



► Move from JobKeeper to JobSeeker will promote 'new jobs' ► Access to employment services

Old jobs may have to go

Phillip Coorey
Political editor

The Morrison government believes moving people from JobKeeper to JobSeeker beyond the end of September will maximise their employment prospects by putting them into a system that is designed to find them work.

Part of the strategy under formulation involves the likelihood of making the JobSeeker payment more generous than the \$40 a day at which it was set before the coronavirus crisis.

The *Australian Financial Review* understands the government believes those who will still be on JobKeeper when the program is due to expire at the end of September will be less likely to be taken back by their employer.

JobKeeper is the \$70 billion scheme providing a \$1500-per-fortnight wage subsidy that was designed to keep workers attached to their employer in the initial belief the economy would "snap back" after six months.

But with the economic recovery now set to be staggered, and the government conscious of the cost of extending JobKeeper, its preference is to end JobKeeper as scheduled at the end of September and place workers on the JobSeeker unemployment benefit.

The JobSeeker benefit comes with mutual obligation requirements, assistance measures to help recipients to find jobs, and an assets test so those who are better off will have to draw on their savings first.

The JobSeeker payment was doubled to a maximum \$1150 a fortnight as part of the emergency **Continued p4**

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"Serious problem": Carolyne Burns, founder of recruitment company Expr3ss, in her office in Sydney yesterday. PHOTO: PETER BRAIG

Idle staff not all keen to return to work

Matthew Cranston
Economics correspondent

Retail bosses and recruiters say some workers on the Morrison government's \$70 billion JobKeeper program are reluctant to return to work, creating problems for business and slowing down the rehiring of new staff and reopening of the economy.

While there is evidence that employment is recovering – SEEK jobs data to

be released today ahead of official unemployment figures will show job ads are up 39.7 per cent in May – some say getting people back into the workforce has been held back by the government's job support money.

The founder of recruitment company Expr3ss, Carolyne Burns, said while there was a surge in rehiring across several sectors, many of her retail clients were reporting difficulties getting JobKeeper workers back into

the workplace. "We are seeing difficulties mostly in retail and hospitality because JobKeeper participants are not working and the business doesn't know whether they should then hire more or not," Ms Burns said.

"It's a serious problem."
Businesses with a 30 per cent fall in monthly revenue between March 30 and September 27 are eligible for the \$1500-a-fortnight payment for each **Continued p4**

Fed may imitate RBA yield control

The US Federal Reserve has endorsed the Reserve Bank of Australia's \$50 billion bond-buying spree, suggesting it may follow the Australian and Japanese central banks in embracing a policy of yield curve control. The targeting of a price for money – keep the three-year yield at 0.25 per cent – rather than specific amounts of monthly bond purchases like the Fed, has been a cost-effective and successful way of keeping market interest rates low, though leading economists said the RBA may need to expand its use of unconventional monetary policy to rein in a resurgent Australian dollar.



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Perth Mint board ignored legal advice

Exclusive | The Perth Mint board ignored legal advice and chose not to refer some representatives of the refiner to the state's corruption watchdog. The allegations of a cover-up come as the mint bowed to pressure and suspended shipments from gold buyers in PNG, following revelations the refiner was dealing with a convicted killer.

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End of the inner-city apartment boom

The collapse in apartment construction is not simply a short-term reaction to COVID-19, though the pandemic has damaged values and rental returns. It may have changed attitudes to higher-density living, encouraging people to move to the suburbs or regional centres and work from home.

► **Property Robert Harley p32**



Cabin crew, engineers back Cyrus for Virgin

Lucas Baird

Cyrus Capital Partners, one of two remaining bidders in the race to acquire Virgin Australia, is primed to win the workforce's backing after two critical unions threw their weight behind the Wall Street hedge fund.

The Flight Attendants Association of Australia, representing cabin crew making up one-third of Virgin's 9000 staff, expressed its total support for

Cyrus, with the union's secretary, Teri O'Toole, saying a relative lack of aviation experience at the airline's other suitor, Bain Capital, counted against it.

"This is not an experiment for Cyrus," she told *The Australian Financial Review*. "It felt like the others are just dipping their toes in the water."

Ms O'Toole's position found support in the Australian Licensed Aircraft Engineers Association, representing about 350 Virgin workers, with ALAEA

federal secretary Steve Purvinas also unequivocally behind Cyrus.

