

**Australian Catholic Council
for Employment Relations on
behalf of the Australian
Catholic Bishops Conference**

Response to Question on Notice

19 May 2022

INTRODUCTION

1. This submission is made by the Australian Catholic Council for Employment Relations (**ACCER**) on behalf of the Australian Catholic Bishops Conference (**ACBC**) in respect of the question on notice from the Expert Panel during the consultation hearing on 18 May 2022. The question related to the research conducted by the Australian Catholic University (**ACU**) on behalf of ACCER, which featured in the Initial Submissions filed on 1 April 2022.
2. This report is prepared in partnership with Dr Tom Barnes and the ACU.
3. In the report prepared by Dr Barnes (annexed as Appendix A of ACCER's Initial Submissions) (**ACU Report**) Figure 9 demonstrates gross operating profits (**GOP**) and company operating profits (**COP**) before tax from 2017 and 2022 in Australia. The data demonstrates that GOP has increased by 5.3% since March 2021 on average or 10.5% cumulatively, until the September Quarter of 2021.¹
4. In respect of Figure 9 of the ACU Report, annexed as Appendix 1 of ACCER's Initial Submissions, Expert Panel Member Professor Mark Wooden raised a question, on notice, to ACCER as to whether the data featured at Table 3.4 of the Fair Work Commission's Statistical Report, issued on 16 May 2022, tempered ACCER's view on GOP and the 6.5% increase to the National Minimum Wage (**NMW**) that was sought by ACCER, given that:
 - (a) the majority of GOP in Australia arose from mining, finance and manufacturing industries, where NMW or Award-reliant workers are not heavily featured;
 - (b) GOP for sectors such as hospitality and retail were substantially lower; and
 - (c) Figure 9 of the ACU Report does not demonstrate these industry-specific or small business data sets.

RESPONSE TO QUESTION ON NOTICE

5. Dr Barnes confirms that disparate rates across industry were taken into account in creating the ACU Report. Whilst Counsel for ACCER, Mr Stephen Mackie, in oral submissions, drew an analogy between Figure 9 and Figure 31 of the ACU Report, this was not intended to convey the complete depth of Dr Barnes' analysis.
6. ACCER argues that from a longer-term view on GOP, the data indicates that the Australian economy can afford the proposed 6.5% increase to the NMW, as whilst there has been a drop in GOP from September 2020 to March 2021, when assessed on a broader historical scale, current results of GOP are not dissimilar to those prior to March 2020.
7. Table 3.1 of the Statistical Report, referred to by the Expert Panel, shows that key lower-wage industries including accommodation/food and retail trade have experienced falling profits in the context of the ongoing COVID impact. However, the Statistical Report only considers changes over the previous 12 months. A longer-term view, as provided in Figure 1 below, which Dr Barnes has prepared for the purpose of this response, reports from March 2017 to December 2021, showing the full impact of the COVID-19 pandemic,

¹ ACU Report, p 11-12.

and demonstrates that industry conditions are not as dire as they might appear when an historical context is taken into account.

