COVID-19 HOTEL QUARANTINE INQUIRY, VICTORIA, AUSTRALIA

Walter de Ruyter

In his first essay for our Journal, Walter de Ruyter explains how antifragility can inform a framework for better management of 'black swan' events,[1] and explores the influence of groupthink in Victoria's initial handling of the COVID-19 crisis.

INTRODUCTION

Australia initiated a nationwide response through its States and Territories to contain and mitigate the impact of COVID-19 on the Australian population. From a global perspective, Australia has been a leader in managing the COVID-19 pandemic.[2] However, the different approaches taken by States and Territories mean that some states have experienced the impacts of the pandemic differently. The State of Victoria faced more significant challenges in its containment strategies, with cumulative data as of 15 March 2021[3] showing that 90.2% (820 out of 909) of all COVID-related deaths across Australia occurred in Victoria. Victoria's management of hotel quarantine was a key containment strategy. Particularly heartbreaking for Australians is that many of the COVID-related deaths in Victoria were predominantly in private

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1. A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight. – Investopedia
2. Our World in Data, 2021
3. Department of Health, 2021

or not-for-profit aged care facilities.[4] In response to the issues arising from hotel quarantine, the Victorian Government established a COVID-19 Hotel Quarantine Inquiry, with its final report released in December 2020.[5]

From an international perspective, the overall morbidity and mortality numbers are small in Australia. What is unique from a nation and state perspectives is the significant morbidity and mortality between Victoria and other Australian States and Territories. The Inquiry report allows for assessing contributing factors to inform future practice both within Australia and elsewhere. The following is a short commentary of the Victorian Government's report on hotel quarantine used as a critical containment strategy for COVID-19. It adopts an antifragility perspective to examine how the Victorian Government's approach became subject to groupthink before demonstrating how organisational practice can overcome fragility to build resilience.

CASE STUDY

Much has been written about the breakdowns of the Victorian Government's adoption of a hotel quarantine system for repatriating Australians during the COVID-19 pandemic. There is no denying that the task confronting the State Government, to develop from scratch a state-wide hotel quarantine system, was enormous: 'The lack of a plan for mandatory mass quarantining meant that the Hotel Quarantine Program was conceived and implemented 'from scratch' to be operational within 36 hours from concept to operation'.[6]

The illustrative case study outlined here serves to connect the events of the hotel quarantine review. It gives examples of what did not work well in implementing hotel quarantine in Victoria, applying the lens of antifragility and groupthink. **Antifragility** is a process in which stressors are information used to manage the risk arising from rapid change effectively. Nassim Nicholas Taleb presented the concept in his 2012 book *Antifragile: Things That Gain From Disorder.*[7] As highlighted by Irving Janis,[8] **groupthink** arises where the desire for consensus amongst critical stakeholders overrides their ability to evaluate alternatives objectively.[9] Groupthink requires individuals to avoid raising controversial issues or alternative solutions, and there is a loss of individual creativity, uniqueness and independent thinking. That groupthink may have prevailed in the development of Victoria's hotel quarantine system emerges from one of the Inquiry's findings: 'While there was a range of plans in place ... none of those plans contemplated the mandatory mass quarantine of people in response to a Class 2 emergency.'

Further, we consider establishing an approach to capture tribal knowledge in conjunction with a buyer-seller model to address groupthink and support organisations in becoming antifragile. **Tribal knowledge** is any unwritten information that is not commonly known by others within a company. This term used most when referencing information that may need to be known by others to produce quality products or services.[10] A buyer-seller model complements a closer move to insights made by frontline staff informing strategy. The objective is to convert insights from the client-provider relationship into commercial reality, allowing the organisation to respond earlier to an environment of rapid change.

4. Handly, 2020; Davey, 2020
5. Coate, 2020, p.96
6. Ibid.
7. Taleb, 2012
8. Janis, 1982
9. Turner and Pratkanis, 1998
10. Isixsigma.com, retrieved 7 May 2013

BACKGROUND

Danco[11] described the relationship between fragile, robust and Antifragile in organisations as depicted in the following table:

TABLE 1

STATUS OF ORGANISATION	STRESSORS IMPACTING THE ORGANISATION
Fragile	The impact of stress creates uncertainty
Robust	Impact of stress is Indifferent
Antifragility	Impact of stressors resolve uncertainty (stressors are information to be acted upon)

Adapted from Danko, 2020a

According to Taleb,[12] antifragility is based on the idea that 'Everything gains or loses from volatility. Fragility is what loses from volatility and uncertainty'. Whilst antifragility gains from volatility and uncertainty, in antifragile systems, stressors are information.[13] In a 'black swan event' such as COVID-19, conventions (the way something is usually done) around practice struggle to effectively respond to the event's scale, as they govern a specific set of organisational parameters to operate. To respond in scale requires re-imagining those parameters, which may mean establishing seamless communication across response agencies. The Australian Government learned this lesson in establishing a national cabinet on 13 March 2020.[14] Similarly, at a state level, the NSW Government established a whole-of-government response to black swan events in its creation of a government agency called Resilience NSW on 6 April 2020.