"I sense a passion from Cyrus about the Virgin brand and a long-term commitment for the airline," Mr Purvinas said. "Cyrus knows the product better to a point where I'm confident their ownership would be the best thing for Virgin." Ms O'Toole – one of the first union leaders to publicly endorse one bidder over the other in the sale of **Continued p18**

More ex-CBA directors behind Mohl

James Eyers and James Frost

At least five former Commonwealth Bank directors are understood to be in the camp of board members questioning chairman Catherine Livingstone's recollection that she challenged management about their handling of the AUSTRAC debacle.

It is believed that concerns raised by former director Andrew Mohl, first revealed by *The Australian Financial Review*, about the chairman's character-

isation of a 2016 board meeting and recounted to the Hayne royal commission in 2018 were held by multiple board members. Questions over the evidence given by Ms Livingstone will ratchet up pressure on ASIC to confirm the status of its own investigation into whether the board satisfied continuous disclosure obligations. A number of those in the Mohl camp who cannot recall Ms Livingstone's version of events are former members of the bank's risk committee. **► Companies p15**

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Scott Morrison leaves the chamber after a division in the House of Representatives yesterday. PHOTO: ALEX ELLINGHAUSEN

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response to the pandemic. Even hardened conservatives believe it cannot revert to its old level when the emergency measure, worth \$14 billion over six months, also expires at the end of September.

Sources told the *Financial Review* that it would revert to a higher level than the original but the government would be guided by the Treasury, which is currently reviewing both JobKeeper and JobSeeker. The details of the review will be included in an economic statement to be released on July 23.

The source stressed no final decisions would be made until after the Treasury review, which the government will receive at the end of this month.

While the government is also contemplating sector-specific support measures for industries such as international tourism, which face indefinite restrictions, other sectors of business and industry are becoming increasingly worried about JobKeeper being turned off at the end of September.

Sections of the retail industry are arguing behind closed doors that the subsidy needs to be retained until Christmas because it will not be able to pay full wages by the end of September and a cessation of the subsidy means some shops will have to close again and lay people off. The events management sector is voicing similar concerns.

In Parliament earlier this week, Prime Minister Scott Morrison gave an insight into his thinking regarding moving people from JobKeeper to JobSeeker, when pressed by Labor to extend JobKeeper because it "maintains the work relationship between a worker and their employer".

Mr Morrison replied: "As time goes on, the challenge of JobKeeper is that businesses will form views about those employees who they will be able to keep on longer term and those who they will not."

"And, where there are not jobs for

The purpose is to get them back into new jobs – to have them trained for new jobs.

Scott Morrison

people, it is important that they become engaged with employment service programs and other forms of income support. The purpose of that is to get them back into new jobs – to have them trained for new jobs. That is the challenge going forward."

He also reiterated that the government could not save every job and every business.

The thinking inside government is that business, sooner or later, is going to have to level with workers about their long-term viability.

One source described it as a need to have "honest conversations".

The government is moving to a strategy of winding back spending

and promoting business investment to create employment, hoping the automatic stabilisers will lift the economy.

The Transport Workers Union came to Canberra again yesterday to argue that unless JobKeeper was extended for Virgin Australia, there was a chance the restructure of the airline might not go ahead. The TWU also argued for the thousands of workers of Dnata, a foreign-owned company that provides handling, cargo, travel, and flight catering services.

The government ruled these workers ineligible for assistance because their parent company was foreign owned.

Opposition industrial relations spokesman Tony Burke accused Mr Morrison of inconsistency. He said of people who were given JobKeeper, there was less likelihood they would be thrown onto the dole queue.

"You might remember when Scott Morrison used to say the best form of welfare is a job," Mr Burke said.

"Now he says being on JobSeeker isn't some sort of second prize.

"He says JobSeeker and JobKeeper are meant to be as good as each other.

"Well, they're not. You're better off if you have a job and these are thousands of workers who simply say they want to keep their job and they've been made ineligible for a program named JobKeeper.

"Mr Morrison said Labor was 'demolishing' JobSeeker.

"Those opposite seem to think that JobSeeker is a second prize. That's not my view. JobSeeker is there to help people who have lost their employment."

Somyurek's foes say MP cut down in ALP civil war

Phillip Coorey
Political editor

A Victorian federal Labor MP, whose electorate office was used for a sting operation to incriminate alleged branch stacker Adem Somyurek, says he will co-operate with the authorities as the federal government weighs in, calling it a matter of "serious concern".

Anthony Byrne, whose office had a secret camera installed to record a conversation with Mr Somyurek, was not present at the time and said there was a lot of misinformation about his role.

"In respect of the misinformation circulating, I want to make clear that I take the matters raised recently seriously and have been in touch with authorities to offer my full assistance," he said in a statement.

"I welcome investigations into corruption, which has no place in the party I love."