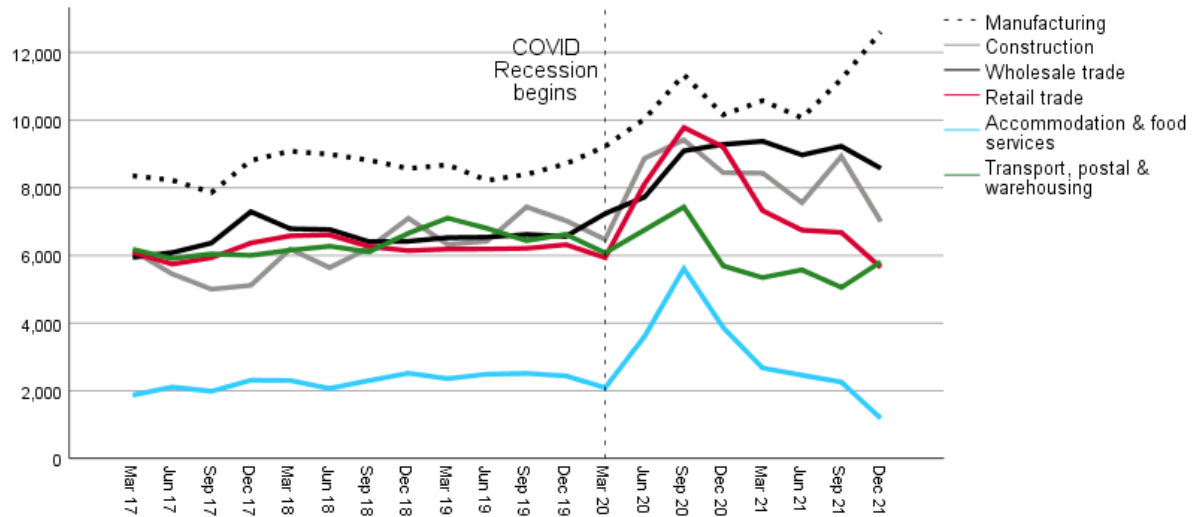
8. For example, the accommodation/food industry GOP fell from September 2020; however, this was following a substantial increase between March 2020 and September 2020, where there was an increase of 168% in GOP, during the peak period of the JobKeeper supplement, which profited thousands of hospitality businesses.
9. Furthermore, Figure 1 below shows that GOP in the accommodation/food industry is commensurate with the average for the 3 years prior to the COVID-19 pandemic, meaning that the industry is not underperforming when compared to recent historical standards.
10. The accommodation/food industry has historically low wage elasticity of demand because it is traditionally immigration-dependent. Profits dropped substantially in September 2020, as a result of the JobKeeper payments beginning to wind down, whilst Australia's closed border regime remained intact and only started to loosen in late 2021.
11. As immigration begins to pick up in 2022, then so will the labour market in the accommodation/food industry. Staff availability is a bigger concern for these businesses, not wage costs, as demonstrated in ACCER's Initial Submissions.²
12. Similarly, as demonstrated by Figure 1 below, the retail trade GOP was commensurate with profits for the 3 years pre-COVID-19, again, they are not low by comparison and recovery is expected to occur in 2022.
13. Finally, wholesale trade profits have been steady for most of the pandemic period and are well above pre-COVID levels. Construction profits are also above pre-COVID levels. Meanwhile, transport/postal/warehousing profits are trending up, not down.
14. ACCER also refers to pages 19 to 22 of the ACU Report which notes that there is a marked increase in business confidence in Australia, specifically within the small business sector. This part of the submission provides an analysis of small business conditions. ACCER relies on these submissions in respect of the question on notice.
15. Therefore, whilst there has been a drop in GOP during the COVID-19 pandemic, when assessed over an historical period, it is clear that the results by industry, are returning to pre-COVID-19 levels.

² ACCER Initial Submissions, p 22 and Figure 25.

Figure 1

Source: ABS (2022)

Supplemental Figure: Gross Operating Profits by Selected Largest-Employing Sectors (excluding healthcare/social assistance, education, public admin.), current \$AU million, seas. adj., 2017-2022



REFERENCES

ABS (2022) Business Indicators, Australia, quarterly estimates, February 2022, <https://www.abs.gov.au/statistics/economy/business-indicators/business-indicators-australia/dec2021>, accessed 10 March, 2022.



