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TRANSCRIPT OF PODCAST

WORK WITH PURPOSE

**EP#3: THE NEW NORMAL with Elizabeth Kelly PSM, Deputy Secretary,
Department of Industry, Science, Energy and Resources**

Hosted by David Pembroke, Founder and CEO, contentgroup

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- DAVID PEMBROKE: Hello ladies and gentlemen and welcome to Work with Purpose, a podcast about the Australian Public Service. My name's David Pembroke and thank you for joining me. Today, my guest is Elizabeth Kelly, a lawyer turned bureaucrat, who during her legal career worked on tasks as diverse as prosecuting serious fraud cases in Fiji to fighting corruption in the New South Wales building industry. She currently serves as the Deputy Secretary at the Department of Industry, Innovation and Science, where she is responsible for innovation, digital strategy and industry support programmes, and I'm certainly going to talk to her about that in the context of COVID-19.
- DAVID PEMBROKE: But during a long and distinguished career of public service, Elizabeth has served as a Director of Policy in both the ACT and Northern territory governments and as a Deputy Secretary in the Attorney General's department and in the Department of Prime Minister and Cabinet, where she was responsible for machinery of government cabinet legal policy and governance issues across the public service, as well as the coordination of support to the prime minister. She joins me from her home in Canberra on Zoom. Elizabeth, welcome to Work with Purpose.
- ELIZABETH KELLY: Thank you, David. Nice to be here.
- DAVID PEMBROKE: How are you adjusting to working from home?
- ELIZABETH KELLY: Look, I think I'm adjusting okay. It is very quiet but it does allow you that time to reflect that sometimes in a busy day with back to back meetings from 8:00 to 6:00, you don't always get the time to stand back and reflect. So I think I'm appreciating that part of it. I am missing the human interaction though. And so I have to do things like I have to... I try to make phone calls rather than email for at least a significant part of the day so that I can maintain that human interaction because I think it's too early to fall into the trap of just shooting off, spraying emails all around and thinking that that's effective.
- DAVID PEMBROKE: Mm-hmm (affirmative). So just in terms of that interruption culture, because I've noticed that in the same, at my workplace as well, that there are far fewer distractions, are there parts of how you are perhaps thinking about how you will continue to work now that this has been forced upon you and you'll try to cut down that distraction and level of interruption?
- ELIZABETH KELLY: Look, I think it would be nice to be able to retain a bit of that discipline of standing back. And so I have been thinking about in future, I think I actually might try to work from home at least one day a week to just try to preserve that in some way because I do think there's something of value there.
- DAVID PEMBROKE: For sure. So in terms of that... And that's interesting to note that in fact at as a very senior level, you are considering that, but do you think these changes will continue across the wider IPS workforce?
- ELIZABETH KELLY: I think that we will all... I mean, I think that what we will return to is the next normal. And I think that we will all change the way that we work. I think we've all been incredibly surprised at how effectively we can work remotely. And I'm absolutely happy to admit that I didn't think that it would work as well as it has. And I think that's been a lesson that we don't need to have as much face-to-face contact and as many face-to-face meetings as we perhaps might have thought that we did.

- DAVID PEMBROKE: What were those concerns that you had?
- ELIZABETH KELLY: I've always been concerned about the technology. And our technology, we've been incredibly fortunate that we made some big investments in IT in our department last year that set us up really well for remote working. So we're all invested in flexible work, we've all got laptops, we've made some big investments in our IT infrastructure. So the technology actually has worked. And sometimes we work on a lot of business systems because I'm also responsible for service delivery for support to business. And so some of those business systems I was always worried about whether or not they would be able to function effectively remotely. But they've stood up relatively well. And again, you tend to think that you rely on human interaction and you do, but perhaps not as much as we thought that we did.
- DAVID PEMBROKE: Okay. So listen, to the response to COVID-19 there are a number of task forces being set up across different departments and I believe that you have a leadership role in the COVID-19 task force inside your department. If that is in fact the case, what role are you playing and what is the task force doing?
- ELIZABETH KELLY: So my role... And so I'm doing different job to what I was doing a month ago. So my role is to lead, in fact, four task forces that relate to supporting the Department of Health to make sure that we have enough personal protective equipment and medical devices to support us through the immediate response to the COVID-19 pandemic. So what happened at the beginning of the pandemic, probably more than six weeks ago now, the Department of Health... And the Department of Health is just doing the most extraordinary job. And so we looked as government about what are the areas where we could support them. And one of the areas that we could support them in was to help them in maintaining the national medical stockpile and ensuring that it had everything in it that we needed in order to meet the pandemic.
- ELIZABETH KELLY: So the Department of Industry took on that role of maintaining the national medical stockpile. So the Department of Health told us what they needed. And then we created and I've got forward four division heads leading four different areas of personal protective equipment. And we went out and scoured the world to source additional equipment where it was required and also looked at domestic manufacturer and whether there was domestic manufacturing in some of those areas. So the things that we worked on was initially face masks, and we sourced a vast amount number of face masks internationally and we also supported a small domestic manufacturer to significantly upscale. It received a reasonable amount of press. That was a company in Shepparton and-
- DAVID PEMBROKE: Yeah, I saw that story.
- ELIZABETH KELLY: Yeah. So we supported them to acquire some additional equipment. And when I say supported, we helped them to source it, we help them to freight it, we dealt with all of the diplomatic issues in relation to getting access to freight in some of those more difficult environments, and we even provided the engineering support to get the new machines up and operating. So we've also supported another company that the South Australian government located and was working with and have made significant orders from that South Australian company as well. So we've done that in the area of face masks. We've also sourced gowns, gloves, goggles. We've done a lot of work on ventilators and first of all, sourcing supply and then actually developing with our local company, developing a company that's going to produce ventilators according to a specification that we developed with clinicians. And that company

