Regional Labour Councils and
Local Employment Generation:
The South Coast Labour Council, 1981-1996

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2001
Declaration

I, Yasmin Rittau, declare that the work presented in this dissertation is, to the best of my knowledge and belief, original and my own work except as acknowledged in the text. The dissertation has not been submitted, in whole or in part, for a degree at this or any other university.
To David, Mum, Arthur, Martina and Rebecca
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This thesis relied heavily on interviews with South Coast Labour Council and affiliated union officials, management in the civil/mechanical construction industry in the Illawarra in the 1990s and others concerned with regional development. They gave their time generously and I wish to extend my personal thanks.

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Sincere thanks to my husband, David Wheeler, for his love, care and tolerance.
# Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AEU</td>
<td>Amalgamated Engineering Union</td>
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<tr>
<td>AMWU</td>
<td>Amalgamated Metal Workers’ Union</td>
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<tr>
<td>AMFSU</td>
<td>Amalgamated Metals Foundry and Shipwright</td>
</tr>
<tr>
<td>AMWSU</td>
<td>Amalgamated Metalworkers and Shipwrights Union</td>
</tr>
<tr>
<td>AFL-CIO</td>
<td>American Federation of Labor and Congress of Industrial Organizations</td>
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<tr>
<td>ACTU</td>
<td>Australian Council of Trade Unions</td>
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<tr>
<td>AFULE</td>
<td>Australian Federated Union of Locomotive Enginemen</td>
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<td>AI&amp;S</td>
<td>Australian Iron and Steel Ltd.</td>
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<td>ALP</td>
<td>Australian Labor Party</td>
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<td>ARU</td>
<td>Australian Railways Union</td>
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<td>ASU</td>
<td>Australian Services Union</td>
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<td>AWU</td>
<td>Australian Workers Union</td>
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<tr>
<td>AWU/FIMEE</td>
<td>Australian Workers Union/ Federation of Industrial Manufacturing and Engineering Employees</td>
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<tr>
<td>AFMEU</td>
<td>Automotive Food Metals &amp; Engineering Union</td>
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<tr>
<td>BIC</td>
<td>Barrier Industrial Council</td>
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<tr>
<td>TUC</td>
<td>British Trade Union Council</td>
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<tr>
<td>BIE</td>
<td>Bureau of Industry Economics</td>
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<tr>
<td>BCA</td>
<td>Business Council of Australia's</td>
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<tr>
<td>CES</td>
<td>Commonwealth Employment Service</td>
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<tr>
<td>CEPU</td>
<td>Communications, Electrical Electronic Plumbing and Allied Workers Union</td>
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<tr>
<td>CPA</td>
<td>Communist Party of Australia</td>
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<td>CEP</td>
<td>Community Employment Program</td>
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<td>CGS</td>
<td>Concrete Gravity Structures</td>
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<tr>
<td>CFMEU</td>
<td>Construction, Forestry, Mining Employees Union</td>
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<tr>
<td>DEET</td>
<td>Department of Employment, Education and Training</td>
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<tr>
<td>DIDD</td>
<td>Department of Industrial Development &amp; Decentralisation</td>
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<tr>
<td>DIRE</td>
<td>Department of Industrial Relations and Employment</td>
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<tr>
<td>TAFE</td>
<td>Department of Technical and Further Education</td>
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<tr>
<td>ER&amp;S</td>
<td>Electrolytic Refining and Smelting Company</td>
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<tr>
<td>EDO</td>
<td>Employment Development Officer</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EIS</td>
<td>Environmental Impact Statement</td>
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<td>FIA</td>
<td>Federated Ironworkers’ Association</td>
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<td>GHA</td>
<td>Grain Handling Authority of NSW</td>
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<td>GT</td>
<td>Grain Terminal</td>
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<tr>
<td>IEDC</td>
<td>Illawarra Economic Development Council</td>
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<tr>
<td>IRCC</td>
<td>Illawarra Regional Consultative Council</td>
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<tr>
<td>ITLC</td>
<td>Illawarra Trades and Labour Council</td>
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<tr>
<td>LHMWU</td>
<td>Liquor Hospitality Miscellaneous Workers Union</td>
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<tr>
<td>LGPA</td>
<td>Livestock and Grain Producers’ Association</td>
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<td>LEIs</td>
<td>Local Employment Initiatives</td>
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<td>LGAs</td>
<td>Local Government Areas</td>
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<tr>
<td>MUA</td>
<td>Maritime Union of Australia</td>
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<tr>
<td>MUAS</td>
<td>Maritime Union of Australia (Seafarers)</td>
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<td>MBA</td>
<td>Master Builders’ Association</td>
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<tr>
<td>MTIA</td>
<td>Metal Trades Industry Association</td>
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<tr>
<td>NLmS</td>
<td>natural labour markets</td>
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<tr>
<td>NSWTF</td>
<td>NSW Teachers Federation</td>
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<tr>
<td>NTEU</td>
<td>National Tertiary Education Union</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PKHTF</td>
<td>Port Kembla Harbour Taskforce</td>
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<tr>
<td>RDTF</td>
<td>Regional Development Task Force</td>
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<tr>
<td>RDOs</td>
<td>Rostered Days Off</td>
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<td>RAAF</td>
<td>Royal Australian Airforce</td>
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<tr>
<td>SCEDP</td>
<td>South Coast Employment Development Project</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>SCLC</td>
<td>South Coast Labour Council</td>
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<td>SRA</td>
<td>State Rail Authority</td>
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<td>SLAs</td>
<td>Statistical Local Areas</td>
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<td>SIDA</td>
<td>Steel Industry Development Agreement</td>
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<td>SIP</td>
<td>Steel Industry Plan</td>
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<tr>
<td>TAFE</td>
<td>Technical and Further Education</td>
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<tr>
<td>TWU</td>
<td>Transport Workers Union</td>
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<tr>
<td>UWM</td>
<td>Unemployed Workers Movement</td>
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<tr>
<td>ULMs</td>
<td>Union Liaison Meetings</td>
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<tr>
<td>UAW</td>
<td>Union of Automobile Workers</td>
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<tr>
<td>UMW</td>
<td>United Mineworkers</td>
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<tr>
<td>WWF</td>
<td>Waterside Workers’ Federation</td>
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<tr>
<td>WIU of A</td>
<td>Workers Industrial Union of Australia</td>
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Abstract

The thesis examines the role of regional labour councils in local employment generation. It specifically analyses the case of an Australian regional labour council, the South Coast Labour Council (SCLC), between 1981 and 1996. The Illawarra region was the centre of SCLC activity. It was an industrialised region that experienced high levels of unemployment in the period. These were greater than the State and national averages, which reflected a geographical concentration of unemployment in certain regions in Australia. The SCLC attempted to address this issue, as it was part of the union structure that was specifically focused on the regional level and on regional concerns.

The study argues that the SCLC developed a local employment generation strategy and it examines how and why this was adopted and pursued. It finds that the SCLC was well placed at the regional level and was well resourced with a capacity to influence the external environment through its utilisation of both political and industrial methods in a period of agreeable internal relations. The research identifies the development of its local employment generation strategy. Sometimes the SCLC pursued its strategy in a manner of ad hoc decision-making and muddling through, while at other times it involved characteristic and distinctive regular patterns. The thesis concludes by evaluating the SCLC’s strategy of local employment generation and by exploring the applicability of the general trade union literature on methods and strategy to regional labour councils.
The purpose of this thesis is to examine the role of regional labour councils in local employment generation. It involves a case study of an Australian regional labour council, the South Coast Labour Council (SCLC), in relation to local employment generation from 1981-1996. Unemployment has been a widespread issue in the period since the collapse of the post World War 2 economic boom. It has affected most, if not all, developed countries. Many economists hold that a certain level of unemployment is necessary for the economic viability of the business environment. Some view unemployment as a product of the economic system while others believe that it is voluntary. In any case, they usually suggest measures for control. Yet, there is a social aspect to unemployment, which deals with how unemployment personally affects the unemployed and those around them, including their communities. Society often views government (Federal, state and/or local) as having responsibility for addressing the issue of unemployment. In this role, governments may intervene in the business environment for the greater good. Firms may go about their business limited by government controls and not needing to address the issues themselves. Yet, in the period following the decline of the post World War 2 economic boom the ability or willingness of the nation state to control economic activity had declined. Nevertheless, governments have continued to involve themselves in the unemployment issue. They may either alleviate the social effects or control its rate of occurrence.

The emphasis on governments dealing with the level of unemployment reflects the former conventional wisdom that dictates that macro (or national) measures are most effective in generating employment. In addition, micro (or workplace) measures can also be effective, particularly as a complement to the macro (Green, Mitchell & Watts, 1993:62-64, 70-78). Alternatively, a small but substantial body of literature provides support for local or regional measures in addressing unemployment. This literature has gained some credence since the 1980s. This includes recognition that unemployment has a local and/or regional component. The types of measures that governments introduce to address unemployment specifically at the local level include regional development, local economic initiatives and local employment initiatives. Some of these measures involve businesses and trade unions in government policy. Also trade union and community groups, independently of government, can initiate coordinated
actions such as labour-community coalitions to address the local level employment generation.

In addition to these methods for local employment generation there has developed a range of theories on the subject. Some theories and methods tend to promote some actors over others as being vital for the generation of local employment and accept that it should be carried out in their interests. Yet, the literature tends to ignore the potential of trade unions, especially those that operate at the regional/local level such as regional labour councils that deal with concerns of the local community.

Local employment generation is the generation of employment at the local level (see Blakely, 1983:1-12). An important aspect of examining the process of generating local employment includes identifying methods and actors (see Blakely 1994). This process can occur within a locality or within a region. The notions of locality and region require further clarification. Locality is sometimes used to indicate a certain arrangement of social relationships. Yet it does not suggest how these relationships work or why they work. It can be used simply as a synonym for case study area or local area. It could also indicate a town, village, local labour market area, local authority area or even more generally it could indicate place or area. Yet, it is often used to signify more than spatial unity (Duncan, 1989: 221-23, 246-47). It usually incorporates “… some notion of local social specificity” (Duncan, 1989:223).

Also the concept of region can be used in a variety of ways. It may be used to denote the homogeneity of an area in terms of certain shared economic, cultural and political characteristics. Thereby the area could be treated as a unit that shares a characteristic such as the dependence on a particular industry like textiles. However, the notion of region may also indicate self-sufficiency. It can contain “a set of relatively self-contained complementary activities” (Urry, 1981:467). The area may thus comprise several different distinguishing characteristics, such as being interdependent on different industries (Urry, 1981:467). Moreover, regions should not be considered as containers where processes and phenomena occur, but rather they are shaped by and are shaping processes in the national and global arenas (McGrath-Champ, 1996a:23-24). When examining local employment generation this thesis examines the literature that focuses on the local/regional level in generating employment opportunities, even though resources may sometimes come from outside the local/regional area. Essentially the local and regional act with the other levels and vice-versa.
In addition, the notion of community is raised in the thesis, such as in labour-community coalitions and community interests. ‘Community’ can be used broadly to cover the subjective feelings of any cohesive group. It can refer to localities, interests, and identities such as class, ethnicity and gender. In fact, individuals can be affiliated to several communities concurrently (Patmore, 1994:170-171, 179, 184). Also, the concept of community interests is often used to designate a unitary interest but further reflection would suggest that communities represent a variety of interests (Cox, 1995:214). This is not surprising as the community may include local, state and federal politicians, unions, local entrepreneurs, media, clergy, and civic leaders (Patmore, 1997:218, 220). Nevertheless, it is sometimes implied that community interests converge in close-knit localities around issues that are part of clearly defined belief systems. This notion of community implies a group that shares a ‘good life’ of clearly defined social roles and intimate relationships such as a neighbourhood or kinships (Patmore, 1994:170-171, 179). The confluence of community interests corresponds to the concept of localism, which is the sense of identity with a place (e.g. a town, city, region, state or nation) that can affect behaviour. This can have both positive and negative effects on the particular place and for trade unionism. It may invite class cooperation between otherwise diverse people but it may also solicit ideas that the ‘outsiders’ should be excluded from scarce resources such as jobs. The latter idea expresses the sentiment of policies for local preference in recruitment (Patmore, 2000:53). Therefore, some people can share the sense of unity through community and/or localism at times, but it is not ensured by mere proximity or similarities. Also, it can have a negative impact on the ‘outsiders’, who may also share trade union membership with the ‘insiders’.

The thesis will involve the method known as ‘case study’. This is the most appropriate method for the present purposes as the case study method can easily be applied to the study of process in which explanation is necessary. It generally involves questions associated with ‘how’ or ‘why’ and those that deal with operational links marked over time. It involves several procedures such as interviewing and analysing documents and reports. It allows empirical details to be emphasised and thereby promotes the intensive study over the extensive. Insights can be gained from both intensive (depth) and extensive (breadth) study. The strength of an intensive case study is that the idiosyncratic nature of a case can be revealed. It may be possible to generalise from case study as this process is used to build and rebuild theory and the theory is then applied generally. This argument is based on the view that the general phenomena
inhabits the particular or that the particular is the essence of the general (Stoecker, 1991:94, 105).

This research on local employment generation is important since unemployment in Australia is geographically confined to certain regions. This opens concerns and opportunities for greater involvement from the lower levels of the trade union hierarchy, such as regional labour councils. The study supports the strategy of trade unions in expanding their traditional concerns to include employment generation. Specifically, the inquiry endorses trade unions’ orienting towards the regional nature of unemployment through local employment generation.

The SCLC is a regional trade union council in the south east of NSW, Australia. It is an active peak union body that operates in an area of high unemployment. It is one of the two largest regional labour councils in NSW. The other large one in NSW is the Newcastle Trades Hall Council that covers the Hunter region on the Central Coast of NSW. The SCLC’s activities are centred in the South Coast of NSW, but mostly in the Illawarra region. Since the late 1970s unemployment has emerged, arguably, as the most important issue that the region faces. Its unemployment rate has been consistently greater than the state and national averages (See Appendix 1). Part of the reason, at least, is that it has been a heavily industrialised region and much affected by industrial restructuring since the early 1980s. Employment has been traditionally centred on the steel and coal industries, in which employment levels were declining with the steel industry being the more significant of the two since its extensive growth in the late 1930s. Industrial diversification was slow and the numbers employed in growing industries had not kept pace with the decline in traditional areas. In contrast in the Hunter region, with Newcastle as the centre of industrial activity, the steel industry also has been very important to the employment base but it did not dominate it to the extent that has occurred in the Illawarra. In addition, industrial diversification was greater in the Hunter region during the 1980s and 1990s (see DEET, 1994a:26-28, DEET, 1994a:Appendix 1.5).

This study of the development of the SCLC’s employment policy highlights the concept that higher rates of unemployment are concentrated in some regions more than in others. The geographical inequity of high rates of unemployment in certain regions suggests the role that some regional labour councils can play. The SCLC addressed the issue of unemployment in the Illawarra by lobbying governments and other groups and
by participating in regional development organisations, regional development policy and regional-level agreements with employers.

The thesis outlines and examines the development of the SCLC’s local employment generation strategy in the period from 1981 to 1996. It analyses the significance of the case of the SCLC in relation to the literature on local employment generation and the literature on regional labour councils. Also, it evaluates the SCLC’s strategy of local employment generation that involved both political and industrial method.

In the context of growing local/ regional unemployment in the late 1970s the SCLC started to adopt and implement a strategy of local employment generation. The first step came in 1981. The further pursuit of this strategy can be explained both historically and by a more contemporary focus. It is argued that the SCLC continued a tradition of activity in local/ regional issues concerning social justice, outlined in Chapter Five. Nevertheless, the SCLC’s local employment generation strategy began with rising concerns of affiliates about gloomy prospects for their industries. Maritime and steel unions feared substantial job losses, which they raised within the SCLC.

First, maritime unions affiliated to the SCLC were facing declining job prospects. The major port of Port Kembla, near Wollongong, was being by-passed and one of the effects was a reduction in employment. In the 1950s, 8-9000 waterside workers were employed, but by 1969-70 only 590 were employed and in 1980 435 were employed, which represented a decline of 26 percent in the previous ten years. Also, the by-passing of Port Kembla led to the transporting of cargo by road from ports in Sydney and Newcastle, which effected other maritime workers in Port Kembla besides waterside workers. These included crane operators and pilots, stevedoring companies’ employees, Maritime Services Board employees, local freight forwarders and local transport drivers (Murphy & Donaldson, 1980:11-12). Second, the steel unions were concerned with the possible decline of the steel and coal industries, which were the foundations for regional employment. Even in the late 1970s the steel unions mooted a potential for the impending crisis of the early 1980s when employment and production in the steel industry declined slightly in the late 1970s from a peak in 1974-5. Although the decline was only slight, the depressed international steel trends and national unemployment trends made the unions wary of the future (Kelly, 1989:58-60).

The SCLC responded to these concerns in 1981 with the fortunate opportunity to build on its 1978 initiative of influencing local maritime industry employment through
the development of the Port Kembla Coal Loader. The SCLC’s influence with the NSW Labor Government, at the time, assisted in the government’s decision to build a new coal loader in Port Kembla, even though this initiative was not consciously part of the SCLC’s local employment generation strategy at the time. Nevertheless, its involvement in this project provided the foundations for its local employment generation strategy in the early 1980s when it built on its successes in this project.

It is important to note that the SCLC attempted to encourage local employment generation before the introduction of the first Accord and the Steel Industry Plan, both in 1983. These developments in generating national employment growth arose from a partnership between the Australian Labor Party (ALP) in Federal government and the national peak union council, the Australian Council of Trade Unions (ACTU). However, the SCLC began contemplating its own strategy a couple of years beforehand. The outcomes of the national bodies were directed mostly at national economic and employment trends and towards recovery of certain industries such as steel. Consequently, the Steel Industry Plan, in particular, that arose from the ALP/ACTU initiatives did impact directly and favourably on the Illawarra region. Yet, the SCLC responded directly to the growing unemployment situation at the regional level, and only indirectly to national and steel industry initiatives. It utilised the political and industrial methods it developed in previous periods to create new jobs and new job opportunities in the Illawarra. This enabled it, at times, to take advantage of political and industrial opportunities presented by the ALP/ACTU initiatives.

The SCLC continued its local employment strategy up until 1996, which marks the end of the period for this thesis for two primary reasons, and a secondary reason. First, the period of study of the SCLC’s industrial method in its local employment generation strategy came to a logical conclusion with the completion of two major construction projects in Port Kembla. The SCLC did not again invoke the industrial method, up until the present. The last constructions were the Concrete Gravity Structures (CGS) project from April 1993 until December 1996 and the No 6 Blast Furnace from November 1993 until June 1996. Second, the SCLC’s political method in the 1990s, which placed much emphasis on lobbying the Federal Labor Government, ended with the election of a Federal Liberal/ National Government in 1996. In fact, it did not continue lobbying the Federal Labor Government after 1994, when the Federal Government essentially rejected the SCLC’s approach to employment generation. In any case, the SCLC saw the Federal Liberal Government as being even less sympathetic
given the NSW Liberal Government’s decidedly unpromising attitude in the late 1980s and early 1990s. Thirdly, the mid to late-1990s marks the beginnings of a movement against the secretary of the SCLC, who had been in this position from 1987. Discontent arose at this time with the secretary amongst some affiliates of the SCLC but this was contained within the normal workings of the SCLC, yet it exploded into a public fight in 1999. Therefore, this restlessness impacted only very slightly, if at all, on the SCLC’s local employment generation strategy up to 1996. Overall, the power equilibrium was stable between 1981 and 1996.

This thesis draws from several literature sources. It focuses on research that highlights the trade union role in local employment generation measures both internationally and in Australia. Also it draws from research that deals with Australian trade union strategy and methods and peak union methods, purpose, role and internal authority. Moreover, it reveals a dearth of literature on trade union potential in local employment generation.

This case study includes an examination and analysis of a variety of evidence from primary sources that are listed separately in the ‘bibliography’ section of the thesis. These have been principally gathered through:

a) interviews with SCLC officials, affiliate trade union officials and representatives from other organisations that had dealt with the SCLC.
b) SCLC documents such as annual reports, official directories, minutes of meetings and correspondence.
c) documents from local organisations involved in local employment generation issues.
d) other sources of information include documentation involving industrial agreements, ABS statistical material and other research material such as government reports on regional labour markets.

The thesis is organised as follows. Both chapters Two and Three are literature review chapters, yet they examine different types of literature. Chapter Two provides a background and review of the literature on the theory and practice of local employment generation involving several actors in Australia and internationally. It draws out the potential for trade unions by focusing on those aspects that deal with theory and practice regarding local employment generation involving trade unions. Chapter Three points out a scarcity of literature on regional labour councils. Nevertheless, it supplements this dearth of literature with that of peak unions generally and trade unions generally, where appropriate. It examines the potential of regional labour councils in Australia for local employment generation.
Chapter Four provides a history and profile of the Illawarra region in which the SCLC functions. It portrays a dramatic decline in job security occurring in the early 1980s when there were severe reductions in employment in the region’s steel and coal industries, which had ongoing effects on employment levels in much of the region. Chapter Five outlines the structure and examines the history of the SCLC, with particular focus on its utilisation of political and industrial methods and on the social issues it pursued.

Chapters Six to Eight form the bulk of the original research of the thesis. They focus on the methods used by the SCLC for local employment generation. These chapters show that the industrial methods utilised by the SCLC included assisting in the negotiation and implementation of regional projects and agreements that led to new local jobs. Alternatively, the political methods in which the SCLC engaged included the lobbying of governments and initiating, promoting and participating in tripartite organisations that aimed to stimulate local employment growth. It included the SCLC initiating and participating in the Port Kembla Harbour Task Force and the South Coast Employment Development Project. Also, the SCLC attempted to gain government endorsement of for a regional policy and for direct investment in the region.

Chapter Six primarily concentrates on a case where political and industrial methods are combined into ‘mixed method’. Political method was involved in negotiations with farmers and the State government to build a grain terminal in Port Kembla. This is a facility that stores cargoes of grain, primarily wheat, close to port before its transport onto ships and provides ship-loading capabilities. The SCLC worked on this project as an independent part of a local quadripartite body, the Port Kembla Harbour Task Force. Alternatively, the SCLC was involved in industrial method in its negotiation of this agreement with the State Government, as the builders of the facility. The SCLC was able to influence farmers to support its proposal to locate the new Grain Terminal in Port Kembla by establishing a trusting relationship with them, which alleviated their concerns about the potential for strike action at the port. Thereby the SCLC supplemented the political method of gaining farmer support with the industrial method of influencing industrial relations, through its potential of negotiating and implementing an agreement.

Chapter Seven examines the case where the SCLC relies on the political method to achieve local employment generation. The SCLC gained funding from the NSW State government in hiring an Employment Development Officer in 1985. He also
worked with the SCLC in gaining State government funding for establishing an intermediary organisation for generating local employment, known as the South Coast Employment Development Project (SCEDP) (1987-8). However, the 1988 State election saw the election of the opposing Liberal Party to government, which failed to re-fund SCEDP. Consequently, SCEDP became a private company and tendered successfully for a skills audit at BHP steelworks. The SCLC reassessed the SCEDP model in 1988. It was disappointed with SCEDP’s change in direction and also with its own previous focus on attempting to attract private sector investment to the region through the SCEDP model.

As a result, the SCLC changed its approach to regional development and lobbied the Federal Labor Government. It requested substantial and direct funding and planning for regional development so that a short and long-term decline in unemployment would ensue (SCLC, 1991a:21). This approach took a variety of forms. In 1988 it lobbied the Federal Government for an Illawarra Regional Consultative Council (IRCC) that included a focus on lobbying for public sector investment. Subsequently, in 1991, when its recommendations were not realised it lobbied for the implementation of the SCLC’s ‘Jobs Now’ Plan that emphasised an active government role in local employment generation. The lobbying continued until 1993 with the SCLC attempting to maximise the opportunity of a visit by the Regional Development Task Force (RDTF) to the Illawarra and it promoted its ‘Jobs Now’ Plan. However, in 1994 the Federal Labor Government rejected the essence of the ‘Jobs Now’ Plan. In the government’s new employment policy the RDTF’s recommendations, in this area, were considered and largely rejected.

Chapter Eight examines the SCLC’s use of industrial method again to demonstrate how this method can be used for local employment generation, even when it is not supported by political method. It concentrates on industrial projects in which the SCLC was involved in the 1990s, which included the construction of the Concrete Gravity Structures project and the No 6 Blast Furnace. The SCLC negotiated an innovative agreement with Esso/ BHP Petroleum to attract the CGS project to the Illawarra. (Please note that BHP Petroleum had a corporate structure of its own that was separate, at the organisational level, from BHP Steel even before BHP Steel was ‘spun off’ in 2001). Also, the SCLC negotiated a satisfactory agreement with BHP Steel to ensure that it build the No 6 Blast Furnace at Port Kembla with assurance that the unions would comply with the agreement.
Chapter Nine provides the conclusion. The original contribution that this thesis makes to the literature is that it fills the gap in the literature on local employment generation by highlighting the role that regional labour councils can play. It argues that regional labour councils can influence local employment generation through utilising both their political and industrial methods. Also this thesis furthers our understanding of regional labour councils by exploring the applicability of the general trade union literature on methods and strategy.
Chapter Two
Trade Unions and Local Employment Generation

Introduction

Unions have the potential for involvement in local employment generation. This sometimes takes the form of dealing with the issue generally or with assisting actual and prospective unemployed at this level. Also, workers sometimes participate in unions to improve their broader social, economic and political position in addition to concentrating on their central goals of gaining better wages and conditions. This sometimes includes questions of social reform and social justice (Dabscheck & Niland, 1981: 154; Lewis, 1990:25) such as dealing with unemployment. Alternatively, workers and trade unions may be concerned with unemployment for other reasons. They sometimes view unemployment as a threat to wages, conditions and job security. Nevertheless, unions sometimes view their assistance to unemployed members as maintaining or increasing union membership, particularly in recessionary periods. Also, unions can benefit from an increased and diverse membership as it may assist them in their lobbying of governments (Lewis, 1990:viii, 24-25).

The trade union role in local employment generation is not easily found in the literature. Nevertheless, several theories have developed that inform policy prescriptions for local employment generation. They focused on policy prescriptions that involve one or more of the actors, including trade unions, business, the state, and community. Yet, much of the theoretical and Western government policy focus has been primarily on business as the driving force. Amongst this literature, government policy prescriptions often favoured the private sector in local employment generation. They highlighted small and medium private business, and ‘outside’ capital as being the most important actor whose interests need to be met for generating local employment. This focus on business may not be surprising given that business, in capitalist society, primarily decides where to invest and how many to employ.

However, trade unions (and governments and community groups) have a stake in this decision as well, and have the potential to have their sometimes-separate interests addressed. The literature often glosses over trade union involvement and potential in generating jobs at the local level. The trade union focus needs to be teased out of the theoretical literature and in the government policy area as well. A small part of the
theoretical literature points to the potential of trade unions in this area. Their role has practical and theoretical underpinnings. The trade union role in local employment generation can be to involve itself in government policy, in coalitions with the local community and in arrangements (or associations) with business. Trade unions generally do not have the resources, or desire, to generate jobs themselves. The other actors are needed as well. They need to work within a framework with other actors. So, in examining the potential of trade unions it is also necessary to examine the potential of other actors in local employment generation.

