



**TRANSCRIPT**

**Sydney Ideas podcast**

The road ahead: rebuilding Australia's future

Thursday 28 May, 2020

MICHAEL SPENCE [GRAB]

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*Now, we have 25 million people. We don't have a consumer base to say, "Australia-first, let's manufacture everything here, let's make sure that we put up the walls". And we never did.*

*From the early 19<sup>th</sup> century, our economy was successful because it was an international trade dependent economy. Now, how dependent we have become on international trade, and whether or not there are ways in which we need to hedge that risk for future shocks like this, they're really important questions. But they're very different questions to the kinds of conversations; they're very different conversations to the kinds of conversations that you might be able to have, say, in an economy the size of the United States.*

ANNA BURNS (PODCAST HOST)

You're listening to the Sydney Ideas podcast. Today we're talking about Australia's road ahead as we begin our COVID recovery. What are the opportunities and challenges?

We have three great minds, with excellent insights in this conversation.

Cathryn Carver is the Executive General Manager of Client Coverage at the National Australia Bank. Prior to her work at NAB, she was at ANZ, Westpac as well as Macquarie Bank.

Dr Michael Spence AC, Vice-Chancellor of the University of Sydney. He was appointed the 25<sup>th</sup> Vice-Chancellor of the University in 2008.

And leading this conversation is Mark Scott AO, Secretary of the NSW Department of Education. He began his career as a teacher before taking senior roles at Fairfax media, and then going on to become Managing Director at the ABC.

Here's Mark, kicking off the conversation...

MARK SCOTT

We're going to talk about recovery and the challenge facing particularly the Australian economy, as far as recovery is concerned. But in a sense, before we do that, let's just get a bit of a read on where we think we are today.



Cathryn, you've got unique insights across multiple sectors, given your work at NAB. What's your read of the COVID-19 impact on the economy and what are the real challenges that you see us facing now?

**CATHRYN CARVER**

Look, I think it's extensive and it's hit clearly the SME part of the Australian economy as it has with a number of other Western economies and the consumer, and they've been hit very hard in Australia.

We obviously have a big services SME area or business segment and, you know, we've been working with government in terms of packages. And obviously, I think the government has done a really good job in terms of JobKeeper and JobSeeker in particular. And that has been reflected in the UK and in the US. And I think the SME packages that the government has done, whilst that wasn't your question, just want to call out, I think, versus a lot of other Western countries, we've done a really good job. That's really important because that is the backbone of the Australian nation and the economy.

I think as it pertains to some of the larger corporate and institutional accounts, hospitality and tourism has been hit massively. And travel and tourism, whether it be airlines, airports – all that ecosystem that wraps around that – has been extraordinarily hit. And I won't jump into education because I think Michael is even more qualified than I am to talk about that.

But clearly, the bands in terms of international students and the direct impact that that's had on the University, Sydney University and other universities, is profound. I think the, you know, the real estate, anyone that's overtly connected with retail and just the change in how we buy as consumers, is massive. How we engage in buying food, consuming more broadly, has fundamentally changed because we can't go to restaurants.

So, you know, across the corporate and institutional area, it's a range of very extreme impacts; it might not get back, although the access to capital has been really good in terms of a number of our clients and other clients being able to access. So might just pause there because I could talk for a long time.

**MARK SCOTT**

You know, we've had three decades of economic growth here in Australia. We're not going to come through this without going into recession. But to what extent do you think the pandemic has revealed the underlying structural weaknesses that have existed in the Australian economy, that may have been concealed a bit by decades of growth? Where are the vulnerabilities being exposed?



**CATHRYN CARVER**

Look, I think anyone that doesn't have a business-to-consumer digital offering – that's going to be exposed, if they just had business-to-business. I think, whether we want to work from home or work from the office, I think, whether you agree with a 50/50 split or whatever your split is, it has changed, right? And so the impact on, you know, the different property aspects is yet to be tested.

How we buy as consumers; how we go out and enjoy a meal, whether we want to do that in a restaurant or not; whether we go to a completely cashless society, so there is no cash; you know, certainly we're doing a lot of work around that; just how you adopt online, especially for some of our aged parts of our population and how we educate them.