<https://www.accer.asn.au/>

CURRICULUM VITAE of TOM BARNES

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NSW 2059 AUSTRALIA
Phone: [REDACTED]
Email: tom.barnes@acu.edu.au

Education/qualifications:

- PhD degree awarded by University of Sydney Business School (April 2011) (Department of Political Economy)
- Dissertation title: 'Economic Development and the Informalisation of Labour: Evidence from India's Urban Regions'
- Bachelor of Commerce (Hons 1) at the University of New South Wales (2001)

Employment:

- Current:
 - Senior Research Fellow, Institute of Humanities and Social Sciences, Faculty of Education and Arts, Australian Catholic University (since Jan 2017)
- Previous:
 - Postdoctoral Research Fellow, Australian Catholic University (Sept 2014-Dec 2016)
 - Lecturer in Political Economy, School of Social and Political Sciences, University of Sydney (July 2010-Aug 2014)

RESEARCH

Themes and interests: economic sociology; precarious and informal work; labour movements; automotive industry; warehouse logistics; political economy

Books:

1. Barnes, T. (2018) *Making Cars in the New India: Industry, Precarity and Informality*, Cambridge: Cambridge University Press
2. _____ (2015) *Informal Labour in Urban India: Three Cities, Three Journeys*, London: Routledge

Book chapters (selected):

1. Barnes, T. (2022, forthcoming) 'First mover coupling and the evolution of low-road employment relations in India's auto manufacturing industry', in K. Tomozawa and K. Fujita (ed.) *Understanding the Transitional Process from Agrarian to Industrialized Economy in South Asia*, London: Routledge
2. Barnes, T., Kumar, R. and Cotton, D. (2022, forthcoming) 'Deepening and accelerating precarisation: long-term effects of the 2020 crisis on the future of work', in DiMuzio, T. and Dow, M. (ed.) *COVID-19 and the Future of the Global Economy*, London: Routledge (RIPE series in Global Political Economy)
3. Johnson, L.C., Weller, S.A. and Barnes, T. (2022, forthcoming) '(Extra) Ordinary Geelong: State-led urban regeneration and economic revival', in J. Bryson, V. Vanchan and R.V. Kalafsky (eds) *Ordinary Cities, Extraordinary Geographies: People, Place and Space*, Edward Elgar (Cities series)

4. Weller, S, T. Barnes and N. Kimberley (2021, forthcoming) 'Geographies of Job Quality', in C. Warhurst (ed) *Oxford Handbook of Job Quality*, Oxford: Oxford University Press
5. Barnes, T. and J. Ali (2022) 'Advancing debate on precarious workers and class interests: Evidence from warehouse workers in Australia,' in S. Threadgold and J. Gerrard (ed.) *Class in Australia*, Melbourne: Monash University Press.
6. Barnes, T. (2018) 'Indian Labour Movements under Modi' in I. Franceschini and N. Loubere (ed.) *Made in China Yearbook 2017: Gilded Age*, Canberra: ANU Press: 186-89.
7. _____ (2017) 'Why has the Indian auto industry reproduced "low road" labour relations?' in E. Noronha and P. D'Cruz (eds) *Critical Perspectives on Work and Employment in Globalising India*, New York: Springer, pp. 37-56
8. Barnes, T. (2016) 'Political economy', in B.S. Turner, P. Kivisto, W. Outhwaite, K.S. Chang, C. Epstein and J.M. Ryan (ed.) *The Encyclopedia of Social Theory*, London: Wiley-Blackwell
9. _____ (2016) 'The new institutionalism', in B.S. Turner, P. Kivisto, W. Outhwaite, K.S. Chang, C. Epstein and J.M. Ryan (ed.) *The Encyclopedia of Social Theory*, London: Wiley-Blackwell

Journal articles (selected):

