been some genuine disagreements about things like when should schools open or should schools close and people debating the medical and the health advice. But I haven't seen that as I said driven by party politics or ideology. And so it has proved to be a really effective decision making body. I think for us to make any judgment about its longevity we probably need to see how well it operates outside of the crisis and without that sense of urgency, where life and death sort of decisions are at stake. Because I think the reality is that from time to time once you're outside of an emergency, as various players around the table get closer to their own elections, it's probably going to be likely that there'll be a few party political outbreaks.

L Do you think so! I bet.

A I don't think it's going to lead to a reduction in the levels of government anytime soon. But it could be, in a hundred years' time if that happens people might date the evolution of that from this moment. But I do think it has already gone a long way to some important things, to improve the layers and complexity of different levels of government. They've been able to breakthrough on a number of things that there has just been no progress on for a long time. I think the other thing is in politics as in every organisation sometimes when you do things often enough they become a habit. If you involve yourself in that form of decision making and it regularly and reliably results in successful initiatives then everybody will seek it out. All of those Premiers and the Prime Minister will actively seek it out as a place to solve problems and I think that would be in the national interest. So I think there's a bit more to go yet.

L And I think also just from the public's point of view I think it's meant a fair increase in goodwill for politicians and governments as well because let's face it the average joe blow is pretty sceptical but to see governments and politicians and different sides working together, which of course they have to in a crisis like this, but that has been very positive I think from what I can see which is fantastic I have to say.

A I said before I think it's instinctive for leaders when there is such a big crisis. No-one has to tell them to put the politics aside they just do it. But I think one of the things that drives that is generally you don't get to become Premier or Prime Minister unless you've been around the traps for awhile and had quite a bit of political experience and I think there is a high political price to be paid when people play party politics at the wrong time. The public has watched this and I think seen it as a very good move. That's because it's given them confidence that the right people are in the right room making the right decisions and

not getting bogged down in petty arguments and that the structures are actually serving the country. I think for any politician around there that started to play party politics around that table there's no doubt that it would begin to erode public confidence. If you started having party political fights between the Prime Minister and a Premier or two or three different Premiers from different political persuasions people would just lose confidence in everything they were saying not just the thing they were fighting about. And the worse thing you can do at a moment like this is behave in a way that erodes public confidence that the people who are in charge are capable, competent and will keep me safe.

L Yeah well said. Well said. Well look can we now talk a bit about the banks, because obviously that's relevant with your current role, and your views on how banks perceptions have changed with various stakeholders. I mean after years and years of regulations, inquiries, fines, etcetera, most recently of course they have reduced some of the pain of the economic fallout by allowing loan payment holidays. How much goodwill has this bought the banks with regulators and governments?

A Well you're right in your observations Louise. It's been a very tough five years for the reputation of banks and the Royal Commission I think laid a lot of behaviour or made a lot of behaviour very public that just did not meet community expectations. I think it's been interesting for banks to come into this crisis. They came in with two things. Firstly there's been a decade of prudential reforms globally since the GFC, and those reforms have all been targeted at ensuring that the banking system in a crisis is strong enough and stable enough to be a shock absorber and importantly not to have to call on governments and taxpayers to bale them out. Now that didn't happen in Australia during the GFC but it did happen in enough jurisdictions around the world for prudential regulators globally to set in train ten years of reforms that meant that when this crisis hit Australian banks prudentially were stronger than they have ever been. So they came into the crisis better capitalised with stronger balance sheets than they've gone into anything. So they had big capital buffers

that have allowed them to play a really important role supporting the economy and supporting household and business finances. But they also came into it, so that's the kind of competency and financial side of things if you like, but they also came into it just twelve months out of having just come out of a Royal Commission just twelve months earlier. And during that twelve months they had the final report for them to contemplate, they had a vast array of recommendations that they had to consider, and in some cases implement themselves while others required government to implement them. So they came into the crisis I think with a very different lens than they might have gone into some previous events, and that lens was very very clearly focused on what would the community, what do the people of Australia expect of us at a moment like this. And so those two things came together I think in a really critical and important way. One they had the financial strength to do something and two they were motivated to use that financial strength to do the right thing. One of the biggest tasks for banks at the moment is to rebuild trust with the Australian public, and rebuild trust with regulators and government. And I always say rebuilding trust is pretty straightforward in some ways. You can only be trusted if you're trustworthy and being trustworthy means that people can rely on you to consistently and reliably behave in a particular way. Those journeys always start with the first step. And so I think when banks announced that they would be deferring payments I felt there was a certain amount of surprise in the community that the banks had kind of done something that they didn't expect them to in a good way. And I don't doubt that that has contributed to some rebuilding of goodwill and trust. But I don't think for one moment it's any case for resting on laurels here. As I said these are the sorts of behaviours that people will want to see consistently and reliability before they'll completely rebuild trust. Interestingly on the government and regulator front, again these sorts of crises cannot be managed without a great deal of partnership. So wearing my old political hat I went through a number of significant disasters, the GFC, a drought, the biggest flood the country's ever seen, and you learn every time and one of the big learnings for me is always just the kind of incredible power of partnership. But you asked before about getting Queensland back on its feet post GFC, the government