More recently, with the release of the new Federal Budget on 11 May 2021, the Australian Government announced the establishment of the National Recovery and Resilience Agency, with a budget of $600 million to support local communities during the relief and recovery phases following major disasters.[15]

An often overlooked aspect of groupthink is the conventions reflected in practice habits. Both formal and informal conventions act as filters. The outcome is that stressors on established practice have to be relatively large before the organisation reacts, resulting in a lag effect. If the event is significant in scale, such as a black swan, the impact of a lag effect increases uncertainty. Viewed in the context of COVID-19, a lag effect in responding compounds scale such as infection rates. Concerning Victorian hotel quarantine, the following quote from the Inquiry reveals that conventions created this lag effect in dealing with the COVID-19 crisis:

> '… Just as the [Victorian] Department of Health and Human Services did not see itself as the control agency responsible for the Program, it did not see itself as "in charge" on-site. This left brewing the disaster that tragically came to be. This complex and high-risk environment was left without the control agency taking its leadership role, which included the need to provide on-site supervision and management. This should have been seen as essential to an inherently dangerous environment. That such a situation developed and was not apparent as a danger until after the two outbreaks, tragically illustrated the lack of proper leadership and oversight, and the perils this created.'[16]

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11. Danco, 2020a
12. Taleb, 2012
13. Danco, 2020b
14. Australia's National Cabinet was established on 13 March 2020 to address and ensure consistency in Australia's response to the COVID-19 pandemic.
15. Australian Library and Information Association, 2021
16. Coate, 2020, p.26

The Victorian Government response was challenging as, like many plans where communication is promoted as open and working in unison, it was, in reality, centric and siloed. As an analogy, many organisations are currently structured like a box of round pencils. Each pencil contacts the other across four points with a lot of separation space. That separation space is where strategic emergency plans sit and only realise their potential when pressure-tested by the event's reality. For example:

> 'Both the State and Commonwealth governments were aware, prior to 2020, of the possibility of a pandemic and its potentially devastating consequences. However, none of the existing Commonwealth or State pandemic plans contained plans for mandatory, mass quarantine. Indeed, the concept of hotel quarantine was considered problematic and, thus, no plans for mandatory quarantine existed in the Commonwealth's overarching plans for dealing with pandemic influenza.'[17]

Another area for consideration is optionality:

> '… which is a precondition to Antifragility, but just because you have options doesn't mean you're Antifragile. A fragile organisation, facing an unknown stressor, may have plenty of "options" available to them. But if you don't know what to do with those options, and if you don't know how to grow into the challenge, then those options don't do you any good.'[18]

The impact of several options being overseen by a disjointed governance structure and practice not designed for scale such as a black swan event resulted in a situation where:

> '… Inside the DHHS internal governance structures, there was not an agreed view or consistent understanding between emergency management executives and the public health senior members as to who was fulfilling what functions and roles, and who was reporting to whom. In the context of the operation of the Hotel Quarantine Program, this created confusion and fragmentation in governance structures and, apparently, tension and frustration.'[19]

The inverse pyramid depicted in Figure 1 links to Fayol's Bridge.[20] Henri Fayol proposed that subordinate employees should be allowed to communicate directly with each other, given that their superiors had agreed upon this procedure. This principle became known under Fayol's Bridge, which conceptualises decision making in a stream matrix model where decisions are made as close as possible to the client-provider interface with appropriate delegations for decision-making.

