

## Conversations with Future Generation podcast

### Episode One: Jonathan Nicholas, CEO Wellbeing Outfit

#### Transcript

**Louise Walsh (L):** Welcome to Conversations with Future Generation. I am Louise Walsh, the CEO of the impact investing companies Future Generation Australia and Future Generation Global. In this podcast series we explore the world of investing, philanthropy, mental health, and supporting children and youth at risk, with amazing Australians who are leading the way.

The biggest issue facing Australia and the world today is Coronavirus. It's an incredibly difficult time for everyone. And the news is changing every day. Here to talk with me for Episode One of this podcast series about COVID and the impact on Australia, including how we live and work, is Jonathan, or Jono Nicholas, one of the leading experts in mental health in Australia. Jono is the Founder and Managing Director of the Wellbeing Outfit, an advisory firm that improves organisational performance by improving the wellbeing and resilience of staff. Jono was previously the CEO of ReachOut Australia, Australia's leading digital mental health service for young people and their parents. ReachOut is one of our Future Generation Global recipient charities, so we know him well. He's also a Director of Future Generation Global. Jono has a Bachelor of Arts Honours majoring in Psychology and a Masters in Public Health. So he's more than qualified to talk with us today. So Jono thank you for joining us this morning.

**Jono Nicholas (J):** Thank you Louise.

L So Jono I think the question on everyone's lips about COVID of course is how long is this going to last? I mean it's difficult to get a grasp on the time horizon for this crisis and we think the government, it's changing every day, the messaging is changing. It seems like we're talking about a six month hibernation strategy at the moment. But what's your view on

all of this? I mean is it possibly 1 October before we're going to get back to normal. What do you think?

J Yes Louise this is the burning question. And the first part of this is COVID-19 is a health issue with economic consequences not an economic issue and therefore we have to come back to science and the science tells us that Coronaviruses as a group are incredibly hard to develop a vaccine for. If you just look at something as relatively simple as the flu, how difficult it has been to get any sorts of vaccines up and effective for them. So my personal view is that we will be living with COVID-19 or in a COVID-19 world for at least the next eighteen months. And the question for investors, the question for government, the question for businesses, is not what will we do post COVID-19 but how do we operate an effective community and a safe community inside a COVID-19 environment. So I think what we'll see from government is rather than wait for a vaccine they will start working out how could we implement and manage measures so that we can turn on parts of the economy whilst COVID-19 is still very present. And that will happen probably to some extent within a six month time frame.

L And do you think there will be a vaccine? I mean we're hearing sort of twelve to eighteen months' time. We're reading a lot about a vaccine. I mean do you think there will be one?

J I'm very pessimistic that we will get one. If you look at other areas like HIV AIDS we've got effective treatments to manage it as a chronic issue but we don't have a vaccine. If you look at the flu we don't really have an effective vaccine. So I don't think we will. I think you'll find effective treatments over time so that we can manage it as a health issue. But I think that eighteen month time horizon is one where scientists are saying we don't know and it will be at least eighteen months, rather than we will definitely have one in eighteen months. So I would say we should be adjusting our businesses, adjusting our lifestyle, adjusting our

social expectations to operate within this environment rather than assume that it will be quick and we can go back to a pre-COVID-19 world. That means things like social distancing will be with us for some time. It means that we will fundamentally need to rethink how we school our kids. It will radically change how we think about our society and community. And that will happen for social change at lightning speed.

L And look I know in your situation I think you're living in the Inner West of Sydney. I think you've got three primary school boys at home. You're working from home. I know your wife has quite a high powered job with the New South Wales Government. Let's talk about the issue of schooling and that subject of whether we're best with schools open or shut and now how are you dealing with that situation yourself and what are your thoughts on whether schools should be open or shut?