1. Irving, J., Beer, A., Weller, S.A. and Barnes T. (2022) Plant-closures in Australia's automotive industry: Continuity and change, *Regional Studies, Regional Science*, 9(1): 5-22.
2. Barnes, T. and Ali, J. (2021) 'Articulations of Workplace Precarity: Challenging the politics of segmentation in warehouse logistics' *The Sociological Review*, [Articulations of workplace precarity: Challenging the politics of segmentation in warehouse logistics - Tom Barnes, Jasmine Ali, 2021 \(sagepub.com\)](https://doi.org/10.1111/socri.12611)
3. Beer, A., Barnes, T. and Horne, S. (2021) 'Place-based industrial strategy and economic trajectory: advancing agency-based approaches,' *Regional Studies*, online first: [Full article: Place-based industrial strategy and economic trajectory: advancing agency-based approaches \(tandfonline.com\)](https://doi.org/10.1111/rst.12611).
4. Barnes, T. (2021) 'Pathways to Precarity: Work, financial insecurity and wage dependency among Australia's retrenched auto workers,' *Journal of Sociology*, online first: <https://doi.org/10.1177/1440783320925151>
5. Barnes, T., J.R. Roose and Turner, B.S. (2020) 'Detroit Five Years After Bankruptcy: From coercion to consent' *Urban Studies*, online first: <https://doi.org/10.1177/0042098020940160>.
6. Barnes, T. and Weller, S.A. (2020) 'Becoming precarious? Precarious work and life trajectories after retrenchment,' *Critical Sociology*, 46(4/5) online first: <https://journals.sagepub.com/doi/full/10.1177/0896920519896822>
7. Parfitt, C. and Barnes, T. (2020) 'Rethinking economic security in a precarious world,' *Critical Sociology*, 46(4/5) online first: <https://journals.sagepub.com/doi/10.1177/0896920519850266>
8. Beer, A., S.A. Weller, T. Barnes, J. Ratcliffe, and I. Onur (2019) 'The urban and regional impacts of plant closures: New methods and perspectives,' *Regional Studies, Regional Science* 6(1): 380-94.
9. Heap, L., T. Barnes and S. Weller (2018) 'De facto informality? Rethinking the experience of women in the formally-regulated workplace', *Labour and Industry* 28(2): 115-29.
10. Barnes, T., Humphrys, E. and Pusey, M. (2018) 'From economic rationalism to global neoliberalism? Marking 25 years since *Economic Rationalism in Canberra*', *Journal of Sociology*, 54(1): 3-11

11. Barnes, T. (2016) 'Industry policy in Asia: China, India and Indonesia compared', *Economic and Labour Relations Review*, 27(4): 1-16
12. Barnes, T, Lal Das, K.S. and Pratap, S. (2016) 'Incorporating labour research into studies of global value chains: Lessons from India's auto industry,' *Global Labour Journal*, 7(3): 240-56
13. Barnes, T., Roose, J.M., Heap, L. and Turner, B.S. (2016) 'Employment, social spillovers and decent work: Challenging the Productivity Commission's auto industry narrative', *Economic and Labour Relations Review*, 27(2): 215-230
14. Barnes, T, Lal Das, K.S. and Pratap, S. (2015) 'Labour contractors and global production networks: the case of India's auto supply chain', *Journal of Development Studies*, 51(4): 355-69
15. Barnes, T. (2015) 'The IT industry, employment and informality in India: Challenging the conventional narrative', *Economic and Labour Relations Review*, 26(1): 82-99
16. _____ (2013) 'The IT industry and economic development in India: a Critical Study', *Journal of South Asian Development*, Vol 8, No 1: 61-84
17. Barnes, T. and D. Cahill (2012), 'Marxism and class analysis in Australia', *Journal of Australian Political Economy*, No 70: 47-69
18. Barnes, T. (2012) 'Marxism and informal labour', *Journal of Australian Political Economy*, No 70: 144-66
19. _____ (2012), 'Comparing industrial development in India and China', *Contemporary South Asia*, Vol 20, No 3: 407-14
20. _____ (2012) 'Theorising urban employment and informal labour in India: Evidence from the Economic Census, 1998-2005,' *Indian Journal of Labour Economics*, Vol 55, No 2: 245-63
21. _____ (2011) 'Informalisation and the social relations of production: Insights from urban Karnataka, 1990-2005', *Work Organisation, Labour & Globalisation*, Vol 5, No 1: 58-74