The model of Fayol's Bridge is evident in the structure of Resilience NSW, where subordinate decentralised agencies communicate directly with each other, fast-tracking intelligence upward to government decision-makers. A key success factor in how the NSW Government has successfully managed COVID-19. Compared to Victoria, Resilience NSW derived increased efficiency through rapid and informed decision making from a more decentralised government in New South Wales.
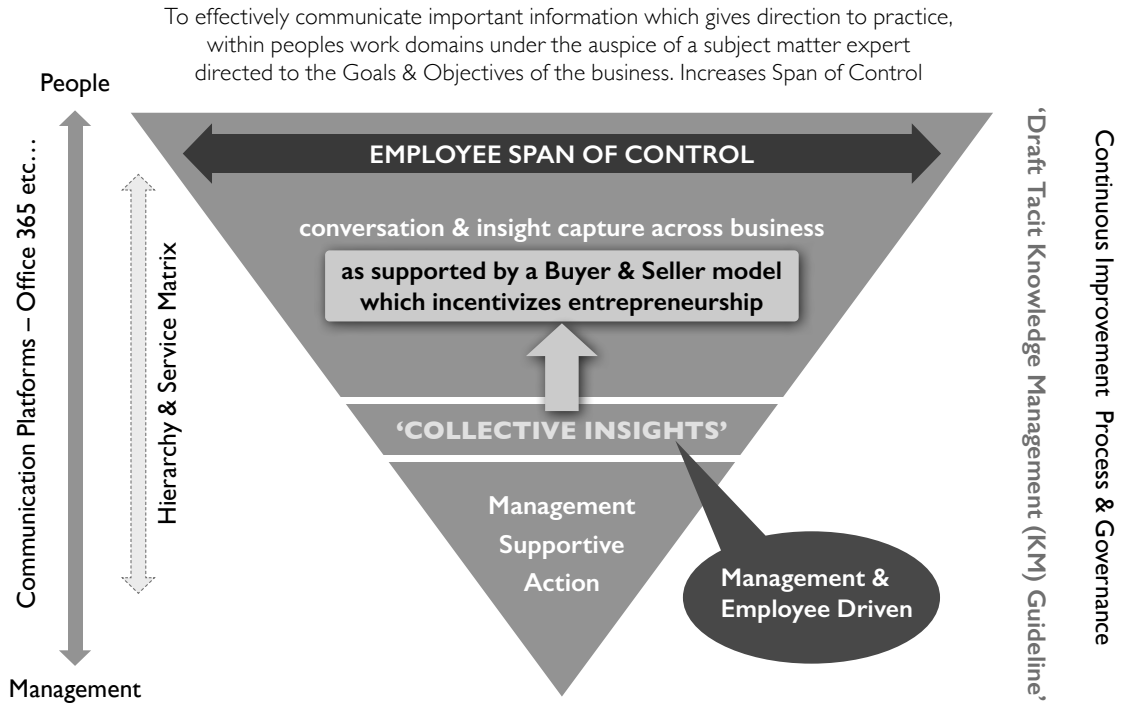
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17. Coate, 2020, p. 12
18. Danco, 2020a
19. Coate, 2020, p.26
20. Wikipedia, retrieved on 29 May 2021, https://de.zxc.wiki/wiki/Fayolsche_Br%C3%BCcke

FIGURE 1: CAPTURING TRIBAL KNOWLEDGE TO SUPPORT ANTIFRAGILITY STRATEGIES

To effectively communicate important information which gives direction to practice, within peoples work domains under the auspice of a subject matter expert directed to the Goals & Objectives of the business. Increases Span of Control

EMPLOYEE SPAN OF CONTROL

conversation & insight capture across business

as supported by a Buyer & Seller model which incentivizes entrepreneurship

'COLLECTIVE INSIGHTS'

Management Supportive Action

Management & Employee Driven

People

Management

Communication Platforms – Office 365 etc…

Hierarchy & Service Matrix

'Draft Tacit Knowledge Management (KM) Guideline'

Continuous Improvement Process & Governance

Siloed organisations tend to filter out small and manageable stressors. However, these are likely to accumulate and become significant problems in black swan events.

According to Danco, 'The only way you can feasibly do this is for disorder detection and response to take place at a small enough resolution, and tight enough turnaround time'. Such a response is granular dynamic, and low cost. Response at a macro level often is, 'Top-down systems have a hard time with antifragility because for them, all options are costly'.[21]

Danco's description is reflective of the Victorian Government's centralised structure:

'Accordingly, Antifragile systems and organisms lean towards a common theme: bottoms-up decision-making, rather than top-down decision making. Antifragility requires real options, and real options are low-cost. Antifragility is only successful if you can actually detect, react, and grow in response to deviations from your present state in real time.'[22]

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21. Danco, 2020a
22. Ibid.
23. Danco, 2020a

The analogy of the immune system and the role of antifragility is depicted in table 2.

TABLE 2

Barriers (e.g., Skin)	It's just a dumb wall (but it works most of the time)	Fragile	**Barriers** are akin to 'conventions', prevalent in business which act as a guide when responding to known and everyday issues.
Innate Immunity	Good at catching threats, but must know about them in advance	Robust	**Innate immunity** is evident in strategic plans and the quality systems of the organisation. Their designed response is reactive to a perceived horizon or an immediate issue.
Adaptive Immunity	Stressors are information; exposure creates the response	Antifragile	**Adaptive immunity** is incorporating a dynamic process to capture insights from tribal knowledge which complement quality systems. Its design is to respond to the unplanned effectively.