J Yes this is probably one of the most difficult social situations. So you know I have three boys under the age eleven. My youngest is six so just starting school. My middle boy is eight and my oldest boy is in late primary. And it's incredibly difficult in part because it happened so suddenly. And in part because schools are ill-prepared. They've had you know the better part of a hundred years to perfect the idea of face to face schooling, and each of those teachers have been trained to operate in a school environment, not trained to deliver education remotely. So we're seeing a massive upheaval. Parents are at the frontline of that. And also we're seeing a really big generational impact. So certainly my experience and the experience of many parents is that if you have primary school age kids then it's much tougher. It also means actually grandparents play a huge role in supporting families of primary school aged kids and for many families they can't access the physical support of grandparents and are now trying to do that digitally. So there's a really tough situation for families of primary school aged kids. Those with kids in high school and university have different set of issues. But probably not the same pressures that it exists in that age cohort.

L Right. Now look I'd love to talk about your business. I mean can you tell us how you are helping businesses during this time and the main questions that the people are asking. I mean what's the requests for help that you're getting because I'm imagining that your business is pretty busy at the moment dealing with all sorts of issues for the impact of COVID?

J Yes so part of my business role is I'm an advisor to EY. I'm an Executive Consultant to EY Oceania and working with the leadership there on how to understand this is a health issue. So what is that public health data telling us, what will be the likely government responses out of that, because the impact on businesses are not business decisions, they are actually government decisions to shut down parts of our economy. And so we need to understand what government will do as businesses, and then what is the psychological impact of this on our staff and customers. So certainly for me having a background in psychology and public health means that I am supporting a lot of organisations around how do you understand this issue and then how do you start planning out your business response in relation to health data. And I think that is the most important thing that I would say to people out there who are thinking of this in terms of their business. There is a reason why the key advisor to the Prime Minister right now is not the Treasurer but the Chief Medical Officer. This is a medical health issue. It is being driven by health decisions not by economic decisions, and then the economic decisions are trying to be managed around it. So any business that is looking to understand it and make really good decisions through this period really needs to tap into the advice of someone who can understand the health trajectory of COVID-19 not just the business trajectory of COVID-19.

L And I'm guessing it must be fascinating for you being in there with the leadership team advising them, I'm guessing they have never used anyone with your type of background and skillset before to manage a crisis, I mean that would be a bit of a first I would imagine?

J Yes that's right. So yes my background is in psychology but also operating a service like ReachOut which has operated digitally. It was the first digital mental health service in the world and therefore can understand some of the public health consequences and how people behave in distributed locations is an interesting skillset that I can bring to bear. The major difference for organisations like EY and a couple of my other clients is what is the psychology that sits behind that? We know that actually the most effective interventions around COVID-19 are the change in behaviour of individuals. Do we agree to stay at home? Do we support the government in having our kids at home? Do we agree to not go into workplaces? These are all decisions individuals have to make and therefore the reason they make those decisions is actually based around the psychology of this as well as anything else. So this is probably the major shift again that smart businesses are making, which is we need people who can tell us how people will respond to these changes so that we can therefore adjust our business practices accordingly, and try and get ahead of the curve. This is an issue that is moving at incredible speed. In February late January we were really worried about bushfires. By middle of March we'd pretty much shutdown some of our economy. By April we'd brought all the kids home from school pretty much. So that time horizon for such radical social change is unheard of. And businesses need to start understanding that and try and get ahead of that curve pretty quickly.

L And look it was interesting when we were preparing for this and you mentioned to me a particular programme that EY had developed as a result of the impact of COVID and it was related to school holidays. Can you talk to us a little bit about that because I thought that was pretty interesting.

J Yes I think EY have responded to this really really quickly and clearly they're obviously a very big organisation in terms of resources, but also the leadership have really tried to understand how they best support their people through this. They recognised really early on that the impact is going to be on their workforce with primary school aged children and very quickly set up a school holiday programme that staff can access during the next fortnight. One I think just generally to support their people so that kids have something to do during the school holiday programme, but also as a real recognition that their staff are under pressure, that they themselves are trying to do their job under really trying circumstances and that as an organisation if you can recognise that and try and provide innovative resources to support that workforce you are going to really benefit. So for me this is one of the great opportunities for lateral thinking. Things that we otherwise wouldn't have thought were part of the business remit are going to be the ones that probably stand out businesses do during the time.