Special editions:

1. Special issue, 'Rethinking economic security in a precarious world', *Critical Sociology*, 2020, 46(4/5) (co-edited with Claire Parfitt)
2. Special section, 'From economic rationalism to global neoliberalism? Marking 25 years since *Economic Rationalism in Canberra*', *Journal of Sociology*, 2018, 54(1) (co-edited with Elizabeth Humphrys and Michael Pusey)

Reports (selected):

1. Barnes, T. (2022) Unlucky in a Lucky Country: How COVID has exposed social inequity, Report for Catholic Health Australia
2. _____ (2021) How will the COVID-19 Crisis Affect Demand for Social Services? Report for Catholic Social Services Victoria/ St. Mary's House of Welcome
3. Barnes, T., D. Cotton and R. Kumar (2021) Automation, Job Loss and Insecure Work During the Covid-19 Crisis: A study of Woolworths' closure of the Hume Distribution Centre, Melbourne: United Workers Union, [Microsoft Word - Automation, Job Loss & Insecure Work report UWU and ACU.docx \(unitedworkers.org.au\)](#).
4. Irving, J., Dinmore, H., Beer, A., S.A. Weller, Barnes T., Ratcliffe, J., Onur, I. and Vij, A. (2020) Future Work, Future Communities: Closure of the Australian Automotive Industry – Wave 1 Report, 25 November, Adelaide, University of SA/Australian Catholic University/Flinders University/University of Birmingham/Tampere University.
5. Barnes, T. (2017) Action Report – National Manufacturing Summit, Canberra: Centre for Future Work/The Australia Institute

6. Barnes, T. (2016) Transition to Where? Thinking Through Transitional Policies for Victoria's Automotive Manufacturing Industry, Report for Parliamentary Library and Information Service, Parliament of Victoria (Australia) ISSN 2204-4752
7. _____ (2015) Detroit: What Lessons for Victoria from a 'Post-Industrial' City? Report for Parliamentary Library and Information Service, Parliament of Victoria (Australia) ISSN 2204-4752

Awards and funding (selected) (* = sole CI):

- \$26,500 ACU IHSS grant 'Documenting the Impact of COVID-19 on Workers in Western Sydney', partnership with UWU (co-CI w/ Prof Bryan Turner)
- \$1,375,000 (2018-23) Linkage Grant, Australian Research Council (ARC) LP170100940
 - Project title: 'The impacts of industry restructuring'
 - Longitudinal study of impact of auto industry closure's (Ford, General Motors Holden and Toyota) on workers, businesses and communities across Australia
 - Project team: Prof Andrew Beer (UniSA), A/Prof Sally Weller, Prof Julie Ratcliffe, Dr Ilke Onur, Prof David Bailey, Prof Markku Sotarauta
 - in partnership with Commonwealth Government Department of Employment, Government of South Australia Department of State Development & Department of Premier and Cabinet, Toyota Australia, GM Holden Ltd, SA Health, South Australian Council of Social Services and Anglicare SA.
- *\$346,000 (2017-19) Discovery Early Career Researcher Award, ARC, DE170100735
 - Project title: 'Charting work, life and well-being after the auto industry'
 - Longitudinal study of impact of auto industry closure's on workers, businesses and communities in Melbourne and Geelong
- *8,882 (2019-20) Pilot Study: The future of work and well-being in global warehousing and logistics, National Union of Workers (Victoria)
- 2015-16 Victorian Parliamentary Library Fellowship for comparative project on Australian and US automotive industry
- *\$23,500 (2013) Endeavour Australia Cheung Kong Research Fellow:
 - awarded to top five recipients of an Endeavour Research Fellowship (Commonwealth Government) each year
 - project explored the role of 'contract labour' in the Indian automotive components sector, focusing on employment and livelihoods in the New Delhi region
 - project conducted in partnership with the Faculty of Sociology, Indira Gandhi National Open University (IGNOU), New Delhi