Mr Byrne is the deputy chairman of the highly sensitive parliamentary joint committee on intelligence and security. He was defended by the committee's chairman, Liberal MP Andrew Hastie.

Mr Hastie said that while he was not aware of what role, if any, Mr Byrne might have played in bringing down Mr Somyurek, he was sure national security was not compromised.

"What I know from his character, he would never compromise our national interest," Mr Hastie said.

Attorney-General Christian Porter told Parliament that "at a federal level, there were very strict rules about the use and authorised use of surveillance devices which restrict that use to law-enforcement agencies".

"Frankly, I think everyone in this Parliament would agree that the idea that a non-law-enforcement device, if you like, appeared to have been installed in the office of any member of this Parliament is a matter of some serious concern."

Former Labor communications minister Stephen Conroy, also from Victoria and a Right factional ally of Mr Byrne, said the MP had broken no law or done anything wrong.

Mr Somyurek was a power broker in one of the Right subfactions in Victoria. His enemies believe he was brought down in a civil war because he was targeting members of the other Right faction. These included Mr Byrne and the member for Lalor, Joanne Ryan.

Key points

Anthony Byrne, whose office had the secret camera fitted, welcomes the investigation.

Wayne Swan scoffs at claims that the intervention is a takeover by the Left faction.

To clean up the branch, which now has serious doubts over the bona fides of 4000 of its 16,000 members, the ALP national executive has launched an extraordinary intervention and will run the branch for the next three years.

All voting rights have been suspended and the executive will preside over federal and state preselections. The branch will be administered by former Victorian premier Steve Bracks and former federal frontbencher Jenny Macklin.

We do want to give a maximum say to our local trade union affiliates and our branch members.

Wayne Swan, Labor president

Labor national president Wayne Swan scoffed at unourced claims that the intervention amounted to a takeover by the Left faction, given both Mr Albanese and Victorian Premier Daniel Andrews belong to the Left.

The national executive is balanced between the Left and Right factions and Mr Swan said the executive would allow preselections by rank-and-file members wherever possible, if it could be assured they were genuine.

"Just because the national executive and administrators have taken over the branch, [that] doesn't mean that local party members or affiliates will not continue to have a say and a contribution to make in the administration of the branch," he said.

"We don't intend to run the branch out of Canberra. And we do want to give, in all processes that are put in place, a maximum say to our local trade union affiliates and our branch members," Mr Swan said.

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worker for six months, even if its turn-over rebounds sooner.

Lee Boys, who runs the Organic Store and Kafé in Glenelg, South Australia, said she had encountered difficulties with workers receiving JobKeeper.

"There has been a lot of pushback – I don't want to do this, I don't want to do that", they say. All we are asking is that they do what they were doing before COVID," Ms Boys said.

"And there is a sense of entitlement coming in where they say, 'well it's not the business' money anyway, it's the government's."

Ms Boys said the JobKeeper program was also potentially keeping the lower-grade workers in place when she would rather swap that worker out for a more productive one.



Carolyne Burns: Many of her retail clients are reporting difficulties. PHOTO: PETER BRAIG

ASX-listed shoe retailer Accent Group's Daniel Agostinelli said there was some trouble early on with getting people back to work but things had

since settled down. However, the chief executive of another major retailer with more than 200 stores around Australia, who spoke on condition of

This is hindering them from hiring new workers now. It does make it very difficult.

Dominique Lamb, National Retail Association chief executive

anonymity for fear of reprisal, said he was having serious problems getting JobKeeper recipients back to work.

"I am actually writing a book called *The Excuses to Not Come to Work because of COVID*," he said.

"About 30 per cent of our JobKeeper workers are not coming in and the excuses are ridiculous.

"We had one person say that she shouldn't come in because her mother worked at the hospital and she couldn't expose her to COVID. We checked and her mother hadn't worked at the hospital for over a month.

"Then you have to go through the whole IR process on this – you have to sit down and work through the issue with them and you have to say they are abandoning their work.

"I think this is a significant problem because we may then need to pay for people we might not have needed."

Payroll data from the ABS showed a 1 per cent rise in new jobs in May or about 124,000 new jobs. However, most economists expect today's unemployment figures will show a loss of 75,000 jobs in May.

National Retail Association chief executive Dominique Lamb said the issue was one of the key complaints of her members, representing 24,000 shopfronts across Australia.

"We have certainly seen and heard from our members that this is happening," Ms Lamb said. "This is hindering them from hiring new workers now. It does make it very difficult. The government needs to change the program to give more control to employers over rosters and staff coming into work."