The chapter will initially examine the theoretical literature on local employment generation. It starts with a focus on business, which governments also generally endorse. The argument unfolds to discuss trade unions’ potential in expanding their role by adopting the theoretical model of the ‘concentration and global integrationists’ (henceforth called global integrationists). It views local employment generation as being shaped by particular changes to international capital since the 1970s, at the end of the post World War 2 period. It promotes a role for trade unions, among others, in determining a socially manageable velocity of capital and argues that trade unions and/or the state and community organisations should monitor the velocity of change. Others among the global integrationists believe that trade unions should utilise the new period of capital restructuring to explore opportunities that may be available through new structures of capital to advance their own ends. This includes using regionalism to promote a role for trade unions, rather than for capital, as some analysts argue is often the case. Overall, the prescription of the global integrationists involves trade unions exploring and developing innovative political organisation and representation methods in response to the contemporary changes in industrial location and the sectoral alterations (Massey, 1987:120-22). The chapter develops to examine trade union involvement in labour-community coalitions and in local employment initiatives. It argues that the trade union role in labour-community coalitions, as a policy prescription for local employment generation, has not been fully developed. Also, the trade union role in the government policy of local employment initiatives has been brief, yet important.

**Location Theory**

Private sector business (which will be expressed at ‘business’) had been keen to take full control of economic activity, and consequent employment generation, since the
end of the post World War 2 boom. It was no longer prepared to accept the cooperative relationship of the post-war settlement with trade unions, without a struggle, at least. Business initiated a restructuring schema so as to restore economic activity, which led to a restructuring of regions and to concentrated areas of increased unemployment, in some cases (Lange, Ross & Vannicelli, 1982:1, 215; Brierley, 1987:27-28; Atkinson, 1987: 4, 7, 16-20).

The theories that focused on the interests of business, in relation to local employment generation, began with location theory. It was concerned with determining the method that would point to the best location for a firm. This offered a policy prescription for local employment generation that encouraged public officials to make their locality/region attractive for ‘outside capital’. Thereby the interests of ‘outside capital’ were seen to be the driving force. This initial literature dates back to the post-war period from the 1960s. It was the traditional neoclassical method of location theory with its mathematical models. Location theory represented the traditional and conventional way of explaining the location of firms and their implications for regional growth and development (Blair, 1991:20-41). Methods of local employment generation could be extricated. Actors in this method pointed to a focus on business with consideration of other actors only to the extent that they complied with business’s needs, such as a compliant community. In the location theory process the community focused on creating an inviting environment for firms to develop or locate so that economic activity would be pursued. A major implication of the theory was that the costs of relevant factors to attract industrial firms were manipulated by communities, often with their agreement, so as to enhance the location beyond its natural features (Blakely, 1994:55-56, 60-61).

Location theory did not consider a role for trade unions even though they were an important actor in the post-war settlement. Yet, it was not surprising because location theory emerged from neoclassical economics with its starting point of “individual preferences and choices in response to price signals” (Lovering, 1989:203). Moreover, neoclassical economics viewed trade unions as sources of labour market imperfections which “prevent the labour market from adjusting to reflect changing economic conditions” (Whitfield & Ross, 1996:211).

Also, location theory followed the conventional neoclassical model in contending that employment could be generated solely on the basis of lowering wage rates and reducing costs (Blakely, 1994: 59-60). Historically, location theory had at its centre a
model of the industrial location decision based on transport cost minimisation. Prior to the 1960s it took account of the related cost factors of transport, access to markets, access to material inputs and the availability and cost of labour. Since the 1960s transport costs had fallen dramatically and product and process technologies had advanced towards high value added activities in the manufacturing and service sectors. This resulted in transport costs becoming less important, particularly as higher value products were transported in relation to the cost of their transport. Also, the theory grew more complex to take account of changing economic circumstances that included spatial variations in market size, production cost differentials, regional amenities and technological capabilities. Thus, the theory expanded to include the technical competence of the labour force, state and local taxes, regional business climate and quality of life factors (Blair & Premus, 1993:3-4, 9-12, 23). Suggested action of this neoclassical model was twofold. The quality of the place could be changed by the provision of special locational incentives. For example, enterprise zones could change the value of a particular location to stimulate job creation for a certain population. In addition, the value of the local labour force could be increased, for instance, through job training and job development schemes where existing labour was made more useful for existing employers (Blakely, 1994: 59-60).

However, location theory was put under scrutiny by a different tradition in human geography and economics, which saw its shortcomings in the changing economic and social structure that emerged in the 1970s, in most countries, and marked the end of the post World War 2 boom period. This tradition believed that the neoclassical models of regional growth did not explain how and why the changes of the 1970s occurred and why they occurred in particular places (Schoenberger, 1989:115, Smith, 1989:152). It viewed location theory as being preoccupied with an abstract firm without any real relationships to the rest of the economy. Thereby the traditional theory failed to examine the place of the firm within the overall structure of the system and to interpret its behaviour as a product of this structure (Smith, 1981:138-143; Smith, 1989:143-145, 152-156).

This questioning of location theory opened up the possibility for a focus on actors in local employment generation other than that of business. The emerging theory, particularly among radical human geographers, gave rise to the concept of economic, social and political processes determining industrial location. This was termed the ‘restructuring approach’. It adopted a significant interest in localities and/ or regions.
The proponents focused on attempting to explain the problems of traditional industrial regions whose employment bases were declining and who found location theory to be unhelpful (Lovering, 1989:201-202, 213-214). They directed themselves to an understanding of the changes in the economy and society to help explain how regions developed, how local employment was generated and by whom and the methods for local employment generation.

However, two main schools of thought following the restructuring approach diverged. They emphasised different points, and models, in their attempts to explain the way regional economies fitted into the new world system of production and what these changes meant for regions in the period after the post World War 2 boom had come to an end. This led to two distinctly different policy prescriptions for local employment generation methods. The ‘agglomeration and local integration’ literature (henceforth called local integrationist) included proponents such as Pyke & Sengenberger, (1990), and Scott (1988a:44-58; 1988b:171-178) and Storper & Scott (1995:505-509). The literature promoted policy prescriptions that focused on the interests of business. It accepted that local employment generation should be carried out in the interests of small businesses, in particular. Alternatively, advocates of the ‘concentration and global integrationist’ literature (called global integrationist) included Massey (1987) and Amin & Malmberg (1992). The literature promoted policy prescriptions that focused on the interests of trade unions. There was common ground between the two approaches and this will be discussed next.

Common ground in the industrial restructuring literature

Proponents of the restructuring approach agreed to a world view that essentially was based on a Marxist view of society which used the capitalist mode of production as its foundation. Regions were considered to embody the historical and spatial characteristics of capitalism. The restructuring approach paid special attention to locality. It argued that the problems of declining regions needed to be situated in the wider context of capitalist society and in structural changes, including changes to the nation state. It extrapolated that any treatment of localities as autonomous units could not be substantiated. Essentially the restructuring approach stressed the potentially two-way causal relationship between the local and the global. It viewed places as manifesting wider processes themselves as well as contributing to the wider processes, thus emphasising the interplay between place and wider processes, or similarly as a

Some analysts of the restructuring approach involved themselves in politics surrounding the declining regions and found the solutions to lay in what they claimed to be “fundamental and far-reaching political change”. The restructuring approach focused on local economic studies and gained support from some trade unions, community-based organisations and some local governments (Lovering, 1989:201-202). On the latter point, the council in the London Borough of Wandsworth developed an economic strategy that was based on a socialist analysis of society. “The Wandsworth model influenced the forms of municipal socialism later adopted by the Labour-controlled Greater London Council until its abolition in 1986. Closely related strategies were adopted in the West Midlands and Sheffield, and have since become a staple part of the diet of local politics in most cities and many smaller towns” (cited in Lovering, 1989:202). However, as noted previously, despite the common ground, two primary schools of thought diverged in the industrial restructuring approach.

**Local Integration Theory**

Local integration theory offered a policy prescription for local employment generation that focused on small business. So, it shared with location theory a focus on business as the predominant actor in local employment generation to the almost total neglect of the other actors. Yet, it differed from location theory’s emphasis on ‘outside’ capital’ as the main proponent of local employment generation. Also, it differed by promoting the idea that economic, social and political processes determined industrial location, and thereby local employment generation.

Moreover, local integration theorists differed from location theorists in their emphasis on global restructuring and stressed their perception of an emergence of localised economic systems that were disintegrated from the global economy. The prototypical examples were the Third Italy and Silicon Valley (Scott, 1988b:178-182, Storper & Scott, 1995:505-512). Their analysis focused on an agglomeration and local integration of capital occurring in numerous regions/localities around the globe. This contrasted to the ‘global integration’ analysts who emphasised the concentration and global integration of capital (Amin & Malmberg, 1992:407), which led to distinctly different policy prescriptions for local employment generation between the two groups of industrial restructuring theorists.
The main policy prescription for local employment generation among the proponents of local integration took the form of an arrangement of business in industrial districts (Pyke & Sengenberger, 1990:2-3). The principal policy actors were small and medium-sized firms as economic and employment activity was based on networks between them. Workers’ social status was raised to one of small entrepreneur, which brought with it the ability to develop their own opportunities for employment and thereby overcome the problem of structural unemployment (Trigilia, 1990:162; 169-171). The local integrationists do not consider that a direct role of the state, unions and/or community was necessary. This lack of role for the state, unions and community continued with the ‘local economic’ policy prescription that is analysed later.

However, it needs to be borne in mind that the differences in perspective between the two groups were a matter of emphasis. For example, the global integrationists did not deny the possibility of development at the local level but rather they viewed this development as part of the decisions made and events that occurred within a wider corporate division of labour (Amin & Malmberg, 1992:407). Nevertheless, the important differences between these two approaches for current purposes are the local employment generation policy prescriptions that flow from these views. The policy prescriptions that arose from the local integration perspective included an emergence of local employment in ‘industrial district’ formations that were based on local area networking of small firms. Some argued that the conditions of the districts, with its local employment generation advantages, had been replicated around the globe (Scott, 1992:221). In contrast, the global integration theorists’ offered different policy prescriptions for local employment generation, which promoted a potential role for trade unions.

**Global Integration Theory**

The global integration theorists’ policy prescriptions arose from an emphasis on the forces of ‘uneven geographical development’ of localities/regions and a ‘new internationalisation of labour’. This produced outcomes such as regional growth and decline related to ‘reindustrialisation’ and ‘deindustrialisation’ as well as a growth of the tertiary sector in metropolitan areas and the location of modern capitalist enterprises in rural areas.

The global integrationists believed that regions developed in an uneven manner and that the changing environment in the 1970s produced, and was being produced by, a
variety of new location opportunities for the firm. Large corporations were dominant in these developments and took advantage of the technical, social and political opportunities to centralise control of capital, move it around the world and integrate production on the global scale, in their own interests (Bluestone & Harrison, 1982:115-118, 178, Susman, 1981:23). They concurred in a lack of confidence in the premise of efficacy of the marketplace, and supported a greater emphasis on other patterns of regional development and employment than those advanced by capital (Stilwell, 1980:164-176; Massey, 1987:119-121). Some global integrationists proposed that trade unions utilise this new period to explore the opportunities that may be available through the new structures of capital to advance their own ends (Massey, 1987:120; Sandercock, 1986:15-16). Similarly, others believed that trade unions should examine the opportunities regionalism opened up to them, whereas up to this stage it was common for capital to use regionalism to serve its aims (Clark, 1989:239-253; Stilwell, 1980:176; Swenson, 1989:1-2).

Secondly, another school of thought among global integrationists also supported a role for trade unions (government and communities) in regional development policy and consequent local employment generation. They argued that the power that capital had over regions should be controlled to a ‘socially-manageable velocity’. The velocity of change should be monitored by the trade unions and/ or state and community organisations (Bluestone & Harrison, 1982:178; Sandercock, 1986:15). This school emphasised problems of depressed regions being overwhelmed by the pressures of making investment lucrative and coping with disinvestment. It prescribed, in response, that investment and disinvestment should proceed at such a rate whereupon the community it affected had time to adjust. It needed to adjust to the consequences of its absorption, in the case of investment, and to its dissipation, in the case of disinvestment (Bluestone & Harrison, 1982:82-111).

The global integration literature differed from both location theory and even its close cousin, local integrationist theory, as both the latter emphasised the interests of business in local employment generation. The global integrationist approaches present the best opportunities for trade unions (and/ or state and communities) to intervene in the restructuring process in an attempt to produce outcomes more suitable to themselves. This includes, firstly, potential for involvement in determining a socially manageable velocity of capital and, secondly, for trade unions, in particular, to explore and develop innovative political organisation and representation methods in response to
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industrial location and sectoral alterations. Similarly, trade union potential in local employment generation may be advanced by the established method of labour-community coalitions, which has been mostly used for other purposes so far. Even so, labour-community coalitions do offer an example of trade union involvement in local employment generation.

Labour-Community Coalitions

For present purposes the strategy of using labour-community coalitions to generate local employment is most pertinent, but this received little attention in the literature. Nevertheless, at times trade unions found it advantageous to align themselves with communities for the purposes of local employment generation. Labour-community coalitions (or otherwise known as union-community coalitions or alliances) have been based on organising around common interests. To achieve this they needed to overcome the existing divisions in the coalitions (Nissen, 1993:223). Therefore, the building of labour-community coalitions within communities did not negate the separate interests of the stakeholders but rather their interests converged around a common issue, so that any arising differences were accommodated. In this process communities have assisted unions to achieve their goals and vice-versa (Thornthwaite, 1997:244-246). From the unions’ viewpoint, they have used community as a political resource.

The labour-community literature assigned more attention to a closely aligned strategy of local employment generation, which will be discussed initially. Craypo and Nissen discussed the concept of labour-community coalitions in relation to the development of a strategy by unions and communities in the US as part of a growing response to job losses, plant closures, threats, relocations and capital gaining concessions from unions, labour and the state. This response was developed in the late 1980s onwards even though the change in approach by capital to a more aggressive style developed since the mid-1970s. In 1989-91 unions involved the community in actions against threatened loss of jobs through the relocation of a manufacturing department. The grouping of unions and community into a labour-community coalition averted a possible relocation of a steel mill from a unionised site in Hammond, Indiana to a suspected non-unionised site to the south in Frankfort, Indiana (Craypo & Nissen, 1993:8-17; Nissen, 1993:210-216).

Moreover, in an historical Australia example, unions involved the community in support of local employment generation. This took the range of responses that was
covered by labour-community coalitions further than lobbying for the workplace to remain open to preserve local jobs. It extended the range of responses to include lobbying for new, additional jobs. This occurred in a local federal government-owned small arms factory in Lithgow in the Central West of NSW from 1919 to 1933. The small arms factory was the major employer in the town and provided work for other local industries. Also, it was important in the town’s social life. Employees in the factory faced retrenchment as the demand for rifles declined after World War 1. Locally based unions brought together other locals in their struggle to maintain jobs. These included local senior management, business and social elites, aldermen and parliamentarians. Retrenchments began in 1919 and despite lobbying they continued in stops and starts until 1922 and again from 1929. Meanwhile a policy of ‘outside work’ was developed by the labour-community coalition that involved the utilising of unused capacity of the factory by accepting non-military orders for goods. It had limited success until 1929 but became more established between 1929 and 1932 with the number of employees engaged in outside work increasing from thirty-five to eighty-nine and providing 26.5 per cent of the company’s total revenue by the end date. This had the effect of retaining workers already employed as well as generating new local employment (Patmore, 1997:219, 224-41).

Another example of labour-community coalitions acting against retrenchment also occurred later in the Australia (see Thornthwaite 1997:244, 251-253, 259-261). Yet, this example did not include actions in favour of local employment generation. Instead, it complemented the US experience where trade unions acted in coalitions with communities against job losses, among other hazards. This demonstrated that labour-community coalitions continued to exist in Australia. Unions built a labour-community coalition for telephone exchange workers in rural Queensland in support of a series of industrial campaigns in 1978. It centred on the issues of the closure of some rural telephone exchanges with workers experiencing redundancy and poor retrenchment conditions, particularly as most were not able to take alternative employment far from their homes. The towns that were affected included Gympie, Kingaroy, Charleville and Longreach. The labour-community coalition was used in a situation where strike action would probably not have been effective given the nature of the workforce and community as well as the nature of the employer’s objective. However, by building a labour-community coalition local communities helped to pressure the telephone exchange worker’s employer, then Telecom, to postpone some closures, maintain
certain work design objectives that were sought and to increase consultation on Telecom’s automation program. This had positive effects in the rural areas where the campaign was mounted. Yet, the labour-community coalitions did not prevent Telecom’s closure program (Thornthwaite, 1997:244, 249-261). At the empirical level labour-community coalitions can have an important role in local employment generation but this role has not been widely adopted. Instead its role in job losses, plant closures, threats, relocations and capital gaining concessions from unions, labour and the state is far more common. Their range of responses included slowing or halting planned workplace closures and declining services. Nevertheless, they have also been used to expand local employment opportunities. The latter point extends the range of responses by unions working in coalition with the community to include lobbying for new, additional jobs, as the Lithgow example demonstrated.

Craft assessed that unions have made only limited use of labour-community coalitions. He suggested that this was at least partly due to unions seeking support from a community on an ‘ad hoc’ and ‘last resort’ basis, usually around a crisis situation over issues such as plant closures and industrial disputes. However, in the day-to-day practices of unions they preferred bilateral bargaining with employers. He suggested that this stance reflected their position of using most of their resources for narrow objectives such as wages and conditions (Craft, 1990:147-148, 154). Yet, overall Craft pointed to the possibility that unions use local-community coalitions in a broader variety of situations. Furthermore, Thornthwaite argued that through labour-community coalitions unions may utilise community as a resource (or ally) in collective bargaining and as a source of union power (Thornthwaite, 1997:246). They can be used to increase pressure on employers or government officials. Still, it is unclear from the literature as to why unions’ initiation of labour-community coalitions has been in pursuit of mostly industrial objectives and has not tended to include political objectives. This restriction, without explanation, tends to suggest that unions’ political objectives have been overlooked in the labour-community literature or that unions have not pursued political objectives often. In any case, the political objective of local employment generation has not been developed in the literature, even though some of the literature on labour-community coalitions, in particular the Patmore example of Lithgow, points to it being a feature.

Trade union potential in local employment generation through labour-community coalitions has the advantage of enhancing the pressure that it is able to exert in dealing
with businesses and/or governments. Also, it can be to the trade union’s advantage to have government support in its negotiations with business. Some analysts point to governments as being another important actor in local employment generation in addition to business. Moreover, government involvement in local employment generation provides trade unions with another possible means of gaining influence in this area by building on the government’s role. This is most clearly seen in relation to local employment initiatives.

Local employment initiative approach to local employment generation

In the 1980s Western governments took a greater role in local employment generation through ‘local employment initiatives’. Yet, their commitment was not sustained (Hodginson & Kelly, 1993:129-131). The motivation for Local Employment Initiatives (LEIs) was to generate jobs in local communities (Windshuttle & Burford, 1987:1). Significantly, it represented opportunities for trade union (as well as state and community) involvement. Similar to the industrial district model of the local integration theorists, this was a form of development that was focused on small business, to the extent that it was concerned with profitability within the marketplace. Yet, the type of small business differed from those in industrial districts and it differed from the conventional view of small business (NAGLEI, 1987:62).

Even though the survival of the employment generating enterprises depended on their success in the marketplace, the primary goal was considered to be the maintenance of employment. It was not the maximisation of profit, even though profit was seen as essential for funding operating costs, capital costs and reinvestment costs (NAGEI, 1987:4, 58-59). Also, LEIs placed much emphasis on developing regional plans. They placed importance on the ‘bottom-up’ approach in formulating these plans, instead of relying solely on market forces. Thus they depended on government policy commitment for long-term success (Sandercock & Melser, 1987, Chapter 8:17).

Therefore, employment-generating LEI enterprises could be distinguished from conventional small business by this combination of economic and social objectives. Also, they sought a strong inter-relationship with the community in which they were located through developing relationships often with trade unions, local government and large firms. They emphasised cooperation between these social partners at the local level to realise new local economic and employment opportunities (NAGEI, 1987:5, 31, 54).
The European Economic Community Commission viewed potential trade union involvement in LEIs as being particularly necessary in the areas of maintaining established working conditions and, related to this, preventing LEIs from becoming a vehicle for promoting socially undesirable dual economy arrangements (NAGLEI, 1987:62). In several European countries the trade union movement supported LEIs. For this to have occurred Peter Kuenstler’s survey found that trade unions have had to come to terms with the need to play a more active role for those who lost their jobs. This required a substantial change in thinking as traditionally trade unions had been preoccupied with their responsibilities to protect members still in employment (Windshuttle & Burford, 1987:20-21). Consequently, in Britain the Trades Union Congress endorsed LEI activity as a component of national industry policy. This emerged out of local authority encouragement of trade union participation in urban local economic development strategies. Also in the US the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) joined in a program of reinindustrialisation in areas of high retrenchment by endorsing the channelling of union pension fund resources towards employment generating investments. In New York, Minnesota and Pennsylvania unions established task forces to formulate detailed proposals for union controlled pension funds to be invested in local venture capital and fixed term loan funds for local investment. For example, the Union of Automobile Workers (UAW) negotiated an agreement with General Motors to establish a locally based New Venture Fund that would invest in new product development in unionised companies. A second fund was also created to retrain and reassign the workers who were displaced from General Motors due to the introduction of new technology (NAGLEI, 1987:62). So unions have been involved in generating employment at a local level.

Mainly two types of LEI’s had emerged overseas and in Australia. The first type was an intermediary organisation that offered the role of facilitator and catalyst in local enterprise creation and employment generation. It focused on local opportunities and resources and offered technical advice (e.g. product development assistance), managerial and financial advice and assistance to LEI enterprises, which also included training and the use of premises (NAGEI, 1987:3-4; Windshuttle & Burford, 1987:15-18). The second type was an employment generating enterprise that combined the goals of additional employment and market viability while maintaining local origin and control (NAGEI, 1987:3-4). LEIs were set up to generate jobs in local communities by
emphasising endogenous development of the region. They identified the principal resources, assessed the comparative advantages of the location and developed enterprises in response to these advantages (Windshuttle, 1987:7; Windshuttle & Burford, 1987:1). They valued labour as a long-term investment and ‘real economy’ investment that created jobs, products and services rather than creating ‘paper wealth’. Also, they valued the creation of socially useful products, the extension of services to the community, participation and consultation (Sandercock & Melser, 1987, Chapter 8:17).

The financial base of LEIs was a very important issue and included a role for government, at least in the shorter-term. This could even be extended into the longer term with the usual government help associated with assistance to business activity (NAGLEI, 1987:8). Still, LEIs needed to develop an appropriate financial structure that was not over-reliant on government in the long-term. Some could rely on ethical investors who favoured socially worthwhile goals instead of maximum returns. These could be in the form of community investment funds as occurred in the U.S. For example, the funds could be channelled into low cost housing or more general funds to be used for local community development generally. Also, at least one analyst suggested that LEIs could focus on servicing community groups, instead of relying on private consumer demand. The LEI might be able to offer lower prices to community groups than commercial firms because they might not need as high a return on their investment. Similarly the LEI might be able to orient towards the needs of community groups by providing a service that the groups would like but was not available locally. Also the LEI could focus on training to make employees more efficient in their current jobs or to make them more employable. In addition to this the more successful LEIs could channel their profits towards further employment creation in the less successful ventures. Thus LEIs could compete successfully with other businesses, particularly by using their ability to take advantage of their structure, which allows them to simply cover costs and return a modest surplus instead of needing to maximise profits (Watson, 1987:1, 6-7, 10).

In 1982, the Organisation for Economic Cooperation and Development (OECD) initiated a Cooperative Action Program on Local Initiative for Employment Creation as a result of interest expressed by member countries, including Australia. LEIs varied between regions and countries in terms of their form, organisation and resources. They had operated in the US since the early 1970s. The Community Development
Corporation was an important example. It operated in urban and rural communities, some of which were exceptionally depressed, and it attracted private and public sector support. Government-supported LEIs also operated in Canada (e.g. Business Development Centres) and France (e.g. Boutiques de Gestion or Management Shops). Also, LEIs operated in Britain (e.g. Local Enterprise Agencies) with the support of local authorities and organisations (NAGEI, 1987:ix, 3-4, 51-54). Australia was also involved in local employment initiatives. Yet, at least one analyst argued that this field could be given greater priority, especially with the geographic concentration of unemployment in specific regions in Australia. Unemployment had a very high geographic influence. It emerged mainly in major regional centres, rural town and cities, newer outer suburbs of capital cities and in the older inner city manufacturing and port districts (Windshuttle, 1987:1, 47). LEIs offered Australia the best opportunity for local employment generation and were congruent with an active government role (NAGLEI, 1987: ix).

In Australia, trade union inclusion in LEIs was particularly notable as this encompassed the extension of traditional objectives and it involved them in the role of social partner with business for local employment generation. Both in Wollongong and in Newcastle trade unions concerned themselves with such initiatives through LEI intermediary organisations and also gained financial support from the NSW State government. In Wollongong in the mid-1980s the metal manufacturing group of unions that was affiliated to the SCLC initiated the South Coast Employment Development Project (SCEDP). This drew together support from BHP Steel and relevant State government departments and was shaped into tripartite collaboration. It aimed to broaden the economic base of the Illawarra region by developing industries that correlated to its skill base and industrial infrastructure. It sought to build on the new technologies and new ideas that had an essential relationship with the reality of the Illawarra region being based on a steel industry. Thus, employment would be generated to employ and/ or re-employ the region’s traditional manufacturing workforce (NAGLEI, 1987:86-87; Windshuttle & Burford, 1987:57-63).

Also, another initiative in 1985 in Newcastle in the Hunter region of NSW saw active trade union involvement in a LEI intermediary organisation. The employment officer with the Newcastle Trades Hall Council, together with a former Employment Development Officer of the Hunter Regional Information Network, gained endorsement from a broad section of the community for the Hunter Region Enterprise Agency. It gained approval from representatives of trade unions, industry, government and
community groups (Windshuttle & Burford, 1987:57-61). Its aim was to: “… increase long-term employment opportunities by providing resources and expertise to aid in job creation through the establishment of new small ventures” (Windshuttle & Burford, 1987:59). Its main activity involved actively participating in support of new enterprise development by both providing services directly and by acting as a broker for service delivery. The most important element of this support was through incubator workshops to provide consultation and financial assistance. It was expected that the Hunter Region Enterprise Agency would provide a sound model for future LEI activity (Windshuttle & Burford, 1987:57-61).

LEIs contained several advantages. Most importantly some believed that they did not rely on one region’s growth to be gained at the expense of another region (Windshuttle, 1987:1, 7). Other advantages of LEIs were believed to be their:

a) better targeting at depressed regions or communities that were not as effective at making gains from short-term job creation programs such as the Community Employment Program (CEP). Also, the effectiveness of LEIs was enhanced, in particular, by support from intermediary organisations such as the South Coast Employment Development Project in Wollongong and the Hunter Region Enterprise Agency in Newcastle. They provided advice and assistance to LEI enterprises, which could reduce the failure rate normally associated with new enterprises (Windshuttle, 1987:3).

b) potential to participate in areas where restructuring was predictable. This could apply to the clothing and textiles industry where intermediaries could develop strategies that assisted in the diversification of the local industry so as to expand the employment of people who might lose their jobs (Windshuttle, 1987:2).

c) being “well placed” to combine job creation with training. They did this with the support of intermediary organisations (Windshuttle, 1987:2).

