
InTransition Episode 107 - Stephen Martin

David Pembroke: Well, hello, ladies and gentlemen, and welcome to InTransition, the podcast that examines the practise of content communication in government and the public sector. My name's David Pembroke. Thanks very much for joining me. Listen, we have a fantastic guest coming up today, someone's who's got an absolutely distinguished career in the public sector and is going to give us a great insight about a couple of things. Listen, we'll come to him in just a moment, but as we start the programme each week we talk about the definition of what content communication is.

It's a strategic, measurable, and accountable business process that relies on the creation, curation, and distribution of useful, relevant, and consistent content. The purpose is to engage and inform a specific audience in order to achieve a desired citizen and/or stakeholder action. That's what we're talking about today. Our guest today is Professor the Honourable Stephen Martin, who has had a long and distinguished career in the Australian Parliament, in academia, and in the private sector. Today is, in fact, his last day as the Chief Executive of the Committee for the Economic Development of Australia.

He is the Chairman of the Bank of China in Australia, a visiting professor at the Sydney Business School, which is a part of the University of Wollongong. He's the Chairman of the Global Science and Technology Forum in Singapore and the Chairman of the Manufacturing Innovation Global Challenges Programme at the University of Wollongong. Before all of that, Professor Martin represented the New South Wales based electorates of Macarthur and Cunningham in the Australian Parliament between 1984 and 2002.

In government, he served as Speaker of the House of Representatives. He was the Parliamentary Secretary for Foreign Affairs and Trade and Chairman of the Inquiry into the Australian Banking Industry. As a member of the shadow cabinet, he held portfolios in defence, small business, trade, and tourism. Indeed, a distinguished career, but it's his role as a member of the advisory board on WPP's recent report into the current state of communication in governments around the world.

Regular listeners will remember that in recent weeks we had a two part episode where we discussed that report with Sean Larkins, who is from WPP, a former member of the UK government, and distinguished government communicator. He gave us a really good background. If you don't know about the WPP report, you might just dial back and go and have a listen to those two episodes before we come to this particular episode with Professor Stephen Martin. With all that said, Professor Martin joins me now. Thank you very much for joining us InTransition.

Stephen Martin: My pleasure, David.

David Pembroke: That's a great career. Just before we get into it, you really ... A boy from Wollongong, you've done pretty well.

Stephen Martin: Yes, someone from Wollongong who sort of went through the university sector and got a degree in teaching and subsequently went into urban and regional planning, subsequently was elected to the Parliament of Australia and subsequently had a pedigree in academia before starting at CEDA some six and a quarter years ago. It's been a long but a very challenging, in some ways, career, but something which I look back on and thoroughly enjoy because I'm not turning up the toes just yet David, I have to say. As you've said in your introduction, I've got a couple of other things that I'm doing at the moment and looking for a couple of other things as well. I think if I stopped, I'd fall off the perch, and I don't want to do that any time soon.

David Pembroke: No, indeed. Have you been strategic in the way that you've assembled your career or have you been opportunistic and followed your nose and found things that have interested you that have then taken you down different paths?

Stephen Martin: Yeah, look, I always wanted to be a high school teacher in economics, and I achieved that, but I also realised that, with changing economic circumstances of the world, you needed to up-skill. Whilst I enjoyed my teaching, I'd gone overseas to do a postgraduate degree and when I came back I was teaching at the University of Wollongong for a period of time before I was basically head-hunted to go into an urban and regional planning opportunity in Wollongong, which branched out with a management role in the Macarthur growth centre.

Then of course, again, luck would come along and I was elected to Wollongong City Council. I say luck because it really came down ... There were two of us with equal numbers in the ballot and it was a draw from the hat and I ended up winning, so had it not been for that draw from the hat, I may never have had a public career, let alone any sort of other career that embraced the other sorts of things that I've done.

Yes, you're right. Look, at every stage of my career change I've looked at doing some sort of professional up-skilling, if you like, often a university qualification. The last one I did was a PhD, I have to say drawing on the experience of the banking inquiry that you talked about. It in itself was a bit of a challenge, but there you go. Look, I think I'm probably ... Kim Beazley once said to me I'm a living example of people that keep on getting up-skilling as they change careers, and I would certainly commend that to anyone.

David Pembroke: I think this is the point, isn't it? That really we've now entered the age where you can't stand still, where you can't rely on one particular set of skills because as technology continues to impact the way that we work, the way that we learn, the way that we entertain ourselves, the way that we create value in the economy, I think all of us has to perhaps take a lead from you and understand

that whatever you're doing today is not going to really be good enough to continue to create high value into the future.