L And Jono can you unpack that a bit. So what is that going to involve, that virtual I mean obviously it's virtual school holiday programme. What sort of things are the kids going to do?

J So yes a virtual programme like kid's yoga for example, virtual making of digital resources. As you said it is really about having a programme that would cover the two weeks with experts and within the safe infrastructure of EY in terms of digital resources. So again I think it is really about setting up a school holiday programme that has a range of resources so that different kids can tap in at different times. And if you think about it one of the radical insights here from EY is that businesses in this environment are actually communities, that all our out touchpoints with community whether it be sporting clubs, school holiday programmes, government, at community parks, beaches, are being denied us, and the most frequent community that we'll interact with is actually the workplace. And therefore really smart leaders are saying how would we respond to this as a community not just

necessarily as a business. What a community would do is provide holiday programmes. What a community would do is provide access to exercise programmes. What a community would do is aid to provide access to virtual adopters. And so I think again one of the smart things that EY have done as an example and I'm sure there's many other businesses is think as community leaders and think of their community as their staff base and start providing a broader range of resources to support them what can otherwise be a very difficult time.

L Yes. Look fantastic. I mean it was interesting last night, as you know I work out of the office of Wilson Asset Management the Founder Geoff Wilson, so we were all on Zoom last night and we had a trivia night. It was a dress-up and we had prizes so we were in teams and using WhatsApp for the answers. And you know it worked really well. So it is about thinking laterally in this time and hats off to businesses that are doing that well and doing that creatively of course as well.

J Absolutely.

L I think the other thing I wanted to talk about with you is, with Future Generation of course we're very focussed on supporting youth mental health causes. I mean we very much view mental health as the health issue of our time. Well that's always been my tagline over the last few years. Now of course we've got a pandemic so that may well be the health issue of our time. But of course with self-isolation and quarantine measures in place and of course the economic impacts I mean the rise in mental health issues is going to be alarming and I think is already alarming. Have you got any particular strategies and tips on how to cope with this time because it's going to touch everyone. I mean it's obviously going to touch the people that are losing their jobs or who have been stood down, but it is the isolation, the hibernation factor as well.

J Yes so the first part of the mental health challenges of COVID-19 is actually fear. So when we are afraid, when the world changes too quickly, our reptilian brain takes over which is the back bit of our brain and we respond in what we call fight or flight. We get very angry or we get very afraid. And what most people are experiencing now due to these sudden and widespread changes is really fear and distress as a result of that. Now what we have to remember is in mental health terms it is a mental health issue but that doesn't make you mentally ill in a clinical sense. So people are feeling anxious but that doesn't necessarily mean they have an anxiety disorder. But it is about recognising that that is a natural response to an extreme situation. So the first thing I would say to everybody is if you are stressed and anxious right now that is completely normal and it is a completely normal response to an abnormal situation. If it continues and if it becomes really severe and if it really impacts your life then it may kick over into a disorder or something where you need to seek help for it. In terms of tips what I would say to people is you need to provide or find routine in a world that has the absence of routine. So if you look at it for our family for example we would normally get up on a school day at about six-thirty seven o'clock, we would normally leave the house at eight o'clock to get the kids to school and get to work, and by that stage we would have had breakfast and done the chores. And so what we're doing is replicating that in a COVID-19 environment. We still get up at seven o'clock, we still have breakfast, we still leave the house at eight o'clock, being dressed and having changed our clothes. The difference is that we go to the park and go for a walk so we get our morning exercise, and then we come back and we do a meditation as a family and then we try and start our day at nine AM. So most of that is about trying to create structure and predictability and routine in a world that has the absence of it. So that would be my first tip, if you can find structure and routine you'll find your sense of anxiety peak drop. The second thing I would say is people need to reduce the reading they do around COVID-19. Many people are feeling overwhelmed by information but are compulsively accessing that information. So you know it might really be about narrowing down the sources that you have for that information, get back into reading things like books that have nothing to do with COVID-19, kind of get