Some analysts warned that the success of LEIs was likely to remain marginal unless they were merged into an overarching framework that combined national industry policy, labour market policy, and strategies for structural adjustment (Sandercock and Melser, 1987, Chapter 8:18). Similarly, another analyst believed that LEIs were virtually ineffective without a national overarching policy (Fagan, 1987:54-55). If they were right, this may help explain why LEIs remained inadequate in Australia, at least, for Federal Government support was not forthcoming. In 1988, it was anticipated by NAGLEI that it would fund an $8 million pilot programme to create 3000 jobs but this was rejected by the Federal Government’s Expenditure Review Committee (Stilwell, 1989:88). Nevertheless the analyst, Bob Fagan, predicted that
diminished forms of LEIs were likely to continue as had emerged well before union and
government officials and academics discovered them (Fagan, 1987:52). Some LEIs
continued into the 1990s despite lack of government support but their growth and
effectiveness was limited and trade union opportunity in LEIs was also restricted, or
even discontinued (see Hodginson & Kelly, 1993:113-132).

It can be concluded that trade unions have potential in this form of local
employment generation, even though their involvement was still fledgling in the 1980s
(NAGEI, 1987:6). However, trade unions have not been able to build on this
involvement as the literature suggests that LEIs needed government commitments to
prosper and this had not been forthcoming. Trade unions depended on government
policy for the success of LEIs for the development of regional plans, maintenance of
intermediary organisations and financial support of employment-generating LEIs at
least in the initial stages.

The context of this lack of government commitment will be the topic of the next
section. It is important to examine this issue as government policy strongly influenced
the capacity of trade unions to act in the area of local employment generation, as LEIs
indicate.

**Government focus on business**

It was not surprising that Australia, in particular, and Western governments
generally did not continue to support local employment initiatives. The end of the post
World War 2 boom period marked a crisis in economic policy and the widespread
acceptance of Keynesian economics. Conventional monetary and fiscal policies were
generally viewed as being inadequate to deal with the new economic situation. This led
to a political crisis as well in which the legitimacy of the state as the national economic
manager was questioned to the point of being damaged (Stilwell, 1986:6).

It prompted one analyst to comment that state and public sector reform programs
have been driven by a conservative agenda in “every” country from the late 1970s. He
noted that the vigour and scope of the changes varied between nations but “always
aimed at moving some of the coordination functions of nation-societies away from
states and bureaucracies to economies and markets” (Pusey, 1991:3). He suggested that
the justifications and political rhetoric used in driving reforms had been similar. These
included ‘eliminating waste and inefficiency’, ‘feather-bedding’, ‘saving the taxpayer’s
dollar’, ‘streamlining the public sector’ and making the public sector ‘lean and strong’ (Pusey, 1991:3).

Changes occurred in Australia during the 1980s with governments moving towards an emphasis on business, rather than developing a role for themselves, in issues concerning local employment generation. This is evidenced in the lack of commitment to local employment initiatives but also in changes to the traditional method of regional development, which had been popular with Western governments during the post World War 2 boom years. Regional development policy included the component of local employment generation and this had the potential of being a very significant element, depending on the needs of the region. It involved government commitment to economic and social development of regions (Eisenschitz & Gough, 1993:6, 14; Nelson, 1993:27-28).

Yet, trade unions were largely left out of the regional development model, even though its ideology did not explicitly exclude them. In contrast, it was congruent with the ideology of the local economic approach to exclude unions on the basis of being an ‘impediment to the free market’. It had originated from a neoliberal agenda, which viewed trade unions in this manner (Stilwell, 1989:25, 71-73, 80; Eisenschitz & Gough, 1993:6).

The local economic approach emerged as a substitute for regional development policies during the 1980s and 1990s (Eisenschitz & Gough, 1993:6). The corresponding local economic policy developed from ideological changes that occurred at the end of the post World War 2 boom, which was also accompanied by the renegotiated role of the state (Smith, 1981:138-142). National state intervention in regional economic development had been condemned and the scene was set for it to take a dramatic downfall. The local economic approach viewed state intervention in regional development as an ‘impediment to the free market’ and as a constraint on macroeconomic adjustments and so it was relegated below other macroeconomic policies. Its reliance on redistribution through the government’s boosting of certain regions, such as those more depressed, over others was seen to be unfair or even unaffordable. This was despite some assessing that regional development policy was not systematically implemented in practice, and regional deprivation was not often reversed by these methods (Stilwell, 1989:71-73, Eisenschitz & Gough, 1993:6).

The primary method of regional policies, or regional development policies, since World War 2 had been to guide investment to deprived regions such as those that were
chronically underdeveloped or were undergoing cyclical change (Eisenschitz & Gough, 1993:6, 14; Nelson, 1993:28). Governments often perceived regional problems in terms of intractable disparities between rich and poor regions that required regional policies to redistribute and equalise the wealth within the nation. Generally the methods utilised to reduce regional disparities included the stimulation of growth in the lagging regions by infrastructure investments, capital subsidies, worker retraining programs and development permits (Scott, 1992:220). It included promotion and financial incentives such as grants for fixed investment and infrastructure provision. In the US, Canada, Australia and West Germany government at the regional level carried out regional development policies. In the rest of Western Europe and Japan government conducted them at the central level (Eisenschitz & Gough, 1993:6, 14). Various government bodies were formed to perform this task. They included the Economic Development Administration in the US, the Department of Regional Economic Expansion in Canada, the Department of Economic Affairs in Britain, the Delegation du Territoire in France and the Cassa per il Mezzogiorno in Italy (Scott, 1992:219-220).

Regional development policies had a close partnership with macroeconomic policy, delivering at the regional level the benefits that Keynesian macroeconomics delivered at the national level. This included state manipulation of effective demand so as to generate full employment and/or avoid inflation, at the regional level (Stilwell, 1989:71).

However, attitudes changed regarding local employment generation. From the 1980s the local economic approach emphasised the interests of business as being most important in developing regions and thus it highlighted the benefit of private investment (Smith, 1981:138-142). The role of government moved away from shaping the broad pattern of regional development and from a welfarist/equity role to an efficiency role with less reliance on state support (Stilwell, 1989:71, 80). The potential of the government in local employment generation was much diminished in these conditions.

Also, the local economic approach set the scene for the movement of ideas to the local. It included avoiding reliance on externally controlled firms and institutions and emphasised the importance of developing indigenous resources and internal linkages. Linked to these ideas were employment issues. They became an important part of local economic policy. Employment issues were viewed as welfare issues where individuals were seen as being responsible for their own well being that could best be achieved in a non-authoritarian manner so as to be sensitive to diverse needs. Self-help and self-
management by individuals and communities became a focal point. Thus emerged a focus on the enterprise, local job creation and a redistribution of jobs. Local government and community organisations collaborated on methods for its achievement. Interest in enterprises and small firms was revived. An important development in this came from a much-quoted piece of research by Birch (1979) that found that small sector firms were responsible for all net new job formation in the US (Eisenschitz & Gough, 1993:6-9).

Similar to the ‘local integration’ approach examined previously, the local economic approach relied on the development of small firms. However, unlike the ‘local integration’ approach it did not necessarily rely on a network of small firms.

The local economic approach was geared towards local employment generation. It was contentious as to whether this was rhetoric or if there was substance to the claim. In any case, trade unions were largely left out of this model, as they had also been left out of the regional development model, as noted earlier. Yet, Stilwell (1989) believed that unions were largely left out of the local economic approach model as the political right-wing was fuelling the changes, even though the political left was also in favour of these policies because of the “limited capacity for reform through the policies of the capitalist state” (Stilwell, 1989:25). However, the right wing ideologies operated in the context of “the crisis of liberal-Keynesianism management” (Stilwell, 1989:80). He noted important elements that assisted in discerning the character and influence of these ideologies. They included the concept that the market should be a resource allocator and the state should provide the general conditions for capital accumulation. The latter involved “measures to reduce the power of organised labour and to provide infrastructure at minimal direct cost to capital” (Stilwell, 1989:26, 80).

Some analysts portrayed a range of measures that were in contrast to the neoliberal agenda. These included a socially-manageable velocity of investment and disinvestments, for the short-term, ‘ad hoc’ intervention in the nation’s regional and industrial structure while still others wanted the state to pursue a comprehensive regional policy, that was spatial in character (Clark, 1983:3; Stilwell, 1980:164-177). Further, one of these analysts in particular, believed that governments should look further than simply labour market spatial inequalities, as was sometimes the case. He supported the view that regional policy should be part of national economic policy. Not only did governments need to achieve a balance of economic growth between regions but also this should have been in conjunction with governments addressing the structural, demographic and locational features of unemployment. He explained that
“[u]nemployment has a spatial dimension not primarily because of spatial imbalance in the labour market but because of the interaction between (i) depressed national economic conditions and (ii) cities which are characterised by territorial segmentation of socio-economic groups” (Stilwell, 1980:172).

Trade union potential in local employment generation cannot be fully realised without government commitment. This issue appeared in some evaluations of local employment initiatives and in debates concerning regional development versus the local enterprise approach. The issue of government commitment to local employment generation had its roots in its approach to the changing world environment at the collapse of the post World War 2 economic boom. Many western governments adopted a neoliberal agenda, including Australia, which took up some elements. This even had support among Australian trade unions, which can be seen at times during the Accord period between the ACTU and the ALP Federal Government from 1983 to 1996. The unions generally supported the government’s emphasis on private business sector investment, over public, for economic recovery. The next section examines the Australian trade union role in employment generation with a particular focus on the Accord years. It reaches an assessment of the opportunities for Australian trade union involvement in local employment generation.

**Australian trade union involvement in local employment generation during the Accord Years: 1983-1996**

Traditionally Australian trade unions had been involved in issues concerning wages, hours and conditions (Deery, 1983:60, 65). Yet, technological, market and political conditions changed in Australia from the late 1960s and early 1970s (Ogden, 1992:233). This was followed by a decade of economic crisis and recession. In addition, from the mid-1970s manufacturing employment declined in real terms and mining employment fell dramatically. Also, technological changes occurred in traditional union strongholds. Concurrently, capital strengthened its bargaining power during its 1970s re-organisation (Brezniaik & Collins, 1977:13-15). These changes inspired unions to broaden their agenda (Ogden, 1992:233).

This broadened agenda resulted in a social contract between the ALP and ACTU (ACTU, 1983:4). It was initiated by the Amalgamated Metals Foundry and Shipwright Union (AMFSU, subsequently it became the AMWU), which promoted amongst unions a ‘third way’ in new economic strategy that would replace, or at least supplement
Keynesian and monetarist-oriented policies. This was through the combination of a prices and incomes policy with a stimulatory Keynesian fiscal policy. The former was intended to control inflation and the latter was intended to restore the social wage and generate employment (Stilwell, 1986:8). The subsequent Accord was put into effect in 1983 and formed the central basis for many of the policies of the newly elected Labor Government. It was important in setting down the full agreement between the parties (ACTU, 1983:4). Nevertheless, the primary focus of the Accord was on wages policy and this continued through the period of the other Accords (Lewis & Spiers, 1990:54, 64-66), of which there were eight in total, continuing until 1996.

The union agenda during the Accord period was mostly handled by the ACTU. It adopted direct control of most of the Accord mechanisms and then reported to individual union affiliates. It influenced policy at the bipartite or tripartite level rather than working through the Labor Party, as it had done in the past (Zetlin, 1996:71). In general, unions placed much hope in the Accord and it gained overwhelming support among them. They viewed it as the best strategy for dealing with the economic problems of the end of the post World War 2 boom period (Stilwell, 1986:8-10, 121; Hampson, 1996:56-57). However, during the Accord period some dissent arose from the Food Preservers Union in 1983, the Furnishing Trades Society in 1984 and the Plumbers and Gasfitters Union in 1987. Yet the cases of the Builders’ Labourers Federation and the Airline Pilots put an end to dissent as union officials and the Federal Government combined to call in police onto building sites and union offices in the case of the former. Also, the Government used the Royal Australian Air Force (RAAF) to help defeat the efforts of the latter (Bramble, 1997:19-20). Thus the ACTU’s role in the Accord involved it disciplining dissenting action in the trade union movement (Stilwell, 1986:121).

The Accord covered a wide range of issues, yet its stated primary objective was the return to full employment. The economic policy of the Accord may be summed up as consisting of the methods of ‘wage restraint’, the re-distribution of income from wages to profits and an interventionist industry policies. The major aspect of trade union influence in the initial Accord was through wages policy that supported the other aspects of this process (Stegman, 1993:88-89, Stilwell, 1986:89). Moreover, Australia’s largest union at the time, the AMFSU, viewed the interventionist industry policy inclusion as an opportunity to have a major positive influence on economic and
employment policy (Stilwell, 1986:96-97). Each of these elements of the Accord will be briefly considered.

Accord Mark I, as it was later called, held that full employment could be achieved through economic growth in a non-inflationary environment where wages were controlled. The Accord thereby dealt with the primary concerns of inflation and employment. The two were intertwined as the Accord was based on a trade-off. This was between industrial harmony and a shift away from monetary wages increases for the unions in return for a social wage and full wage indexation (McEachern, 1991:29-30; Bell, 1991:122), with unemployment being addressed on a macro scale. The reasoning was that with wages restrained, and inflation controlled, the redistribution of income from wages to profits was almost bound to occur. Thus, firms would be provided with the funds they needed to finance investment and economic restructuring and consequently industry development would follow (ACTU, 1983:7-15). It was envisaged that these funds would be invested productively and stimulate an economic recovery from which all Australians would benefit (McEachern, 1991:7, 14). This indirect way of addressing unemployment through the control of inflation and wage restraint to stimulate the economy may be viewed as a ‘trickle-down’ effect, which was the primary strategy of the initial Accord.

Another more direct method of achieving job growth was through the industry development section of the Accord that focused on investment and economic restructuring. The ALP and ACTU considered it important to devote a separate section of the Accord document to industry development (ACTU, 1983:7-15). The Accord explicitly stated that industry development policy was to be integrated with macroeconomic policy to achieve the goal of full employment (Stilwell, 1986:89). The parties designed an industry policy that was integrated with general economic policies through a national economic planning structure (Stilwell 1986:Appendix B which fully documents the 1983 National Economic Summit Communiqué; ACTU, 1983:10-11). The comprehensive industry policy was intended to integrate both public and private sectors of the economy and provide the framework for tripartite consultations about changes that would be organised on industry, company and workplace levels. It would involve the promotion of growth in new industries as well as sustaining declining and weakening industries (ACTU, 1983:10-11). Second, industry development was initiated through sectoral industry plans. These included the steel industry plan (1984-88), the motor vehicle industry plan (1985-92), the heavy engineering plan and the textile,
clothing and footwear plan (1989-95) and the Heavy Engineering Adjustment and Development Program (1986-1989) (Bell, 1991:122-123; Higgins, 1987:108). They focused on the manufacturing sector, as they believed that it had the potential to provide economic stability. The parties to the Accord held the view that this would mitigate against fluctuations in values and volumes in the mineral, energy and rural sectors and thereby provide the conditions for economic restructuring which would flow-on to economic growth and increased employment (ACTU, 1983:10-11). The parties viewed these combined components as the most appropriate means for achieving the primary objective of a return to full employment (Stilwell 1986:Appendix B which fully documents the 1983 National Economic Summit Communiqué; ACTU, 1983:10-11).

The Accord was closely linked with the economic and political situation. As it changed, the Accord was also re-negotiated (Lewis & Spiers, 1990:53-54; Bramble, 1989: 380), yet it remained mute on the issue of local employment generation. Also, even the issue of national employment generation, tied most directly to industry development policy, took a background position at best. In 1985, Accord Mark II responded to a decline in the terms of trade and a depreciation of the Australian dollar while (Lewis & Spiers, 1990:54, 64-66) the inflationary effects of currency depreciation were minimised by discounting wages for currency depreciation (Stegman, 1993:88-89). Also from then onwards the direct approach to industry policy, as outlined in the initial Accord, diminished (Stilwell, 1986:89-92). The AMFSU had been actively involved in negotiating the initial Accord in which it adopted a leading role in pressuring the government to adopt industry development policies. Even though it was disappointed with the government’s diminished position of industry development policy it nevertheless agreed to modify its initial approach in the later re-negotiations of the Accords Marks III to VIII.

The AMFSU and other unions moved towards a position of attempting to gain benefits for workers from industry development issues of micro-economic reform (Stilwell, 1986:92-106, 156-157; Singleton, 1990:184-185), which some analysts claim to be related to the issue of employment generation (Bell, 1991:130). However, this becomes more difficult to ascertain as the link between micro-economic reform and employment generation is, at best, indirect. Moreover, the micro-economic reform agenda appeared as the unions’ response to the Business Council of Australia’s (BCA) promotion of increased labour market flexibility (Ewer et. al., 1991:41-43; Lewis & Spiers, 1990:64-65).
Chapter 2

The union-supported microeconomic reform agenda began in 1987 with Accord Mark III that signified a change in the trade union response to the economic crisis. Accord Mark III was developed as a result of a further deterioration in the economy. It took form of a discontinuation of full wage indexation, but it nevertheless provided a flat rate of wage increase in the first tier of partial wage indexation. Yet, in the second tier of partial wage indexation, it curbed restrictive work practices by trading them for wage gains that were achieved through negotiations. This indicated the end of the primary utilisation of the Accord as an instrument for macroeconomic policy regulation (Lewis & Spiers, 1990:54, 65; Bramble, 1989:380).

From Accord Mark III onwards there was to be a shift towards micro-economic policy with particular emphasis on micro-economic reform of the labour market. Accords Mark IV and V further developed this course of action with award restructuring, breaking demarcation barriers, multi-skilling, broadbanding, career paths, training programs and changing work patterns (Lewis & Spiers, 1990:54, 65; Bramble, 1989:380). Enterprise bargaining was included in Accords Mark VI to Mark VIII. Overall, this led wages policies from Accords Mark III - Mark VIII (1987-1996) in the direction of supporting industry development by the provision of incentives for the development of a more flexible and accommodating labour market (Stegman, 1993:88-89).

Some argue that unions were instrumental in pressuring the Federal government into adopting micro-economic reform measures in the later Accords. They viewed this response of unions to the opportunities presented in the late 1980s as being encapsulated by the concept of ‘strategic unionism’. Thus unions gained involvement in economic policy at both the national and workplace levels (Burgess & Macdonald, 1990: 53), and thus they claim that unions assisted employment generation. This concept, and its related micro-economic reform measures, emerged from the AMFSU’s organising of the initial moves in this new direction through the 1986 ALP/ ACTU’s joint delegation to Europe (Bell, 1991:130). From this trip the ACTU policy document ‘Australia Reconstructed’ (ACTU/ TDC, 1987) was produced and the concept of ‘strategic unionism’ was conceived (Ogden, 1993:39). It was noted by an analyst that: “[f]rom what was observed in several countries and supported by the ACTU mission, strategic unionism is seen to hold maximum employment as a prime objective, and it is around this that the policies are judged, implemented and adjusted (Ogden, 1993:39)”. However, an examination of other trade union documents that related to strategic
unionism and discussed the long-term strategies for the union movement reflected the diminished attention of trade unions to the goal of full employment. These included the 1987 ACTU Congress Report (ACTU, 1987a - endorsement was received), Future Strategies for the Trade Union Movement (ACTU, 1987b), Australian Manufacturing and Industrial Development Policies and Prospects for the 1990's and into the 21st Century? (ACTU, 1990) and Unions 2001 (Evatt Foundation, 1995).

In any case, analysts claimed that on one level strategic unionism might merely be viewed as a broadening of the ‘politics of distribution’ of national wealth. However, on a deeper level some agreed with the union position that it could be viewed as trade unions moving beyond the narrow focus on wages and conditions and towards a concern with the ‘politics of production’ (Briggs, 1994:2-3; Ogden, 1993:40). Unions liked to view it as the latter approach, which provided them with an opportunity to change from their concentration on the distribution of income and move towards involvement in production and productivity issues. At the national level it involved close cooperation with the Labor Government. At the workplace level unions assisted management in the restructuring of the workplace. This often involved the intensification of work effort but, in return, the unions achieved an increased consultative role and some job security (Burgess & Macdonald, 1990: 53; Briggs, 1994:2-3). The analysts claimed that it can be viewed as moving unions from being defensive and reactive to becoming proactive and taking initiatives and setting the agenda in the shaping of industry and workplaces. Unions were able to do this by becoming involved in national wage policy, involvement in tripartite bodies, education and training, industry policy, award restructuring and by moving to enterprise bargaining (Briggs, 1994:5; Ogden, 1993:40).

Even so, whether the Accords generated satisfactory numbers of jobs was debated. Conflicting assessments were found and different interpretations were given to the economic figures. In terms of employment growth during the Accords it was found that during the economic upturn of 1984 to 1990, employment grew by 3.4 per cent per annum, which was double the OECD average. Also, during the recession and early recovery years between 1990-91 and 1994-95, employment growth declined to 0.7 per cent per annum (Bramble & Kuhn, in press:15). Peter Cook, the then Federal Minister for Industrial Relations, made a positive assessment estimating that between 1983 to 1989 around 1.5 million jobs were created in a workforce of eight million with ninety percent of these jobs being in the private sector. He claimed that this resulted from the
ACTU delivering ‘wage restraint’ where aggregate wages had become predictable and real unit labour costs had been reduced by 15 percent by March 1989 (Cook, 1992:154-156; Singleton, 1990:155). Several analysts supported the notion of the necessity for wage restraint, even though some assessments contained qualified support. They linked this to the sentiment of the Accord generating as many jobs as could be expected given the restraints of the period (Castle & Hagan, 1987:9-11; Singleton, 1990:2, 191; Lewis & Spiers, 1990:54, 64-66).

Other analysts argued that the outcomes from the Accords did not meet expectations and that this trade union strategy was inadequate in meeting its own goals. For example, they claimed that the level of productive investment did not accurately reflect the high level of profit and the jobs created were largely part-time or casual, and thus not of high-quality. Also, the Accords sought restructuring that would revitalise manufacturing industry rather than preside over its decline, with this industry being an important part of the strategy in bringing about an economic and employment recovery (McEachern, 1991:64-68, 80-81, 144-146). Also, they assessed that the Accords had not brought about increased influence of trade unions, or the state, in increasing investment flows within the economy. These analysts have been especially critical of what they consider to be the ‘ad hoc’ nature and design of the sectoral industry plans (McEachern, 1991:72-81; Bell, 1991:119-120, 134-135; Ewer et. al, 1991:75-78; Ewer et. al, 1987:25, 108, 136, 154-155; Stilwell, 1986:89-92, 96-106).

Some argued that a significant reason for trade union influence in industry development not meeting the expectations prompted by the initial Accord may be, at least, partly attributed to the Federal Government’s lack of resolve on interventionist industry development policy. It placed greater reliance on the efficacy of the market (McEachern, 1991:30; Stilwell, 1986:92-106, 156-157; Ewer et. al, 1991:75, 82-83; Bell, 1991:119-129; Ewer et. al, 1987:99-107). They considered that the problem lay in the original Accord’s industry development policy being subordinated to other policies including the deregulation of the financial sector and the floating of the Australian dollar on the international market. Further, they held that the Federal Government moved away from its strategy of promoting sectoral industry policy as a means towards economic restructuring (Bell, 1991:125; Stilwell, 1986:89-90; Stilwell, 1993:67; Ewer et. al, 1987:107).

Moreover, however, the Federal Government and the national trade union movement failed to give priority to local employment generation. This would have
required it to fully investigate this area and to search beyond the national, industry and sectoral context to the regional context. After the post World War 2 boom period, apart from the regional policy adopted by the brief period of the Whitlam government (1972-75), it was not again seriously considered at the Federal level until 1993, after a decade of the Accord, when it was examined by the Taskforce on Regional Development. This taskforce included Bill Kelty, the then secretary of the ACTU. However, the Keating Labor Government largely did not adopt its recommendations in its Working Nation strategy. Instead the government preferred a more generic industry policy and a market-led long-term approach to infrastructure development (Freeland, 1994:2) and trade unions generally ignored the importance of the regional level and of local employment generation. Nevertheless there had been examples of local union initiatives to generate employment, and some with State Labor Government assistance, such as the South Coast Employment Development Project and the Hunter Region Enterprise Agency.

Conclusion

Overall, trade unions were ignored in the literature regarding local employment generation. Nevertheless, they were included in the policy prescriptions of the global integrationists. These focused on the possibilities for trade union (state/ or community) intervention. Examples included, firstly, their involvement in determining a socially manageable velocity of capital and, secondly, for trade unions, in particular, to explore and develop innovative political organisation and representation methods in response to industrial location and sectoral alterations. Also, they may use the notion of regionalism to their own advantage instead of it being used by capital for its own advantage.

Labour-community coalitions and local employment initiatives were examples of vehicles that could potentially shape capital and shape trade unions along the paths that could lead to local employment generation. Yet, these approaches had not been fully developed. In the case of labour-community coalitions, in particular, they required further development by trade unions themselves.

Nevertheless, local employment initiatives and labour-community coalitions demonstrated that the role of trade unions in local employment had developed to a stage where they could play a role at the local/ regional level. Also, they have potential for further involvement, as these methods had not been developed to their full capacity. At this stage, local employment initiatives would require government commitment, which could provide trade unions with opportunities for their own involvement and influence.
Even so, in Australia at least, at the national level unions had largely been in agreement with Government policy that developed towards a focus on market-led solutions to employment generation and industry development, generally viewing these as being the best alternative. The national trade union orientation to employment generation generally was mainly focused on the Accord where its potential was not fully realised along with the potential of the Accord in employment generation generally not being fully realised. The approach of strategic unionism was not focused well enough on employment generation to make it a definitive response to this issue. Unions’ primary concern was to be part of the process and to lead it into a microeconomic reform direction in which unions could benefit through increased skill, career paths and an influence in enterprise bargaining. Yet, the objective of returning the nation to full employment had been diminished during the Accord years of 1983 to 1996.

However, trade union potential can be explored at another level. The literature tended to treat trade unions as homogenous bodies and ignored varying levels of government and structure. They may well have further potential in local employment generation, with one possibility involving regional labour councils that are based at the regional/local level. They possess political resources to influence governments and industrial resources to influence employers. This suggests that some parts of the trade union movement are better positioned than others to, firstly, recognise the need for local employment generation and, secondly, to orient themselves towards this objective.

Chapter Three of this thesis examines the neglect of regional labour councils in the trade union literature. Nevertheless it assesses their potential in regard to their involvement in local employment generation. They are peak organisations that oversee the broader objectives of trade unions and they are more closely aligned to the local regional level than other sections of the trade union organisation. Two, at least, joined the State-led opportunity to be involved in local employment generation through the local employment initiative method. This demonstrated their interest and, to some extent, their abilities in this matter, particularly in the industrial cities including Wollongong.
Chapter Three

Neglect of Trade Union Literature on Regional Labour Councils

Introduction

This chapter will examine the general neglect in the trade union literature on Australian regional labour councils. Also, it will highlight the potential of regional labour councils in local employment generation as a prelude to discussing this topic in the thesis. Chapter Two indicated that Australian trade union commitment to local employment generation could be deepened and expanded. The issue of local employment generation can be particularly relevant to regional labour councils as these peak union bodies operate at the local level and embody the broad social objectives of the trade union movement.