couldn't have done it on its own. We had to work very much hand in hand with corporate Australia. We had to work hand in hand with the community sector and the not for profit sector. Because it's knitting all those three kind of pillars of a civil society together that makes it work. It makes things work in emergency circumstances. I think it's fair to say that there's been incredible opportunities to work as trusted partners with the government particularly over the last four or five months. I think it's fair to say that both the current government and the opposition have been quite cynical and sceptical about banks. What they've now found is crises are an opportunity to sort of reaffirm your purpose, and I think banks have taken that opportunity and they're proving the very important purpose of banking to the people of Australia and to the economy of the country. But it's been interesting. I mean there's a lot of interesting features of this crisis. Emergencies and crises just demand that everybody has to pivot, often 360 degrees, and they need to do it really quickly. So banks for example could not have agreed to offer a repayment deferral to all customers without having a conversation about it. And in normal times a conversation like that would be illegal under competition law. And so we had to very quickly in the early days seek authorisation from the ACCC to have those discussions and to reach agreement about those matters. Now the ACCC of course they're a regulator, they're an enforcement agency, and they spend every minute of every day making sure that no-one in corporate Australia is colluding or collaborating on anything that relates to price or product in a way that would be anticompetitive. So suddenly they were having to authorise and facilitate discussions which as I said normally would be a breach of the law. That requires a high degree of trust that that authorisation won't be abused. And they didn't just do it for banking they had to do it for supermarkets to make sure that supermarkets could actually get food to people and manage supply across different companies etcetera, as well as other sectors of the economy. Similarly the deferrals could not have happened without a lot of partnership and cooperation and collaboration with APRA the prudential regulator and ASIC. They've always had to bring their mandate, their legislated mandate to the table, and their job is to be cautious and careful. But ultimately we have managed through all of those sort of regulatory frameworks

to find solutions that make these sorts of deferrals and assistance for customers possible in a way that really has made a difference to the financial wellbeing of households, but also can do that without endangering the strength and stability of the system. That's a very long answer to your question Louise.

L No that's fine. No that's fine and thank you.

A Yeah. I suppose the one thing I would finish with is, I've just been talking about that happening at an institutional level, the government talking to banks, banks talking to regulators, regulators talking to government, but actually governments, regulators, banks they're all just people. And what happens in these kinds of events is you are in the trenches with people, and you inevitably you see their strengths, you see their weaknesses, and you forge relationships and partnerships that last way beyond the event itself. So I think that's going to be an important part of the recovery and the rebuild beyond that. As I said I've been in the trenches with people and making life and death decisions, and you can't go through that with people and not come out of it with maybe a renewed respect and admiration that actually this person really knew what they were talking about, kept their head under fire, and was a very important contributor. And I think banks have seen a lot of that in their regulators and the government agencies involved but I think that's been also a two-way street.

L Alright. And just one final question Anna. A lot of people think running a non-profit is a piece of cake and CEO's shouldn't be paid as much relative to the corporate sector. What's your view on this and your experience?

A I think it's devilishly difficult. No I don't agree with that. I've certainly heard those statements and I've certainly seen people from corporate Australia join the Boards of not for profits and they very quickly find out just how complicated and difficult it is. Partly because

for a lot of not for profits, not all but particularly those that are in the sort of social services area, you're dealing with really complex human problems and it's messy and it's difficult and there's often no sort of simple or easy short-term solution. But at a government level you're also dealing with a Board that by and large they are volunteers and what you can ask of and expect of volunteers is vastly different to what you can ask of a paid Board Director. The ACNC has done a lot of work around government, but it's a very different governance framework than an ASX listed company where there is literally hundreds of years of law and very very clear and strictly policed parameters around the expectations of Boards and Board Directors. Not that there's no crossover but it often means there's not a lot of framework and safety net for very well meaning people who get involved, very well motivated, and often really struggle with the fact that not for profits put all their money into their services so there's not a Board Secretariat to do the work for them. All those sorts of really basic things. And generally most successful not for profits draw their funding from a combination of sources. So there's some government funding but that's generally not enough to rely on. Or the great thing about not for profits is that the people who join them either as employees or Board members or in other roles or as volunteers people are generally driven by a very passionate sense of purpose and mission and that's a real strength and you never want to lose it but it can sometimes be a real weakness. When people are driven by a mission it's often more difficult to have the kind of level-headed hard-headed conversations that you would have around a corporate Board because there's so much emotion and personal attachment to the issue involved. Those sorts of things are much harder to navigate or at least as hard to navigate as anything that I've seen in corporate Australia. So I agree with you. I don't think we value the people who run these organisations or the people who work in them enough. I have the same view about childcare workers. It says something about us all collectively as a society that some of our lowest paid workers are those who are helping to raise the next generation and look after the most vulnerable people in our community. If we could change that that would be a good thing.

L Well look big thanks for joining us today Anna. I mean it's been an absolute privilege and delight to chat with you and to get your insights into your career journey, of course the impact of COVID and the current recession, and as well of course the banks. I just love people who've had diverse and challenging careers and you've certainly done that in spades. I mean hats off to you and may the stellar journey continue. I'm looking forward to the fifth episode of Conversations with Future Generation which will be released in August. And Anna happy birthday for next week. It's a shame there's no big parties for us this year to celebrate. Who knows hopefully that'll happen later in the year or next year. So stay safe and goodbye all for now. Thank you.

A Thank you.