So I think there's been some areas, bad management, so they probably won't come through it, then you've got actually, different changes as a result of the pandemic that mean if you can change quickly and we've seen a number of our retailers actually quickly move to doubling and tripling what they're doing digitally. So some people are moving really quickly in terms of, and banks, I would put in, I would put NAB in into that category as well.

So I think, and then there's some people who were already in industries that were alive and well, great management, great business model. And you can see some of our property, clients who were big into logistics and globally into logistics, you can see some of our clients who already had a great digital proposition. And, you know, who will do well, so I think it's a typical kind of bell curve in terms of bad management's bad management, not having a well structured, you know, capital structure. And then there's people who can move quickly as a result of really leveraging – with a little 'I' – the crisis and getting cut-through on decisions, and Michael can speak to just the cut-through the Sydney University got in terms of, you know, transferring all of their students online.

**MARK SCOTT**

Michael, before we come to the University, what's your read of what's been revealed about the Australian economy by COVID-19?

**MICHAEL SPENCE**

So I think there are, all of the sorts of internal things that Cathryn has been talking about and the radical change to online and the sense that things may not go back to being as they were before, and all the rest of it. But it's also made us remember why Australia has always been rich.

Australia has always been rich, because we are part of an international trade system. And when there's a significant hole in the international trade system, Australia is really in trouble.



Now, we have 25 million people. We don't have a consumer base to say, "Australia-first, let's manufacture everything here, let's make sure that we put up the walls". And we never did.

From the early 19<sup>th</sup> century, our economy was successful because it was an international trade dependent economy. Now, how dependent we have become on international trade, and whether or not there are ways in which we need to hedge that risk for future shocks like this, they're really important questions. But they're very different questions to the kinds of conversations; they're very different conversations to the kinds of conversations that you might be able to have, say, in an economy the size of the United States.

#### MARK SCOTT

So it's been a very complicated time for the University, and part of it has been around that mix and dependence and the importance of international students to the business mode of the University. Just take us through a little bit of the thinking that you've been involved in, and those immediate strategic steps that you've needed to make to manage the University during these recent months.

#### MICHAEL SPENCE

So look, there has been a structural shift in the Australian university sector since about the early 1990s. So of the 170 years of the University's history, it's only primarily being funded by governments for about three decades, all of the rest of the time that the university has, in one way or another, had to live on its own wits. And in 1990, 90% of the university's funding came from government sources. Now it's about 30% of its funding.

Now, one of the ways in which the university system I think, has shown extraordinary creativity is that it said, with the increasing cost of research and indeed increasing student expectations in terms of the sort of wraparound services that we provide, but also the kinds of classroom experience that people have, the sort of technology that's available to students the sorts of experiences the university education provides – with that growing cost and at the same time with a massive expansion in Australia, of the number of people participating in university education – if we're not going to be an incredible burden on the Australian taxpayer, we've got to find a way of looking after ourselves. And that's been to be educators to the world.

You know, the University of Sydney, we have students from 140 different countries, they make up about 44% of our student body, and they account for \$1.2 billion, of our \$2.8 billion annual revenue. So if all of a sudden that stops, that's a problem for us, just as it's a problem for tourists and just as it's a problem for hospitality, just as a problem for many other businesses.



MARK SCOTT

And it's a massive problem for the economy, too, isn't it? I mean, there's always an understating of the importance of international students and international education to the Australian economy.

MICHAEL SPENCE

In 2019, just the University of Sydney contributed \$5.3 billion to the New South Wales economy and about \$5.9 billion to the national economy.

And a drop in international students represent about a two point – at our place, represents a potential economic risk of about \$2.6 billion for the state and the loss of about 12,000 jobs outside the university. Now they're jobs in infrastructure, they're jobs in hospitality, they're jobs in accommodation, they're jobs in tourism, they're jobs in all those other areas.

Where the university has been in a kind of interesting position, though, is that, unlike, say, for example, many travel operators whose businesses have essentially stopped, we still have 86% of our students, just that our revenue has significantly dropped. And so what we've had to think about is how we can do as much, with less.

MARK SCOTT

One of the questions though, that's begged by all that, given the importance, has been, in a sense, the noteworthy lack of support that's come particularly from the Commonwealth to universities, and notably the exempting of public universities from JobKeeper provisions, and also the exclusion of international students from other welfare schemes that have been ramped up in recent times. Why has the sector been unsuccessful in prosecuting the need, the way that other sectors have been successful? What do you attribute that to?