called Ray Innovation is actually going to be producing ventilators very soon for our needs.

ELIZABETH KELLY: And then we also have worked on test kits for COVID-19 and particularly locating quantities of swabs that are used for the testing process and also working with a couple of Australian firms to develop a local testing and capacity within Australia. So real investigators, we've got a network of business advisors and a regional network and they're experts in particular industry sectors. So we just really set them to the task of identifying who were the local manufacturers and the local importers. And we also worked with all of the growth centres, particularly the Advanced Manufacturing Growth Centre and really it was almost like a detective novel, finding the right companies to work with, tracking them down and then standing alongside them to make sure they got the inputs to help them to get TGA approval and help them to get production underway.

DAVID PEMBROKE: That's a remarkable... Not only logistical but planning, as you say, investigative research into who can potentially help. What was some of the challenges? Because that sounds pretty good. It sounds, it moved very well and it was quite efficient and effective and that you were able to move different parts of the system, like your business advisors and your growth centres, to apply them to be doing different tasks than the normal day-to-day tasks that they would be doing.

ELIZABETH KELLY: Yeah, and I think that's what you always find with the public service in a crisis is that everyone drops what they're doing and they use their expertise and experience and they apply it in a completely new context. And so utilising our business advisors who are working with companies every day and so on by our tech business advisors know the landscape very well. We've also got a growth centre in that area as well, who knows the landscape. So combining that knowledge was really powerful. And then the task forces really, they're populated by lots of policy wanks who know about industry policy but didn't necessarily know that much about ultrasonic welders and how to get them all ready in order to fuse surgical grade face masks. So let alone RNA extraction that's necessary for the COVID-19 testing. So a whole lot of people learned a whole lot of new knowledge, incredibly quickly and enough that we could identify and work with and support the companies to meet those needs at the stockpile.

DAVID PEMBROKE: So you've really then been righted at the centre, at the heart of that logistical support to the Department of Health. Have you got any specific stories perhaps or moments of inspiration where you've looked back and you've thought, "Wow, the APS, when it does put its mind to it and it does react, it can be flexible, it can be agile and it can move very, very fast."

ELIZABETH KELLY: Oh absolutely. And honestly, every day was like that. And I think using the army in a manufacturing company in the rural Victoria was pretty creative and that was really an idea. We did find... We brought on some support, a person who had some expertise and background in the army and who was working with us in those early days. And we found this company and we were just thinking of how we could scale it up quickly because it's a great Australian company but we needed to scale it up quickly.

ELIZABETH KELLY: And so because of this person's particular background, they said, "Oh, I know some people in the army, who'd be able to fill that gap." And so we explored that. We've not done that before in the Department of Industry. But that's just an example of how in a situation where there's a really urgent need, you just think of every option. And so that was a really creative solution. The army have now moved out and that company has now taken on local staff, additional local staff and is running them on its own, but it was a fantastic solution to get them going really quickly.

DAVID PEMBROKE: Now, I know the response has been very successful and obviously the APS deserves great credit for the way that it's played its role in the success of the response. But at this early stage, can you see changes in the way that you've been operating in your business that you will then take on in terms of some of these relationships that you've been able to establish through this crisis?

ELIZABETH KELLY: Look, I think it's been a great example of how all of the different APS agencies can work together and how we can have really respectful and productive relationships and really complement one another. So I think the Department of Health were really surprised at what we were able to produce in a relatively short period of time because they had been managing the stockpile on their own for a very long time. So I think it actually did unearth that there are relevant bodies of expertise all around the APS, and to get the best result overall we need to actually draw on those and find creative ways to draw on them. So yeah, I think it really has been a powerful demonstration of how when we work together we're certainly greater than the sum of our constituent parts.

