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Top stories

News

Myer shareholder class action over

The historic class action run by Myer shareholders against the retailer has been dismissed, with the Federal Court ordering the parties pay their own costs. **p10**

World

TV shutdown sparks uproar

Philippine church and business leaders expressed alarm yesterday over a government agency's shutdown of the country's largest TV and radio network, which has been a major provider of coronavirus pandemic news. **p12**

Companies & Markets

Blackmores says vitamin C sales soar

Blackmores' boss says sales of the group's "immunity products" such as vitamin C have boomed over the past months in the pandemic, but cautioned they only make up about 10 per cent of the overall range. **p19**

Financial Times

Batwoman and her virus lab

A bat virus specialist known as China's "batwoman" and her lab in Wuhan have become the centre of a



US-China blame game over the source of the coronavirus outbreak. President Donald Trump says he has seen evidence coronavirus was leaked from the Wuhan Institute of Virology in the city where the outbreak began. **p25**

Comment & Opinion

**James Thomson**
COVID-19's ASX punters

There was one problem – these mini Gordon Gekkos just weren't very good at trading. And that's got the watchdog worried. **p28**

**Gary Sampson**
Way paved for new WTO

This initiative could be used as a launching pad for a much-needed renewal and strengthening of WTO rules and procedures more generally. **p39**

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Page Two Jennifer Hewettjennifer.hewett@afr.com**Prepare for the new home workplace**

Little wonder Richard Murray says his retailing businesses, JB Hi-Fi and The Good Guys, are in a good position. More people working from home means a surge in sales and strong online growth.

March-quarter revenue jumped 11.6 per cent for the electronics retailer – despite some stores being temporarily closed – and 13.9 per cent for white goods supremo, The Good Guys.

But it's not just customers adapting to a COVID-19 world. The crisis is accelerating trends in changing work and shopping patterns. JB Hi-Fi emphasises new measures like social distancing, protective screens for cashiers and cashless transactions in store.

"Our customers have turned to us for their technology and home appliance needs as they adapt to these unique circumstances, and our team members have responded and adapted in an amazing manner to make sure we can do it safely and effectively," Murray says.

But the retailer is also using specialised software that enables it to fine-tune complex staffing obligations in terms of pay, hours of work, shift breaks and all other protections required under Australia's arcane industrial relations system of awards.

Getting this right is not a simple process. Big companies, including retailers such as Coles and Woolworths, can discover they have accidentally underpaid staff. Small errors in automated processes that are not picked up over several years have led to underpayments totalling hundreds of millions of dollars as well as union claims of "wage theft" and government promises of punitive legislation.

But sophisticated workforce management technology can also be used to help employers determine what staff is needed and when. Depending on the level of customer or client demand, for example, managers can know who has the appropriate skills and is available to take extra shifts, or who can leave early.

The software automatically follows the letter of the law in complying with awards or enterprise agreements when it comes to time between shifts, breaks within shifts or overtime.

With the correct systems in place,

"compliance" becomes a matter of technology rather than an administrative nightmare consuming management resources.

Grant Custance is chief executive of Australian-based cloud tech company, Nimbus, which specialises in workforce management software.

As well as at JB Hi-Fi, its software is in use from Fiona Stanley Hospital in Perth, to the Old Bailey in Britain, to air traffic control in the US, to military bases in the Middle East.

Naturally, Custance favours the promise of technology – particularly artificial intelligence and machine learning – in allowing more companies to manage workforces more efficiently.

Technology is undermining the case for offshore call centres to save on costs.

The coronavirus has already intensified a retreat from offshore call centres, for example, many of which closed down in India and the Philippines, forcing many companies to rethink options for customer reliability. But the future of domestic call centres also looks very different with increased numbers of call centre operators working from home during Australia's shutdown. Custance argues that technology is increasingly undermining the case for offshore call centres to save on costs.

"In the near future, these call centres that traditionally rely on rules, repetition or data will be more efficiently handled by Artificial Intelligence (AI) and algorithms that perform repetitive tasks, analyse huge data sets and handle routine cases," he says. "AI and Machine Learning will add enormous value by uncovering and acting on patterns which make customer and business predictions far more frequent and accurate.

"We believe AI will reduce overall call volumes by 40 per cent and operating costs by up to 25 per cent."