MICHAEL SPENCE

So I think it's a really complicated question. And the first issue, obviously, is for the Commonwealth government, is an issue of comparative need. And so we as an institution, have lost about 470 million dollars of turnover this year or are predicting to.

But we'll survive, provided we can get those international students back for first semester next year. And that's not implausible, Australia is a very COVID-safe jurisdiction with a world-class education in the English language, and certainly a better bet for your education now, in the large mobility markets



than either the US or the UK or Canada, our other competitors. So, presumably at some point, the decision was made, that the universities will survive.

But I think there's actually a deeper issue too. That is, that there's an understanding that while it's true that domestic teaching doesn't wash its face, a large part of the cost of running a contemporary university is in research. And I'm not sure that the sector has over a long period of time, really explained the value of research to the Australian community.

If you think about our place over the last little while some of the research we've commercialised is, you know, the world's first end-of-life plastics recycling technology that the PM boasted about in the United Nations last year. Or a form of wound-healing, that's just been bought by the Botox people; that means that you can inject a gel into a wound and it heals with absolutely no scarring. And a battery that we think is the most stable kind of battery that you can have, that actually will be able to be built into building materials so that you can use the whole building as solar paneling. And the kind of list goes on.

Everybody says when those stories are on the telly, "Wow, isn't that amazing?", but nobody thinks about the value of research to the Australian economy, or the value of having places that are creative, that are producing really clever people who drive Australia's services economy, who drive the other sectors of Australia's economy.

And that story about the value of universities, I'm not sure universities have been very good at telling, and therefore politicians at all level, tend to think of us as just big high schools. And you know, high schools are great. And I'm certainly not going to tell you that they're not; not a marvelous thing. But they do a slightly different things, in that we're involved in the production of new knowledge and understandings as well.

MARK SCOTT

Before we go on to think through what rebuilding and recovery looks like, you mentioned the market opportunity that might emerge through Australia having a COVID-safe reputation and the success we've had here in flattening the legendary curve.

One of the interesting things that we can see that now is not just a recession looming globally but increased trade tensions as well. And notably, some significant skirmishes between Australia and China, and the US now chiming in to provide commentary on that.

Firstly, Michael, how do you rate the risk of a real trade war erupting in the midst of all of this and its impact on the Australian economy? And are you concerned at the language, and what the language might do, and the sentiment behind the language as far as the potential impact of enrolling Chinese-based students in Australia and whether it might flow over to the international student market?



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#### MICHAEL SPENCE

The University of Sydney has been involved with modern China for a very long time. And we had researchers in China in the 1960s, long before the Australian government had diplomatic relations with China. And indeed, we have over 300 researchers who work on – with modern China. And that country is investing more in scientific research at the moment than just about any other country in the world, and is on a real upward trajectory. And Australia has an opportunity to partner there.

The links are so strong and so old and so deep, for us, but also, I think, for Australia, that when a family has a kind of family's – or friends have a family spat, things look a bit rocky. But I don't think it changes the fundamentals of the relationship.

That said, I think we have to be really careful about the casual demonisation of China that's going on at the moment in parts of, in large parts of the media, and amongst some of the political class. Because I think that is just not helpful to the relationship all up. I'm relatively confident that international students will from China will continue to come. And we're almost in the time-zone, same time-zone as your mom and dad and that makes a huge amount of difference when you're calling home. We are a safe and attractive place to be that is familiar with, and comfortable with, Asian culture. All of that has got to be a great tick.

But we need as a country to treasure the relationship with China. And to make sure that where we have differences, they're clearly articulated and thoughtfully dealt with in diplomatically appropriate ways. And that we don't just engage in the kind of easy China-bashing that's happening in some parts of the media at the moment.

#### MARK SCOTT

We talked earlier about the virus revealing the underlying condition. What have we learned about our political leadership in recent months and have our political leaders done better or worse than we might have expected?

#### CATHRYN CARVER

So I might add some perspective there. And if I may, extend the political leadership point to a broader leadership comment, including my own learnings, if I may.

#### MARK SCOTT

Yeah.