DAVID PEMBROKE: And certainly that ability to move quickly. I think that's the constant theme that's coming to me is that the velocity of the decision making inside the APS has been something to behold that there is the crisis, it has to be responded to, but the organisation which is a very vast organisation has been able to respond quickly. Do you think that that speed will be retained in the future?

ELIZABETH KELLY: Well, look, I hope so, but process is really important. And so it is really important. It allows us to meet our accountability. So I never want to suggest that following the right process isn't important. In a crisis, we do get some allowances from [inaudible 00:14:19]. And so there were certainly some allowances in relation to procurement that were formerly made in relation to meeting the pandemic challenges. But sometimes in ordinary course of business, other processes are appropriate and so it's the right thing to follow those. But when we need to, we certainly can move incredibly quickly and we will always have that capacity.

DAVID PEMBROKE: Now, in your day job that you had prior to the pandemic, you had responsibility for those critically important areas of the economy; innovation, digital strategy, industry support programmes. Have you had time yet to start to think about going back to your day job and how you're going to play a role in restoring the health of the economy? Because that's obviously going to be, as soon as the health crisis is past, it's going to be the economic crisis and you're going to be right in the middle of that as well.

- ELIZABETH KELLY: Yeah. So as a department, we try to get a little ahead of that and so whilst I'm working on the immediate response, and so my timeframe is until 31 July, so what we need until 31 July. But there is another area of department under one of my colleagues, Mike Lawson, who's been looking at recovery and they've been looking at recovery for some weeks now so that they can start to anticipate those issues. As the immediate needs work winds down, then I'll move back into that recovery work. And there are certainly a lot of opportunities for Australia in the recovery of the global economy and we're keen to help Australia maximise those areas where it does have advantage.
- DAVID PEMBROKE: And where might those specifically be? Where do you think those opportunities lie and how quickly are business people going to have to respond to take those opportunities?
- ELIZABETH KELLY: One of the areas is agriculture. Certainly, one of... We perhaps don't realise it so much in Australia, but globally and particularly in Asia, food security is a really significant issue and particularly in the context of the pandemic. So a lot of countries in the world are looking very much to how they can assure they have future food supplies. Australia is not only a great and efficient agricultural producer, but it's also a world leader in agriculture technology through efficient agriculture for efficient use of third lines or efficient use of water, aquaculture, hydroponics, a whole range of areas, the use of blockchain for table to plate integrity of food chains. They're all areas where Australia has an enormous advantage globally in our technology and there are a lot of countries in the world that are really interested in that technology particularly at the moment.
- ELIZABETH KELLY: Same applies for mining. We've been able to... Our mining technology is absolutely world-leading and our mining sector has been able to continue to operate throughout the pandemic. So that's something that's of interest globally. Clean energy, biotechnology, 3D printing of medical devices, desalination technology, they are all areas where Australia has technological advantage and we should be at pursuing those opportunities as the global economy recovers.
- DAVID PEMBROKE: Do you have any particular insight as to how the market is going to change up? Our country's going to be turning in more and thinking about their national economy more so than the global opportunities or do you think that that will pass very quickly and the global trade system will get up and moving quite quickly?
- ELIZABETH KELLY: Look, I think that there's not going to be one response. Some countries will obviously do that. Other countries, if you look at a country like Singapore who recognises that they can't domestically manufacture everything that they need, they certainly can't supply all the food that they need to their population. So what they've looked at the same time and now they'll do more of in future is diversifying their supply chains so that they aren't reliant on any one country for particular components of a supply chain. So there are those directions as well. We will probably do a bit of both in Australia and certainly try to make sure that we're maximising those opportunities of where we're placed in the region in Asia, which will be a great engine of growth in the recovery. And we want to make sure that we make the most of those opportunities.