The last chapter pointed to limited scope of trade union experience in local employment generation. Nevertheless, Australian trade unions also have been involved in other employment issues. These have included the hiring and firing of employees and the negotiation of rules concerning the selection, promotion, dismissal and discipline of employees. Their involvement in these areas stemmed from a role where they attempted to protect their members (and potential members) against arbitrary treatment by management. This role expanded since the 1970s when union involvement with employment issues also took the form of job security. In particular this was exercised in protecting the existing workforce from retrenchment (Deery, 1983: 71-72). Yet this measure was sometimes gained at the expense of other workers’ job security in that it was gained after an initial reduction in the number of jobs (Burgess & Macdonald, 1990:53). Also, nationally, unions had neglected to launch a long-term concerted campaign for regional policy and for the expansion of jobs at the regional and/ or local level. For reasons outlined in the previous chapter, the potential of regional labour councils will be examined.

The place of a peak body within the trade union structure is important in defining its purpose (see Ellem & Shields, 2001a:9-11). This structure includes peak bodies that work at the regional level and concern themselves with community issues. This chapter considers the potential of these regional labour councils for local employment generation by analysing their internal authority, purpose, role, methods and strategies. The literature, however, tends to understate the presence of regional labour councils.
This occurs not only in the literature on trade unions but also within the literature on peak union councils. The latter often does not disaggregate between national, state and regional peak bodies. Yet, it cannot be assumed that they all operate identically. Nevertheless, this is partly addressed by a few more recent analysts, particularly one who uses the term ‘intermediate councils’ to denote state and regional labour councils, in contrast to the national peak council (Brigden, 1995:4).

**Regional Labour Councils**

Regional labour councils (or provincial labo(u)r councils) are peak union bodies, which are essentially a union of unions, and comprise of representatives of affiliated bodies (Dabscheck & Niland, 1981:124). As such they are cooperative interunion organisations with a primary role of coordinating the activities of their constituents. They form part of a network of cooperative interunion organisations with others including workplace committees, industry groups, state labor councils, national centres and the political party (Martin, 1980:124-130). However, regional labour councils are defined by their locality (Martin, 1980:49) and hold a position of being “key constituents of regional unionism” (Ellem & Shields, 1996:378).

Similar to the regional (trades and) labour councils in Australia, British, Scottish and Irish trades councils are organised on a city or town basis. Also, the US and Canada have analogous city or town-based bodies. In addition, the US and Canada have state-based bodies comparable to the Australian state-based labo(u)r councils. In Australia the organisations are often referred to as ‘trades and labour councils’ whereas in Canada and the US they are known as the ‘federation of labour’. The terms used in Britain, Scotland, Ireland, Wales and New Zealand are usually ‘trades councils’ (Brigden, 1995:4).

Australian regional labour councils occupy a unique position in the trade union structure. This position correlates with their internal authority, purpose, role, methods of operation and strategy. They have a lower ranking in the peak union structure, which consists of national, state and regional peak councils (Ellem & Shields, 2001a:2), and their standing is sometimes expressed in terms of being: “beneath the ACTU…” (Rawson, 1986:44). Also, this lower position can make them appear as if they are in a subordinate role, as the quote would suggest: “[f]ormally speaking, provincial councils (except in Tasmania where the situation is more complicated) depend on the recognition of the relevant metropolitan councils for their status, a relationship which in some cases
is reflected in their being given representation on the parent metropolitan council” (Martin, 1980:50). This suggests that the structure is a hierarchical one.

Some of the views on the lower ranking of regional labour councils may help explain neglect in the literature on these bodies. However, the status of regional labour councils in the structure is open to debate. Martin regards the various state labour councils (or metropolitan councils) as being more important than regional labour councils, with the recognition and status of the latter bodies being dependent on the former. Similarly, Dabscheck & Niland believe that “because of its size and influence, the ACTU is the premier union peak council in Australia” (Dabscheck & Niland, 1981:125). Also, regional labour councils such as Wagga Wagga Trades and Labor Council have had a weaker and less permanent existence. From its establishment in 1943, up to the present, the Wagga Wagga Trades and Labor Council was beset by problems, some of which stemmed from the local unions being unable to foster local activity. It experienced difficulties such as inadequate funds, antagonistic political differences among delegates and individual union branches, and subsequent lack of affiliations. Also, the Trades Hall operated only periodically and thus union affairs often were conducted in various halls, hotels, individual union offices and private homes (Eather, 2000:149-150). Yet other literature offers a contrast to some analyst’s implications that the lower ranking is less important. Markey makes that point that, contrary to popular belief, the NSW Labor Council has been at least equal to the ACTU in instigating industrial reform in Australian history (Markey, 1996). Martin also considers some regional labour councils in major industrial areas as being a significant force (Martin, 1980:50). These may include the South Coast Labour Council, the Newcastle Trades Hall Council and the Barrier Industrial Council.

The lower ranking in the trade union structure may mean intermediate bodies are closer to the rank-and-file than national peak councils. They offer the rank-and-file and union delegates greater opportunities for involvement, participation and identification. It may be argued that this structure, in which decentralisation is inherent, allows for greater democracy (Brigden, 1995:2, 7). Brigden argues that “[w]ith evident pressures for increasingly centralised control at the national level, intermediate peak bodies provide a necessary forum for the expression of diversity within the union movement, in particular reflecting local issues and enabling local participation” (Brigden, 1995:15).

Also, the intermediate bodies have been the impetus for the formation of national bodies. For example, Australian State labour councils were important in forming the
ACTU and in assisting it to develop, particularly up until the end of World War 2 (Markey, 1996:1-7). Some view intermediate bodies as performing a pioneering role that other trade union bodies had subsequently adopted. They are therefore seen as the “cinderellas of the labour movement” (Brigden, 1995:7). However, this does not apply in the US where state bodies arose outside of the development of the national peak council (Brigden, 1995:15).

**Literature coverage**

The literature directly focused on regional labour councils (or provincial trades and labour councils) is scant. Therefore, the related literature on peak union councils and intermediate union structures, that refers to state and regional bodies together, needs also to be gleaned for relevance to regional labour councils. Also, some of the general trade union literature may well relate to peak councils but it is not always disaggregated. Thus, in this thesis the general trade union literature is discussed in both a tentative manner and as a support to the literature on peak councils, when necessary.

Regional labour councils are often neglected in the industrial relations and labour history literature both in Australia and overseas. The small amount of attention they have received has focussed on issues such as their history (Richardson, 1984; Nixon, 1984), their involvement in collective bargaining and in the life of Broken Hill (Howard, 1990a and 1990b) and in why they form (Ellem & Shields, 1996:377-411, Ellem & Shields, 2001a:1-14). In addition, a very few in-depth studies have been made into peak union bodies. The pertinent ones primarily consist of Hagan’s history of the ACTU and Markey’s history of the NSW Labor Council (Hagan, 1981; Markey, 1994).

Research into these institutions has begun but there is still much to be done. Even in relation to peak councils, generally, Ellem and Shields report that in 1996: “there have been very few attempts to analyze, let alone theorize, about [peak union] development” (Ellem & Shields, 1996:377). Further research into this area is needed for several reasons. Peak unions operate at many levels of industrial relations, being the national, state, regional and industry levels. Also, they embody an important feature of trade unions, which is inter-union cooperation (Ellem & Shields, 1996:377). Regional labour councils “... are important bodies in the formulation and carrying out of combined union industrial policies” (Ford & Plowman, 1983:511-512). Much needs to be learnt. Trade union literature on strategy includes very little on the role of regional labour councils and thus makes it difficult to anticipate their direction in the labour
movement of the future (see Brigden, 1996:366-371). Some analysts suggest that such studies would reveal more about trade unions generally (Ford & Plowman, 1983:511-512).

In Australia, some research into regional labour councils has been conducted with the Barrier Industrial Council (BIC) attracting particular attention. The reason for this is varied and includes:

[the BIC's] background of working class militancy, radicalism and mobilization, its subsequent role in co-ordinating a collective bargaining system distinct from state or Commonwealth awards or its operation as a quasi-local government during the long years of Broken Hill’s mining prosperity (Ellem & Shields, 1996:379-380).

It is one of the best known examples of a powerful regional labour council. Some view it as atypical while others suggest that it has wide significance in understanding peak union bodies (Ellem & Shields, 2001b:62, 82). In Martin’s examination of the role of interunion bodies in Australia he draws upon several examples from the BIC to illustrate various points (Martin, 1980:125-127). Similarly, in their industrial relations text, Fox and colleagues mention the BIC for points of illustration (Fox, 1995:147, 151, 182, 223, 561). Also in Ellem and Shields’ model of why labour councils form they use the BIC as their case study (Ellem & Shields, 1996). Howard and Walker have directed several writings to the importance of the BIC in the industrial, social and political life of Broken Hill (see Walker, 1970:178-240; Howard, 1990a: 8-23; Howard, 1990b: 65-77).

The relationship between peak bodies and their affiliates has dominated the concerns of analysts of peak union bodies. It is characterised by the issue of internal authority, which is the topic of the next section. Much of it is concerned with the ACTU, and little mention is made of regional labour councils, specifically. Nevertheless, this literature may well be pertinent to regional labour councils as a peak union body.

**Internal Authority of Regional Labour Councils**

An important reason for a focus in the literature on internal authority may be attributed to Martin’s pioneering work on peak union councils in which he highlights this issue (Ellem & Shields, 1996:378-380). His work compares peak authority over its constituents, between the national Australian trade union body, the ACTU, and its UK counterpart, the British Trade Union Council (TUC). The issue of internal authority and peak union councils is particularly pertinent to its role in collective bargaining. Martin provides the example that the ACTU’s industrial activities of direct negotiations with
employers and coordinating strikes “encroach on the procedural as well as the substantive *raisons d'être* of its affiliated unions, and therefore on the most vital aspects of their autonomy (Martin, 1966:157-158)”. In essence, he argues that the peak unions’ internal authority rests on its ability to limit the affiliated unions’ independence in areas that the affiliates consider important. In a later writing Martin adds that the control peak union councils have over their constituents varies among and between the interunion bodies of state labor councils and the national council as well as workplace committees, industry groups and the political party. However, it is invariably limited as the constituents are independent organisations with their own resources (Martin, 1966:147; Martin, 1980:129-130) even though these are mostly inadequate. Also, it is the affiliates that provide financial resources to the peak council, without which they could not survive, and the affiliations are voluntary (Briggs, 1999:10, 17; Ellem & Shields, 2001a:2).

Dabscheck depicts the nature of the relationship between the affiliate and the ACTU somewhat differently from Martin. Dabscheck writes that while Martin’s criterion may be valid it is rarely put to the test. Dabscheck assesses that Martin views the relationship as involving the relinquishing of authority by the affiliate and the corresponding gaining of authority by the ACTU. Yet Dabscheck instead suggests that the relationship is much more cooperative and consultative, and that the dominant feature of the relationship is that the affiliates have ultimate authority. The ACTU acts in the capacity of serving its affiliates. The ACTU responds to the affiliates’ requests to take up issues and make representations on their behalf. Affiliates go as far as adopting a “calculated and highly instrumental ploy” towards the ACTU to help themselves in ways that they need help (Dabscheck, 1977:397). He suggests that: “Compulsory arbitration has developed calculative unions, a type of unionism which is prepared to instrumentally make use of ‘outside’ or ‘external’ bodies if this will enhance their prospects of realizing their goals” (Dabscheck, 1977:400). In this case the outside or external body refers to the peak union council (Dabscheck, 1977:392-393, 397-401).

In any case, Martin appears to agree with this observation of the ACTU. He adds support to Dabscheck’s analysis by stating that:

> [t]he remarkable feature of this authority is that is has virtually nothing to do with constitutional provisions or formal sanctions. In other words, such authority as the ACTU has is a matter of influence rather than coercion. It is a product of compromise and judgement of what is expedient and what is not. It depends, in part, on the personal relations between ACTU and union leaders. It also depends partly on the nature and balance
of personal, industrial and political alignments within and among the affiliated unions (Martin, 1980:130).

In addition, Griffin describes most authors, including Dabscheck and Martin, as accepting the idea that the ACTU has little authority over its affiliates (Griffin, 1994:82-85). Yet, in an analysis of the Accord period, he argues that the ACTU’s authority over its affiliates increased significantly (see Griffin, 1994:99-100).

Brigden and Markey support the notion that relations between the intermediate peak body and affiliates change over time. For example, the British intermediate councils found that the scope of their activities were more circumscribed over time and observed themselves becoming subservient in their relations to the TUC, from above, and to the national unions, from below (Brigden, 1995:10). Similarly, in the late 1980s the NSW Labor Council considered that its future role would change in response to “the changed composition and role of the ACTU and the growth of larger unions” (Markey, 1994:430).

Further, in Brigden’s work on intermediate union councils she views peak union internal authority as corresponding to the issue of power, which is not specifically dealt with in this literature, yet it can inform the debate on authority. Thus, she extrapolates from Hyman’s analysis of trade union power and applies it to peak union council authority. Hyman views trade unions as “an agency and a medium of power” (Hyman, 1975:65). In particular Brigden is concerned with the concepts of “power for” and “power over” and what these suggest about the peak council - affiliate relationship. She argues that affiliates provide intermediate councils with “power for” utilising their collective strength to pursue common interests, through coordinating action, negotiating on their behalf, support with strikes that includes financial support and curbing strike breakers. Also, peak councils use “power over” affiliates. Likewise, affiliates use “power over” other affiliates in struggles to determine common interests such the strategy, direction and leadership of the peak council. This arises as unions have disparate notions of the purposes of both unions and peak councils, which sometimes leads to ideological conflicts. Moreover, the concepts of “power for” and “power over” are interrelated (Brigden, 2000:62-64). Brigden describes this relationship: “For peak bodies, affiliate acceptance of exertion of ‘power over’ will to a large degree depend on the acceptance of the construction of ‘power for’ (Brigden, 2000:64)” . This suggests that affiliates do give up their power to the peak council but ultimately power resides with them and they are also free to withdraw that power.
Internal authority is important to national peak and intermediate union councils. It provides a sign of the quality of relationship they experience with affiliates. However, their authority may never be put to the test as it is usually based on an understanding of cooperation. Nevertheless, it is a negotiated position over time, with the possibility of the affiliates withdrawing their support of the peak councils, which are dependent on them. The peak union councils’ power is determined, to some extent, by the quality of this relationship that is influenced by factors inside the unions and includes the nature and balance of personal, industrial and political alignments within and among the affiliated unions. Yet, implied in this debate is that in the relationship between peak councils and affiliates, the former may not need specific endorsement from the latter when it engages in certain issues of broad concern to the union movement. The literature does not cover the extent to which much of this analysis applies specifically to regional labour councils. However, as a peak and intermediate union body, regional labour councils are likely to experience a similar dynamic in their relationship with affiliates as the other peak councils. Consequently, it can be assumed that regional labour councils’ potential for local employment generation rests, at least to some extent, on the relationship it experiences with its affiliates. This could well influence whether regional labour councils’ pursue their potential in local employment generation and how they approach this issue.

The issues that regional labour councils pursue are related to their purpose, which is the topic of the next section. However, the meaning of the term ‘purpose’, requires clarification as it relates to trade unions. This thesis mostly concurs with Martin’s views because he is one of the few authors to explain concepts such as these. Most authors tend to assume that the meanings are widely understood. Martin notes that many authors use the terms ‘purpose’, ‘role’, ‘function’ and ‘objectives’ interchangeably but he prefers to view them as different. Nevertheless, Martin contends that trade union purpose is synonymous with its objective. Further, sometimes purposes can vary from one another and be viewed as alternative purposes. Also, they can have different layers. This occurs where one purpose embodies another purpose. For example the purpose of industrial self-government may be viewed as embodying the purpose of improving wages and conditions. These purposes are not necessarily alternatives nor do they necessarily display different ranking in order of priority. They can be viewed as different layers of the one purpose. Nevertheless, Martin argues that sometimes a distinction can be made between purposes in terms of importance. Purpose can have
various levels such as primary and secondary or major and minor purposes (Martin, 1989:4-5). This thesis will expand these notions of primary and secondary purpose, so as to remain consistent with some other authors as well as Martin. It will use the term ‘purpose’ to indicate overall purpose, or primary purpose, and it will use the term ‘role’ to signify secondary purpose.

**Purpose of Regional Labour Councils** – (overall purpose)

Dabscheck and Niland believe that the purpose of trade union peak councils, like all unions, is attention to the advancement of members’ interests. This arises from their view that Australian trade unions seek to achieve their objectives by making use of peak or central trade union bodies (Dabscheck & Niland, 1981:147). Briggs expands on this view to include the special purpose of peak councils, within the labour movement, of pursuing and reflecting union interests generally (Briggs, 1999:10-11, 28). Similarly, Howard identifies regional labour councils as carrying out the interests that are of broad concern to both the unions and the labour movement (see Howard, 1990b: 65-77). Markey and Brigden place this in the context of ‘movement’ (Markey, 1994:6-8; Brigden, 1995:9-10). Martin views movement as applying to “… the collective trade unions. A bond of much greater scope is implied – a shared ideological position involving, above all, a vision of politically-induced economic and social improvement” (Martin, 1980:96). Similarly, Flanders cites G.D.H. Cole in explaining the concept of movement as “[implying] a common end or at least a community of purpose which is real and influences men’s thoughts and actions, even if it is imperfectly apprehended and largely unconscious” (Flanders, 1970:43). Flanders adds that “[t]he members of a movement combine because, sharing in some measure the same sentiments and ideas, they want to achieve the same things” (Flanders, 1970:43).

Both Markey and Brigden argue that intermediate peak bodies keep the sense of trade union ‘movement’ alive, partly due to their unique composition and central meeting arrangements, which allows them to reach beyond that which is attainable for individual unions. Intermediate peak bodies provide a forum for unions to move beyond their individual interests and towards the maintenance of the movement’s collective interests including a concern for social issues (Brigden, 1995:2, 9-10; Markey, 1994:6-8). O’Connor goes so far as stating that the intermediate bodies’ concern with social issues is much more important than their coordination of industrial affairs (O’Connor, 1989:356).
Markey and Brigden assess the notions of ‘movement’ and ‘organisation’ in relation to each other, which assists in analysing the purpose of regional labour councils. They draw from Flanders in counter-balancing the trade unions’ need for movement against its need for organisation (Markey, 1994:6-8; Brigden, 1995:9-10). Flanders proposes that the bonds of trade union organisation differ from trade union movement as they originate from:

… ensuring that its members comply with its decisions. These means are its sanctions; the rewards it can offer and the penalties it can impose to uphold its internal discipline. On the strength of its sanctions, rather than on the appeal of its objectives, the unity and power of an organisation depends (Flanders, 1970:43).

Markey and Brigden conclude that both are needed for effective trade unions. They contend that problems arise when one part of the trade unions outweighs the other part. An appropriate mix between movement and organisation is necessary. Therefore the purpose of intermediate peak bodies is to ensure both movement and organisation. If this is not achieved perhaps sectionalism rather than unity of trade unions will result (Markey, 1994:6-8; Brigden, 1995:9-10).

Ellem and Shields also add to this debate on movement versus organisation. They view sectionalism, as opposed to unity, as being the normal state of affairs for unions, which is reflected in not only their judgement as whether to form a peak council but also in its potential effectiveness. They perceive unions as “sectional” and “competitive” organisations, in contrast to another view that conceives unions as inherently “cooperative” and “class-unifying” (Ellem & Shields, 2001a:8). In light of their research into regional labour councils, they suggest that the origins and purpose of peak councils is characterised by “horse-trading, factional and organisational conflict and forced compromise” (Ellem & Shields, 2001a:2). Unions need to forge and preserve a “power equilibrium”, or “internal power balance”, within the peak council for them to unite and remain united with a common purpose and strategic orientation. In such a situation there is a balance of power. Ellem and Shields support Brigden’s assessment that peak council common purpose and interests are mediated within the organisation and contingent on power relations between unions themselves and between unions and the peak council. Yet, internal or external changes may disrupt this equilibrium and alternative structural configurations may result with different ideas on their purpose. In any case, the unions’ common purpose is defined by their arrangement into a particular peak body. Consequently, regional labour councils are defined by the common purpose
of pursing regional interests (Ellem & Shields, 2001a:1, 5, 8, 11). The structures provide the boundaries for negotiations between the unions concerned.

Previous discussion suggests that the common interests negotiated by unions need to be broader than their own organisational interests. Markey believes that, despite many successes, this is a challenge both for the NSW Labor Council and unions. They need to “recapture a sense of working class commitment to a movement, rather than just an institution” (Markey, 1994:527). This points to the importance of unions engaging in social issues.

Given that regional labour councils’ constituents are trade unions, rather than individual members, the movement part of the debate suggests that they do, and should, involve themselves in issues that reach beyond that which is attainable by individual unions and are of general social concern. It would seem from an intuitive point, at least, that regional labour councils could act in the area of local employment generation as part of its general social concerns.

In addition, the roles of regional labour councils could be important in determining their potential for interest in local employment generation, which is the topic of the next section. Roles also relate to the political and industrial methods of regional labour councils. Following from the previous discussion of the term ‘purpose’, the role of regional labour councils forms part of their secondary purpose(s), as distinct from their overall purpose. Also in view of Martin’s discussion on terminology his term of ‘method’ will be used to denote trade union function, means or mode of action intended to fulfil the purpose or role (Martin, 1989:4-5).

**Roles of Regional Labour Councils** – (secondary purpose)

The roles of regional labour councils cover broad issues of unions that arise from their position in the community and working with the local unions. It includes: facilitating recruitment of members; providing a service to trade unions; involvement in community issues; promoting trade unionism in the community; distribution of information; training and education; providing a forum and focus on a regional basis for working people; organising campaigns; assisting and supporting union officials, delegates and job representatives; advising and assisting workers on coverage, awards, occupational health and safety, superannuation, workers compensation, social and environmental issues; assisting disadvantaged groups; servicing retired and unemployed unionists (Provincial Trades and Labor Councils conference, 1993). Added to this they
are sometimes involved in the promotion of selective benefits covering sickness, hospital and superannuation funds and they sometimes lease office space to affiliates through a ‘trades hall’ structure (Martin, 1980:125-27).

The literature on the roles of regional labour councils, specifically, is scant. So, the peak union council literature needs to be closely examined as a supplement to the other literature. However, it is important to exercise caution, as national peak councils may differ from regional peak councils. In fact, part of the reason for Brigden to distinguish between national peak union councils and intermediate peak councils is because she views the latter (regional and state labour councils) as having more similarities than differences. This is especially in terms of their purpose and role, when compared to the national peak councils (Brigden, 1995:4).

The literature traditionally divides the roles of peak councils into ‘industrial’ and ‘political’ (Markey, 1996:11-14; Brigden, 1995:5; Dabscheck & Niland, 1981; Martin, 1980). However, more recently Briggs, Ellem and Shields have added further clarification by classifying the roles under mobilisation and exchange. Yet, they describe the form, or dimension, that these roles take as ‘political’ and ‘industrial’ (Briggs, 1999:29, Ellem & Shields, 2001a:5). Moreover, immediately when they describe the roles of mobilisation and exchange they deal with the manner of action intended to fulfil these roles, which corresponds with the term ‘method’ as described by Martin (Martin, 1989:4-5). Similarly, the other authors also discuss method when they describe political and industrial roles. So, examination of the role requires an account of methods employed. Consequently, in addition to discussing the role of peak councils, also the methods will be examined in this section. Initially, it will deal with the roles of mobilisation and exchange.

Firstly, peak councils act as an agent of mobilisation within the union structure which is their “capacity to aggregate the atomistic interests, power resources and strategies of constituent unions, and… to stimulate and organise collective mobilisations” (Briggs, 1999:28). Secondly, peak councils act as agents of exchange between the union structure and external agencies, which is their capacity to “act as the bargaining representative of trade unions with other social forces” (Briggs, 1999:29).

The political form of mobilisation involves the methods ‘organising’ … mass campaigns on political issues” and… “[disseminating] political ideology” (Briggs, 1999:29). Alternatively, the political form of exchange involves the methods of engagement in lobbying governments and in corporatist arrangements (my emphasis to
denote the different actions of mobilisation and exchange) (Briggs, 1999:29; Ellem & Shields, 2001a:5). Dabscheck and Niland add to the political methods used in the peak councils’ role of exchange. They lobby governments for legislative changes in the processing and pursuit of trade union interests. Also, they involve themselves in national and state wage cases, acting on behalf of unions, generally (Dabscheck & Niland, 1981:147). Yet, on this latter point, where arbitration matters are concerned regional labour councils are traditionally not involved. Also Martin adds ‘engagement in political action’ to the political methods used in the peak councils’ role of exchange. He describes them as having a strong local orientation that is usually directed towards local government politics and community affairs, and views them as occasional dealing directly with other levels of government “on matters of regional concern”. They frequently pass resolutions on broad issues of national and state policy and generally cooperate with the local ALP organisations in government election campaigns (Martin, 1980: 125-127).

In contrast, the industrial form of the peak union councils’ mobilising role involves them in the methods of “[adjudicating] inter-union disputes, organising industrial campaigns and co-ordinating collective bargaining” (Briggs, 1999:29). Alternatively, the industrial form of their exchange role involves the methods of “direct collective bargaining” with employers and employer associations (my emphasis to denote the different actions of mobilisation and exchange) (Briggs, 1999:29). Dabscheck and Niland expand on the industrial methods used in the peak bodies’ role of exchange. They help their affiliates to reach agreement with employers by acting as unofficial conciliators and, when there is more than one union involved, they coordinate the effort of the various unions (Dabscheck & Niland, 1981:147).

Ellem and Shields specifically identify regional labour councils as being involved in the roles of mobilisation and exchange along with the other peak councils. They also add ‘social regulation’ to these roles. It constitutes the regulation of labour and commodity markets (Ellem & Shields, 2001a:1, 10; Ellem & Shields, 2001b:66). They explain that “…[o]nly a peak union can intervene across different industrial and occupational labour markets; only a peak union can intervene across a diverse range of product and service markets in defence of workers’ living standards” (Ellem & Shields, 2001b:66). For example, the Barrier Industrial Council has been involved in the regulation of both the labour market and the commodity market in Broken Hill. In fact, the purpose and role of the Barrier Industrial Council shaped, and was shaped by,
specific features of the local labour market and its nearness to employers and workers. This helps it to become a powerful force in its region. Even though peak councils are the only structure in the union organisation that can carry out the role of social regulation, regional labour councils, specifically, are often the “best-placed” to perform this role (Ellem & Shields, 2001a:9, 11; Ellem & Shields, 2001b:66-69).

The source of power of social regulation is ‘place consciousness’. The reason for place consciousness is that most working people live their lives in a particular place and form attachments and memories. Even those who migrate move from one place to another place, thus, they do not simply ‘move’ (Ellem & Shields, 2001b:66-68; Peck, 1996, 11-12). Moreover, regional labour councils, in particular, can mould regions and cultivate place consciousness in the regulation of local labour, product and service markets (Ellem & Shields, 2001a:9-11). The source of power of place consciousness lies in the “ideas and social practices” of regional labour councils, among other local institutions, and in a “sharing, or enforcement, of these ideas more widely in a particular space” (Ellem & Shields, 2001a:9). Consequently, social regulation requires the consent from the broad community for its legitimacy. Yet, the drawback for regional labour councils of being involved with place consciousness is that the broader community from which it seeks support may share other interests that contradict its position, which can include parochialism. So while the regional labour councils and unions may be outward-looking, the wider community may be inward-looking (Ellem & Shields, 2001a:9-10). Distinctions are sometimes made in the treatment between ‘outsiders’ and ‘insiders’ (Patmore, 2000:53). Also, it is often assumed that communities hold unitary interests but further reflection suggests that they represent a variety of interests (Cox, 1995:214). This is not surprising as the community may include a diverse range of people such as local, state and federal politicians, union officials, local entrepreneurs, media personnel, clergy, civic leaders and regular workers (Patmore, 1997:218-220).