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CATHRYN CARVER

I think we've actually seen our political leaders, both at the Commonwealth – federal level – and the state level really step up. And I use the word very decisive leadership. And I think we saw that at the start of COVID, very overtly, and much quicker and thoughtful than virtually any other western country with a couple of exceptions. So I think credit where credit due, and I think the openness certainly from what we saw is an organisation with taking different perspectives on board to really help the SME and consumer, you know, parts of our economy that I mentioned before – really deal with both at an industry body level and also at the federal and state level. So compliments I think obviously as this continues, the thoughtfulness and nuancing of how we need to bring solutions, which really can help us in the long-term, especially around fiscal policy. We all still need to keep working together. And being a little brave from time to time.

As a broader pointing to what I've seen out of the clients I deal with all the customers I deal with in and Ross McEwan – our own CEO, if I can put a plug in for him – I think we've seen some amazing leadership. And I'm fortunate enough to talk to many CEOs across corporate Australia. But I would also say the not-for-profit sector, as well. Again, talking to people like Michael and Belinda, you know, just the broader authenticity of their leadership, the vulnerability of their leadership; when they have to make the hard calls, they're making the hard calls, I think. And the last piece, I would say is the care factor; they care about the students, they care about their colleagues and employees.

MARK SCOTT

Michael, are you a fan of the National Cabinet? And do you do you think that, that we're going to need new structures or structures to continue like that to get us through some of the challenges that we're going to face now.

MICHAEL SPENCE

So I think this has been a fascinating moment for federalism. Because in a sense, the National Cabinet has demonstrated our real capacity to work together. But the fact that within minutes, states were throwing up borders between one another reminds us that local identities in Australia still really matter, in one way or another.

And I think therefore more than ever going forward, the conversation about what this teaches about federalism and our capacity to act together, the range of things that we ought to be acting together, but we've probably just handled the transaction costs of not doing it very well – I think that's a really important question. And just as every organisation is asking the lessons learned from COVID question, I think Australian federalism needs to do the same thing.





**MARK SCOTT**

I mean, one of the characteristics is, is the speed I think which would take with, which they've operated. I mean, COAG [Council of Australian Governments] is, you know, so glacial, you know, can be overwhelmed by continental drift, it can take just years and years and years to get anything on the agenda or through an agenda – just the ability of our leaders to sit down and be talking once a week, twice a week.

**MICHAEL SPENCE**

The problem there is, of course, that that's reflected in every organisation. So similarly, when we were lucky as an institution, really as a country because – from the university sector point of view – because we had COVID first in China before we had to deal with it in our own country, which wasn't true for lots of other jurisdictions. And so within two weeks, we had over thousand units of study online. And then moved very quickly online and the speed of some of the stuff – you know, we had, we haven't had many COVID cases.

But when we had our first one, the poor chap had been to the doctor four times before he managed to be given a test; it was very early in the process. And so he'd been on campus for 10 days. Within 24 hours, we had three buildings cleaned to health standard; 165 close contacts; contacted over a thousand students who were in the next circle of contact, individually contacted not by phone but by email; we've dealt with the government. And it just showed the capacity of something that people think of as a relatively slow-moving institution, to work very quickly and very effectively together when the crisis is on.

The difficulty is, what happens when the crisis is not on? And speed is good. But it's not always the best way of making decisions. And how do you go from an effective panic mode or an effective crisis response mode, back to a leaner and quicker and more effective than usual, but not quite as directed as crisis leadership is appropriately, and more consultative kind of leadership for business as usual? I think that's a question for the country, but it's a question for every organisation.

**CATHRYN CARVER**

I think, Mark, if I could just add to that last kind of comment that that Michael made. I think we talk a lot about client-centricity, or in Michael's case, students-centricity, a partner-centricity. I think this is a massive wake up call to all of us as leaders to actually say, if we put out our students, our key stakeholders, and be clear about what we actually are trying to achieve, and everyone is focused on doing that, then we will maintain the momentum. It does take leadership. But I think it's really important that we are thoughtful about the outcomes that we're really trying to achieve. And hold ourselves to account.