Visiting position: Research fellow, Center for the Study of Citizenship, Wayne State University, Detroit, Michigan, Sept-Nov 2015

Media:

Extensive media experience with TV, radio, print and online formats, especially around research on Australian auto manufacturing and politics in Asia. The research I led on auto workers was widely discussed by media and political commentators, including ABC Radio, *The Age*, *Geelong Advertiser*, The Project and led directly to responses by politicians (Federal Senator Kim Carr, Shadow Minister for Innovation, Industry, Science & Research, and Victorian Industry Minister Wade Noonan) and an event held by a start-up company to assist retrenched Ford workers in Melbourne and Geelong who wanted to establish small businesses: see <http://www.businessinsider.com.au/pollenizer-is-holding-a-free-startup-event->

[for-workers-affected-by-the-ford-shutdown-2016-10](#). Selected media experience includes the following (can provide transcripts & audio files on request):

- TV:
 - Nine News Melbourne, 6 October, 2016
 - The Project, Network Ten, 7 October, 2016
 - SBS World News, 6 October 2016
- Radio:
 - Mornings with Waleed Aly, 774 ABC Melbourne, 5 October, 2016 (led to direct response by Victorian Industry Minister, Wade Noonan)
 - Radio 3AW Melbourne, Mornings, 7 October 2016
 - Radio 2GB Sydney with Steve Price, 6 October 2016
 - ABC New Radio, 5 October 2016
 - ABC AM program, 1 February 2017
- Print
 - ‘Chaos to hit auto staff’, *Herald Sun*, 5 October 2016
 - ‘Car staff to confront jobless futures’, *Geelong Advertiser*, 5 October, 2016
 - ‘Sad day: Ford calls time on carmaking’ *Sydney Morning Herald*, 8 October, 2016
 - ‘ACU study not just about Ford workers’, *Geelong Advertiser*, 12 October, 2016
- Online
 - ‘Tears and bittersweet memories as Ford shuts the doors on its Australian factories’, *The Guardian*, 7 October, 2016, <https://www.theguardian.com/business/2016/oct/07/tears-and-bittersweet-memories-as-fordshuts-the-doors-on-its-australian-factories>
 - ‘Most Victorian car manufacturing workers yet to start looking for new jobs, study find’ ABC News, 5 October, 2016, <http://www.abc.net.au/news/2016-10-05/most-victorian-auto-workers-yet-to-start-looking-for-new-jobs/7904164>
 - ‘Ford workers willing but unlikely to find decent jobs’, *The Conversation*, 6 October, 2016, <http://theconversation.com/ford-workers-willing-but-unlikely-to-find-decent-jobs-study-66562>
- Other:
 - What future for workers and communities after the end of auto manufacturing?, *The Catholic Weekly*, Nov 2017 (with Sally Weller)
 - China’s growing labour movement offers hope for workers globally, *The Conversation*, 17 April, 2015: <https://theconversation.com/chinas-growing-labour-movement-offers-hope-for-workers-globally-39921> (with Kevin Lin)
 - China’s growing labour movement offers hope for workers globally, *Scroll.in* (India), 18 April, 2015 <http://scroll.in/article/721378/chinas-growing-labour-movement-offers-hope-for-workers-globally> (with Kevin Lin)
 - Interview on Indian general election, *CNBC Asia*, ‘The Rundown’, 19 May, 2014: <http://www.cnbc.com/id/101683728>
 - Interview on Indian general election, *CNN Business*, 12 May, 2014

Invitations:

- Detailed assessor for Australian Research Council (2017-)
- Keynote speaker and *rapporteur* for National Manufacturing Summit, The Australia Institute, Australian Parliament House, Canberra, 21 June, 2017
- Member of Expert Group for Scoping Study into National Longitudinal Study of Automotive Workers, Department of State Development (DSD), Government of South Australia, 2017

