Australia rebuilt

Our future post-Covid-19

Brendan Nicholson

In the wake of the Covid-19 pandemic, a new book by the Australian Strategic Policy Institute warns that Australia needs to be ready to deal with 'the crisis after the crisis'.

Edited by ASPI's executive director, Peter Jennings, and senior analyst John Coyne, After Covid-19: Australia and the world rebuild (Volume 1) examines the seismic social, economic and geopolitical changes the pandemic has brought to our world.

It says big changes are needed to better prepare the world for future threats on the same scale:

> The pandemic has shown that far too much of our national resilience, from broadband bandwidth to the capacity to produce basic medical supplies, has been left to market forces and good luck rather than planning.

While the global Covid-19 pandemic is far from over, our assumptions about the shape of Australian society and the broader global order are now being challenged, and we need to take stock of likely future directions.

The book says that, while some of the changes that must be made will be costly and difficult, they will also generate new economic and strategic opportunities:

> Perhaps 2020 will mark the beginning of a new period of nation-building for Australia that rivals our heady post war years, but such success will come only from big thinking and bold policymaking.

ASPI analysts have built a policy-focused picture of the world we'll face once the pandemic has passed. They examine 26 key topics, countries and themes, ranging from Australia's domestic situation through to the global balance of power, climate and technology issues and say the pandemic has created a once-in-a-lifetime opportunity for our nation to critically review and reset many of our biggest assumptions.

Chapter summaries

The Australian federation (page 3)

One crucial insight emerging from the Covid-19 crisis has demonstrated how much more effectively Australia's federation can work, says the director of ASPI's defence and strategy program, Michael Shoebridge. Australians have got used to the machinery of federation being clunky and frustrating, and to political debate often being used to defeat action, not to arrive at the best result. But the national cabinet formed by Scott Morrison and his state and territory partners is an outstanding innovation that's been the foundation for Australia's timely and effective national pandemic response. What can we learn from it, keep and advance by thoughtful design to make our own and our children's futures better? The key ingredients are unity of purpose, debate on evidence for the purpose of acting, and transparency from political leaders about what they have decided and why. Add an occasional dash of pushiness from federal or state and territory leaders and it's a recipe for success that can be used again and again. Shoebridge says it's become clear that

there's too little policy machinery in the Prime Minister's own department to address pressing future challenges, and too much crisis management machinery has been ceded to the Home Affairs giant, which has underperformed both in the bushfires and in the pandemic. Parliaments' roles are powerful, and there's a strong case, too, for resurrecting the role of National Security Adviser to the Prime Minister.

Politics and values: how Covid-19 could accelerate the transition to values-centred competition between the great powers (page 8)

The world is so troubled by the Chinese Communist Party's cover-ups and blame shifting over the pandemic that the party's behaviour is forcing policy reassessments globally, says the head of ASPI's International Cyber Policy Centre, Fergus Hanson. China has become more repressive and aggressive at a time when US politics has become polarised and dysfunctional, the UK is working through a prolonged self-immolation, Europe continues to lag, Japan is caught in a funk and Australia has been churning through prime ministers. The CCP's behaviour has accelerated competition, Hanson says, and nations should think carefully about the form that competition should take:

The aim should be to avoid an existential clash but to be strong in our push back against bad behaviour so that the CCP is convinced that the best way to ensure its survival is to participate decently within a system that has made it one of the world's most powerful governments.

National security and defence policy (page 14)

The pandemic struck at a time when Australia faces a deteriorating strategic environment driven primarily by a more assertive China maximising its influence in the Pacific, Southeast Asia and the Indian Ocean region, writes ASPI's executive director, Peter Jennings. Covid-19 has accelerated strategic change, made the challenges of dealing with an assertive China more immediate and difficult, highlighted the inadequacies of the Trump administration and deepened worries about American capacity and intent to underwrite Indo-Pacific security. The national security community needs to bring to government new thinking to reshape and grow Australia's security capabilities. A new Defence White Paper is needed, and the position of National Security Adviser, reporting to the Prime Minister, should be reinstated.

Defence spending and the Australian Defence Force (page 20)

During the Covid-19 crisis, people turned to their own governments for security and protection. Governments relearned that their primary function was to ensure their citizens' security, writes senior ASPI analyst Marcus Hellyer. Here, Defence must challenge its innate conservatism, its business-as-usual mindset and its satisfaction with incremental improvement and innovation. The force we need can't be developed, delivered and sustained by the mindset that has characterised Defence to date. It must accept more risk and be willing to implement wholesale change to its force structure and processes. Thinking it has things 'about right' can't endure. The force needs to be able to project sufficient power to demonstrate to China that any efforts to operate in our near region and approaches in time of conflict will incur such cost that those efforts will be unsuccessful. It needs sufficient size to be able to support a sustained peacetime tempo of working with our friends and neighbours so that we can operate together in time of crisis. Unlike now, it also needs mass to absorb combat losses, stockholdings and resupply of precision munitions, as well as the ability to make sustained contributions to civil defence such as disaster relief. That's simply not the force or organisation set out in the 2016 White Paper.