Stephen Martin: Look, you're absolutely right. A couple of years ago I thought that this was the direction the Australian economy was going and CEDA put out a substantial publication on the Future of Work? We tackled these sorts of issues around the fourth industrial revolution, around where computer technology might be taking us, the fact that almost everyone has some form of a smart phone and they know something about computer technology, although they probably don't realise it.

What we said, of course, is that with the changing nature of computers and robotics, then the traditional way of doing work in some jobs is certainly going to disappear. Even as late as the last couple of weeks, we've been seeing where people are running stories about "In the legal profession, robotics is going to become more and more important." We were saying all these two years ago at CEDA, and a lot of people are now starting to play catch up.

It is absolutely critical. I mean, the fact is that if you happen to be some sort of a ... Whether you're a sparky or whether you're a plumber, the sort of course that you learn now at a TAFE college is very different to what you would've done some years ago. You have to know something about 3D printing. You have to know about how you do particular testing using computers and so on.

The methods of learning have to change and keep pace with all of that, but so do the outcomes as we look for the jobs of the future here in Australia, as we wean ourselves off really, the mining investment boom, although we've still got very good production coming out of that sector, but as people look to "What is the nature of Australia's services sector?" which sustains something like 70% of us in jobs. How is it the computer technology is going to benefit us going forward? It's a real challenge I think.

David Pembroke: Indeed. It seems that this replacement of jobs by automation, by robotics and other things, the imbalance of where the new jobs that are going to come from. It's all well and good to say "Well, you need to get some computer skills," but there are many people in the economy who are in jobs who perhaps don't have the skills, don't have the knowledge, don't have the training, don't have the education." I know we're probably a little bit off the mark here in terms of what we do want to talk about in terms of content, but how do you encourage people to have that love of learning? How do you get that through to people that they've got to maintain an agility, they've got to maintain a curiosity or they risk being left behind?

Stephen Martin: Yeah, well, David you've actually pointed to, again, another report that CEDA did, and that was around entrenched disadvantage. What we said was, unless people had that educational opportunity, whether they perhaps took advantage of Gonski reforms and the money that's being spent in disadvantaged schools,

you're going to find generations will suddenly become those that are left behind. In fact, that's probably a reasonable segue into what we're talking about here, in terms of the communications issues associated with the way in which governments run themselves these days.

Look, I think the growth of some of the minor parties in Australia, what we've seen with Brexit, what we've seen in the United States and some of the analysis as to why people voted a certain way can in fact be simply thought of in terms of people feeling a sense of alienation, feeling that they're being left behind, not understanding why globalisation or trade or enhancements that's coming through computerization in fact is going to benefit our own economy. It is a question of communication.

It is a question about how governments get to the people and say, "This is why this particular decision that we're taking is going to be good for you." Of course, at the moment we've got the government, we've got the Prime Minister, and we have the Treasurer working overtime, going out and about talking as to what might be in the coming federal budget, looking at what issues are there. There is a huge budget deficit. They're talking about, however, there might be an uptick in the revenue side from our exports of iron ore and coal.

At the end of the day, they still have to make some decisions about expenditure cuts, they still have to try and explain to the people why they need to take tough decisions. Of course, over the last several years, whilst our leaders have been out there putting a whole raft of policy options on the table, somebody squawks about something and all those policy options are immediately swept off that table so that there's nothing left. We're not getting a genuine, wholesale debate about the economic and social issues confronting Australia that governments have to deal with both at the national and the state level.

David Pembroke: Now that's a good point, and I think this goes to the essence of the WPP report. You've articulated very clearly what the problem is, but what the WPP report is that you were involved in said, "Yes, there's a problem. Yes, talk to any politician and the number one priority is getting the message out, being understood." What the WPP report said was that the communication function within government in the supporting bureaucracies is not valued.

It is not put front and centre to help them to solve these problems and government is still relying far too heavily on media and traditional channels that are now less effective in this marketplace. Why do you think that political leaders and their officers undervalue the communication function in support that exists for their benefit in the bureaucracy?

Stephen Martin: I think one of the reasons is that what we have seen, and certainly Australia is a good example of that, there is this hunger within the traditional media, whether it be in the print media or 24-hour news channels like the ABC or like Sky, that are constantly looking for a feed of information. The view seems to be that

issues have to change almost on an hourly basis. Now there is no way to sustain an argument if you are trying to convince people there is a need to cut expenditure in certain areas that you might be cracking down on, those people that perhaps are on some form of benefit that really should be encouraged to go back to work.

