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## The story of steel maps the job future for car workers

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### Abstract

Prime Minister Tony Abbott is right when he describes Australia's car industry workers as "highly skilled people, adaptable people". He has also been saying this week that the departure of Toyota and Holden creates an opportunity for automotive workers to transition from "good jobs to better jobs".

### Keywords

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# THE CONVERSATION

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## The story of steel maps the job future for car workers

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Workers who lost jobs at the Port Kembla Steelworks have faced mixed fortunes. AAP/Dean Lewins

Prime Minister Tony Abbott is right when he describes Australia's car industry workers as "highly skilled people, adaptable people". He has also been saying this week that the departure of Toyota and Holden creates an opportunity for automotive workers to transition from "good jobs to better jobs".

How realistic is this? What jobs can ex-car industry workers expect and will they make the best use of their skills? And where will these jobs be located?

The answer will depend on what resources are made available to support workers through the transition, and to encourage other employers to recruit them. We must not replicate the extremes of Detroit, where a city left without government support went into meltdown.

We also need to take a personalised approach: be smart about the skills and capacities of individual automotive workers who have lost jobs. While the car industry may no longer remain viable in Australia, the workers' skills are far from redundant.

We are currently interviewing ex-steelworkers who lost their jobs in 2011 after workforce downsizing in Wollongong.

Their stories suggest finding new jobs, or even better jobs, will be a matter of

macroeconomics, but also individual circumstances. A policy approach for car workers founded on genuine care will be key.

## Learning from other recent cases

Newcastle has been much discussed this week. There, overall unemployment levels were kept low despite the closure of the city's steelworks. Some found work in well-paid jobs in mining and construction; other replacement jobs were more precarious.

Overall jobs growth has been fuelled by general prosperity, in sectors like aged care, hospitality and creative industries. The community and civic leaders also cared deeply about the individuals and their fate.

Experiences in Wollongong provide another comparison. Fortunes have been mixed, but local social bonds and an ethic of care are immense resources.

One of our participants, Bob, aged 52, has worked at the steelworks for 35 years. He left high school and went straight into a job making steel in Port Kembla. All his family live in the region. His job involved making steel for railway lines, and later, slab steel. He now drives a crane.

He has no trade qualification and so is pessimistic about finding another well-paid job in the Illawarra. He believes he will have to get a courier job or "get by" from a redundancy package. After the 2011 redundancies he witnessed many close friends leave the plant. They found other jobs in Sydney.

Those of an older generation have taken early retirement, living off their redundancy packages.

## Need work, must travel

Many ex-steelworkers in Wollongong are able to find work, but at a distance from family and communities. We are documenting how this impacts their social networks and personal bonds as people migrate elsewhere or commute long hours in order to work. The same thing happened with Mitsubishi workers in Adelaide who lost their jobs after that plant's closure.

Younger Wollongong workers in particular are prepared to commute or move, taking up jobs in Sydney in a range of industries including mining, construction and transport. The workforce is now more mobile, doing the daily commute to where jobs can be found.

Some have become part of the increasingly significant fly-in, fly-out workforce based in Wollongong. Others have found work elsewhere in the region, in specific places and sectors where manufacturing jobs have grown.

Another ex-steelworker, Jeff, is a 43-year old with an engineering management background, who has worked at the steelworks for over two decades. He has been able to get job interviews and offers, and feels much more optimistic about the future because he knows he can find alternative employment.

But the work isn't in the Illawarra. He is now deciding what to do. Contemplating having to commute for work, Jeff is worried about being away from his family and impacts that will have on his kids and partner.

## Other manufacturing job options

There are still options for car workers elsewhere in manufacturing, especially for those willing to move or travel.

Boeing has a large manufacturing plant in Melbourne, the largest outside of North America. Here in Wollongong too, small aeronautical engineering companies are making use of high quality, highly skilled labour to make custom parts for the Royal Flying Doctor Service and other specialist users.

Some will get jobs in smaller firms making high-tech and specialised manufactured goods, such as trucks (which are still made in Australia), mining equipment and military hardware.

As many commentators have suggested in the past few days, Australia's automotive sector (through R&D) has been innovative with materials and technologies, in areas like carbon fibre, automatic detection and ceramics for braking systems that have applications for other industries. Manufacturing innovations will generate new job opportunities.

Another lesson from Wollongong is for governments to be bold, making significant investments in regional development and research initiatives that leverage upon, rather than reject, manufacturing innovations, skills and capacities.

Nevertheless, in the immediate case of car industry workers there is going to be pain. Staggering the timing of closures with the interests of workers in mind will make a difference. Many jobs will have to be in other parts of the economy, and a "job for a life" is now much harder to find.

## Quality work matters

There is one more lesson too: what is the quality and actual nature of the work being undertaken?

Greg is 29 and has worked in steel for 11 years. His daily duties include organising contract workers to perform certain jobs. Greg says that experience and skill can be applied to other industries outside of steel or manufacturing. He's an electrician by trade and is confident he can use his knowledge and skills to find an alternative job.

But he may have to find a job doing something he's just not passionate about. He says it gives him a thrill to see steel made and being put into cars and buildings.

No doubt car workers feel the same sense of pride and pleasure in seeing the physical fruits of their labour. Such emotions are not a mere externality to this debate. As well as finding alternative sources of work for ex-car workers, that work needs to be rewarding and enable individual people to best use their considerable skills and creativity.