Policing (page 24)

Policing has had difficulties adapting to the challenges of globalisation, and crises such as Covid-19 and the 2020 bushfires have revealed tactical and strategic gaps in crisis management that must be addressed, writes the head of ASPI's counterterrorism program, Leanne Close. Policing in this 'new normal' environment will require significant change in the way law enforcement agencies plan, lead and collaborate with government, the community and private-sector partners. Overstretched police services have been left little time, or funding, for training or maintaining capability, especially in equipping officers for the unusual, such as Covid-19.

The future public service: seize the opportunity (page 29)

Now's the time for the Australian Public Service to define a new normal in response to the changed economic, health, social and workplace landscape, writes senior analyst Gill Savage. Some departments were slow to respond to the pandemic and are experiencing chaos, while others transitioned seamlessly to social distancing and working remotely. Lack of investment by some departments in the technology to support virtual and flexible working has been exposed. Others have invested but only for staff at levels considered essential, leaving junior staff without the tools to work remotely. Those departments will continue to scramble, in some cases right up until they return to their usual places of work.

Key terrain: rethinking nation-building in northern Australia (page 34)

Australia's ability to slow the spread of Covid-19, especially in the nation's north, is likely to increase the US military's interest in a greater rotational presence there, writes senior analyst John Coyne. US officials are already attracted to northern Australia by its strategic geography and world-class training facilities. The US is building critical strategic infrastructure, such as bulk jet fuel storage in Darwin, to mitigate Australia's lack of investment in such facilities. At the same time, the ADF will need to reconsider its decreasing operational footprint in the north.

Organised crime (page 38)

In Bangkok, the sale of illicit drugs has moved off the streets because of Covid-19 and drugs are increasingly ordered over social media and delivered by motorbike, writes policing specialist John Coyne. The pandemic is likely to see a move to such contactless, online purchasing in Australia. Over the coming months, organised crime groups, especially those with deep transnational links, will be looking for new criminal opportunities to offset the short-term decline in illicit drug profits. Groups in mainland China or with deep connections to China's industrial heartlands will probably seek to move into manufacturing and distributing fake medical supplies (masks and hand sanitiser) and medicines.

Covid-19 and the media (page 42)

One significant impact of the Covid-19 pandemic on the media is recognition by proprietors and editors of some of the wilder news organisations that their readers are demanding clean, clear facts rather than polemics, writes Brendan Nicholson, executive editor of the ASPI site, *The Strategist*. There's been a realisation that the coronavirus story is so big and so dangerously immediate that most listeners and readers won't tolerate beat-ups and ideologically or ego-driven rubbish. That may explain why some of the media organisations and individual commentators who've ridiculed the dire warnings of scientists about climate change have now set about earnestly explaining the implications of the raging virus and interviewing medical specialists about how it can be brought under control. The revived appetite for expertise is timely. A strong and proactive media providing accurate information is vital to inform vast numbers of scared and confused people.

Business resilience (page 47)

The government should establish an advisory group with members from government, industry and welfare communities to quickly develop a strategy for Australia's workforce resilience, write Karen Edwards and Jerry Cashman. The strategy should consider personal, economic and business infrastructure resilience to prepare and equip organisations to face inevitable challenges when they wake from hibernation. This will ensure that organisations will have a go-to resource to help them bounce back and be ready for when the pandemic wanes and the economy grows again.

Returning to work during the pandemic: testing, surveillance, apps and data as our near-term future (page 51)

A combination of testing, analysis and surveillance could get many Australian workplaces and educational institutions back to some kind of operation beyond working from home well before a vaccine is developed, writes the director of ASPI's defence and strategy program, Michael Shoebridge. That would require the strong compliance from our population that we're achieving with the current social distancing measures. And those measures would need to stay in place except for the workplaces and educational institutions that we could resource sufficiently well with testing. A 'test, surveil and operate' model needs to be planned and resourced rapidly now. This won't be the fabled 'bridge back' to pre-pandemic life but it will get as much of Australia as is feasible back to work and life in ways that let more of our economy operate effectively and that are able to be sustained until a vaccine is developed and available.