And how government might be assisting that, why there's a budget deficit and what needs to be done about that, why there is a need in Australia to embrace the sorts of defence postures that we have over a period of time, not simply dumb it down to concerns about people's security and their intense worry they have, worry about extremism. It may be whether they can meet their housing mortgage payments, their ability to buy into a house in the first instance, their concern about thugs on the street.

All of this gets wrapped up, but what we find is there are so many different things going in so many directions that I think governments find it difficult to try and just concentrate on one area or a couple of areas because the media is constantly shifting that focus. Now, that's the traditional media. The other thing I think, David, that can be said is that what we're seeing more and more of is the use of social media. I mean, Donald Trump is a serial tweeter.

We saw this in the last federal election where, of course, the federal government is still upset about what had happened with the Labour Party talking about what might happen in Medicare. We saw it in Western Australia, where the opposite effect happened, where the Liberal Party were tweeting, telling people not to vote for McGowan over there, that the sky would fall in. The exact result was, of course, an entirely opposite effect as to what happened in that circumstance. Traditional media as we know it, I think is going to diminish and play a lesser role.

This will be particularly so when we start to think of our print media. Print media today, it sustains itself by subscriptions. If you are a government, if you are trying to mount a defence or trying to mount an argument about why certain things happen and need to happen and the economic and social benefits that will flow from that, you are finding that the media today is a very different beast. I think this is where they're still coming to terms with how they should deal with it.

David Pembroke: Indeed. How then do they deal with it? What is your solution to it? How can they best prepare themselves to have the dialogue, to have the discussion so as people can understand the reasons behind those policy decisions and policy positions?

Stephen Martin: I think the huge challenge now is that, because people feel a little disaffected, they feel like people that are described as the political elite aren't listening to them, they simply stop listening anyway. There's a double whammy for government at that moment. They have to have a message that they want to

sell. They have to have a clear set of policies that they stand for. As I said, one of the problems have been, over a period of time now, not just in the last couple of years, but over a period of time we've seen governments at the national level sway between different options, saying we're going to do things.

Whether it's going to be wholesale reform of the constitution and federation, whether it's going to be about genuine taxation reform, whether it's going to be Social Security reform, whether it's going to be building a rail network as opposed to a road network, whatever it might be, you've seen swaying backwards and forwards and things disappearing. If you happen to be out there in voter land and you want to know "What is it that the government that you have elected is going to deliver for me and for you so that our lives are going to be better, that we're going to feel secure, that we're going to have jobs, that we know that those that are less-advantaged are going to get help?" they want to know what the government of the day is doing.

One of the things is how you deliver that message to a constituency that fundamentally have stopped listening. Now, the other element of that ... I think there are two ways in which this can go. Certainly using traditional media. You have to still do that, but I think the use of social media becomes more and more critical in this sense. The final thing in all of this is that you must have a spokesperson that people are going to listen to and are going to believe. I think this is one of the issues.

Look, in your introduction about my background, I was blessed in that I was a member of a government that had someone like Bob Hawke and Paul Keating who could sell a message. You had someone like John Howard when I was in opposition who could sell a message. None of those fundamentally varied what that message might be. They tried to say to the people, "This is why we need to take these hard decisions now." Paul might have said, "This was a recession we had to have," and economic history will show that was probably right.

The words could've been slightly different, but the message certainly was conveyed. I'm not sure that that same level of storytelling, having a consistent approach to what the policy is going to do and the outcome it's going to engender is being sold by people that understand. Look, the Prime Minister I think is a very smart bloke. There's no doubt about that. I think one of the problems was that, when he came into the role and he had a 90% popularity rating and ...

Fundamentally, if you're in politics, you know there's only one way that that's going to go, but you can arrest the halt, if in fact you say and stick to what you say you're going to do and be that salesman. I think people want the government to do well for Australia, they want this Prime Minister to do well, but they don't want to hear things being said that's going to happen, but then being swept away and replaced by something else.

David Pembroke: Now, this podcast is directed to helping people who are working in government, so those who are working in the government departments, the government agencies, those who have the responsibility to assist their political leaders to be able to carry out that consistent communication around the messages, so the people who create the artefacts or help to assist in crafting and identifying the right possible stories. What advice do you have to them in how they can best support their ministerial and political masters?