out of newspapers. And then the final thing would be really monitor your sleep. What we know is that when people are stressed they have very disrupted sleep. Probably many people are finding they are having very vivid dreams at the moment because they are not getting into a deep sleep cycle because their brain is moving too fast. And we want to make sure that we're helping everybody sleep, and sleep adequately. And those are the sorts of things that will give us some really great structures to maintain our wellbeing over the long term, both for us as individuals but also for those with families with young kids. We need to provide that routine for them as well. They will feel much safer if they have some routine, even if it is a routine that they've never had.

L Yes it's interesting. I mean they are great tips. So I mean just personally I have been struggling with the overload of the information. I mean it is quite extraordinary what is out there and I am a gatherer of it. You know I love to be on top of everything. I like to have the latest data and everything else and sometimes I go to bed and I think wow. You know it's just all too much. Because my husband quite likes CNN and I don't know if you've listened to any of that but of course we switch it on about eight o'clock at night, which is of course the start of the day in the US, and of course with everything going on over there it is completely an overload. I mean some nights I just have to say to my husband look I've had enough now. You know it's interesting how each individual copes much better than the other. But I think the reading tip is fabulous. I mean I happen to be a big reader and I tend to read a lot of fiction, and it is perfect at the moment because that is the saviour. I mean I have been stocking up at the bookstore. I did before I thought that big shutdown might have happened, whenever that was a couple of weeks ago. So thank you. The other thing I wanted to talk about is just a practical thing. I mean you know Australians are very big travellers. I mean we are renowned for it. We love it. You know we love travelling within this fantastic country but of course we love international travel as well. I mean it is something personally I look forward to every year or so, there's a trip planned. We tend to agree on a trip in January each year and off we go later in the year. And of course that's all

gone to custard for this year. I mean have you got any thoughts on international travel. I mean when do you seriously think it will resume, whether it's for personal holiday travel or for business? Just curious on your thoughts on that. And also if we talk a little bit about your trading blocks and how that might work with different countries as well.

J Sure. So I think the first part I would say for those who love travelling is learn to fall in love with Australia because the most likely holiday you'll have in 2020 and 2021 will be in Australia not internationally. What we're seeing in countries that have dealt with COVID-19 very well, which is Australia, New Zealand, to some extent Singapore, Japan, Korea, in Europe Austria looks like they have dealt with it far better than elsewhere, is they have managed to control community transmission really well. What that means is not the people who have got COVID-19 and brought it back but community transmission where we are not sure how we have got COVID-19. What has become very clear in the UK and the US is that COVID-19 has been transmitting in the population for some time. They haven't traced it really well and we are now seeing in places like New York a massive explosion of it as the illness really starts peaking in very kind of tight populations. We saw the same thing in Wuhan for example. So what does that mean? It means that I think Australia and New Zealand will come out of this crisis very very strongly. We will have very tight tracing systems coming out of this. And that the first part of travel that will be open to people is interstate travel in Australia, possibly to New Zealand depending on things. But when you travel internationally I think it will be to a very restricted number of countries and that people will have to get very comfortable with the idea that they will be quarantined on the way back for at least seven to fourteen days. Now that depends on the effectiveness by which we can actually detect and have an early detection system for COVID-19 as opposed to a vaccine. I would assume at this stage that we don't have open travel with Europe, with certainly parts of Asia and certainly the US for some time to come, because I don't think we can rely on the fact that they have community transmission under control. That's a bit of a pessimistic assessment. It could change based on medical advice, based on detection systems later in