The roles of mobilisation and exchange have different power sources. The peak council’s source of power in its role as an agent for mobilisation derives from an internal mechanism, the power of its affiliates. Also, this power provides the peak council with the ability to engage in its other role, as an agent of exchange. Yet, the source of power in its role as an agent for exchange is secured from an external mechanism, which is the ‘structural coupling’ it engages in with the state and employers (Ellem & Shields, 2001a:1, 6, 10). “In short, [peak unions] are empowered as agents of exchange by the state’s granting them a degree of legitimacy” (Ellem & Shields,
2001a:6). This ‘structural coupling’ power of peak councils initially arose from a ‘structural coupling’ between unions and the arbitration system through which unions gained legitimacy from the state and employers (Briggs, 1999:18).

All the roles of mobilisation, exchange and social regulation are interrelated. The role of mobilisation for peak union councils lay at its core, on which the role of exchange is dependent. Peak councils cannot participate in exchange unless they mobilise union capacity. Similarly, the role of social regulation is dependent on the other two roles. Peak councils need to be able to participate in mobilising union capacity and to represent the collective voice of trade unions to the state and employers so as to be involved in the regulation of labour and commodity markets (Ellem & Shields, 2001a:6, 9; Briggs, 1999:29-30). The analysis of power sources, and their interrelationships, allows for an informed assessment of the power of peak councils. Also, differences in peak council power can be explained by variations in carrying out the roles of mobilisation, exchange and social regulation (Ellem & Shields, 2001a:1, 11-12).

The literature discusses the legitimacy and importance of the industrial and political dimensions of the role of peak union councils. (This is referred to as industrial and political roles). It is particularly concerned with intermediate union councils. Brigden observes that in the international literature on intermediate peak councils frequently the political role is emphasised over the industrial. She assesses that some analysts and national peak bodies view political activity as appropriate, or legitimate, for intermediate bodies. This includes lobbying governments. In contrast, she observes that some analysts and national peak bodies perceive the method of collective bargaining as inappropriate, for the affiliates could and should do this themselves. Brigden views this perceived need of some analysts for the dominance of the political role to occur to the extent where they view the industrial role as needing to be subordinated to the political. Also, she observes that the subordination occurred at times within the NSW Labor Council and in Western Australia before its union peak body was formed (see Brigden, 1995:5-7). For Brigden, the extent of subordination of the industrial to the political is correlated to the subordination of the union movement to the political party. She relates this to the notion of ‘laborism’ (or labourism) in Australia. She views this as involving trade unions that are willing or coerced into bargaining the parameters of the industrial role, particularly as it relates to industrial claims, with the political party especially when it is in office. Unions hope that this will gain them
access to political policymaking and to more favourable industrial legislation (Brigden, 1995:6).

Markey reinforces Brigden’s critique to the extent of noting that the subordination of the industrial to the political has had advantages for peak bodies such as the NSW Labor Council. It has had a close relationship with the Labor Party throughout most of its history, as it was the founder of the Labor Party. Consequently, when the State ALP has formed government it provided the unions with favourable interpretation of existing legislation and favourable new statutes. Markey lists these advantages as encompassing the areas of amendments to the State arbitration system, improved working conditions, maintained and expanded State employment through public works programmes and government agencies and the gaining of preference to unionists in government employment. Also, union officials have secured appointments to government bodies, particularly the Industrial Commission, and they have acquired political careers. In return the State ALP has received extensive financial and logistic support from unions and their officials (Markey, 1994:518). The exchange involved the NSW Labor Council delivering to the NSW Labor Party a moderation of industrial claims and a channelling of industrial action (Markey, 1994:515-518, Brigden, 1995:6).

Despite this moderation of industrial claims Markey found that the NSW Labour Council developed a significant industrial role as concerns collective bargaining in its capacity of coordinating union action during industrial disputes. In addition, it had a significant arbitral role with its right to appear in all industrial disputes heard by the NSW Industrial Relations Commission (Markey, 1996:11-13). However, this contrast may be explained by Markey’s suggestion that the significance of political and industrial roles of intermediate councils changes over time. He found this to be the case in examining the developments within the NSW Labor Council over the last century. He attributed the change in emphasis of roles as being related to the changes in the social and economic environments (see Markey, 1994).

Also, the Barrier Industrial Council provides an example where the industrial role overrode and even excluded the political. This relates to an historical event, over which there are at least two versions, one by Howard (1990a) and the other by Ellem & Shields (1996). Nevertheless, they both agree that the industrial role prevailed as the sole form in the BIC in the early 1920s, at least officially. However, Howard explains that the account began in 1923 when the Barrier Industrial Council (BIC) fought for and welcomed the affiliation of the Workers Industrial Union of Australia (WIU of A).
Then, a year later the WIU of A influenced a proposal that essentially meant that the BIC incorporate a political role into the industrial body. The president of the BIC, Paddy O’Neill, fought this proposal and won the challenge and at the same time he was able to retain the affiliation of the WIU of A. He put up the argument that industrial issues were a matter for collective action but political issues were the concern of individuals (Howard, 1990a:9). However, Ellem and Shields describe the course of events somewhat differently, yet the outcome remained the same (see Ellem & Shields, 1996:406). Nevertheless, this situation was not sustained, as politics in the BIC was not able to be isolated from its industrial role. This was shown by the BIC and its members becoming closely involved in the local branch of the ALP (Howard, 1990a:9).

In summary, the role of regional labour councils is centred on their existence as regionally based interunion organisations. This involves them in broad issues of unions that relate to the needs of the local unions and the community. The literature assumes that regional labour councils perform the role of any peak union council, as it often does not distinguish regional labour councils from the others. Yet, it differs at least in relation to an arbitral role which some literature points out does not extend to regional labour councils. So, drawing to a large extent from the peak council literature the role of regional labour councils, tentatively at least, is to assist affiliates to mobilise themselves, exchange with employers and the state, and to socially regulate labour and commodity markets. They evoke political and industrial methods or actions to carry out these roles. In the former regional labour councils help organise political campaigns and promote political ideologies. They involve themselves in political action such as lobbying governments for favourable legislative changes. Furthermore they act in varying measure as an information centre for affiliates. In relation to industrial methods, regional labour councils assist affiliates in collective bargaining and in industrial campaigns with employers, when there is more than one union involved. They coordinate the effort of the various unions and act as unofficial conciliators. Also, they assist in an affiliate’s demarcation and jurisdictional negotiations with other unions. In addition they can involve themselves in corporatist arrangements.

Peak councils, including regional labour councils, draw from various sources of power depending on their role. Their source of power for mobilisation is gained from their affiliates, for exchange it is gained from the ‘structural coupling’ they engage in with the state and employers and for social regulation it derives from the place consciousness of the community. Also, these roles are interrelated. They draw from one
role to fulfil the other. Analysis of the interrelationships between power sources allows for an informed assessment of the power of peak councils.

Of the peak union councils, regional labour councils are particularly well-placed to perform the role of social regulation as it involve ‘place consciousness’. They may intervene in the local labour and commodity markets and thus shape these markets and, in turn, the market shapes them. This role is dependent upon broad community consent for its legitimacy.

Legitimacy is also an important issue in the debate in the literature as to which role, or more accurately, which dimension between industrial and political takes precedence. Generally it is viewed that the political dimension, or form, takes precedents over the industrial. Advantages exist in the arrangement because of the close relationship between the trade unions and the ALP. Yet these advantages rely mostly on the ALP being in government, rather than in opposition. Trade unions do not traditionally share a close relationship with the major conservative party in Australian politics, the Liberal Party. In any case, the industrial dimension is deeply embedded historically and remains important in the contemporary setting. Both dimensions are important for regional labour councils, and this indicates the possibility for their use in local employment generation.

The terms ‘industrial’ and ‘political’ roles are clarified by Ellem and Shields, who portray the roles of peak councils as being mobilisation, exchange and social regulation which take both an industrial and political form, or dimension. However, only Martin introduces a discussion of some of the terms, particularly in relation to method. In fact, many authors make no distinction between the terms ‘role’ and ‘method’ when discussing the industrial and political. Nevertheless, in view of Martin’s discussion, this thesis contends that as a corollary to possessing industrial and political dimensions of their roles, peak union councils have also developed industrial and political methods to put these roles into effect. In addition, peak union council activity occurs in industrial and political arenas (or social settings), so this term will also be used. The next section will review industrial and political method. It will begin with an examination of general trade union industrial and political methods so as to clarify the later literature that deals directly with peak union councils. This clarification is necessary as the literature on regional labour council methods lacks development as to how ‘industrial’ and ‘political’ are used.
**Industrial, Political and Mixed Methods of Regional Labour Councils**

Unions may pursue industrial and political issues through various methods. ‘Industrial’ issues relate to wages and working conditions, including shorter hours, better leave entitlements, improved superannuation benefits and safer working conditions. ‘Political’ pertains to broader social and political issues that do not necessarily directly affect workplace employment conditions (Deery, 1983:74, 89). It encompasses the pursuit of general working class interests and also includes the utilisation of political means for trade union ends (Brody, 1993:43).

Methods which unions generally apply vary depending on the situation in both the industrial and political arenas (Deery, 1983:77). In Australia unions have used industrial and political methods in a variety of settings. First, unions’ industrial method of collective bargaining has been used in pressuring employers in negotiations and in pressuring industrial tribunals considering claims (Deery & Plowman, 1991: 272-273). However, it should be noted that since the governments' introduction of enterprise bargaining into the formal wage determination system, during the 1990s, industrial tribunals and trade unions have been relegated to a reduced role. Nevertheless, they remain important parts of the system. In fact unions were important in endorsing the enterprise bargaining approach as part of the Accords of the early to mid 1990s. However, despite acceptance of enterprise bargaining, debate has continued between the parties over the form it should take. This has centred on issues such as the nature and level of involvement, if any, of industrial tribunals and unions (Dabscheck, 1995:80, Chapters 3 & 4). In any case, even though enterprise bargaining was a new name it was by no means a new concept as it had featured in overaward bargaining and consent awards in several key industries including the metal, oil and coal industries, since the 1940s (DIR, 1992:23-24; Callus, 1994:1). Nevertheless, trade unions continue to pursue their objectives through collective bargaining and through the arbitration system.

Second, Australian unions’ use of political methods remains important and has long involved political, social and industrial issues. It has included action over issues of foreign policy such as apartheid in South Africa, domestic policy such as the sacking of the Whitlam government, concerns over sand mining on Fraser Island, ‘green bans’ on development projects and bans on drilling at Noonkanbah in Western Australia in support of aboriginal land rights. Yet, political involvement of this type is rare and had been confined mostly to the unions in the maritime, stevedoring, building and metal industries (Deery, 1983:74).
More commonly, unions engage in party political activity or direct political activity. Firstly, party political methods “... involves trade unions making use of their connections within the ALP to achieve concessions” (Dabscheck & Niland, 1981:145). Many unions have continued their support of the ALP during much of the twentieth century. They have political affiliation to the ALP and have provided the ALP with financial support such as regular affiliation fees and donations at election times. Also, many unions are represented in the policy-making bodies of the party and many union officials are members of the ALP and occupy influential positions within the party (Deery, 1983:86-89). However party political method, as a form of trade union activity, is more prevalent when the ALP is in power. This may take an indirect form where unions lobby, either individually or collectively, so as to gain endorsement from the extra-parliamentary wing of the ALP for particular programmes such as reducing working hours. Indirect political action may also occur in situations where political demands of trade unions are processed and coordinated by a central trade union body such as the ACTU (Dabscheck & Niland, 1981:145).

The alternative, direct political activity, can also be used in a variety of settings. It may involve unions in their capacity as an external pressure group. They lobby governments or their representatives for a favourable consideration of their policies. Unions may also approach governments by making direct representations or deputations on issues of concern such as policies over training, budgets, tariffs, social welfare and legislation. Unions may campaign during election time over issues of concern such as the action of teacher unions advocating more funding for education (Deery, 1983:86-87; Dabscheck & Niland, 1981:145).

The differences between industrial and political methods are not distinct. (See Gardner (1989:56-60) and Deery (1983:77-82) for analysis of the blurring of industrial and political methods in Australia’s distinctive system of conciliation and arbitration where they discuss the problems of viewing ‘arbitration’, as distinct from ‘collective bargaining’). Nevertheless, the separation of industrial and political methods is convenient for analytical purposes but unions often combine both, to varying extents, so as to achieve their objectives (Dabscheck & Niland, 1981:154).

Unions mix methods to reflect what is most appropriate given the governing circumstances (Dabscheck & Niland, 1981:154). When trade unions choose a method or a mix of methods three considerations are important. Firstly they need to examine the nature of the objective or the issue at stake. A certain method may be more appropriate
for the achievement of a particular objective. Secondly, they need to consider whether they can utilise a particular method. Thirdly, if various methods can be used they need to consider the likely effectiveness of each method. This may involve a calculation as to the risks involved in particular methods. Sometimes, if one method fails, another method may be attempted. Moreover, at other times one or more methods may be used to reinforce, or supplement, the effects of another which may involve mixing political with industrial method (Martin, 1980:121-123).

For example, unions may use industrial methods to achieve political gains. This may include political strikes, bans and limitation to apply pressure on employers directly or through the parliamentary system. Conversely, unions may use political methods to achieve industrial objectives. For instance, unions have used their links with the ALP to apply pressure on Labor governments to promote better terms and conditions of employment. Governments may achieve this through their representations to industrial tribunals, through the legislature (Deery, 1983:74, 77, 89), or through administrative fiat in the Public Sector.

The information on industrial and political methods of trade unions, generally, assists in providing a background to the industrial and political methods of peak union councils. Also, the identification of the industrial and political methods of regional labour councils leads to an examination of their activities that shows how they pursue their roles. Markey examines the political activity of intermediate union bodies. He observes that political method is able to take numerous forms. In the case of the NSW peak or intermediate union body, NSW Labor Council, political method included pressuring governments to make changes to legislation and to assist in bringing, or keeping, ALP governments in power. In addition, political method was used in the dynamics of the situation of overlap between the executive bodies of the NSW Labor Council and the ALP that assisted the former in influencing the ALP. Markey provides examples of Fred Bowen, the NSW Labor Council president from 1966-74 becoming the State ALP vice-president in 1966. Also, while John Ducker was ALP State vice-president from 1967-70 he was organiser and then assistant secretary to the NSW Labor Council. He became the ALP State president at the end of 1970 and remained in this position until 1979. In addition, he was the NSW Labour Council secretary from 1975-79. Markey outlines other examples, as well, and makes the point that the holding of dual offices by Labor Council secretaries “... could make them a conductor for influence by the ALP on unions, as well as vice versa” (Markey, 1994:479-80). Also the situation
where numerous former union officials took parliamentary positions helped ensure close links between the NSW Labor Council and the ALP. Yet, Markey makes the point that the overlap of personnel alone did not bring about a state of affairs where the NSW Labor Council could be viewed as being dominant in the affairs of the ALP. Nevertheless, the way this was executed did bring about such a situation (see Markey, 1994:479-82).

Conversely, industrial method of an intermediate body may be viewed in terms of its industrial activities. These include “…bargaining and/ or arbitration, co-ordinating and controlling industrial action, and intervening in demarcation disputes between unions…” (Markey, 1994:4). For example, the ACTU’s industrial activities outside of arbitration included direct bargaining with employers that also involved coordinating strike action (Martin, 1966:157-158). As early as 1966 Martin wrote that:

The ACTU often co-ordinates union claims and takes part in the negotiation of composite agreements with single industries or concerns whose employees are covered by a multiplicity of unions. This procedure is a development primarily of the last decade. It was initially used in relation to federal government departments and instrumentalities, but has been gradually extended into the private sector (Martin, 1966:152).

In recent years, national, state and regional peak councils’ coordination of industrial activity has occurred with greater frequency at the lower levels. This includes the managing industrial disputes, settling industrial disputes and coordinating collective and enterprise bargaining (Markey, 1996:25-26). Collective bargaining is an important aspect of industrial method of regional labour councils, as it is part of the regular activities of trade unions and it is an area in which more than one union may be involved and they may require coordination. The literature covering regional labour council involvement in collective bargaining mostly concerns itself with the BIC. This focus was probably due to the development of a unique system of industrial relations in Broken Hill in which these agreements have been made consistently outside the framework of both the federal and state arbitration system (Walker, 1970:178) up until the late 1980s.

The involvement of the BIC in collective bargaining shows the potential for regional labour councils in this field. All unions in Broken Hill shared affiliate membership with the BIC. It was prominent in negotiations for industry-wide agreements from the 1920s to the mid-1980s in the metal mining industry. The agreements typically covered more than one union that chose to operate as a coalition together with the BIC and the agreements were made with a range of employer
associations (Fox, Howard & Pittard, 1995:151; Walker, 1970:208; O’Neil, 1969:5-8). From 1924-5 to 1986 the making of new agreements involved the BIC collecting logs of claims from each affiliate and compiling a general log of claims. The BIC was included in the official negotiating body that dealt with employers and it was party to the agreements together with the relevant affiliates. The duration of all agreements was for three years and during this time a “no strike” clause was in force. Also, negotiations continued regularly during the implementation stage of the agreements usually concerning matters not covered by the agreements and the interpretation of clauses in the agreements (Walker, 1970: 183-184, 209; discussion on the reasons for the change in 1986 see Howard, 1986:42 and Fox et. al, 1995:561). Thereby, a process of making the agreements developed involving the BIC in the coordination of affiliate claims in the negotiation process and in the implementation of the agreements.

Also, BIC involvement in collective bargaining extended to gaining agreement with employers for preference to local labour in recruitment procedures. Even though it was not specifically written into the agreements, local preference was the unofficial policy that was eventually accepted by employers in the metal mining industry, through an agreement with the major employer association in Broken Hill, known as the Mining Managers Association. In the late 1920s the BIC and affiliates sought local preference as a means of preserving the few jobs that became available for the local unemployed, especially since some were also previous union members. The BIC enforced this agreement through compulsory unionism, where potential recruits needed to be a union member. However, for union eligibility they needed to fulfil certain residential qualifications, which incorporated those born locally and those who were long term residents of Broken Hill (Walker, 1970:202, 219-220; Howard, 1990a:15). Regional labour council involvement in local preference in employment also included an historical example with the impermanent Western District Labour Council in Lithgow in 1904. It urged local government to provide preference to rate payers in public works (Patmore, 2000:60).

It is useful to examine the literature on trade union methods, in general, as this can inform the limited literature on regional labour councils. It explains how both the industrial and political methods are used. Unions use the industrial method of collective bargaining to apply pressure in their negotiations with employers and in their dealings with industrial tribunals. Alternatively, they use political method to influence industrial, political and social issues. Commonly, the method involves indirect or direct political
action. The former includes party political activity such as lobbying the ALP particularly when it is in government or the channelling of trade union demands through the ACTU. In contrast, direct political action consists of unions pursuing their agenda by lobbying governments, of all persuasions, or making direct representation to governments.

In summary, the literature fails to disaggregate regional labour councils from the above use of industrial and political methods. Yet, it remains possible, as trade union bodies, that they are involved in similar action. However, the literature on intermediate union councils does suggests that regional labour councils also use political and industrial methods in a variety of ways and situations. This expands the last section on the role of regional labour councils to provide further details of their methods. It demonstrates that political method includes the actions of lobbing government for legislative changes and assisting with the election of ALP governments and supporting them once they are in power. Also, the manner in which an overlap of personnel is attained between the intermediate council and the ALP assists in the former influencing the ALP. Conversely, the industrial method of intermediate councils includes bargaining with employers, arbitration, involvement in demarcation disputes, and coordinating and directing industrial action. Yet, while the other methods may be applicable to regional labour councils, involvement in arbitration is not. This literature expands on the last section on the industrial role of regional labour councils by demonstrating that the BIC, specifically, was important in negotiations with employers in Broken Hill between the 1920s and the mid-1980s.

In addition, the literature about the way unions determine which method to use in a particular situation may assist in explaining the way regional labour councils determine which method to use. In general, unions choose the industrial or political method that is most appropriate to the situation, as each can be used in a variety of settings. Moreover, unions can increase their effectiveness in some situations by mixing methods. One method may be used to reinforce or supplement the effects of the other which may include combining an industrial method with a political method. Further it can be assumed that unions may easily combine industrial and political methods on a practical level, since their separation is usually for analytical purposes.

Furthermore, since regional labour councils use political and industrial methods it can be assumed that they, like unions generally, also use political methods to achieve both political and industrial objectives, and industrial methods to achieve both political
and industrial objectives. In addition, from the general trade union literature it can be assumed that regional labour councils mix political and industrial methods, sometimes supplementing one with the other, to achieve particular objectives.

Regional labour council’s choice of methods and activities may arise from a strategy. The next section will examine general trade union strategy. The problem with using this literature is that it does not distinguish regional labour councils. However, some points in the literature on general trade union strategy may also relate to regional labour councils or to peak councils generally.

**Trade Union Strategy in General**

The peak council literature does not tend to deal specifically with the concept of strategy in a theoretical sense. Nevertheless, important points emerge from the application of the concept in relation to trade unions. Union goals are linked to union strategy. Union strategy may be approached from at least two perspectives. “Some definitions of strategy concentrate on substance and others on process... The way strategy is devised is a process, and a particular mission is substance” (Gardner & Palmer, 1992:97). Therefore, it is important to consider the nature of a union’s objective purpose when theorising about strategy. Strategic choices are partly determined by the objective that they intend to realise (Gahan, 1992:22).

Yet, union strategy is sometimes hard to identify. A strategy is generally considered to be plan of action or a method of achieving particular goals. A strategy may involve long-term plans and pro-active policymaking but often trade union activity, in particular, does not follow this formula. Instead, it involves ad hoc decision making or muddling through which is often associated with reaction. It is difficult to view this type of decision-making as involving strategy (Gardner, 1989:50, 53-54).

Nevertheless, not all trade union action is reactive. Amongst activities regular patterns may be observed which become characteristic and distinctive (Gardner, 1989:54). Strategy emerges from the process where:

... unions have goals and policies which they attempt to achieve, and regular and common patterns in the way these policies are pursued may be observed... Rather than consciously planning a campaign, successive decisions may evolve into a consistent approach to policy implementation. A union strategy is an unconscious accumulation of decisions about tactics and methods which gradually consolidates into a consistent and regular way of putting programmes and policies into effect (Gardner, 1989:53).

Unions often maintain strategy as long as it is successful to some extent, at least, or when it provides stability. Some decisions are carefully thought through for a
particular occasion and they may be unconsciously replicated on another occasion. The process of replication is often more common than forethought. Yet a ‘post hoc’ characterisation of union strategy involving rational plans is futile, as it often does not work that way (Gardner, 1989:54).

Even though trade union strategy is often implemented by unconscious replication, nevertheless the element of choice is important to understanding strategy. Traditionally, much of the theory of trade union action has been explained by trade union structure and environment. Yet, this explanation is limited to establishing the scope and boundaries of union practice. In the late 1980s, Gardner’s article emphasised the element of choice in trade union strategy. Trade unions make choices about their methods, type and range of policy implementation. Still, these are limited to certain boundaries (Gardner, 1989:49, 52). They are constrained by industry structure, competition, government policies, resources of the actors, internal structures, internal process and to some extent inertia as routines and rules cannot be changed quickly and they may effect other choices being made (Gardner & Palmer, 1992:8). Nevertheless, these choices form a union strategy that involves “… the collected and collective judgements made within a union about means and ends” (Gardner, 1989:50).

Treuren separates the concepts of strategy and tradition but believes that Gardner’s work on strategy also encompasses the concept of tradition (Treuren, 1997:9). He explains this in an example of a particular union decision made by the executive and by members that involves a choice of which action to follow. Decisions on the issue in question had been made on a regular basis since the union began. Therefore the most recent decision on this issue was shaped by an historical accumulation of the earlier decisions. The decision, thereby, became part of the union’s tradition even though it retained the element of choice to pursue that particular course of action (see Treuren, 1997:10).

Further, Hall and Harley expanded the work of Gardner on the importance to agency that this analysis extends to trade unions. They suggest that organisations may be viewed as pro-active agents rather than passive as they are capable of shaping their environments. These agents take actions that correspond to their beliefs about the specific context in which they operate and they use methods that are appropriate to that context (Hall & Harley, 1996:18). Deery and Plowman concur that the unions’ choice of techniques to achieve their goals depends, to a large extent, on their assessment of the most appropriate for the particular situation (Deery and Plowman, 1991:272).
In summary, a union’s strategy may involve ad hoc decision-making or muddling through, which is often associated with reaction. Otherwise, it may involve characteristic and distinctive regular patterns that can be associated with tradition and choice. Therefore union strategy is sometimes reactive but, at other times, it can be proactive as it makes conscious choices, even though these are limited by external and internal factors. Also, these accumulated choices may become part of the unions’ tradition. This examination emphasises that unions in general are involved in strategy, so it is possible to assume that regional labour councils are as well.

Conclusion

This review deals with the theoretical literature on regional labour councils, which is scant. This has caused Ellem and Shields to note that “. . . [a]s to theoretical perspectives on regional, state and local peak bodies, the ground has hardly been broken at all” (Ellem & Shields, 1996:378). Nevertheless some literature covers the issues of internal authority, purpose, role and methods. Yet it barely, if at all, covers the issue of strategy and the literature on methods is not as detailed, as it is in the literature on trade unions generally. So, this review has utilised the general trade union literature to supplement the existing literature on regional labour councils, when appropriate. Also the literature on peak and intermediate union councils has been utilised, when appropriate. Even so, caution needed to be exercised in using the other literatures, as regional labour councils are distinctive.

In addition to pointing to the restricted literature on regional labour councils this review has examined areas that highlight the potential of Australian regional labour councils in local employment generation. To begin with, the literature indicates that the position of regional labour councils in the trade union structure allows for an interest in local employment generation. They are placed in a unique position in the community and with locally based unions. Regional labour councils are specifically focused on the local level and are directed towards local issues. Also, they are in a good position, as a union of unions, to build the trade union ‘movement’ that reaches beyond organisation and even extends to social issues. Local employment generation is commensurate with their purpose and role, which includes a concern for local and social issues in the communities in which they work. Therefore, in those communities, or regions, which experience high rates of unemployment they appear, at least, to be able to take this issue on board.
Regional labour councils intervene in the broad community in such a manner that corresponds to their purpose and role. Peak unions’ role is to mobilise union power into a collective arrangement to use in their exchanges with employers and governments and to socially regulate labour and commodity markets. In relation to the roles of mobilisation and exchange the literature suggests that peak union council authority may never be put to the test but the quality of the relationship between the peak council and affiliates may be determined by factors inside and outside of the unions. It includes the nature and balance of personal, industrial and political alignments within and among the affiliated unions and the wider economic, political and social environment. It can be assumed that this literature also applies to regional labour councils but it is not always specifically disaggregated from other peak unions on this issue.