Stephen Martin: Look, I happen to be one of those people that thinks that the Australian Public Service and indeed at the state levels as well are second to none. I think the issue around being frank and fearless, as people used to say, again needs to be at the forefront, but importantly as well this goes back to the ministerial offices themselves. The people that are working within there, sadly in a lot of cases, are these fresh-faced young men and women that have come out of party backgrounds and don't necessarily have a good handle on what good public policy is all about.

I think it can be fairly said that on occasions ministers are more intent on listening to those political apparatchiks because they can see some benefit in the polls as opposed to listening to that fearless and frank advice coming from the public sector. Let me illustrate with just one, and I understand the politics of this. The Prime Minister came out a couple of weeks ago in the midst of all the debate around energy supply, electricity, and lights and having a bit of a crack at South Australia and so on and announce Snowy Mountain scheme 2.0, a bit of nation building and so on with an estimated cost of \$2 billion.

Then it was said, "We'll now do the feasibility study to see if this is realistic or not," and if the question was asked "Where did that \$2 billion figure come from?" I'm not sure people would know." If you have a look at Infrastructure Australia's report that came out around exactly the same time, that particular project is not listed there. If you're a fearless and frank public servant doing your best to provide reasoned, thoughtful, evidence-based information and policies to government or at least to sustain what the government's policies are and to help inform how that might be delivered, you'd feel a little bit aggrieved if in fact you found out that this sort of thing was going on.

Now, I do think that it's a two-way issue. I think the very competent people that work in the public sector, they have much to offer, but I think it's also how we convince the political masters that they now have to listen more to them rather than perhaps some of the political people that are being appointed in their offices. Again, I'm not saying in the current government. This is something that's happened since about 2001 or so.

David Pembroke: Yeah, but you've been there. You've been in that position where you have had your own political staffers giving you advice. How did you best prepare yourself to be able to say, "Well, I'm happy to listen to you, but I've got this big department sitting behind me. I'd like to hear their points of view as well"? How

did you encourage that sort of skirting around those people who were perhaps giving you one line of advice when you were looking for another?

Stephen Martin:

I think, again, it's a direction that's given out of the ministers themselves and out of the ministers' offices. I think the idea where significant and senior public servants are seconded into a minister's office to give that advice, that is a good way to do that and to help suggest. In sitting down with the minister, there may be alternative courses of action because quite often those people who are appointed in those offices are in fact very senior people, and we've seen that.

The other thing, of course, that must be clearly understood: governments are elected notionally with a mandate to deliver certain things. They have a policy that they take to the election. It might be GST. It might be around doing something in Social Security. It might be around delivering economic benefits with an infrastructure programme that requires selling of assets and money being recycled. Now, the policies that the government of the day has, the public sector has a duty to help frame how that can be delivered.

It is about the implementation of those policies and offering up different points of view as to what might happen to achieve the end result. The bottom line in all of that should be a genuine partnership between the government and the public sector, knowing what the costs are, knowing what the income implications are, and then knowing what the contribution of that is going to be to the bottom line of the federal government's budget. I'm talking about that, but the same comments could be directed at the states.

David Pembroke:

Now, you sat on this advisory group for the WPP research into the state of government communication around the world. Interestingly, the problem as you have outlined it ... One of the outcomes really of the research was to say that the problems are the same everywhere, whether it's South America, whether it's Asia, whether it's Europe. This problem of dealing with a changing marketplace, an empowered citizenry, disaffected, lack of trust. Are you optimistic that government can learn to communicate better so it can reclaim the trust in institutions that fundamentally underpins a successful democracy?

Stephen Martin:

Yeah, I do. I think that's what needs to happen, but I think we've also got to be a little bit careful and do a bit more analysis about some of the things that perhaps helped inform us in that publication which was presented at Davos. You take, for example, Brexit. Now, CEDA had the benefit of having Alexander Downer, our High Commissioner to the UK, speak in Adelaide a week ago. He mounted a very interesting and I think reasoned argument about the Brexit outcome.

I mean, he reminded everybody, of course, that the UK was very light into the former EEC, the fact that they'd retained their own currency, the fact that they still had a range of different things that they did differently from Europe, and as a consequence, when that vote came, even though they going to adopt many of

the measures that Europe has, at the end of the day it should not have been a surprise that that vote went the way it did.

But by the same token, people have sort of latched onto that and latched onto the way in which Donald Trump used social media and was sort of seen to be the antithesis of what a politician was all about and a pox on all your houses: "Even though I'm a Republican, I'm really out there telling it like it is." At the end of the day, an analysis shows that in his election Hillary Clinton actually got more votes; she didn't get them in the right place. That was the first thing.