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#### MICHAEL SPENCE

But even that's tricky, Catherine. So for us, for about three months, it was about getting those students here and keeping those students and keeping students happy online. And there was a very focused set of objectives. But of course, a university is a complex social institution in which people have extraordinary expectations. And therefore, in normal time, the, "But why aren't you doing A and B and C and X and Z?", on top of your core mission of you know, P and Q and R; it is a much more distracting conversation and I think it's managing that better than perhaps we have in the past, that's going to be a real challenge.

#### MARK SCOTT

Let's just talk a little bit about the national challenges around recovery and then opportunities for the participants online.

But what are the what are the key steps we need to do to make this recession as shallow as it can be and the recovery as strong as and enduring as it needs to be? Prime Minister's put a number of issues on the agenda this week. Workplace reforms is one of them. Almost a return to Bob Hawke-like consensus politics and leadership. Cathryn, what needs to be on the agenda to help us get through this with minimal harm?

#### CATHRYN CARVER

Well, I think you talk about reform. I probably have three that I think about, which is around taxation, around labour reform and regulatory reform. A little bit biased, but I'm thinking that there's some of the fiscal return. I think we've talked about leadership. That's obviously you know, at the, at the individual organisational level, like, I think how our clients, our colleagues, the community at large, are absolutely have got a taste for decisive leadership. And I don't think they want to go back. And so I think, you know, potentially you could see a whole lot more from a community stepping up, and we've seen that.

We certainly as a bank and financial in the financial services sector saw that moment of truth in a big way last year. I think that'll be more. So there's some of the things I think of. I might pass to Michael to get some of his reflections.

#### MARK SCOTT

Michael, what's on your agenda?



**MICHAEL SPENCE**

So for us, it's obviously about restarting the University's international student business, but it's also about having the conversation about what a post-COVID University might look like. And I think that's, that's an important part of recovery as well. For every organisation to be saying, "Well, what is it that we left behind in this context that we want to we want to leave behind and what is it that we want to really focus on in the next little while?" And I think having the sense of purpose that Cathryn was talking about before will be really crucial.

**MARK SCOTT**

Looking at the education system in New South Wales particularly with the schooling system, I think all the challenges that we had in January are still very live now despite COVID-19 and part of our question is, what have we learned through this experience that will really help us address those fundamental problems? And so COVID-19 has exposed further inequality that can underpin our schooling system. So what are the decisions we need to make now?

You know, I think a real issue for us as students in rural and remote areas, the PISA results indicate a three year difference in learning outcomes by the time they're aged 15. And so this embrace of technology, this great professional development of teachers, the ability to be able to deliver lessons online, how does that fit into a solution to overcome the tyranny of distance as it manifests itself in the school system?

So, we're just trying to think through, what have we learned and how do we apply it to those issues that we still hadn't resolved?

There are some big policy ideas that have emerged and some quite bold steps. Free childcare is one. Do you think that there will be a clamouring for, to keep some of the things that were imposed at a time of economic emergency? Because there is a feeling that whilst that is an expensive policy initiative, there are enormous benefits that emerge. And that's just one of many that have been suggested. You know, the universal basic income is one. Another, how our social safety net should be? The JobSeeker allowance being doubled.

To what extent do you think there's a desire to hold on to some of these one-off initiatives as underpinnings of how we want society and the economy to operate from here?

**MICHAEL SPENCE**

For 30 years, we had come to believe, as a community, even those of us who didn't believe it,, that the parameters of public discourse had shifted so that the appropriate domain of government activity was getting smaller and smaller and smaller and smaller. And all of a sudden in a crisis, you want the



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government to govern. And, you all of a sudden think that it's not just a fun sport to slag off politicians, but actually these people with quite serious responsibility and whether or not they do their job well, isn't a matter of mild amusement because the real action in your society is happening elsewhere. But a matter of really; really critical issue for the economy and for the community more generally.

So I think part of the general answer to your specific question about individual schemes is going to be what are people come to expect of government? And what's the deal going to be between government and the community more generally about what government might be expected to provide?