Nevertheless, the literature indicates, in particular, that regional labour councils are well suited to the role of socially regulating labour and commodity markets. They can influence a variety of aspects of the markets, and also they are well placed to cultivate place consciousness. In all, the ideas and social practices of these organisations help mould place consciousness. In the case of the BIC, it helped shape the local labour market because a broad community viewed its role as legitimate, it was positioned close to employers and workers, and the market had specific features to which the BIC could connect. Moreover, the local labour market helped to shape the purpose and role of the BIC. This role included gaining preference in employment for local labour in a labour market dominated by a metal mining industry in an isolated town.

Regional labour councils have potential for gaining broad trade union cooperation in industrial and political activity. Their ability to use industrial, political and mixed methods, when appropriate, can determine the extent to which they are able to pursue their purpose and role. Therefore, access to appropriate methods is integral to the potential for local employment generation. Also, their approach to using these methods allows for an explanation as to how they intervene in local employment generation. It can show how they execute their strategy to achieve their objective. Yet, it may be difficult to identify the pursuit of local employment generation as a strategy as unions generally are involved in ad hoc decision making or muddling through. In any case, it might be expected that amongst these activities regular patterns would be observed that can become characteristic and distinctive, even forming a tradition in the way they choose to handle the issues.
The thesis will now examine how industrial and political methods are used and to what extent they are effective in local employment generation in the case study. The following chapter will start by providing the setting of the case study of the SCLC with an examination of the history and profile of its community base, the Illawarra region.
Overview

The SCLC’s jurisdiction mostly covers the Illawarra region of NSW and it is centred around the Wollongong/ Port Kembla area in particular. This chapter will provide an overview of this region. The discussion will initially concentrate on what makes the Illawarra a region. Subsequently it will extend to an examination of the Illawarra labour market, economic profile, history of the structuring and restructuring of industry and the contemporary employment situation. The Illawarra region begins in Helensburgh in the north, which is 45 kilometres south of Sydney, and stretches 228 km to Durras Lake in the south. It also includes the Southern Highland centres of Bowral, Moss Vale and Mittagong (RDTF, 1993a:iv).

The Illawarra is viewed as a ‘statistical division’ by the Australian Bureau of Statistics that is “... characterised by discernible social and/or economic links between the inhabitants and economic units within them, under the unifying influence of one or more major cities or towns” (ABS, 1996:1). The Illawarra has a distinct socio-economic and geographical identity and thereby a clearly defined regional economy. The nature of the region includes the economic predominance of Wollongong/ Port Kembla (Morrissey et.al. 1992:1), where the SCLC’s activity is mostly centred. Other features of the region include a narrow range of dominant and related economic activities and a geographical distinction from Sydney through the space of the Royal National Park (Morrissey et.al. 1992:1).

Furthermore, in some analyses, rather than ‘Statistical Division’, Statistical Local Areas (SLAs) are used. In Department of Employment, Education and Training’s (DEET) analysis the Illawarra area SLAs are identical with Local Government Areas (LGAs). These are Wollongong City, Shellharbour, Kiama, the Shoalhaven and Wingecarribee (DEET, 1994b:10). The five local government areas are often divided into three sub-regions for analytical purposes. Each sub-region has its distinctive characteristics. The first of these is the Wollongong plain or the Wollongong Statistical District that encompasses the local government areas of Wollongong City, Shellharbour and Kiama and is situated on the coast. It is highly urbanised and the major focus of the region’s commerce and industry. Sometimes this is referred to as the ‘Illawarra’ as it
accounts for most of the region’s population and economic activity. Furthermore, the Wollongong LGA alone holds 52% of the population of the region (IRCC, 1990:3-4; IRCC, 1990:Appendix 2). Secondly, the Shoalhaven is further to the south of Wollongong. It features coastal beauty and a rural environment that attracts many tourists. Thirdly the Southern Tableland is located to the west of the coastal plain and encompasses the local government area of Wingecarribee. It also has a rural and tourist focus (Larcombe & Blakely, 1983:4; IRCC, 1990:3-4; RDTF, 1993a:3).

**Illawarra Labour Market**

The extent of the local labour market is important to the present case study as it concerns local employment generation. DEET makes use of the concept of natural labour markets (NLMs). It identifies the NLM for the Illawarra as being Wollongong (DEET, 1994b:10, 12). DEET’s Economic Development Branch defines NLMs as being “... based on geographic considerations such as the size and locations of towns and cities as well as access to rail and road links. NLM boundaries are consistent with Local Government Areas/ Statistical Local Areas boundaries (DEET, 1994b:12)”. Burgess developed the concept of NLMs further by revealing three underlying assumptions upon which the concept is based. This included the commuting distances in which individuals work or seek work, the population centre/s which attracted labour from surrounding areas and following on from this was the assumption that workers were attracted from surrounding areas on the basis of the size of the population centre. Burgess emphasised DEET’s own caution that NLMs were not exact. Further he pointed out that acceptable commuting distances may depend on the availability and access of transport that may take various forms. Also DEET considered urban areas such as Sydney and Melbourne as a single NLMs whereas others viewed them as consisting of a number of overlapping NLMs (Burgess, 1994:25).

The uncertainty of NLM boundaries may account for different views of acceptable commuting distance for Illawarra residence. Whereas DEET views Wollongong as the NLM, Centrelink (formally the Department of Social Security) views Sydney as an acceptable commuting distance for Illawarra residents, particularly those in central Wollongong. For example, a Centrelink question at Wollongong Office for the payment of Newstart/ Youth Training Allowance asked ‘Are you willing to spend up to 90 minutes, each way, travelling to work?’ (Question 14, Centrelink, Form SU109JNR.9709, 10 October 1997). Presumably, Centrelink viewed 90 minutes to be a
reasonable travelling time for its benefit recipients, which corresponded to the approximate travelling time from central Wollongong to central Sydney by train or car. Also, the Illawarra Regional Consultative Council, a regional development organisation, estimated that the Illawarra was becoming more closely integrated with the Sydney metropolitan regional labour market (IRCC, 1990:5). In fact, in 1998 up to 30 000 people travelled between the Illawarra and Sydney every day for work and study. This comprised fifty-five per cent going from the Illawarra to Sydney largely to work and forty-five per cent going from Sydney to Illawarra to work and study (Illawarra Mercury, 1998:2).

Economic Base of the Illawarra

The Illawarra has been nationally important in terms of it being the location of the largest integrated steel plant in the Southern Hemisphere. Also, it has had highly developed metal fabrication and engineering and has been a significant coal and grain exporter. Port Kembla, situated approximately 10 km to the south of central Wollongong, has been Australia’s second largest grain handling port. Maritime enterprises have been important with Port Kembla being the eighth largest port in Australia and having the deepest harbour on the eastern seaboard. In the early 1990s, the industries of information technology, research and development and tourism were developing in the region. Also livestock and wood enterprises were significant (RDTF, 1993d:4; IRCC, 1990:4).

The Illawarra economy has had a large, but narrow, industrial base. Traditionally there had been an almost exclusive dependence on the steel and coal industries for employment. These industries generated much of the region’s employment growth through the 1960s and 1970s. The peak of manufacturing employment was in 1966 when 44 percent of the Wollongong Statistical District’s workforce was directly employed in manufacturing. In 1980/81 BHP, the owners of the Port Kembla steelworks and various southern district coalmines, accounted for 71.6 percent of the employment in the Wollongong Statistical District with 27.6 percent direct employment and 44 percent indirect employment (Guest & Mangan, 1983:12; Mangan & Guest, 1983:2, 12).

The Illawarra has experienced a low level of female participation in the workforce in comparison to NSW and Australia as a whole, which has been a consequence of its narrow economic base. The service sector has been relatively underdeveloped, mainly
due to government neglect and to the proximity to Sydney. Also, the private service sector employed fewer than expected due to the “branch office” structure of local manufacturing in the 1960s and 1970s. It often situated its head offices in Sydney and/or Melbourne and kept its local branch support staff to a minimum (Castle, 1997:71, 77-78).

History of the structuring and restructuring of industry in the Illawarra

White settlement began in the Illawarra in about 1815 and the major industries were timber getting, agriculture and pasture. The Wollongong business community saw the potential for an expanding coal industry and through its intense lobbying of government it was successful in procuring the construction of a larger harbour with coal handling facilities in 1868. In the 1880s the coal mining industry was important for the region, as was agriculture. The business community continued lobbying and in 1888 it gained a direct rail link to Sydney that it hoped would assist it with expanding commercial ties with Sydney. Also, by then the coal trade was already expanding rapidly because of the colony’s high demand (Markey, 1988:4).

The emerging coal industry marked the beginning of trade unionism in the Illawarra. In 1879 a district miners’ union was formed, building on the development of mine-based lodges that arose a year earlier. Coal miners remained the stalwart of Illawarra trade unionism at least until the mid-1920s (Markey & Wells, 1997:82-83, Markey, 1988:7). Up until the mid-1920s the mining industry was a major employer in the Illawarra, together with the dairy industry, the latter of which was also a major source of unpaid work. However, dairying attracted almost no unionism (Markey & Wells, 1997:83; Nixon, 1984:24). In the early 1920s one-third of Wollongong’s workforce worked in the coal mining industry but this declined. In contrast, manufacturing industry grew during the 1920s with the growth of the Electrolytic Refining and Smelting Company (ER&S) copper smelting works at Port Kembla, the Australian Fertiliser Company at Port Kembla and the Metal Manufactures (Markey & Wells, 1997:87; Eklund, 2000:96-98; Nixon, 1984:36-37).

Hoskins Ltd. bought land at Port Kembla for the construction of the steelworks in 1924. Port Kembla already had a deep-water harbour and it was close to coke supplies and limestone deposits. Also, the Port Kembla - Moss Vale railway was in progress, which the NSW government had agreed to build for the transport of limestone to the steelworks. The news about Hoskins attracted a steady stream of unemployed workers
into Wollongong from the mid-1920s as news spread about the construction of a steelworks. This was boosted by land agents who were selling local land and engaging in false advertising with announcements that Hoskins would be employing five thousand men at their new works (Nixon, 1984:19, 24). In 1926 Hoskins steelworks began the relocation of this family-owned company from Lithgow to Port Kembla, approximately 90 miles to the south-east. It viewed Port Kembla as a better site as it was on the coast where it could take advantage of reduced transport costs for its market in ore that would come from interstate or overseas. Its Port Kembla site was adjacent to the already existing harbour, which was a cheaper proposition than its other prospect of shipping ore into Sydney and then transporting it by rail to Lithgow. Hoskins started construction of a blast furnace in January 1927, but soon after it realised that it could not mobilise enough capital to complete its project. In 1928 an amalgamated company, Australian Iron and Steel Ltd. (AI&S), was formed from Hoskins Ltd., Dorman Long and Baldwins Ltd., which were two English companies, and Howard Smith Ltd. that was an Australian shipping and coal mining company. It continued operations. AI&S employed 1500 workers in 1928 and this fell to 500 by 1932. The Depression that started in 1929 affected the company with declining steel and iron demand. AI&S continued in a weakened state until 1935, at the end of the Depression, when it merged with Broken Hill Propriety Ltd. and the new company was named BHP/ AI&S (henceforth it will be referred to as BHP). In this settlement AI&S became a whole subsidiary of BHP, with the former acquiring a twenty-percent shareholding in BHP, which were terms that were favourable to the BHP part of the deal. It bought coalmines and expanded into shipping and employed 3700 workers in Port Kembla in 1936 (Lee, 1997:59-62, Markey & Wells, 1997: 87-88).

Other manufacturing in the region declined at the onset of the Depression. Lysaghts Pty Ltd. and the Commonwealth Oil Refineries declined but similar to BHP grew again in the mid to late 1930s (Nixon, 1984:36-37, 51-53). In 1936 BHP sold the AI&S sheet plant to Lysaghts, in which it was also a major shareholder, where it rolled sheet from bars made at BHP’s steelworks. In 1937 the Commonwealth Oil Refineries opened a petrol blending works that used benzol from BHP’s coke making in which it was a by-product. In 1939 Lysaghts and the American Rolling Mill Company agreed to a joint venture, the Commonwealth Rolling Mills Company. It produced high finish steel for use in automobile bodies, refrigeration equipment and domestic appliances. In this period several other firms also opened factories at Port Kembla (Lee, 1997). In fact,
in the mid to late 1930s manufacturing industry superseded coal mining and farming as the most significant industry sector in the region in terms of employment, particularly with the growth of the iron and steel industry (Nixon, 1984:24, 51-53; Richardson, 1984:132). This was despite coal production increasing from the Depression levels, which was aided by new demand from the expanding steel industry (Markey, 1988:5).

Wollongong’s economy grew further in the late 1930s and the 1940s due to the presence of the BHP Steelworks and an economic recovery, which occurred within the context of the threat of war in the late 1930s and World War 2 between 1939-45. BHP provided the impetus to industrial growth in the Wollongong district and by 1938 Port Kembla was situated behind only Sydney and Newcastle in terms of investment and employment in NSW (Richardson, 1984:132). The threat of war prompted metal manufacturing and the Port Kembla industrial complex became an important industrial site for Australian armaments. The war itself instigated expanded and specialised production at the BHP steelworks. By 1940 it built an electric steel plant and in 1941 it installed six open-hearth furnaces. BHP enlarged its engineering capabilities for the war. It made armaments, ammunition, vessels, marine engines and aircraft for this purpose. In addition, the war impacted favourably on other industries in Port Kembla, including ones associated with copper, as it was essential for weapons, munitions and communications. Electrolytic Refining and Smelting Company (ER&S) grew, for it produced copper, and Metal Manufactures grew as it manufactured copper into wire, cable, sheets, tubing and alloy. Production increased markedly at Lysaghts from 1940 with the production of the new ‘Owen’ gun that the Federal government and army endorsed as the new Australian army standard. Both the Lysaght’s plants in Port Kembla and Newcastle produced this gun and its corresponding magazines. By coincidence, the Owen gun was invented in Wollongong by a solicitor’s son, Evelyn Owen (Lee, 1997:57-58, 64-65).

By the end of the war, the changes to Wollongong’s economy were distinctive in regard to the position of the local economy and its workforce. Between the censuses of 1921 and 1947 farming’s share in the workforce was reduced from 8 percent to 3 percent. Manufacturing surpassed mining as the dominant industrial activity, with 43 percent of the workforce employed in manufacturing and 14 percent employed in mining and quarrying in 1947. Metal manufacturing formed the great bulk of manufacturing. The growth of BHP had become most significant in Wollongong’s post-war economy. Metal and engineering factories employed 74 percent of the overall
manufacturing workforce in the Port Kembla/ Wollongong area in 1947 with BHP steelworks employing 60 percent of the metal manufacturing and engineering workforce. BHP’s share of this workforce fell only to 49 percent by 1949. During the post World War 2 period BHP also became dominant in the area’s coal industry. In addition to BHP gaining holdings in Lysaghts, it provided material to and used the services of ancillary industries. This made the corporation enormously influential in the Wollongong economy, which continued in the post World War 2 period with the expansion of the steelworks from 1945 to 1976, thereby fuelling the area’s economic and employment growth (Lee, 1997:62, 65-68; Castle, 1997:71). The steelworks had expanded by the 1960s to become the largest in Australia and was reputed to be the second largest in the British Commonwealth (Markey, 1988:6).

Immigration was central to a rapid growth of the Illawarra in the post World War 2 period. It was the basis for the rapid economic expansion of the Wollongong/ Port Kembla area. The BHP Port Kembla steel plant was reliant on immigrant labour during this period to expand production. Immigrants were used to fill labour shortages. BHP was active in successfully lobbying governments to provide the type of labour they required and to channel it towards them. It resulted in 1980, for example, with 62 percent of wage employees at the plant being born overseas and 50 percent being from a Non-English Speaking Background. One-third of these were from southern Europe, Turkey and West Asia and one-fifth from the former Yugoslavia alone. The large proportion of immigrants remains evident in the Illawarra even though the admission of new arrivals has been reduced since 1980 through Federal Government policy (Morrissey et.al. 1992:1-3, 30).

The flourishing steel industry was largely responsible for the Illawarra region’s prosperity post World War 2 (IRCC, 1990:5). It dominated the local economy and employed a large proportion of Wollongong’s workforce. One in seven were employed at the ‘steelworks’ in 1945, which increased to one in four between 1961 and the mid-1970s. However, danger signs for the steel industry started to occur in the 1970s due to several factors related to the national and international economy and the state of the industry. This influenced the building up of a situation where pressure was placed on employment levels (Castle, 1997:71-73) in the largest steel making facility in Australia (Morrissey et.al. 1993:30).

Up until the late 1970s the steel industry required mostly physical and unskilled labour. This suited the production methods of the time that were very labour intensive.
From the 1920s until the late 1970s the processes used at the Port Kembla steelworks were largely unchanged. It relied heavily on the open-hearth method of steel production. The international and domestic competitiveness of this outmoded method fell dramatically in the late 1970s as it was considered too costly and too labour intensive. There developed increasing demand for special steels for which the open-hearth method was not designed. At the same time BHP experienced a slump in the world price for steel that served to further exacerbate the situation. Long overdue investment in new technology was needed to keep the company competitive (Morrissey et.al. 1992:31).

Changes in the production processes at BHP’s steel plant in Port Kembla with the introduction of new technology meant that fewer people were required for a given volume of output and also that high levels of skill and increased worker flexibility were necessary. Skills were needed to match the new technologically advanced equipment. Workers were required to upgrade their skills in line with further changes in steel-making technology (Morrissey et.al. 1992:33-36).

In 1981 BHP made a decision that it would stop all new employment, except for relatively few tradespeople with some specific skills, and it introduced a voluntary retirement scheme. There occurred much pessimistic speculation about the future of the steel industry that led to immediate resignations and in mid-1982 retrenchments began (Kelly, 1989:63, 72). Between May 1981 and December 1983 the workforce at Port Kembla steelworks was reduced from 20 305 to 13 270 (Mangan & Guest, 1983:15). Of this massive reduction over 50 percent had occurred through the voluntary retirement scheme, 15 percent had occurred through enforced retrenchments and the remainder through resignations (Kelly, 1989:63). By 1993, the numbers employed by the Port Kembla steelworks had been reduced to 7 700, with the prospect of a further decline in the future (RDTF, 1993a:17-18). This was gradually reduced to 6 000 by 1996 (Castle, 1997:75). Yet, while no dramatic decline was expected BHP predicted a possible reduction of the workforce by 2 000 workers as it wished to achieve a productivity target by the Year 2000 of 1 000 tonnes of steel per employee per year (Failes, 1997a:4-5, 1997b:24) but employment levels nonetheless remained steady.

The changes that occurred in the Illawarra were conducted in the context of the trade unions performing a significant role, particularly in the steel industry. Most union officials took the position that fundamental changes were inevitable but the consequences for their members should be minimised. This was done by such means as influencing the types of retirement and redundancy packages offered in the steel
industry. Their role included being involved in both the Steel Industry Plan (SIP) and the Steel Industry Development Agreement (SIDA) in the 1980s (Morrissey et.al. 1992:2, 33-36), even though they would have liked to be more involved in the initial set-up of the SIP, as explained in Chapter Five. The newly elected Federal Labor Government established the SIP programme in 1983, that involved a tripartite body which monitored the plan of overseeing bounties, productivity and investment agreements (Sandercock & Melser, 1987, Chapter 6:2). In contrast, the SIDA, which took the place of the SIP in 1989, was a joint company-union agreement that aimed at making BHP world competitive in quality steel products with advantages for workers as well as the company. Still, Commonwealth and State governments were also involved in the development of the Illawarra through investment, capital works programmes and labour market programmes (Morrissey et.al. 1992:2, 34).

There were other major changes in employment in the Illawarra region in the 1980s. The region’s coal industry had been in decline since the early 1980s (Larcombe & Blakely, 1983:4). It became vulnerable to national and world recessionary trends, causing a lower market price. This influenced a rapid replacement of labour by fixed capital through the closure of many smaller mines and the reduction of workforces in the others. Some mines introduced labour-saving and output-increasing technology such as the continuous long-wall mining machinery. Contractions in demand from the iron and steel industry had a significant local influence (Morrissey et.al. 1992:45-46, Appendix 9). The Southern field, that comprises the South Coast and Burragarong Valley, experienced a reduction of 40 percent of the workforce during the 1980s. Overall, local employment levels in the industry were reduced from a peak of 5,720 in 1981 to 2,953 in 1991. This was in the context of employment levels in the state as a whole remaining similar during this time even though sharp periodic fluctuations occurred (Larcombe & Blakely, 1983:4, Morrissey, et.al. 1992:45; Castle, 1997:76). Local coal production and productivity increased and national and international competitiveness continued (Castle, 1997:76).

The restructuring of the steel industry influenced many of the changes to employment in the Illawarra. Small to medium-sized engineering shops dominated the local engineering industry. It largely serviced the steel industry, as well as pre-fabricated and coated steel producers such as Lysaghts. The engineering industry included Metal Manufacturers that dealt with non-ferrous metal fabrication, the ER&S (later to be known as Southern Copper) that operated a copper smelting works,
Australian Fertilisers and several industrial refractory producers (Markey, 1988:6), which all declined through much of the 1980s. This caused a restructuring and a reduction in the workforce, as the local engineering industry closely reflected the investment levels in steel and coal. However the economic base of the industry was broadened somewhat with developments in the late 1980s. This included the building of a casting basin for sections of the Sydney Harbour Tunnel. Demand for pipe increased which benefited the company, Tubemakers (Castle, 1997:77).

Local trends also influenced the building and construction industry. It experienced an expansion in the 1950s and the 1960s to a peak in 1961 with the employment of 10 percent of Wollongong’s workforce. This followed a growth of the population of the Wollongong District with the increased need for labour in the steel and mining industries. Consequently the demand for housing increased along with the expansion of these industries which produced increased capital investment. In 1981 employment in the local building and construction declined to 5.7 percent, with the drop in new investment by BHP’s steelworks. Yet, building and construction employment rose again to 7.1 percent in 1991 as a consequence of government-induced investment by BHP between 1983-1995 which helped offset a reduced demand for housing during this period with low population growth (Castle, 1997:77).

The clothing and textile industry in the Illawarra experienced change in the 1980s. This was in terms of production techniques and in the location and level of activity that took place (Morrissey et.al. 1992:2, 47). The industry in the Illawarra employed 2,500 at its peak. These were mostly the wives of migrant workers in heavy industry who required minimal training and were in large supply, thereby creating a labour market whereby it was easy for employers to keep wages low. Yet the industry in the Illawarra was dependent on the high Federal government tariff levels that had existed until 1973. Successive Federal Government continued to reduce tariffs and, by the 1990s, only two major factories remained (Castle, 1997:77).

**Contemporary Employment Situation**

In the 1980s the pattern of changes that occurred in the Illawarra reflected that of the nation as a whole. Yet the magnitude of the changes experienced in the Illawarra was greater than the national effects. The intense restructuring of industry, with the decline in the numbers employed in manufacturing, created unemployment levels in the Illawarra region that were consistently greater than the State and national averages. This
was the situation during the full period of this thesis, from 1981-1996 (See Appendix 1 for figures and graph). The fall in manufacturing employment was greater in the Illawarra than in the nation as a whole. Also, service sector employment grew slower than the national average but nonetheless grew from its previous levels (Morrissey et.al. 1992:xi; DEET, 1994b: 25-26). In 1993 the retrenched unemployed in the manufacturing sector was 32 percent in the Illawarra whereas it was 28.2 percent in the State overall and 26.1 percent nationally. Also, the Illawarra had a higher proportion of retrenched workers (3.5 percent) compared to the State and national averages (both 3.0 percent) (DEET, 1994b:25-29).

Yet, despite the decline of manufacturing jobs in the Illawarra, in 1993 it still had 19.7 percent of total employment in the manufacturing sector whereas the State proportion was 12.6 percent and the national proportion 13.1 percent (DEET, 1994b:25-29). A substantial proportion of the workforce in the region remained in a manufacturing industry that was not expanding and remained the most significant employer (Morrissey, 1992:53-54; RDTF, 1993a: 14-15, 17). The local steel industry remained in a dominant position in manufacturing industry with the vertical integration between coal, steel and metal fabrication/ engineering. Also, the coal industry was reliant on the domestic steel industry, which represented 90 per cent of the domestic sales for the Southern mines (RDTF, 1993a:19-20). The regional situation led to the occupational structure containing a large proportion of ‘blue collar’ workers who were skilled, semi-skilled and unskilled (IRCC, 1990:5; RDTF, 1993a:6-7).

In the 1990s Illawarra provided employment mostly in manufacturing, community services, wholesale and retail trades and the finance sector (DEET, 1994b:28-29). Illawarra experienced an expansion of these other industries, including the public service (Morrissey et.al. 1992:2, 53-54; RDTF, 1993a: 14, 15). This has been partly due to its attempts to move from a reliance on steel and basic metals towards service and leisure industries and new industries (IRCC, 1990:5). Some organisations pressed for an expansion of service sector employment. The retail sector expanded greatly during the 1980s generating new jobs directly and indirectly primarily in the areas of service, administration and human services (Morrissey et.al. 1992:47). Up to this stage it had been underdeveloped. A long tradition had grown where shoppers commuted to southern Sydney for major purchases. However, this trend did change with the development of large regional stores, mostly to the south of Wollongong City (Castle, 1997:78; Morrissey et.al. 1992:47).
Also, the local population generated many of the new jobs in the areas of tourism and entertainment by increased spending on recreation and eating out. An important consideration here was that women dominated the available jobs in the tourist industry (Castle, 1997:79; Morrissey et.al. 1992:49). This also applied to entertainment where the jobs were often relatively low-paid and part-time in comparison with manufacturing industry, which was often relatively well-paid and full-time. However, the increase in the tourist and entertainment industry did not meet the hopes of some organisations that the area becomes a mini-Gold Coast for overseas tourists (Castle, 1997:79). Yet, in 1995/6 eight percent of employees worked in the hospitality industry in the Illawarra compared with five percent nationally (Markey et.al, 2001:24).

**Conclusion**

The local labour market remained important to the Illawarra as a distinct region. Wollongong/ Port Kembla was at the economic centre, which was also the focus of SCLC activity. Located there were a very large integrated steel plant, a highly developed metal fabrication and engineering industry and a coal and grain export industry. Port Kembla had a large port and developed maritime enterprises. Other significant industries included information technology research, tourism, livestock and wood enterprises. Overall, the Illawarra economy had a large, but narrow industrial base that traditionally had been almost exclusively dependent on the steel, manufacturing and coal industries for employment in the post World War 2 period. This narrow industry and narrow employment base was shown to be a problem for the region with the national restructuring of the manufacturing sector in the 1980s. Consequently, the Illawarra experienced a higher unemployment rate in comparison to state and national averages throughout the 1980s and 1990s. The subsequent employment losses were pronounced in the Port Kembla steel plant with numbers employed falling from approximately 20 300 in 1981 to approximately 7 700 in 1993. This had further significant employment effects in the region’s manufacturing and coal industries. Even though there had been a growth in employment in other industries in the 1980s and 1990s this has not been of the magnitude needed to absorb the decline of employment opportunities in the manufacturing sector. Unemployment continued to be a persistent major problem for the Illawarra. The SCLC has been a regionally based group that had attempted to address this issue. The next chapter will cover the history and orientation.
of the SCLC to demonstrate how it came to adopt a local employment generation strategy.
Chapter Five

South Coast Labour Council

Introduction

This chapter will focus on the coverage, composition, history, methods and more recent experiences of the SCLC. This will be examined so as to demonstrate how it came to address the issue of local employment generation from the early 1980s. It shows that the SCLC had developed a concern for community issues throughout its history, including issues connected with the unemployed. During the 1920s and early 1930s it responded to community concerns by utilising political method. However, as the strength of industry and trade unions grew in the Illawarra from the mid-1930s the strength of the SCLC also grew. It came to be able to utilise industrial method and even combine both methods to achieve its objectives. Its ability to utilise both methods continues to the present day and has assisted it with local employment generation.