If you translate that into Australian politics, it is true that we've seen the rise of minor parties, but don't forget one of the reasons that's happened is the nature of the electoral system in this country. It goes to the way in which the Senate is elected, and the horse trading that goes on amongst minor parties to give preferences to each other inevitably sees the sorts of results that we have.

Now, that's not to say that there aren't people in the broad community who have stopped listening to the government and therefore the government has to look at ways in which to communicate a little better and as a consequence given a protest vote to some of these particular minor parties, but then again ... Look, it was writ large that Western Australia's state election, Pauline Hanson's mob was supposed to get something like 12% of the vote. They got about 4.8% in the lower house.

Then in the legislative council over in the West, they got some people into the Parliament simply because of the horse trading that went on when they had a particularly low vote there as well. Look, I think we've got to be a little careful when we start apportioning people's concerns about issues to the fact that this will see minor parties that are representing all sorts of crazy ideas being elected. I think Downer was right.

What he said was "A good government that can communicate because it has good economic and social policies will be elected every time." I happen to agree with that. Again, David, I hark back to the time when we were in government, when Paul came in and opened up the Australian economy and Keating was there and we had foreign banks being licenced, we had the first blush of industrial relations deregulation and so on. We communicated that to the public.

People have a terrible view of trade unions these days. You've got to remember the social trade off that we had with the accord process, where people would forego wage increases for getting coverage in Medicare, superannuation entitlements and so on. These were big picture issues, which we had people were able to communicate that to the electorate, and they bought it. Not only did they buy it, they got the benefit from it.

Now, this is where I think we get back to too many short-term options that are available and short-term political fixes. We don't seem to have that grand vision that we need to have. Particularly going back to where we started this conversation, when we have an economy that has seen some significant changes because of the fourth industrial revolution around robotics and computerization and what might happen to people and driverless vehicles and so on, we should be having that conversation of what sort of government policies are necessary.

The government sets those strategic directions, and the bureaucracy provides options into how to deliver it. Then once that's there, having people out there, out of Canberra, out in the regions, selling a message to people to counteract some of the nonsense that these minor, small parties go out and tell people about, which are simply, patently not true.

David Pembroke: Just a final question. You talk about some of the great political communicators here in Australia, the Bob Hawkes, the Paul Keatings, the John Howards, who, as you say, were compelling communicators. They existed at a time where there wasn't social media largely. We now operate in a completely different environment, even in those few short years ago when Mr. Howard passed his position as the Prime Minister of Australia. How do you think they would have gone in this day and age, where you do have, as you say, the fiery spotlight of the 24-hour news cycle, the beast that needs to be fed, the fact that everyone's now in the publishing business?

Stephen Martin: I am sure that they would be like those Members of Parliament that you see in question time now with their mobile phones in the House. I mean, mobile phones and Twitterati and all these apps and so on around, they weren't there in my day. I mean, in the House of Representatives when I was sitting in the big chair, you weren't allowed to bring anything into the House. They were the rules of the Parliament.

Now everybody's in there sending messages and somebody says something in question time so the odd thumbs start twitching and so on. I think the greats would adapt to that very, very quickly. I think they would've seen the need to manage the communicate techniques that are available. Absolutely do 7:30, absolutely go on Alan Jones' programme, absolutely do a whole range of things in traditional media, but I think equally they would've seen the benefits of social media and they would've adapted very quickly to it.

Look, the truth of it is major political parties in Australia today are doing just that. I mean, people are getting messages all the time from parties about what's going on. Short, sharp messages. Most of them asking for donations, but nevertheless short, sharp messages about what policies are there and what should happen and why something's gone wrong. I think the greats of the past would have well and truly adapted to that without too many problems at all.

David Pembroke: Okay. Fantastic. Well, Stephen Martin, thank you so very much for giving me a small part of your last day there as the Chief Executive of the Committee for the Economic Devolvement of Australia. Know I am in no way pensioning you off in any way, shape, or form. I imagine that you are going to continue to make a robust contribution in the public debate not only in Australia, but around the world, where you continue to seek to influence and to drive. I think that message you are a living example of: of the commitment that people need to make to continuous improvement, continuous education, continuous learning. Let's hope that ... I wish you every success into the future and a long and successful career from here on end.

Stephen Martin: Thanks, David. Thanks very much for the opportunity.

David Pembroke: Okay. Ladies and gentlemen, there he is, Professor Stephen Martin, a member of the advisory committee to that WPP leaders' research into the state of government communication. Delighted that you could join me once again this week. I'll be back at the same time next week with another guest, so it's bye for now.