And there's a sort of opposite thing that's also going on, which is, while we've been wanted, in one way or another smaller government and being critical of governments and seeing politics as a sort of sport for those who are interested – at the same time, we've also been very intolerant as a community of failure of any kind; expected perfection in all areas of our life and all the rest of it. Of course, the thing about a good crisis is it teaches you to major on the majors, not sweat, the small stuff, whatever naff phrase you want. And I think that, somehow coming out of this, there's going to be movement along those two lines, and politics is going to be seen to matter and the question of what we want governments to do particularly about things like inequality are going to be, I think, really revived conversations on the one hand, but on the other hand, I think we're also going to have to ask ourselves, in a time when various sorts of threats will remain real, what really matters in the public conversation, and how do we get governments to focus on those things rather than the trivia?

#### MARK SCOTT

One of the things that's really mattered in public discourse for several decades now, Cathryn, has been debt. In recent months we've all been Keynesian again, but if you look at the discourse, surplus budgets are good; deficits are bad; debt needs to be eliminated as quickly as possible. And what's noteworthy about this economic crisis is that the flexibility through monetary policy is absolutely minimal, given the level of interest rates where we started.

As we think our way through it, where do we put our fixation on debt? And how relaxed should we be about spending big money not just for six months, but for a sustained period of time to drive a recovery and drive the reshaping of an economy on the back of an incident like this?

#### CATHRYN CARVER

When I think about that question, I'll answer it in a few different ways. I think the first thing is, unlike the global financial crisis, actually, for those larger corporates and institutional, they were a lot less leveraged. So we've gone into this pandemic – period – a lot less leverage and very diversified. Now that's a different perspective for a number of our SMEs and certainly some of the smaller SMEs, who having had a farther, who ran a business, then it's almost like month-to-month. And so therefore the pandemic is hitting harder. And consumers, there's obviously a cross-section of different circumstances.



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I had the honour of listening to Janet Yellen last week on a webinar. And she talked about – because someone asked the question around, “Just oh my god, you know, in the US, they’re spending so much as a percentage of GDP on top of what is all a huge deficits” – and she said [Janet Yellen], “Well, I’m actually okay with that, because that’s sort of modern economics, as long as you’ve got low interest rates and you’ve got the capacity to pay back.” So I think our mindset, if I use that in a reflective way on Australia, I think there’s, there is absolutely capacity for the government to do a lot in terms of helping through and navigate through sensibly. You’re right. Monetary policy is a very short term, but not long lasting. It absolutely is part of the solution. But the fiscal piece, that in terms of not just reform, which I talked about before, but just the different strategies. So that’s kind of how I, how I think about it. But there’s, it’s a big question. So I’ve just hit the high points.

**MARK SCOTT**

Well look, there are far more testing questions is going to come from our audience members and so we might bring up some of those questions if we can.

Michael, just one that separately come through that I might just throw to you immediately. Very, very focused on the University. Just about the University’s comfort about the return of students to campus. As we know, school systems are back this week. The AHPPC guidelines are different for children and adolescents than they are for young adults and, and all other members of the community. But what’s the thinking now about the return of students?

**MICHAEL SPENCE**

So we’re keen to get students back to campus that there are but also a little cautious. A little cautious because university campuses are actually one of the places that the health authorities are worried about as being sources of potential local transmission. With the social distancing guidelines, we can only get on to campus about half the current the number of staff and students who are currently on campus at any given time. And there are some things that are not going to go back to campus relative anytime soon, and maybe never – things like large lectures.

There are some things that we absolutely have to get back to campus, hands-on experience for students, particularly who needed to complete their degree. And so from second semester, we’re looking at a balance of on-campus and online activity. And I think that’ll be interesting. You know, the higher education sector, like the schooling sector, has been playing around with online learning for a very long time. And none of us have particularly wanted to make the jump because we all believe in the face-to-face experience in one way or another. And yet, I think second semester, and particularly first, next to next year, are going to give us the opportunity for some really interesting experiments in mixed mode teaching.



MARK SCOTT

There's a question here that's come from James about whether in fact you're seeing or whether we think there'll be a value shift amongst the wider public as a result of this experience. What are your thoughts, Michael?

MICHAEL SPENCE

There are two things that are obviously coming through the conversation and that we've noticed too, in in talking to our staff.

The first is that many people have enjoyed the slowing down in life and the engagement with the local that lockdown has inevitably involved, and enjoyed having that flexibility and all the rest of it. And that, that I think is a bit of a shift in in mood. I don't think that we will want to lose that at some level.