Coverage and Composition of the SCLC

The SCLC is a regional labour council coordinating trade unions in the South Coast region of NSW. The SCLC’s coverage extends from Helensburgh to the Victorian border and includes the area south of Campbelltown encompassing Berrima, Moss Vale, Picton and Bowral and the adjacent tablelands (SCLC, 1992b:3, 11). However, the activities of the SCLC, particularly those that related to the local employment generation strategy, had been concentrated on the city of Wollongong and the port of Port Kembla that are areas of high economic activity. This is where much of the present study is also situated.

The SCLC, which has one of the largest affiliated memberships of any regional council in Australia, represented approximately 50,000 members up until 1996, at least, which is the end point of this study (SCLC, 1996c:1; See Appendix 2 of present study for list of regional labour councils in Australia). During this time the SCLC was affiliated to the Labor Council of NSW. Also, it was directly affiliated with the Australian Council of Trade Unions (ACTU), unlike most other regional labour councils, and this allowed it relative independence from the Labor Council of NSW (SCLC, 1993-94:24; SCLC, 1996b:11, 16-17; Wilson, 1978:17). The SCLC’s independence partly reflects its adoption of a different ideological position to the NSW
Labor Council, with the latter being strongly influenced by the State branch of the ALP and the right of the labour movement. In contrast, the SCLC has been consistently associated with the Left throughout its history. It had links with the Communist Party of Australia (CPA) and the left of the ALP (Markey & Wells, 1997:96).

Most of the SCLC’s secretaries have come from the CPA (Markey & Wells, 1997:96). Also, overlapping affiliations were evident between the predecessor of the SCLC, the Illawarra Trades and Labour Council (ITLC), and the CPA. Some leaders of the ITLC were CPA members and those who were not members, nevertheless enjoyed friendly relations with that party (Nixon, 1984:44-45, 60). Merv Nixon was a member of the CPA during the time that he was secretary of the SCLC, from 1969 to 1987 (Delegate to SCLC from NTEU, 7 October 1993 interview; Branch President AWU, 23 April 1999 interview). Yet, it is noteworthy that Paul Matters did not have membership of either the CPA or ALP when he became Secretary in 1987 (Markey & Wells, 1997:96). This situation continued until 1994, after which he became a member of the ALP. He continued to be secretary of the SCLC until March 2000 (Illawarra Mercury, 1994c:2; Failes, 1999a:4).

The secretary holds a pivotal position in the SCLC being responsible for the day-to-day business and is required to attend all meetings of the Council and Executive (SCLC, 1996d:10). One long-serving delegate from an affiliate of the SCLC, the National Tertiary Education Union (NTEU) even believed that “[t]he crucial dynamic of the Labour Council is the relationship between the unions and the secretary” (Delegate to SCLC from NTEU, 7 October 1993 interview). The period of the thesis, from 1981 to 1996, marked a period of stability in the leadership of the two secretaries. Yet, major tensions built-up at the end of this period. From the mid-1990s some affiliates had been discontented with Matters’ leadership style, believing it to contain too little consultation (Interviews with Organiser CFMEU, 3 July 1996; Branch President AWU, 23 April 1999; Organiser AMWU, 31 September 99). By the late 1990s this issue gained much local media coverage. The most outspoken unions were the Australian Workers Union (AWU), Liquor, Hospitality and Miscellaneous Workers’ Union (LHMEU) and the Construction, Forestry, Mining Employees Union (CFMEU, Building Workers Division) (Carty, 1998:2; Carty, 1999:7; Failes, 1999b:9; Failes, 1999c:2).

In particular they were unhappy with Matters making several public statements entirely on his own initiative that they did not support. However, they were under pressure to present a united public front and realised that Matters would lose face if they
forced him to withdraw his statements. So they complied with his ideas but their
resentment grew. They believed that they held the ultimate power and that his role was
to present a public position, which should largely be negotiated beforehand with them,
even though occasionally he could speak on their behalf without their direct
endorsement. Yet, this power should be used judiciously. However, the lack of
consultation occurred too many times for these affiliates and they came to the
conclusion that it was part of Matters’ style, which they could not change. Also, they
were unhappy about the manner that he conducted the SCLC’s ‘disputes committee’.
On several occasions it provided support for industrial bans concerning environmental
issues that involved the building division of the CFMEU, in particular, without
consulting with that union beforehand (SCLC, 1996d:15; Interviews with Organiser
CFMEU, 3 July 1996; Branch President AWU, 23 April 1999; Organiser AMWU, 31
September 99). The tensions eventually erupted in March 1999 with the above affiliates
and others placing much public pressure on Matters to resign, which he did unofficially
in October 1999 and a new secretary, Arthur Rorris, was elected in March 2000
(Illawarra Mercury 1999:2; Failes, 1999a:4; Failes, 1999d:13; Failes, 1999e:1; Failes,
1999f:6; Failes, 1999g:3). In contrast the change of leadership between the retirement of
Merv Nixon and the election of Paul Matters was congenial (Branch President AWU,
23 April 1999 interview).

The full-time positions on the SCLC are those of secretary and office manager.
The SCLC also relies on voluntary part-time assistance of other executive members and
other trade union officials. In 1993, the SCLC had 45 affiliates. This had been stable
over much of the previous decade but was subsequently reduced with the amalgamation
of several unions. The affiliates were grouped under metals, building trades, marine
transport, public sector and transport. The industry groups were represented respectively
by individuals from the Australian Workers Union (AWU); Construction, Forestry,
Mining Employees Union (CFMEU, Building Workers Division); Maritime Union of
Australia (Seafarers) (MUAS); NSW Teachers Federation (NSWTF) and the Transport
Workers Union (TWU) (SCLC, 1993-94:49-64; SCLC, 1994-95:5, 45-56; SCLC,
1996b:34-43). The SCLC was resourced through affiliation fees of member unions. The
fees consisted both of a service fee, which was a uniform levy for each union, as well as
a scaled fee dependent on the union’s local membership numbers. The affiliated union’s
representation was also determined on the basis of membership numbers. This consisted
of 1 delegate for 15-100 members, 2 delegates for 101-300 members, 3 delegates for
301-500 members, 4 delegates for 501-1 000 members and 1 delegate for each additional thousand member or part thereof (SCLC, 1992b:9-11, SCLC, 1993-94:24).

**History**

Given the dominance of steel, metal manufacturing and coal in the region’s economy, it is perhaps not surprising that blue-collar unions operating in traditional manufacturing and mining industries have dominated in the Illawarra. This also has been reflected in the SCLC. Mining unions dominated the labour movement from the 1870s until the mid-1920s (Markey & Wells, 1997:81-83). In 1914, the miners formed one of the earliest regional labour councils in the country, the Illawarra Labour Council. However, it barely survived World War 1 and finally collapsed in 1917 in the aftermath of the 1917 NSW General Strike. The NSW government responded to the General Strike by gaoling union leaders, hiring non-union labour and de-registering some unions, which weakened many unions at this time. In 1926 the regional labour council was re-activated and the affiliates re-named the organisation, the ITLC. However, the deteriorating economic conditions of the Depression (1929-1935) had an adverse affect and by late 1931 its strength and the strength of the affiliates dwindled. It became moribund up until 1935 when it was again re-activated as economic recovery began (Nixon, 1984:8, 15, 21, 37-38, 57-58, 60, 80, 90; Markey, 1988:8-9). The reasons for these formations and dissolutions are complex. (See Nixon, 1984 for a detailed empirical explanation. Also, see Ellem & Shields, 1996 for a theoretical background. They provide a model, which argues that both internal equilibrium and external threat or opportunity is needed for the formation of peak union bodies).

The trade union movement was weakened during the Depression years of the early 1930s, due largely to massive unemployment and employer aggressiveness (Markey & Wells, 1997:88-89). It destroyed the ability of unions to be considered relevant in collective bargaining (Richardson, 1984:55). However, in the mid-1930s, as the steel industry began to grow at the end of Depression, also the Federated Ironworkers’ Association (FIA) grew quickly (now it is called the Australian Workers Union due to amalgamations in the 1990s). It proceeded to develop into the largest union in the Illawarra by the late 1930s, surpassing the Miners’ Federation. The leaders of the FIA were active in the SCLC. They were influenced by the CPA and were able to shape the FIA into a more professional organisation. Yet, the fate of the FIA was also dependent on the circumstances of the steel industry (Markey & Wells, 1997:88-89).
The beginnings of the FIA were feeble in 1929 when retrenched Lithgow Australian Iron & Steel (AI&S) workers brought the FIA with them and formed a new sub-branch in Port Kembla, covering unskilled and semi-skilled workers. This attracted very few members in the Depression years while AI&S cut back production (Murray & White, 1982:xi-xiii, 61, 69). However, this changed as AI&S merged with BHP in 1935 and expanded operations. The FIA competed successfully with the then Australian Workers Union (AWU), which had enrolled workers during the construction of the steelworks, and it covered ironworkers as well. The AWU covered semi-skilled and unskilled workers. It held and retained award preference in the awards of other Port Kembla companies until 1942, when the FIA arose as a rival as it was granted equal preference in the Port Kembla industries. The AWU lacked strength in organising workers and it was conservative in both policies and practices. The workers preferred to join the more militant FIA, which they did in great numbers. The AWU declined soon after equal preference was granted. The other significant unions at the steelworks were the Amalgamated Engineering Union (AEU) and the Amalgamated Metal Workers’ Union (AMWU). The AEU covered skilled workers at the steelworks as well as other metal processing plants and coal mines. The AMWU covered steelworkers and coal mine maintenance crew (Nixon, 1984:31, 35; Richardson, 1984:15, 182-183; Markey & Wells, 1997:89-90, Markey, 1988:7). The AEU became part of the AMWU from the 1970s.

**Political Method of the SCLC Predecessors**

The ITLC made much use of the political method up until the mid-1930s, before it established the industrial method. The first regional labour council (1914-1917) planned to establish a Trades Hall and to organise regular annual eight-hour demonstrations in Wollongong. Initially in its 1926 re-activation the leadership was involved exclusively in assisting its affiliates with individual trade union affairs. However, during 1928 it joined the struggle of the unemployed that had become a serious regional concern. It was estimated that about 2,000 men were either unemployed or working only one day per week, from a total population of 24,000. The ITLC focused on political method to deal with this major issue. It expanded its organising skills to assist the Mayor of Wollongong in convening a meeting of unemployed at Wollongong in January 1928. In the same month the ITLC also took part in a deputation that waited on the State
Government to express its concerns about unemployment and a housing shortage in Wollongong (Nixon, 1984: 25-26, 33, 40-41, 43).

The ITLC’s work with the unemployed in the 1920s was a harbinger to its greater involvement in the 1930s when it focused primarily on the unemployed. Regional unemployment grew from the mid-1920s and it continued even through the recovery in manufacturing in the mid to late 1930s. Regional population growth continued throughout this period as well. In July 1930 the ITLC established the ‘South Coast Free Speech Committee’ that allowed workers the opportunity to express themselves publicly. The Committee initiated an eighteen-month campaign whereby weekly street meetings were held in the centre of Wollongong (Nixon, 1984:24, 40-41; Richardson, 1984:77-78, 81). The Free Speech Committee, together with the ‘Unemployed Workers’ Movement’, generated “ready made meetings” at a few select places around the city (Nixon, 1984:43). This was where hundreds of unemployed people were drawn so as to set up humpies and tents, as there was no affordable housing for them. Also, some employed people were drawn to these places for they could not afford adequate housing. ITLC officials primarily directed the initial campaign but in the latter months of 1930 it developed a rank and file leadership. These new leaders came from the Unemployed Workers Movement (UWM), which until this time had concentrated mostly on relief work rather than politics. These were primarily CPA members or sympathisers (Nixon, 1984:44-45, 53-54, 60; Richardson, 1984:78).

The CPA set up the UWM to organise the Illawarra unemployed in 1930 and the UWM continued to the mid-1930s. The UWM was often organised formally through the ITLC, when it existed, but continued informally by the same group of people when the ITLC was disbanded. Several ITLC officials and rank-and-file delegates were actively involved in the UWM (Nixon, 1984:44-45, 60). The UWM’s objectives were self-help, relief and political action. Also, it declared that employment should be at trade union rates of pay. The self-help objective was utilised in its relief programme. The self help relief programme included the growing of vegetables, catching fish, trapping rabbits, setting up of soup kitchens, building bush houses, making toys and the sharing and sewing of clothes (Nixon, 1984:44-45, 96; Richardson, 1984:67-68).

The political objective of the UWM was most pronounced in 1931, after the NSW Labor Premier John Lang was elected. Members of the UWM actively encouraged the formation of a new ALP branch so that it could act as a source of assistance to the unemployed, but this did not eventuate. Also, in 1934 UWM established ‘anti-eviction
leagues’, which operated in a range of suburbs around Wollongong. A series of fourteen public meetings produced a housing reform movement, including a ‘Rent Allowance Housing Scheme’ and a ‘No Eviction Organisation’. As social reform moved away from the UWM towards the housing reform movement, some previous leaders of the UWM became active in this movement (Richardson, 1984:108, 118-119, 143-144).

In 1935, upon the re-activation of the ITLC, it supported cooperation with the unemployed and relief workers to gain reinstatement for those recently unemployed. The ITLC acted in response to trade union alarm when work that was performed at award rates was suddenly being declared ‘relief work’ under the Regulation, and paid at relief rates. Trade unions feared that awards were being undermined and that workers on award rates would be dismissed in favour of relief workers. Together the South Coast Free Speech Committee and the UWM helped develop new alliances between the rank-and-file workers and unemployed and the ITLC officials (Nixon, 1984:45-46, 65-66).

Apart from formal and informal involvement in the UWM by ITLC officials and rank-and-file delegates in the early to mid-1930s, the re-activated ITLC also responded to the housing situation in the late 1930s. Periodically, the ITLC spoke in favour of the camp dwellers. Camp dwelling resulted from a severe housing shortage that accompanied growth in regional unemployment and in population. Rents and building costs were high, so people camped in tents, shacks and huts particularly in Port Kembla, which was close to industry and a place where they hoped they would not be harassed. They were mostly unemployed, but not exclusively, and many were transients who either moved to the district in search of work or moved in hope of living off the land as work in their own home towns had diminished. In the camps facilities, such as water supplies, were inadequate and sanitary conditions were poor. BHP refused to take responsibility for the situation with the establishment of a housing scheme as they had done in Whyalla, South Australia. Also, the State government deliberated on the housing situation and took no action until 1938 (Nixon, 1984:37, 53-54; Richardson, 1984:64-71, 145).

However, the most decisive action of the ITLC was in 1937 when it held a public meeting together with the South Coast Housing Committee, which the ITLC set up. It called on municipal and shire councils, churches, public bodies, political parties, trade unions and businessmen to support housing reform and to convene an immediate inquiry into the cost of local rents. As a consequence in 1938, the South Coast Housing Committee supported by the ITLC and the local government of the district, successfully
lobbied the State government to build some houses for workers to deal with the severe shortage that still existed. Yet, the housing built was not adequate in terms of quality or quantity. Nevertheless, the government housing programme was sufficient for public interest in the housing problem to subside and little more was achieved (Nixon, 1984:54, 72-74; Richardson, 1984:144-149).

**Industrial Method of the SCLC Predecessor**

Even though the ITLC had almost exclusively utilised the political method up until this stage, it changed when its industrial strength grew in the mid and late 1930s. The ITLC built a strong base that primarily included the FIA, Miners’ Federation, Federated Engine Drivers and Firemens’ Association and the Shop Assistants’ union. It came to be dominated by the FIA that reflected the change of industry dominance from coal to steel (Nixon, 1984:64). Also, it increased to sixteen affiliates by 1937. The ITLC consolidated its position as a speaker for trade unions in the district with this expansion of membership affiliations, its strong base and its rising industrial strength. This was shown by the Annabel strike of 1936 and the coal strike of 1938, which are discussed next (Richardson, 1984:184).

The usefulness of the combined unions’ industrial strength, through the newly reactivated ITLC, was tested in January 1936 with the ‘Annabel Dispute’. The dispute concerned excessive overtime in the thirty six-inch mill at BHP. Norman Annabel was a union delegate in the mill who conveyed the message to the company that the mill’s shop committee had voted unanimously to refuse all overtime. These FIA members resolved to strictly adhere to the eight and three quarter hour day required by the relevant award, instead of the typical ten-hour days they were directed to work. Annabel was dismissed immediately, as the conveyor of the message to the company, and the other mill workers joined in a strike demanding his re-instatement. A stop-work meeting was unable to resolve the dispute so a conference of all unions with members at the steelworks was called by the FIA that resulted in a strike of all labour at the plant on 4th February. Miners and coke-workers at the mines joined the strike and the waterside workers placed bans on handling material from the company. The matter was finally resolved in April, after a ten-week strike. Overtime was reduced and Annabel was re-instated but not in his previous job at the thirty six-inch mill. However, the FIA was formally deregistered for the workers would not return to work during the ten weeks.
Yet, it was re-registered in January 1937 after it had agreed to refer all future disputes with BHP to the Industrial Relations Commission (Richardson, 1984:176-179).

The gains made for the union movement had wide implications despite the settlement achieving only a partial victory. It was the first experience with direct action at the steelworks and the FIA and AEU grew substantially. Also closer links between workers developed. Firstly this was between BHP steelworkers and BHP colliery workers who supported the dispute. Secondly it was between the BHP steelworkers themselves and, thirdly, between the various metal trades unions in the steelworks (Nixon, 1984:71-72; Richardson, 1984:176-179).

In 1935 to 1938, the ITLC supported, but was not centrally involved in, miners’ claims. Some of these were coordinated on a national scale and well supported in the Southern District mines around the Wollongong area. The miners’ claims included increased wages, reduced hours, restrictions to further mechanisation, improved safety and a pension scheme. The ITLC gave moral support, passing resolutions and publicising the miners’ struggle. Over these few years the miners won part of their claims including wage increases, paid annual leave of ten days, or eleven days for some, and a forty-hour week of five consecutive eight hour days for underground miners. These conditions exceeded the norm at the time and it became a benchmark for others to reach (Nixon, 1984:67-68; Richardson, 1984:166-173).

With the rise of its industrial strength the ITLC and the unions came to be in a position where they could combine industrial with political method in the ‘pig-iron’ dispute (Richardson, 1984:222). In November 1938 the Port Kembla Waterside Workers’ Federation (WWF) members refused to load pig-iron, which they considered to be ‘munitions material’, aboard the steamer* Dalfram*. It was destined for Japan, which the Port Kembla WWF considered to be a fascist and militarist threat. It feared that Japan could turn against Australia and be met with inadequate defences. The ITLC immediately supported the independent industrial action taken by the Port Kembla WWF and the ITLC’s combined disputes committee organised the day-to-day running of the dispute. This action in Port Kembla against the export of potential munitions material to Japan took place within the response of the broader labour movement in a political and industrial campaign to pressure the government to ban the export of pig-iron to Japan. The ACTU, some individual unions, peace bodies, some church organisations, some intellectuals and the CPA staged protests. BHP reacted to the dispute by laying-off 4 000 workers in its steelworks, within the week following 17th
December. Nevertheless, the Port Kembla WWF members continued their protest until the 21st January, when they gave in to the economic implications of their action and loaded the ship. They were defeated industrially (Richardson, 1984:204-214; Markey and Wells, 1997:91; Murray & White, 1982:102; Nixon, 1984:74-75).

Nevertheless the pressure that they exerted industrially had the desired political impact in the longer term. Through the ITLC’s involvement the Port Kembla WWF was able to maintain a disciplined strike body. The ITLC was able to mobilise support from all the district’s unions, which took their own various actions. Also, the ITLC gained support from the ACTU executive and the wider community. Together this served to compel the Federal government to review its policies with the eventual decision to cease the export of pig iron to Japan (Richardson, 1984:204-214; Nixon, 1984:74-75).

At the beginning of World War 2, the ITLC was involved in coordinating strikes at Port Kembla. The strikes were a reflection of a broader response by Australian workers throughout 1940 and during the first half of 1941 to improve their working conditions during wartime regulation. It was a period of a high-level of employment, which provided increased industrial strength. In March 1940, Commonwealth Rolling Mill workers went on strike for a month over an interim award. In the same month ironworkers at BHP took strike action over harsh working conditions. However, when the German army entered the Soviet Union in the second half of 1941, the CPA and those with Communist influence such as the ITLC, argued for the minimisation of strikes. This was to assist Australia’s war effort against Germany, believing that to prevent Germany from conquering the Soviet Union would defend socialism (Nixon, 1984:88-89).

However, the changing sentiments of Australian unions were again reflected in the activities of the ITLC in 1943. Unions, initially through the ACTU, wanted rewards for hard work and wage sacrifices made for the war effort particularly in times of victory. So, unions agitated over wages and conditions when the Russian Army won a decisive victory against the German invasion. In the same year, unions felt that the imminent threat of a Japanese invasion had been resisted when Australia mobilised all of its major army units in the war against Japan. Therefore the unions believed they were justified in gaining rewards for workers. This was reflected in the ITLC between 1943 and 1945 by an increasing number of disputes brought to them by affiliates. In particular, the ITLC provided support for the Miners’ Federation dispute in December 1944. This was fought against the Federal Government’s proposal to reduce annual
holidays from sixteen to ten and for more far-reaching proposals that eventuated into the setting up of the Joint Coal Board. Also, the ITLC provided a coordinating role in a four-month strike that began in the Coke Ovens at BHP in September 1945 shortly after the war ended. It eventually involved 13 000 steelworkers, including those in Newcastle, and represented fifteen trade unions (Nixon, 1984:91-97).

**Post Second World War experiences**

Trade union membership grew in the Illawarra after 1945 with increased industrial growth of the region. The ITLC’s importance continued to increase as its industrial base expanded after World War 2. It came to represent a wider spectrum of unions that included white-collar unions even though it was still dominated by the traditional blue-collar unions. By 1944 the ITLC had thirty union affiliates with a membership of 10 494, and by 1978 it had 46 affiliates representing 55 000 workers. The ITLC was renamed the South Coast Labour Council in 1949 (Markey & Wells, 1997:94-96; Markey, 1988:9; Nixon, 1984:90; Wilson, 1978:17; SCLC, 1994-95:45-56).

The dominant unions from the 1940s up until the 1980s, at least, continued to be the FIA, other metal unions, miners, maritime and railway unions. The FIA was particularly significant because of its size. The Port Kembla FIA branch established itself as a militant union in the 1930s, which continued through much of its history except for the 1950s and 1960s. It was marked with bitter clashes between the Left and Right in the 1950s, through the Cold War period, and persisted into the 1960s. In 1970 the Port Kembla FIA elected a left Rank and File committee that thereafter retained control even though its parent union was predominantly right wing. This was at least partly due to the FIA’s dealings with BHP in the steelworks where it experienced a harsh climate as BHP was a tough and uncompromising employer that usually preferred to go beyond direct negotiations to the arbitration stage of dispute settlement. Also the Port Kembla FIA Branch demonstrated a considerable extent of local autonomy in handling negotiations and taking industrial action in relation to wages and conditions. This was demonstrated in 1979 in a campaign involving negotiations with BHP for greater bonus and over-award payments. The Port Kembla branch continued its opposition despite Newcastle and Sydney’s acceptance of an offer. Again in 1987 the Port Kembla branch of the FIA, supported by the SCLC, continued industrial action over unfavourable amendments to workers’ compensation by the NSW Labor
Government. The issue related to the NSW Labor Government amending workers’ compensation legislation to limit the amount payable for work injuries, and abolishing employee rights to sue for damages under common law. The FIA continued its opposition, in the form of industrial action, even after its national office had withdrawn its support for the actions. Also, the NSW Labor Council withdrew support for these actions. Yet, the SCLC supported the Port Kembla branch of the FIA and also continued its own actions coordinating regional groups. This included steelworkers, miners, municipal employees, teachers, public servants and building workers. However, this time the local action had no impact and the legislation was passed (Markey & Wells, 1997:94-98).

The SCLC has been involved in the struggles of its affiliates for better wages and conditions from the 1940s onwards (Wilson, 1978:17). This continued into more recent times. For example, in the 1980s many affiliates referred disputes to the SCLC for it to perform a coordination role between the relevant unions and to assist in negotiations with the employer or government officials (See annual reports for details of disputes referred to the SCLC: SCLC, 1981a:9-13, 1982a:4, 1983a:12-15, 1985a:7, 1986a:7-9, 1986b:27-34, 1987a:25-27, 1988a:48-52).

Nevertheless, lobbying around community issues also continued to be a large focus for the SCLC. The examples below outline some activities of the SCLC around community issues. These primarily concern the SCLC in the role of a lobbying organisation often utilising political method, but sometimes supplementing this with industrial method. This involved various issues. In 1948 the SCLC lobbied with farmers to gain a better price for agricultural products for both buyers and sellers but this was unsuccessful. It attempted to establish a cooperative so that agricultural products could be sold directly between producers and consumers, thereby eliminating the ‘middlemen’ and reducing the price (Markey, 1988:9; Wilson, 1978:15).

In the fifties, sixties and seventies its concerns also included education and health care. It worked with the NSW Teachers Federation and parents and citizen’s groups. It agitated on a wide range of issues such as playground conditions in 1951, educational philosophy in 1968, and the establishment of a teachers college and a university in Wollongong. In regard to health care, in 1949, 1951 and 1952 arguments arose between the SCLC and the South Coast Australian Medical Association branch over the cost of medical attention. In June 1976 the SCLC organised a 24-hour district stoppage over the Fraser Government’s threats to dismember Medibank. This preceded a national
stoppage, called by the ACTU, five days later in July 1976 (Wilson, 1978:15, 17). In
1981 the SCLC established the South Coast Workers’ Medical Centre and it maintained
an ongoing commitment to the project. It provided community health at a reasonable
cost, especially to disadvantaged groups, supported those injured at work and conducted
research into occupational health (See SCLC 1981a:6, 1982a:6, 1984a:11, 1985a:11,

The SCLC challenged unfavourable industrial and political legislation from 1949
to 1969. For example, in 1950 the SCLC fought against legislation that involved the
proposal for prohibition of the CPA. In 1955, the SCLC fought a campaign against
penal clauses that involved education, demonstrations and industrial action. Eight
unionists were placed on trial, under the Crimes Act, for participating in a strike at the
local Corrimal coal mine, in the Washery. The SCLC organised a street demonstration
and seven thousand people protested with the outcome being that the unionists were
released (Wilson, 1978:15, 17).