That means even more opportunities for companies to use individual operators, often working from their homes in rural or regional Australia, to solve more complicated customer problems or queries. COVID-19, he says, has turbocharged this shift.

"For many companies the issue of agents working from home has been their invisibility," he says. "What are they doing? Are they being productive?"

The software now available lets the company know when people log on and off and take their breaks, with screen activity showing and calls recorded.

That could sound rather ominously like inviting invasive big-brother style technology into the home. But Custance says a major issue for employees working from home is the sense of isolation or loneliness and that software allows employees to feel connected with organisations and employers to provide training and feedback.

Questions about how this will work in practice are certain to outlast the shutdown as companies reassess how to deal with new modes of operating required as the economy reopens. Australia's cumbersome industrial relations system may be coming to a home near you.

Commercial property investors are already less optimistic about growth prospects after the past few months' experience. Some employees will prefer to maintain the flexibility of working from home at least part of the time while employers will also face new choices.

The Safe Work Australia website has been overhauled to help businesses understand the rules for a safe and compliant workplace but social distancing will also make it more difficult to maintain previous staff numbers in offices, factories and many other traditional workplaces.

And hundreds of pages of advice covering a range of industries cannot address individual circumstances, including all those commandeered dining room tables and bedroom desks. It means the door is open for ever more intensive workforce management technology – now adapted for the home too.

Hutchison seeks \$13,000 pay cuts to save wharfies' jobs

Labour relations

David Marin-Guzman
Workplace correspondent

Hutchison Ports (HPA) is pushing for roster changes that will see wharfies take pay cuts of up to \$13,000 a year in order to avoid job losses as a result of the COVID-19 pandemic.

The stevedore has been negotiating a 20 per cent cut in hours with the militant Maritime Union of Australia the past week as it faces reduced volumes from the coronavirus and the loss of a major commercial contract at its Port Botany terminal.

Industry sources called the proposal "the first salvo over the bow" in response to a general 10 per cent to 15 per cent downturn in container volumes and a potential precursor to changes at other stevedores.

Under Hutchison's proposal, weekly work hours would be reduced to 24 hours a week from an average of 30 hours and one shift removed from rosters. The changes mean senior employees' annual salaries would drop about 9 per cent to \$132,755 from \$146,535, while level 2 wharfies would take home \$104,201 instead of \$115,000. The MUA declined to comment about the proposal but it is understood it is engaging the company in discussions.

According to a letter sent to 380 employees in Sydney last Thursday, senior operations manager Jarrod Graham said "we are unable to predict when the current situation will improve".

"It is our desire to avoid redundancies and job losses, and as such we propose roster changes as an alternative to a redundancy program," he said. "We believe there are provisions and clauses



Hutchison's move comes as container volumes fall. PHOTO: BLOOMBERG

in the current enterprise agreement that would allow us to co-operatively achieve the changes detailed above without the traditional delays.

"We urge you and the union to work with us on this matter in an agile and efficient manner."

Hutchison had been losing money even before the current crisis and was stuck renegotiating its agreement with the MUA to control losses when the pandemic hit. The union had resisted an agreement, wanting bans on automation and introduction of its generous income insurance.

However, Hutchison is now understood to be seeking cost cuts across the board, not just in hours and salaries.

A spokesman said "like all businesses that have been impacted by COVID-19, HPA is looking to adjust its costs in line with trading conditions to ensure the best outcomes for all employees and the company through this unprecedented crisis."

DP World, meantime, is understood to have applied for JobKeeper for its 1800 employees after large revenue downturns, although it is unclear if the foreign-owned multinational will be

deemed eligible for the wage subsidy.

Container volumes at its Melbourne terminal have dropped about a third across January to March, with greater reductions expected this month.

Chief executive Glen Hilton told the union last year it needed to address "unsustainable" workplace arrangements in its enterprise agreement or risk continued decline in workers' earnings.

Freight & Trade Alliance director Paul Zalai said container volumes were forecast to fall by 20 per cent to 25 per cent by the end of May and into June compared to last year.

"Projections from shipping lines is that we will see an increased number of 'blank' sailing (cancelled voyages) in weeks ahead due to a reduction of domestic consumer demand," he said.

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