The other thing, obviously, though, that is more concerning, is that your experience of the COVID pandemic has very, very much depended upon the nature of your employment and that really has affected inequality in Australia in significant ways. And the government has intervened, and that's been terrific, and that's been great. But I think the challenge for Australia going forward is going to be, how do we deal with that inequality in the period of the restructuring of the economy? Now, I'm confident enough in historical precedent to know that every time there's been a great upheaval, in the end, we've managed to find something for everybody to do, or for most people to do. But that, periods of transition are very difficult.

MARK SCOTT

One of the fascinating things I think about 2020 is that at the end of January, if you'd asked, just what is the overwhelming image that this we would expect you to have, it would have been over bushfires, it would have been our city shrouded in smoke. It would have been the big debate that we were having about climate policy, and about energy policy, as the summer manifests itself in all its horror, all across the country.

Do you see opportunities coming now, for us to be better equipped to deal with some of those entrenched wicked policy problems that we've been simply unable to effectively deal with over the last few decades?

Is there a sense that we will have convinced ourselves that we can work together more productively and constructively around dealing with some of these problems?



**MICHAEL SPENCE**

We've had a great experiment in that. So we've been writing a sustainability strategy and when we had a conversation in December about the things that were going to be most difficult to shift, one of them was that we had quite aggressive travel targets. And everybody said, this will never work in a university context, particularly for Australians. We're so far away. We've got to be those international meetings. There's no substitute. It's just not possible to get academics out of aeroplanes. And so while we can set targets in other areas, guess what people are now saying? All those travel targets might not be ambitious enough.

And one of the one of the great things about working in a university is that people don't just think about the immediate and so whereas for example, the climate crisis that these papers were full of in January, and has now almost dropped out of public discourse, certainly hasn't dropped out of discourse at the University. And I think one of our roles as an institution is to say to people, what have we learned here that we can apply to these different sorts of things? And let's not forget the other pressing issues that we're dealing with.

**CATHRYN CARVER**

And if I could just add to what Michael said, Mark, you know, I think the quality of the conversations – even if we don't like the answer necessarily – the quality of the conversations with government in terms of dealing with this and the building up of more trust rather than less, and coupled with the expectations of our community at large, coupled with the fact that more organisations are mission-based and purpose-based – I'm actually quite optimistic that people will come together, that Michael and I will come together with some other people, where we will work together to cut through some of these issues in a more, I think, stronger, trusting, bigger partnership rolls with government than we've seen before. I'm moderately optimistic that we can, that we can work through these, some of these really sticky issues.

**MARK SCOTT**

Are you moderately optimistic, Michael? Or are you a bit more or a bit less than moderately?

**MICHAEL SPENCE**

I think you always have to be optimistic. And this has demonstrated that as organisations and as a community, we can respond when we think that something is really pressing.



**TRANSCRIPT**

**Sydney Ideas podcast**

The road ahead: rebuilding Australia's future

Thursday 28 May, 2020

Now it used to be a line at Oxford, that the University of Oxford could do anything it wanted in an hour, so long as it wanted to do it; and that it could not do anything it wanted not to do in a century, so long as it didn't want to do it. I think the same is true for some of those sticky problems that Cathryn is talking about.

We've demonstrated that we can respond quickly – even respond quickly where it involves some pain – in the pressing situation. Well, what other situations do we think are pressing? How are we going to respond to the climate situation? How are we going to respond to issues of growing inequality and all the rest of those? And let's just hope that optimistically some of the skills that we've been seeing our leaders demonstrate over the last three months or so are transferred to those other issues.

MARK SCOTT

Well, I think that's a good optimistic note to end on, given the challenges of the year. Given all the work that everyone has been doing to manage and live through this enormous disruption. We know that there are other great challenges out there as well. And perhaps this is one of the things we're learning; how to articulate, identify, and be able to work together on solving some of those broader issues as well.

I want to thank Cathryn Carver and Michael Spence for joining us today and thank Sydney Ideas for hosting this policy discussion.

ANNA BURNS (PODCAST HOST)

Thanks for listening to the Sydney Ideas podcast.

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Finally, we want to acknowledge this podcast was made in Sydney, which sits on the land of the Gadigal people of the Eora Nation. It is upon their ancestral lands that the University of Sydney is built.