

“JobKeeper” billions boosted Australian corporate profits while casual workers axed

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The first year of the COVID-19 pandemic produced the greatest-ever direct handover of public money to boost corporate profits, at the direct expense of the working class.

More than half the \$89 billion in federal government JobKeeper wage subsidies, paid out in the initial period of the pandemic, went to businesses, whose turnover did not fall to the level required to be eligible for the scheme, including many whose revenues rose.

During the same period, nearly a quarter of a million low-paid casual and part-time workers lost their jobs, exposing the fraud that the scheme was focused on protecting jobs.

That is the reality displayed by two recent reports.

One, an analysis by the Parliamentary Budget Office (PBO), found that JobKeeper payments worth \$38 billion went to businesses that did not suffer sustained downturns, with more than \$20 billion going to firms that recorded revenue increases.

That \$38 billion represented 53 percent of the \$72 billion examined by the PBO, and the \$20 billion was 27 percent of the total.

This was not a mistake or bungle by the Liberal-National Coalition government, as depicted by the media and the Labor Party opposition. It was the intended outcome of the massive handouts, with the lion's share going to some of the largest corporations, not to workers, hundreds of thousands of whom still lost their jobs.

To qualify for the program, the government said most companies would need to prove at least a 30 percent drop in turnover due to the pandemic. These requirements were quickly relaxed, however, to allow employers to qualify via a *projected* reduction in turnover.

Companies that supposedly qualified were also

permitted to remain in the program for up to six months, until the end of September 2020, receiving \$1,500 per employee every fortnight.

The over-payments were blatant. The data showed that \$1.3 billion even went to businesses whose turnover trebled in the months they claimed JobKeeper payments, while a further \$1.3 billion went to companies that doubled their turnover.

Moreover, the Treasury department warned Treasurer Josh Frydenberg, in mid-June last year, that 15 percent of JobKeeper businesses sampled had boosted their turnovers in April 2020. He insisted that the money had to keep flowing.

Eligibility was finally tightened in late September 2020 and, again, in early January 2021, requiring companies to demonstrate an actual downturn to remain in the program.

Even then, the government insisted that no companies would be required to pay back a cent—a sharp contrast to its employment of private debt collectors to hound social welfare recipients, who were allegedly over-paid. In fact, the government is still vehemently defending the scheme and refusing to identify the companies that benefited from it.

According to earlier research by Ownership Matters, 34 of the largest companies claimed JobKeeper subsidies in the second half of 2020, despite actually improving their earnings on pre-pandemic levels, pocketing a total of \$284 million.

Among the companies that benefited most from JobKeeper were airlines Qantas and Virgin, property developers Mirvac and AV Jennings, shipping centre owner Vicinity Centres, construction firm Lendlease, retailers Premier Investments, Nick Scali, Adairs, Accent Group and Harvey Norman, casino operator Star Entertainment, car dealer AP Eagers and medical

instruments producer Cochlear.

As an added twist for the benefit of the rich, the most exclusive private schools also secured large handouts, many despite posting increased profits. About 700 schools received \$750 million between them. They included Sydney's Kings School—where student fees exceed \$33,000 a year—which received \$7 million, and the country's wealthiest school, Geelong Grammar, which benefited to the tune of \$10.7 million. All that was on top of billions in funding, provided by the government's special deals for private schools.

Dozens of the country's most affluent churches and religious groups also benefited, while remaining in surplus. Altogether about 3,500 religious entities were given \$627 million. Initially, priests and other religious practitioners were not eligible for JobKeeper, but Frydenberg amended the rules in May 2020, to ensure they could receive the money.

Despite criticising aspects of the JobKeeper payments—characterising them as a “waste”—the Labor Party has promised business owners they can keep the financial help they wrongly received during the pandemic. “Let me be unequivocally clear: Labor will not require any business to repay a single cent of JobKeeper,” deputy leader Richard Marles reiterated last month.

This is in line with Labor's overall pitch to the financial elite that a Labor-led government would best protect its interests, and consistent with Labor's role, backed by the trade unions, in proposing the wage subsidy scheme and enforcing the cuts to jobs, working hours and pay that it involved.

The other recent report, by the Australia Institute's Centre for Future Work, found that casual workers have borne the main brunt of the pandemic, being eight times more likely to lose work than permanent staff.

The loss of 175,000 casual jobs from May to August this year represented 72 percent of all the jobs lost. Similarly, those working part-time hours—whether casual or permanent—suffered 166,000 job losses, or 68 percent of the total.

The report also pointed to the low pay of casuals, with median hourly wages of around \$28, or 26 percent lower than permanent staff, despite lacking other entitlements like paid leave.

The report criticised the withdrawal of government economic supports, saying it would “compel people

back into jobs that may not be safe,” and encourage the spread of COVID-19, because casuals lack sick leave and find it harder to isolate.

The corporate-government drive to lift all pandemic safety restrictions, and herd workers into potentially dangerous low-paid and insecure work, is only intensifying. Last month, Frydenberg announced the government would phase out the present inadequate levels of income support, two weeks after each state and territory reached 80 percent adult vaccination.

The government expected that “businesses will reopen” and “people will get back to work” once restrictions were eased, the treasurer declared. Frydenberg claimed that the COVID disaster payments were costing the government \$1 billion a week.

Even if true, that would be considerably less than the money handed over to big business each week via JobKeeper, and which both the Coalition and Labor refuse to recoup.

The JobKeeper scheme, like all the multibillion-dollar COVID-19 “stimulus” packages in Australia and around the world, has constituted another historic transfer of wealth to big business.

Unless this offensive is defeated, the working class will keep bearing the economic burden of the pandemic, through job losses and attacks on wages and conditions, and be forced to pay the price for the subsidies via austerity measures, while corporations and their richest shareholders enjoy the benefits.

Fighting this onslaught necessitates a break from Labor and the unions, which function as the political and industrial police force of the corporate elite.



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