the year. But I would assume that we're travelling domestically. In terms of trading blocks, again what you are seeing is a number of countries, and the ones that I mentioned, that have actually got this thing far more tightly under control and what will happen is that they will be able to turn on their domestic economies far quicker. As a result I think there will also be greater confidence between those governments to start the economic movement of certainly people between those countries. I would not be surprised if we see the emergence of a post COVID-19 trading block of countries who have dealt with this really well, where you would find for example a high degree of co-operation between Australia, Japan and Korea, certainly New Zealand, on what we can do to kick start our economies within those safe health boundaries. I think the interesting part of this is it looks like Indonesia will have an explosion of infection later in the year and therefore will have an extra timeline. And it certainly looks like the US will be in very very serious straits for some months to come and therefore may not be an effective trading partner for Australia until 2021, and possibly beyond depending on what happens. We have to remember America or the US does not have a functioning public health system, and therefore we could find massive outbreaks right across the country as they try and get control of this issue.

L Yes fascinating. I mean it sounds like we're going to be having to do brand new trade agreements. I mean the ramifications are quite extraordinary as I'm thinking about it. But even you talked about – I mean hotels could end up of course becoming permanent quarantine stations by the sound of the sorts you're talking along. Yes?

J Absolutely. So people go overseas, the government allows some people to go overseas, you would have to commit to some sort of track and tracing. And whether we use hotels for that or whether we isolate people in their homes I think will be an open question. What we are seeing is that when they ask people to self-isolate in homes not enough people to comply to prevent community infection, and that's why they've moved to hotels. So again if you see this being a more sophisticated response, I know there has been some criticism of

the hotels but to be fair they had to adjust their business model pretty quickly, that we could find that Yes people are able to go overseas but they would then spend an additional amount of time in some level of isolation when they return. And that will limit a whole bunch of business moment, so you know business travellers who might have travelled once a month to offices that will just be impossible. And people I think will plan out their holidays very very differently than they otherwise would. What does that mean? It means I think we could find a real boom on domestic tourism for example. So in all of this if we think about it economically there will be some back row impacts, but organisations and businesses that adjust and adjust dynamically could be seen that they are real winners out of this. We are already seeing for example the hotels that have been closed down and turned their kitchens into delivery stations. And they may not have a functioning business the way they thought of it but they certainly are able to last for some time by changing their business model. And the same could happen in tourism and elsewhere. The big part that Australians are going to have to get comfortable with is the idea of personal surveillance, that the government will need to know where you have been, how many people you have interacted with, and when you got sick so that they can do effective and quick tracing to keep control of community infections. That is the only way the government can have confidence of opening up the economy in large scale.

L Well personally I feel fine about that. I mean I'm happy for the sake of lives to be saved. If I had to be tracked and my movements have to be tracked and I mean I know people get concerned about privacy issues but if it means lives are being saved. You know I've got an eighty-six year old mother who is not well at the moment and has just had four weeks in hospital so she's a very high risk. But you know I'm thinking about her life and if I had to be tracked and others need to be I think we've all got to make a sacrifice and in the end it's not that bad. And if we have to travel domestically rather than internationally for personal reasons that's not the end of the world. I mean that could be a real plus as well.

J Absolutely and I think the one thing that we'll need to again monitor in this new world is things like police powers. So I agree with you, I think as citizens we'll have to operate within a COVID-19 environment for a long time and therefore our expectations around privacy will have to be weighed up against the idea that we can no longer leave our house. So that will be a really interesting challenge. At the same time we will have to give a lot of powers to the State and how police respond to that, how the government responds to that, at what point do those powers get taken away, will be a really interesting and challenging ethical and legal responsibility. So to give our State the power to surveil us. Then there also needs to be very strong controls on how that information is used so that it is for the right purposes. So these are some of the key ethical questions that will start to emerge in the next you know three to six months. Particularly as we start to turn on parts of the economy. That will be the real trick. We won't have the confidence to turn on parts of the economy like pubs and hotels and restaurants until we are confident that we can quickly control community outbreaks. And that is a whole new system of management that we haven't really thought of up until now.