Smashed like an avocado: the impact of Covid-19 on young Australians and opportunities for the future (page 56)

Political thinking needs to extend beyond the next election cycle, and a sense of bipartisanship on critical issues affecting Australia's future prosperity must be fostered, write Albert Zhang, Alexandra Pascoe, Daria Impiombato, Emily French, Hal Crichton-Standish, Julia Butler and Tracy Beattie (ASPI's interns). A permanent increase in welfare payments to a level above the poverty line is essential post-Covid-19. Despite continuously rising living costs, Youth Allowance has not increased for the past 25 years, leading many young people on the allowance to skip meals, and 1 in 3 to interrupt their studies for lack of funds. This contributes to intergenerational and cyclical disadvantage, as growing up in poverty negatively affects education and employment outcomes.

Health preparedness and biosecurity (page 60)

Three years ago, the Australian Medical Association called for the establishment of a centre for disease control, and it's time to act on that advice, say Paul Barnes and Anthony Bergin. We don't have an established national authority delivering scientific research and leadership in communicable disease control. A CDC would provide a national focus on current and emerging communicable disease threats. It would deliver the communication of technical and surveillance information and work with the states and territories to manage the allocation of public health workforces and resources to tackle emerging and current threats.

What impact is Covid-19 having on the global balance of power? (page 66)

We may be headed into an era in which some of the barriers to major war—including the nuclear barrier—will be weakened, writes senior analyst Rod Lyon. With the US the current epicentre of the global pandemic, a global strategic order centred on US pre-eminence is more likely to be seen by adversaries and allies alike as suffering from a single point of failure. Risk-tolerant leaders of revisionist states might calculate that the pandemic opens a window of opportunity for them—a window during which they can act with relative impunity and little prospect of American intervention. American and Australian strategists have worried in recent years about just that scenario.

China (page 70)

Uncertainty about China's direction brings an urgent need for Australia to strengthen its defence and deterrence capabilities right now, writes ASPI's executive director, Peter Jennings. The risk for social disharmony and instability as China comes out of lockdown is growing. This has led the CCP to increase loyalty indoctrination training among local police agencies. Beijing has long focused on promoting 'social harmony'—pushing people to follow the correct political line and backing that effort up with police and internal security forces. For all the CCP's attempts to portray its management of the Covid-19 outbreak as a success, the virus also unleashed a political pathogen of criticism directed against China's rulers. Prominent figures are speaking out in a way not seen for years. The balance of community opposition versus repression—'when fury overcomes fear', as Xu Zhangrun puts it—is a potential tipping point that must be closely watched.

The PLA (page 75)

The risk of major-power competition becoming military conflict may increase in the pandemic's wake, write Malcolm Davis and Charlie Lyons Jones. They say the growth of China's military power has significantly influenced Australia's emerging strategic outlook, as Beijing has challenged US strategic primacy in East Asia and demonstrated its resolve to exert hegemony across the Indo-Pacific region. The Communist Party may see benefit from adopting an even harder nationalist line on key issues, such as the party's territorial claims against Taiwan, or its determination to strengthen its control over the East and South China seas, to distract any internal unrest and reinforce Xi's leadership. The PLA's future isn't one of economic retrenchment and retreat from its goal of becoming a world-class military. China is unlikely to pull back on its ambitious plans for military modernisation, even as its economy suffers from the impact of Covid-19.

The United States (page 80)

Covid-19 will probably ensure that the coming US presidential election is one of the strangest on record, writes senior analyst Rod Lyon. He says strangeness is sibling to uncertainty, meaning special procedures, including the possibility of people voting from home, are likely to provide opportunities for the loser to question the validity of any result that goes against him. In brief, expect partisanship to become more, rather than less, intense as the year unfolds. And don't be surprised at an unsavoury electoral endgame. Lyon says Covid-19 fatalities in America are currently climbing on a trajectory that suggests some future aggregate fatality number not too dissimilar from America's experience with major wars in the 20th century. Moreover, the US economy continued to function during those wars.

Southeast Asia (page 84)

The pandemic could trigger far worse scenarios in parts of Asia, writes senior analyst Huong Le Thu. Southeast Asia is one of the world's most densely populated regions, so social distancing measures are simply not as effective. The region's also home to large numbers of refugees, displaced persons, stateless people and unreported migrants. All of them are highly vulnerable, and their limited access to medical facilities raises the potential for mass casualties. It's also conceivable that the region's post-Covid-19 political landscape will be very different: some countries may have changes of leadership, and others might even find themselves new political systems, if the crisis spins out of control.