- DAVID PEMBROKE: Fantastic. Well, listen, we are taking questions from IPAA's future leader committee. And I do have one here from Steph McLennan at Geoscience Australia for you, Elizabeth. And it says, "We've seen a very fast ramp up of task forces and work in the government's response to COVID-19. As a senior leader, how are you transitioning from that responsive crisis phase to a more sustained effort and what is your thought process for transitioning your teams to that sustained effort?"
- ELIZABETH KELLY: We've thought about this actually a great deal because the early weeks were quite frenetic. And so that was something that was necessary and everyone was thrilled and happy to do it, but it wasn't a sustainable way of working. So after the first few weeks of what really was quite extraordinary levels of activity, we then made sure that we were adequately resourced and we also restructured the department to make sure that we had moved resources and leadership to where the work was, and we actually made conscious decisions not to actively pursue whole areas of work within the department because our focus was COVID-19.
- ELIZABETH KELLY: So we review that very regularly. So we will begin, over the next few weeks, to transition resources out of that immediate response area into that longer term recovery area and we will move SES and leadership and other resources into the recovery areas. And we'll keep that continually under review because we do, this is not a sprint, and I think the prime minister says that repeatedly. This is not a sprint. So we need to find ways to work sustainably, and part of that is understanding that resources have to move to where the priority is and we have to get a bit ahead of that so that we don't have people falling over from working really ridiculously long hours and under great pressure as they were at the very beginning.
- DAVID PEMBROKE: Just in terms of that focus, do you think that this crisis has in some ways provided the lens or created a lens which has enabled you and your colleagues to look at some of the work and think maybe, "Actually, why are we doing that? Maybe we shouldn't have been doing that in the first place." Has there been any of that sort of reflection take place?
- ELIZABETH KELLY: Look, I think that there's not an area of work that we've come across that we said we don't need to do it anymore, but there are areas of work where you've said, "Right now, we can't do that." And so we've got to make really clear decisions about priorities and, "Right now, we can't do that, or that can wait." We can put that aside for six months and come back to it at that time. So I think that's a really important discipline to bring. It would have been really foolish for us to try to keep everything going when we'd taken on these significant new responsibilities and when really the country needed us to be focusing on COVID-19 and the response and recovery from it.
- DAVID PEMBROKE: Okay. The next question, a similar type of question from the IPAA's future leader committee, and this is from Rebecca Lee MacDougall at the Department of Education, Skills and Employment. And she asks, "A lot of work at the moment is aimed at preventing the spread of COVID-19, but I'm wondering what work is being done to prepare us for life after COVID-19?" And perhaps you have already answered that question in a way, Elizabeth, but if there's some insights about that future planning, and I know in your department you mentioned Mike Lawson, but perhaps you might be able to reflect on other areas of the APS where that future view is taking place.

- ELIZABETH KELLY: Yeah. Well, I certainly think our focus will be the recovery of the economy and our contribution to the recovery of the economy. But in relation to the APS, it'll be a question of, I think that will be a question of how we work in future, our use of technology, our use of remote working is going to be something that could actually significantly change the way that we work going forward. So I don't think... We certainly don't think in our department that things will go back to the way that they were. So it won't be... A new normal will be the next normal as they say. And that will mean that we do things differently.
- DAVID PEMBROKE: And how are you, by the way? I should ask because that's a fairly big job that you've had. You're been holding up okay?
- ELIZABETH KELLY: Oh look, no, no, I'm fine. Thank you. Thank you. Actually, the work was really done by others. And so there's lots of people who've made a huge contribution. And really our colleagues at the Department of Health have born really a huge weight and they have worked extraordinarily hard to make sure that Australia is so well placed. So it's been absolutely fantastic to be able to provide even some small support to them.
- DAVID PEMBROKE: And how do you feel then as someone who's been involved in this, and looking around the world at other countries, how do you feel that the APS has played its role to deliver the response?
- ELIZABETH KELLY: Look, I'm incredibly proud of what we've achieved. I say that cautiously touching wood because I also think that this is a much more complicated thing and it's certainly not in a position to declare victory. But I'm really proud of what we've done so far. I'm really proud of the response right across government and every agency that's been involved. I think that we've worked well together. We've delivered a really good result for the Australian community. We've got to keep going. There's still plenty more to do and it's certainly not over, but I'm incredibly proud of what we've done so far and I do really feel like we have made a difference.
- DAVID PEMBROKE: Do you feel like there's that sense of control at the moment though that the major part of that crisis that front end has gone and really the organisation of the APS has been quite robust in being able to respond and as we go into the next phase that it's still got plenty in the tank to be able to manage the difficulties ahead?
- ELIZABETH KELLY: Look, I think it's really important not to in any sense think that we've got this thing under control. And so today I'm participating in a round table on scenario planning and one of the scenarios that governments around the world are thinking about is a scenario where we are in a very knee-jerk attempt to come out of the pandemic then cases surge again, then we clamp down again, then we come out again. That's possibly the worst case scenario for the economy, and it will mean that our recovery will be delayed even more than if we were to stay with control measures in place for a longer period of time. So I think that it's not at all short session of what our future is ahead of us and the future of many countries around the world. So I'm not in a position to declare victory, but we're certainly thinking really carefully and we're in a better place than so many other countries.

DAVID PEMBROKE: And certainly you feel that your career choice rather than pursuing that career in law, that jumping across into government was a good choice at this time. Because it sounds like you've been inspired by the work that you've had the opportunity to do.

ELIZABETH KELLY: Absolutely. Yeah. No, no, I never looked back. So I've always been really happy to be part of government and part of serving the community.