Adapted from Danco.[23] The fourth column links governance and knowledge management to adaptive immunity.

The analogy of 'adaptive immunity' as depicted in table 2 demonstrates variation in practice where the organisation's health and resilience can be conceptualised in terms of our body's immune system.[24] In essence, how unplanned disorder is managed determines how organisations survive and prosper.

Adaptive immunity practices can be proposed as a stepping stone for organisations to become antifragile and combat the negative impact of groupthink. The capture of tribal knowledge moves information derived from issues (often unplanned and unknown) to understanding and its application to better manage volatility by converting risk to opportunity. The process around tribal knowledge capture becomes embedded and in constant motion within the organisation's governance structure. Tribal knowledge is an integral part of adaptive immunity, which sits between business continuity and resilience strategies for organisations. Effectively capturing tribal knowledge is a critical whilst often overlooked step in building resilience strategies within organisations. The recently released Microsoft Viva application[25] is a step in this direction, although it still requires linkage points to hierarchy structures that continue to dominate corporate management.

24. Ibid.
25. https://www.theceomagazine.com/business/innovation-technology/microsoft/
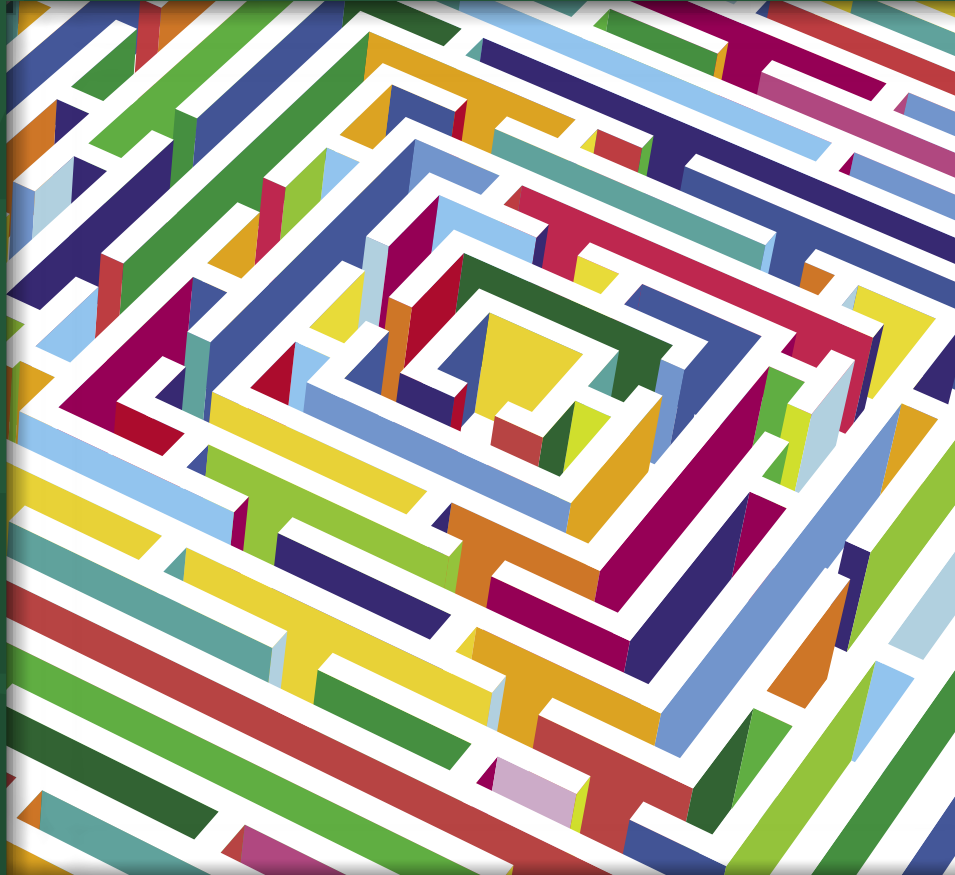
CONCLUSION

There has been much discussion in academic journals and the media about building resilience in organisational structures in response to changing markets where business models become unstable due to unforeseen circumstances, such as COVID-19. This paper uses the recent Victorian Inquiry into Hotel Quarantine to consider how antifragility may be a means to better manage unforeseen circumstances. It extends this to the analogy of adaptive immunity, a descriptor that is becoming more mainstream as a way of responding to unplanned change. Organisations are finding the analogy of adaptive immunity as an effective means of communicating the next step in becoming antifragile whilst overcoming the often unrecognised negative impact of groupthink.

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