L Fascinating. And look one least topic to chat on. I mean I think Sydney to Melbourne is the fourth busiest air route in the world. I always find that staggering when I hear that particular stat. That I'm finding I can connect quite well over video and teleconferencing and get things done relatively easily in a work environment. I've been working remotely from home down on the South Coast for just over four weeks now. I mean the interesting thing is do I need to go into the office with the transit time and get on the plane once a month to do meetings in Perth and in Melbourne. I mean what are your views on the new norm, because obviously things are going to change. We talked about international trade and travel. The whole topic about remote working and learning. That's the other fascinating change that could well happen with this and the longer we are in hibernation then the more likely it is that there will be more permanent change I think.

J Absolutely. And this will change our investment stream. So the first part of it is I think we will see quite a significant and radical change in how people view business travel and the reasons for business travel and the frequency of business travel. The second part is I think Australians will actually think very very differently about NBN and why we would have a gold plated NBN with access direct to the home rather than access to the node for example. That will probably look like a pretty good investment now given we've got lots of people using lots of bandwidth at home in this COVID-19 environment. You'll see I think businesses really really quickly remove open workspaces in this environment. Certainly they will want to know where people have a permanent desk. But I think the trade off for that in terms of how often people go into the office will be how easily they are able to use their home work environment. And this will change a lot of the work health and safety obligations that business have for home. So if there's a reasonable expectation for example that employees are spending thirty, forty, fifty percent of their time working from home then the occupational health and safety responsibilities of businesses to equip the home environment might look very different. So again as we start thinking about the implementation of these issues we are going to have to radically rethink where work and home starts and stops and what are the obligations of the workplace. At another level it means we're building a whole bunch of infrastructure and roads on the basis that people are driving a lot, that may change. You may find that our roads are far quieter and that our capacity in public transport actually we may be able to meet it far better than we thought we were doing. So there are some really interesting investment questions I think that will flow from this particularly given governments, they certainly won't be broke but will have spent an enormous amount of money to maintain the economy during this COVID-19 crisis, and they may need to radically rethink the sorts of investments that they are making post COVID-19 based on the behaviour of people. And the same thing for retail businesses. I think you will find a lot of retail businesses won't return to bricks and mortar in the same way, and they will have a much more effective blend of bricks and mortar and digital business offerings. At the same time I think there will absolutely be a boon in sort of digital infrastructure as we need to support

home working. Organisations like Telstra and Optus. And they're becoming even more so vital community assets, you know like energy. And we should really recognise telecommunications as a vital community asset, NBN as a vital community asset, if we're assuming people will work from home for a long period of time.

L Well look Jono it's been absolutely fascinating. And I think we could probably talk for hours on this because let's face it it is such a unique point in our history. My eighty-six year old mother was talking to me the other day and said "Louise you know I've lived through a world war, I've lived through rations, and I've definitely lived through hardship". She said "it's interesting with your generation and millennials and kids today I mean you've never seen any hardship, I mean life has been incredible you've been incredibly blessed, things have motored along, and for the first time in your life you've had some disruption and hardship". And she said it's interesting just to see how we're all going to cope because in some ways she's fairly relaxed and resilient you know even though she's quite elderly and all of this but quite philosophical about it as well. And I've got her using technology now and we had our first Telehealth consultation the other day. So I'm quite inspired listening to her in a time like this as well. But for me it's been fascinating. It's made me, I don't know, slow down a little bit, think a little bit more clearly, you know just a different perspective on things. And there's got to be some good that comes out of this stress and this hardship that we're going through and I think your insights have been just fantastic. So I just want to thank you and thank you for your contribution to Future Generation, Future Generation Global as well. And at some stage we'd love to have you back to talk with us again. Who knows? But we could be in a whole new different ball game later on. So thank you again.

J Thank you Louise.