- Referee for multiple journals: *The Sociological Review*, *Journal of Sociology*, *Critical Sociology*, *Journal of Development Studies*, *Journal of Economic Geography*, *World Development*, *Journal of Contemporary Asia*, *Journal of Industrial Relations*, *Economic and Labour Relations Review*, *Global Labour Journal*, *Journal of Australian Political Economy*, *Labour & Industry*, *Journal of Business Ethics*, and many more

Book reviews (selected):

1. Barnes, T. (2018) 'Review of U. Jürgens and M. Krzywdzinski *New Worlds of Work: Varieties of Work in Car Factories in the BRIC Countries*, OUP' *Work, Employment & Society* 33(3)
2. _____ (2017) 'Review of T. Di Muzio, *The 1% and the Rest of Us*,' *Journal of Australian Political Economy*, 78: 243-248
3. _____ (2015) 'Review of D. Davin and B. Harriss-White, *China-India: Pathways of Economic and Social Development*', *The China Journal*, No 74
4. _____ (2013) 'Review of K.R. Shyam Sundar, *Contract Labour in India: Issues and Perspectives*', *Indian Journal of Labour Economics*, Vol 55, No 4: 701-4
5. _____ (2012) 'Review of Jairus Banaji, *Theory as History: Essays on Modes of Production and Exploitation*', *Review of Radical Political Economics* Vol 44, No 3: 403-6
6. _____ (2012) 'Review of Richard Westra (ed.) *Confronting Global Neo-liberalism*', *Capital and Class*, Vol 36, No 1: 182-4
7. _____ (2012) 'Review of Kevin B. Anderson *Marx at the Margins*', *Journal of Australian Political Economy*, No 68, December: 245-8
8. _____ (2011) 'A Marxian-Polanyian Synthesis?: Review of Gareth Dale's *Karl Polanyi: The Limits of the Market*', *Journal of Australian Political Economy*, No 67, June: 163-68

Teaching skills and experience

Substantial teaching experience in the Department of Political Economy, University of Sydney (2007-2014) and the Master of International Relations program, Macquarie University (2007). Coordinator for many units in political economy, economic sociology and international relations (see 'teaching experience' below for full list). Recently undertook lectures for third-year undergraduates SOCS300 Social Justice and the Economy (ACU) (2016-2019) and POLS30031 Contemporary India (UniMelb) (2018).

Experience in Higher Degree by Research (HDR) supervision

- Principal supervisor:
 - Dr Naomi Paine, 'Challenging What is Known: A mixed method study of perceptions and experiences of social exclusion among the oldest old', PhD completed July 2021, Australian Catholic University
- Assistant supervisor:
 - Dr John Tierney, 'Will Diversification Save Regional Economies after the Exit of Automotive Production?', PhD completed October 2021, University of South Australia
 - Mr Nicholas Kimberley, 'Working Lives After Retrenchment: A study of labour branching', PhD due for submission late 2022, University of South Australia
 - Ms Kathryn Anderson, 'Assembling Proximity: Repurposed industrial sites as innovation precincts', PhD mid-candidature, candidature confirmed Dec 2020, University of South Australia

Experience in Higher Degree by Research (HDR) examination

- Mr Jay Tharappel, ‘What were the Factors Contributing to the Indian Government’s Decision to Gradually Abandon its Dirigiste Economic Model?’ Masters by Research, September 2014

Other information:

- Treasurer, South Asian Studies Association of Australia, 2018-
- Member of:
 - The Australian Sociological Association (TASA)
 - Member, Local Organising Committee, 2016 annual conference, ACU Melbourne
 - Co-convenor, Sociology of Economic Life Thematic Group, 2015-2018
 - Australia Awards Alumni Network (admitted 2013)

Further information about my research, teaching (including student evaluations and feedback), qualifications and references can be provided upon request.