The Pacific islands (page 88)

The Australian Infrastructure Financing Facility for the Pacific established last year is likely to be one of the more significant bilateral resources Australia can offer its Pacific neighbours, write Richard Herr and Anthony Bergin. Australia should lift its aid to the Pacific's health sector, which has been cut in recent years. Infrastructure investment in upgrading the region's internet system (both for security and uniformity of platform) will make telemedicine responses possible. With proper training and support networks, this would improve general health outcomes, just as it's doing in rural and remote Australia. A regional telemedicine project should be linked to expanded epidemiological monitoring through existing regional mechanisms, such as the Pacific Community's Pacific Public Health Surveillance Network. The telemedicine project should be supplemented by appropriate stockpiles and response strategies, including mobile 'pop-up' clinics to reduce the reaction time in future regional epidemics.

Advancing gender equality and global security: navigating the disruption of Covid-19 (page 93)

Covid-19's disproportionate impact on women is overwhelming, writes senior analyst Lisa Sharland. And efforts to address the pandemic are likely to exacerbate many pre-existing inequalities across the globe. More women than men serve in 'frontline' roles such as healthcare workers, cleaners, carers and shop assistants. It's estimated that up to 70% of healthcare workers are women, with direct exposure to patients, so women are likely to be more susceptible to acquiring Covid-19. This may be compounded further if women don't have access to adequate personal protective equipment designed for women, rather than for men.

Creating resilient supply chains (page 97)

The coronavirus crisis has shone a light on the vulnerabilities of the supply chains that we rely upon for essential items, from toilet paper to ventilators, writes senior analyst Marcus Hellyer. Generic medicines, for example, have low profit margins, and China's growth in this area, as in many others, is in large part due to Western companies offshoring production in search of ever cheaper sources of labour and less regulation. What we're likely to see out of this crisis isn't the death of globalisation, but an amended form in which states and companies consider risk and resilience to be as important as cost. In Australia, we already have the elements of advanced manufacturing that characterise the fourth industrial revolution. Capabilities such as 3D printing that can be rapidly switched to produce different types of items on demand are being put to good use in the current crisis. Our preparation for future crises needs to build those capabilities into our planning rather than simply hoping for bursts of innovation when the time comes.

The role of autonomous systems in Australia's defence (page 101)

Amidst the pandemic, the government has committed to delivering its promised new submarines and frigates, indicating that it's not planning to reduce defence spending to provide a quick economic fix to meet the cost of fighting Covid-19, writes senior analyst Malcolm Davis. But it's missing a golden opportunity to transform Australian defence thinking and, with it, to quickly boost ADF capability. Defence must stop thinking about autonomous systems as the 'next-generation' replacement for manned systems and, instead, invest in those capabilities and in local development and production quickly in the face of a much more challenging strategic outlook emerging from the Covid-19 pandemic.

Climate change (page 105)

The damage done to Australia by the Covid-19 crisis could have been much worse if it had struck in the midst of the bushfires, writes climate specialist Robert Glasser. Measures to respond to one disaster could have undermined responses to the other, as bushfire evacuation centres and naval vessels assisting in evacuations potentially became hotspots of contagion. Glasser says the rapidly increasing scale, frequency and impact of climate-related disasters makes simultaneous crises more likely. The pandemic illustrates the international community's failure to respond to big threats until they're imminent. By that time, it's often too late to forestall the disaster or to respond effectively.

Risk, resilience and crisis preparedness (page 110)

The pandemic has demonstrated the need for an Australian chief resilience officer to coordinate responses and help break down silos between national agencies responsible for infrastructure planning, energy, social cohesion, housing, health care, education, economic development, social welfare, disaster management and environmental protection. Paul Barnes and Anthony Bergin write that we've seen such people appointed for short periods when a major disaster such as Cyclone Tracy occurs. It's now time to establish a permanent role so that we're proactive rather than just reactive.

Cybersecurity and critical infrastructure (page 116)

The Covid-19 crisis demonstrated the crucial importance of Australia's digital infrastructure and the extent to which we have failed to protect it, write Tom Uren and Jocelinn Kang. The health sector, including hospitals, remains vulnerable to damaging and disruptive cyberattacks, and little has been done to protect the undersea cables that the nation relies on heavily, even in the satellite era.

The internet of painted faces: childhood cybersafety and privacy (page 121)

As schools implemented remote learning and parents or carers became full-time home workers and full-time educators, many people had to compromise on their children's access to educational, social and entertainment media, writes Alison Howe. But much more needs to be done to protect the most vulnerable from online criminals, trolls and abusers.