In 1951 the SCLC supported pensioner groups in agitating for the establishment
of a recreation centre at a concessional Municipal rate. From the 1950s onwards it
supported public transport discounts and claims for a ‘living-wage’ pension. In 1968 the
South Coast Pensioner Coordinating Committee was formed especially to work closely
with the SCLC on matters of concern to pensioners. In 1971 the SCLC organised a
protest rally against the poverty level of pensioners. It organised 32 000 people to stop
work to join the march of 10 000 citizens (Wilson, 1978:15, 17).

In the 1970s the SCLC adopted a range of political concerns and continued with
its support of local groups. This included the struggle by aborigines and in the 1970s it
worked closely with the South Coast Race Relations Group of Wollongong University.
They organised around issues concerning land rights, housing, maintenance of sacred
burial sites, the establishment of a local cultural centre and proposed pre-schools for
aboriginal children. The SCLC adopted environmental issues particularly those
concerning industrial pollution. It embraced peace actions, which included local trade
union support of industrial action for the ending of the Vietnam War and opposition to
atmospheric and underground testing from 1954. Later, this sentiment grew to a total
opposition to the mining and export of Australian uranium and opposition to the
building of a nuclear station at the naval base at Jervis Bay. Other areas of concern that
were taken up included the migrant issue with the establishment within the SCLC of a
Migrant Committee during the 1970s. Furthermore, it established ‘unemployment’ and ‘right to work’ committees (Wilson, 1978:15, 17).

**1980s and 1990s Period**

In the 1980s and 1990s SCLC continued with its assistance of local community groups, projects and political concerns. Some examples included the SCLC providing support for the Combined Pensioners Association, support of environmental groups involved in protecting the Illawarra Escarpment and support of campaigns to prevent the closure of Bulli and Kiama hospitals (SCLC, 1991a:26). The SCLC’s support extended to various residence groups by imposing green bans, negotiating with the parties involved and calling for public inquiries. It supported: the citizen’s campaign in Cringila for a better considered approach to the proposed dumping of several million tonnes of coal wash and slag by BHP (SCLC, 1983a:5-6, 1984a:15, 1985a:18); the Thirroul Action Group in their ‘Thirroul Fords Road’ action to prevent the rezoning of open space that would allow a developer to subdivide it into 52 building lots; Thirroul and Austinmer residence against high rise buildings on the sea front and elevated sites in settled housing areas; the Stanwell Park Swimming Pool Committee and residents in their concern about the lack of consultation regarding the anticipated environmental effects from the construction of a Coles/ New World store in Wonoona (SCLC, 1983a:5-7). The SCLC also supported various local marches and rallies including anti-nuclear power actions (SCLC, 1981a:8-9); peace activities (SCLC, 1981a:9, 1983a:11, 1986a:19); May Day celebrations (SCLC, 1981a:9, 1984a:12, 1986b:36, 1987a:24-25) and Hiroshima Day commemorations (SCLC, 1982a:7, 1983a:2, 1984a:11, 1986a:19, 1986b:37, 1987a:24-25). In 1992 the SCLC initiated the establishment of the South Coast Workers’ Child Care Centre. This was a trade union managed long-day child care centre that offered 60 places. It was a combined community and work-based centre. The Federal Department of Health, Housing, Local Government and Community Services and the NSW Department of Community Services funded forty community-based places. The Federal Department of Taxation funded twenty work-based places while Wollongong City Council supplied the block of land and provided upkeep on the land and building. The centre included support for twenty children under two years old, which was expensive to maintain in comparison with other child places. The SCLC further committed to the project by providing five of the seven nominees for Board of Director positions (SCLC, 1992a: 37-38; SCLC, 1993-94:39-47).
Illawarra unions have been, and continue to be, perceived to be militant. This may have derived, to a large extent, from the nature of the industries that were involved with in the region. These included the coal mining and maritime industries, but also the steelworks shared a harshness of working conditions that tended to engender industrial militancy. BHP, which owned the steelworks from the 1930s, associated itself with tough industrial relations right up to the 1980s, at least. Furthermore, when the FIA established itself as the largest single union in the Illawarra, since the late 1930s, and the largest union in the steelworks, it drew upon the established industrial customs of the coal miners. This effect was highlighted by many of the ironworkers being miners or ex-miners sons (Markey, 1988:7-8; Markey & Wells, 1997:97).

Union density rates have been high in the Illawarra. The steelworks and mines had high union densities that approached 100 per cent in the 1970s and 1980s. Yet, the traditional base for Illawarra unionism declined in the 1980s with the dramatic reduction in employment in the steelworks, railways and maritime transport. Nevertheless, the Illawarra service sector had been influenced by the local trade union tradition in terms of union density rates and ideology, despite this sector being comparatively underdeveloped in the region. These white-collar unions have enjoyed high union density rates in the Illawarra, joining the consistently higher density rates of the Illawarra in comparison to the Australian average. They included the NSW Teachers’ Federation and the NSW Public Service Association, in which the Illawarra sections have been associated with the Left for much of their history. It also included the Municipal Employees’ (now part of the Australian Services Union), and the Federal Community and Public Sector Union (amalgamated from the Administrative and Clerical Officers Association and other federal public sector unions in more recent times) (Markey & Wells, 1997:94, 97; Markey, 1988:7).

If strike action is a measure of militancy, the Illawarra’s militant tradition was not reflected in strike levels. Between 1972 and 1981 per capita days not worked due to industrial disputes in the steelworks in Port Kembla was similar to that of the right wing dominated Newcastle steelworks. After this time industrial disputation decreased significantly in the steelworks in light of redundancies, restructuring and the Steel Industry Plan. Also industrial disputes declined on the waterfront and in the South Coast mines, the latter having had the highest level in the State of ‘manshifts’ not worked through industrial disputes up to this time (Markey & Wells, 1997:98; IRCC, 1990:37).
In addition, strike levels in the Illawarra approximate with the Australian average for the dominant industries in the region. Markey and Wells explain that:

At a national level the mining, shipping and stevedoring industries alone accounted for 50-60 per cent of all days not worked due to industrial disputes for most of the first 60 years of the twentieth century. As their proportion of the total days lost declined nationally, the steel and metal trades significantly increased their proportion, just as these industries expanded in employment in the Illawarra (Markey & Wells, 1997:97).

A 1984 survey by consultants WD Scott also showed that the overall number of working hours lost in the Illawarra was comparable with the national figures, yet the number of separate disputes were higher as they were of shorter duration, and therefore are reported in the media more frequently. This sometimes has been used to explain the common perception that the Illawarra generally and Port Kembla, in particular, had a poor industrial relations climate. This perception was found to be a hindrance to both the establishment of new businesses in the region and for the relocation of businesses to the region (IRCC, 1990:37). Also a 1994 report found that the Illawarra was still affected by an image problem but the authors of the report viewed the situation as changing (Illawarra Mercury, 1994a:5). However, the most comprehensive studies were two conducted in 1997 by the University of Wollongong and the Illawarra Regional Information Service, which concluded that there was no evidence of investors viewing industrial relations in the Illawarra negatively. Seventy-five percent of managers from 265 NSW firms outside of the Illawarra believed the industrial relations climate was ‘okay’ or ‘good’. Furthermore 60 percent of managers believed that its industrial relations climate had improved over the last decade (Illawarra Mercury, 1997a, 1997b). Therefore, the militant tradition of the SCLC, and its predecessor the ITLC, are best explained with the mix of industries with high union density rates in unions covering the traditional mining and manufacturing industries as well as in the surrounding service industries.

Conclusion

The history of the SCLC has a large focus on community issues, which it pursued through both political and industrial methods. In the 1920s and 1930s it mostly relied on political method in assisting and organising the local unemployed. It did this by playing a leading role in the Unemployed Workers Movement, and in providing assistance in organising the ‘camp dwellers’ through establishing the South Coast Free Speech Committee and by supporting the South Coast Housing Committee. However, in the
mid-1930s the ITLC was also able to utilise industrial method as its industrial strength increased with the growing steel and related industries in the Wollongong/ Port Kembla area. This was evidenced in the Annabel Dispute of 1936 where the ITLC organised broader local union support, in the form of industrial action, by coke-workers, coal miners and waterside workers. In 1938 the ITLC was in a position to combine industrial and political method in the pig-iron dispute where it assisted the Port Kembla Waterside Workers’ Federation in maintaining a disciplined strike body and in mobilising support from many of the district’s unions, which took their own various actions. Furthermore, it gained support from the ACTU executive and the wider community which eventually pressured the Federal government to stop exporting pig iron to Japan. The ITLC continued with assisting its affiliates in industrial campaigns at the beginning and towards the end of World War 2, when they requested support, and in the post World War 2 period and after. It also continued its focus on a wide array of community issues in the post World War 2 and more contemporary periods. It utilised its industrial and political methods and combined them at times as well.

As the Illawarra region experienced industrial restructuring and high levels of unemployment during the 1980s and 1990s, the SCLC drew upon its long tradition of political and industrial methods to generate local employment. The next chapter will concentrate on how these two methods were effectively combined to generate local employment during the 1980s.
Chapter Six

SCLC Mixes Political and Industrial Methods in Local Employment Generation

Introduction

This chapter analyses the SCLC’s pursuit of local employment generation through the mixing of political and industrial method. Its industrial method arises from its role in collective bargaining and affiliates’ demarcation and jurisdictional negotiations while its political method arises from its role in political action (Martin, 1980:125-27). Unions’ industrial methods can be used to achieve both political and industrial objectives. Further, political methods can be used to achieve both political and industrial objectives (Deery, 1983:74, 77, 89). In this case study, local employment generation is a political objective, in the broad sense of the term, and political and industrial methods can be used for its achievement. Moreover the literature suggested that regional labour councils could use industrial and political method as a supplement of one for another to achieve an objective (Martin, 1980:121-123). The following case will demonstrate the usefulness of this approach for regional labour councils in its local employment generation objective.

With the encouragement and support of affiliated unions the SCLC utilised a mix of political and industrial method to enable it to attract the Grain Terminal (GT) construction project to the Illawarra and also enable it to be involved in the construction of the GT. In the GT project, from 1984 to 1989, the SCLC used political method to lobby governments and to influence farmers to support investment in the region, which aimed to assist local employment generation. The SCLC was a major participant in the political lobbying process, particularly in relation to its encouragement of farmer support for locating the GT in Port Kembla. Farmer support was important in the State government’s final decision to position the terminal. The SCLC’s encouragement of farmers relied largely on its potential future involvement in negotiating an agreement for the construction site and in assisting with the administration of the agreement. Consequently the SCLC’s political method, of lobbying farmers, became more effective as it was supported by its industrial method of negotiating the agreement. Thereby, the SCLC supplemented the political method with the industrial to achieve local employment generation.
The chapter examines the SCLC’s involvement in local employment generation by attracting the GT construction to Port Kembla, which was an important regional initiative. It also participated in the GT construction by being involved in the administration of the construction site agreement. The SCLC worked on this together with the Port Kembla Harbour Taskforce (PKHTF), which it had helped set-up. After intense lobbying the NSW State Government announced that a new GT would be built in Port Kembla in February 1984. Construction started in 1985 and was completed in 1989. No comprehensive study had been undertaken but it was estimated that approximately 900 direct jobs would be created at the peak of construction and this would decline to 240 at the lowest point. This construction was expected to generate further work in the local economy (PKHTF, 1985b; Pascuzzo, 1985:148-149; Markey, 1988:48). The GT was used to assemble cargoes of grain, primarily wheat, for shipment and to provide ship-loading facilities. It represented an expansion of the traditional uses of the Port as, up to that stage, the artificial port of Port Kembla was used for coal and steel exports primarily by BHP (Gilpin, 1985:6; Markey, 1988:84; Blakey, 1983b:2).

**Gaining Experience: The Coal Loader Project**

The SCLC’s mixing of political and industrial methods for large construction projects originated with the Coal Loader project (1978-82) (Markey, 1988:13). It gained necessary experience and it was successful. The SCLC employed some of the lessons and took the experience to a new level with the GT as it involved attracting the project to the region and was directed more pointedly towards local employment generation. In relation to political method on the Coal Loader project, the SCLC was not overtly involved in attempting to attract it to Port Kembla for local employment generation purposes at that stage. Nevertheless, it was pleased that the Coal Loader provided local employment opportunities. It congratulated itself that:

> [t]he size of the Coal Loader project has brought improved employment opportunities not only for people on site but to business in this region. The South Coast Labour Council as part of the conditions layed down prior to acceptance of the Coal Loader insisted on preference to Local Firms and Labour wherever it was available (SCLC, 1981a:7).

The SCLC utilised political method in lobbying the NSW government for the construction of a new coal loader at Port Kembla, a facility by which coal was loaded onto ships. Further, the SCLC utilised industrial method in lobbying the NSW government over environmental and industrial issues related to the Coal Loader. Through industrial action, it gained ancillary services for the port and a better industrial
agreement for the workforce. The SCLC negotiated and implemented the Coal Loader Site Agreement with the NSW Government. Partly from the success of that project the SCLC was in a good position to negotiate and implement the Grain Terminal construction agreement in 1985, also with the NSW Government. The main contractor was the NSW Public Works Department that also provided the management of the GT. Transfield was another principal contractor (PKHTF, 1983a:7-8, Appendix A; Blakey, 1986:1). Much of the GT project was modelled on the coal loader project so this will be discussed first.

In the late 1970s, the SCLC recognised an opportunity to attract a public works project to the region. This was in the context of union concerns with declining maritime, steel and coal mining employment (Kelly, 1989:58-60). Nevertheless, the SCLC’s actions over the Coal Loader were not in direct response to these concerns. It viewed itself as acting on behalf of “residents, environmental groups and unions” (SCLC, 1982a) when it took credit in 1978 for being engaged in negotiations for the construction of a new coal loader at Port Kembla. Negotiations were conducted with the then Deputy Premier and Minister for Public Works in the NSW Government, Jack Ferguson, which had a successful result (SCLC, 1982a:3; SCLC, 1985b:2). The SCLC was intent on making the Coal Loader at Port Kembla the focus of ancillary services, which will be outlined later (Nixon, 1985:1).

The need for a new coal loader in NSW arose because of a strain on the existing port facilities in Port Kembla, Newcastle, Balmain (also known as the Rozelle terminal) and Port Botany. This was due to increases in the amount of coal being exported from NSW in 1977-8, which was expected to continue. In June 1978 Port Kembla was chosen as the site for the construction of a new and larger coal loader as the other sites were non-viable for a variety of reasons. These included Balmain being politically undesirable due to residents’ lobbying, even if it had been physically possible to expand existing facilities. Newcastle was too distant from the Southern and Western coalfields and Botany Bay was considered undesirable as a site for a new coal loader on environmental grounds (Markey, 1988:13). However, the old coal loader in Port Kembla had reached its limit in 1978 of 7.2m tonnes per annum and coal exports were anticipated to increase. The new coal loader (Stage One) was considerably larger and it was to increase this capacity to 15m tonnes per annum by 1982 (Donaldson & Stack, 1979:17-19). A possible additional reason for Port Kembla being an attractive site was the support given to the SCLC by Ferguson, who was considered to be a ‘friend in
parliament’ and helped it gain the coal loader (Joint President AWU/ FIMEE, Joint President SCLC, 7 November 1996 interview). The State government operated through its Public Works Department that designed and built the coal loader for the owner and operator, the Maritime Services Board (Sadler, 1983:2; Markey, 1988:13).

The SCLC played an important role soon after the commencement of the project. It pressured for environmental concerns and industrial issues such as over award payments and a settlement of dispute procedures by placing a ban on the construction. The unions, together with environmental groups in the district, negotiated with Ferguson. The SCLC threatened that the ban would be lifted only after all aspects of the agreement were satisfactorily resolved (Nixon, 1984:1; Markey, 1988:14).

Consequently, a two-day conference in Wollongong Town Hall was convened. Interested parties on the union side included Merv Nixon, who was Secretary of the SCLC and Ted McAlear, who was Assistant Secretary of the SCLC and Secretary of the Waterside Workers’ Federation (WWF). It also included the Port Kembla Committee of Maritime Unions (this was sometimes referred to as the Maritime Group of Unions). On the government side, it included Jack Ferguson and other State and Federal government representatives, Public Works Department and Maritime Services Board representatives and Wollongong City Council members. It also included coal exporters and environmental groups. In particular, Ferguson and the Public Works Department and the Maritime Services Board representatives contributed significantly to the negotiations. The outcomes of the conference were two-fold (Markey, 1988:14; PKHTF, 1983a:Appendix A). Firstly, it initiated further discussions with Ferguson and the State government (SCLC, 1985b:2). This continued for a two-year period from 1978-1980. Consequently, the government provided commitments that made the Coal Loader at Port Kembla the focus of ancillary services, some of which helped develop the physical infrastructure of the port. These included:

- building of a $14.5m multi-purpose berth in conjunction with the coal loader and an increase in width accommodation for ships
- environmental safeguards that included suppression of dust and landscaping of the coal loader site
- reductions in road haulage of coal from 5 million to 2 million tonnes per year (SCLC, 1982a:4)
- upgrading and electrifying the Sydney to Port Kembla rail line for anticipated increase in coal transport and the construction of a Maldon-Dombarton rail link (Markey, 1988:14; SCLC, 1982a:3-4; PKHTF, 1983a:Appendix A; Blakey, 1983a:2).
The SCLC was committed to the transportation of coal by rail (SCLC, 1981a:8). In 1977/78 rail represented only 25 percent of transport to the coal loader, while road represented 75 percent. The SCLC supported groups that were opposed to the road haulage of coal. This included the Federated Engine Drivers and Firemen’s Association, which was the union with members who would be most adversely affected by increased road haulage with the greater capacity of a new coal loader, and environmentalist and resident action groups. So, in 1980 when negotiations were completed the SCLC invited the NSW Minister for Transport, Peter Cox, to the district so as to demonstrate that the SCLC was monitoring activities around the coal loader. The minister informed the SCLC that he would keep it fully involved in the decision making process around the transportation of coal and the wider issue of public transport for the community. The SCLC elected a committee to work with the Minister on these issues (Donaldson & Stack, 1979:19-20; 42-48).

Secondly, the 1978 conference produced a commitment by all parties to a consultative process and for a procedural process to be included in the industrial relations agreement for the construction and operation of the coal loader. This led to the negotiation of the 1980 Coal Loader Site Agreement to which all parties involved in the construction subscribed (Markey, 1988:14-15; PKHTF, 1983:Appendix A). It was agreed that industrial relations were to be controlled on the site through an ‘island agreement’, or otherwise known as ‘site agreement’ (Blakey, 1983a:4; Blakey, 1985a:2). This meant that any potential dispute would be dealt with on site and a hierarchy of dispute settling procedures would be followed that covered all contingencies. There would be no stoppages during this time. Primarily, this style of agreement was intended to reduce industrial stoppages, by minimising the time lost, and to deal with disputes at the local level, at low levels of the union and management structure. It offered an alternative to involving industrial tribunals in disputes. It was designed to cover the specific project as these types of agreements could be adapted towards construction projects or operations projects, specific cargo being handled, transport used and technology utilised. It consisted of negotiated extra-award conditions as well as a grievance or dispute procedure (Markey, 1988:14-15, 36-37; PKHTF, 1986:2). Thus, industrial relations was to be controlled independently of State and Commonwealth awards (PKHTF, 1983a:Appendix A). Nevertheless, the agreement was formalised through arbitration rulings at both the State and Commonwealth levels (Markey, 1988:14-15; PKHTF, 1983a:Appendix A; Blakey, 1983a:4; Blakey, 1985a:2).
The major provisions of the agreement were based on procedures adopted at the Woodlawn mine in Goulburn that was held up as a model by employers and members of industrial tribunals. The Port Kembla Coal Loader provisions included a site allowance, compulsory unionism on the site, dispute procedures to prevent a loss of work time and the establishment of a committee of nine to be responsible for monitoring the construction and operation phases. The latter provision was the most innovative, particularly as a representative form of industrial democracy (Markey, 1988:15). The Committee of nine was involved in negotiations on wages and conditions and on the resolution of disputes (SCLC, 1981a:7). It was made up of one delegate each from the Wollongong City Council, Public Works Department, Maritime Services Board and the Department of Planning and the Environment. The committee also had five delegates from the SCLC. This consisted of one representative each from the building and construction group of unions, metal trades, maritime group of unions, operators and the SCLC itself (Markey, 1988:15; PKHTF, 1983a:Appendix A; SCLC, 1981a:7). Members of the respective unions elected union delegates and the SCLC delegate was elected at a general meeting of that body (Markey, 1988:15).

The SCLC's level of involvement was intense in relation to the policing of the agreement. It gained strong support from the Public Works Department representatives. Subcontractors were required to sign the agreement, making them bound to its clauses. During the construction phase, weekly meetings were held between the unions and the subcontractors mostly regarding safety and general site issues. The unions were determined that the subcontractors meet the requirements of the agreement and of all statutes (Markey, 1988:15-16).

The Coal Loader was commissioned within the anticipated time frame in November 1982 and at a cost of $149 million that was $20 million less than was estimated. This was announced by the then Premier, Neville Wran (Sadler, 1983:2, 7; Blakey, 1985a:2). Premier Wran commended the proficient coordination of the unions by the SCLC (Sadler, 1983:7). The SCLC believed that the lower than expected cost of the project was greatly assisted by its inclusion in the negotiation and monitoring process, even though it helped to gain improved wages and conditions on the job. It described the industrial relations on the site as being very good (SCLC, 1981a:7, 1982a:4; 1983a:11). Markey also observed that links were built between unions and local employers through the construction of the Coal Loader, which promoted goodwill between the parties (Markey, 1988:13). There appeared to have been no strikes or other
time lost through industrial disputation during the construction phase of this project (Blakey, 1985a:2). The SCLC praised the commitment, including its own, to the industrial agreement that it believed led to this favourable situation (SCLC, 1983a:11; Sandercock & Melser, 1987, Chapter 5:8).

The SCLC developed its lobbying and negotiation techniques in the Coal Loader project. It combined the political method of lobbying government for the construction of the Coal Loader in Port Kembla with the industrial method of calling for a stoppage before the project began, and by negotiating in other ways for improvements to the site and surrounds. The latter involved a conference and further meetings with the NSW government. However, in the GT construction project the SCLC went further than combining industrial and political method. It also strengthened political method by supplementing it with industrial method, which is discussed in the following sections.

The SCLC further developed negotiation structures in the Coal Loader project that it utilised again in the GT project. These included setting up an ‘island agreement’ so as to keep control of the agreement at the lowest level possible, preferably at the site level, by utilising a hierarchy of procedures and informal processes of industrial relations.

Even though the SCLC’s involvement in the Coal Loader project was not directed primarily to local employment generation it nevertheless did create employment and was useful for the SCLC in its future pursuits. It was during the construction of the coal loader project, and leading up to the GT project, that the SCLC responded to union concerns about decreasing employment in the maritime industry and port activities around Port Kembla. It initiated a local employment generation approach that involved an attempt to reinvigorate the industry so as to assist with employment growth and industrial diversification of the region. This involved setting up and participating in the Port Kembla Harbour Task Force.

**Port Kembla Harbour Task Force**

In the late 1970s maritime unions, which were affiliated to the SCLC, became concerned with the bypassing of the port of Port Kembla as it was placing pressure on jobs in the industry (SCLC, 1986a:4; Nixon, n.d:2). In the 1950s 8,9000 waterside workers were employed locally, but by 1969-70 only 590 were employed. In 1980 this had declined to 435, which represented a reduction of 26 percent over the previous ten years. Part of the decline during the 1970s related to a bypassing of the port of Port Kembla. A greater reliance on road transport of cargo was being utilised from ports in
Sydney and Newcastle that had an effect on other maritime workers besides waterside workers. These included crane operators and pilots, stevedoring companies’ employees, Maritime Services Board employees, local freight forwarders and local transport drivers (Murphy & Donaldson, 1980:11-12).

In 1980, the Port Kembla branch of the Waterside Workers Federation (WWF) commissioned the Workers Research Centre to examine the issue of the bypassing of the port (Nixon, n.d:2; Murphy & Donaldson, 1980:1; SCLC, 1992b:81). The final report provided two primary reasons. Ships that would have previously stopped in Port Kembla found that one-stop berthing, where ships were fully unloaded and loaded at the one port, was more economical. This was due to technological changes where freight was being carried in much larger vessels and used only the larger ports. Also, there was a decline in useable berthing facilities due to increases in length and draft of shipping using the Port over the last decade. In addition, the report noted that there was a perceived militancy of the Port but claimed this explanation for the bypassing of the Port to be “spurious”. It claimed this assertion was not supported by the facts and that the lost time in industrial disputation in Port Kembla was no greater than in Sydney. Yet, despite these drawbacks Port Kembla had much to offer including an Inner Harbour that had the best depth for the receival of ships on the eastern seaboard of Australia (Murphy & Donaldson, 1980:1, 7-10; SCLC, 1986a:4; Blakey, 1985a:5-6).

The maritime unions’ response to the above report was to gain support from the SCLC in arguing that maritime jobs would only be maintained by an intensification and expansion in maritime and port activities. This would place the port in a position where it could attract international and national trade. They also considered that it would help the Illawarra diversify its industrial base to expand beyond the coal and steel industries. At a meeting of Port Kembla Maritime Unions, in conjunction with the SCLC, it was decided to circulate the report to stakeholders in the Port. Much discussion was thus generated (SCLC, 1986a:4-5; Nixon, n.d:2; PKHTF, 1983b:9; SCLC, 1992b:81).

The then Maritime Group within the SCLC (later grouped as Marine Transport) sought the establishment of a Port Kembla Harbour Task Force (PKHTF) to facilitate the diversification of the port and the growth of its maritime activities (Nixon, n.d:2). In the early 1980s the SCLC was primarily concerned with the maintenance of local jobs in the maritime industry in an environment where the region had a very narrow industrial base and other local jobs would be difficult to find (SCLC, 1986a:4-5). Consequently, the SCLC urged the Wollongong City Council to call a meeting to bring
together stakeholders in Port Kembla Harbour including public and private sector employers and employees. So, a public meeting was held in Wollongong Town Hall in May 1981 to set up the PKHTF. A series of seminars followed from this meeting and the PKHTF was established. All the funding for the PKHTF had been provided by the Wollongong City Council and by 1988 it amounted to $24,000 per annum (SCLC, 1986a:4-5; Nixon, n.d:2; Markey, 1988:19-20, 27, 32; Blakey, 1985a:1; PKHTF, 1986:4). The PKHTF continued to meet, but the impetus had diminished significantly during the 1990s (Joint President AWU/ FIMEE, Joint President SCLC, 7 November 1996 interview).

Nevertheless, within a short period of time after its establishment a working committee emerged which continued relatively unchanged until the late 1980s. It was a tripartite, or even quadripartite organisation. Its members consisted of representatives from Wollongong City Council (chairperson), University of Wollongong, SCLC, Waterside Workers' Federation (WWF), Painters and Dockers union, stevedoring and transport industries, citizen members and professional staff of the Wollongong City Council attached to the executive committee. Ted McAlear represented the SCLC on the PKHTF. He was Assistant Secretary of the SCLC, Secretary of the WWF and Chairperson of the Port Committee of Maritime Unions of Port Kembla (Markey, 1988:21; Blakey, 1984:12; PKHTF, 1985c:1; Nixon, 1984:2).

The PKHTF adopted the SCLC’s premise that it be concerned with the intensification and expansion of maritime and port activities so as to be more competitive in attracting international and national trade. Its rationale consisted of a “...strategy for the development of trade, industry and employment in the region based on the port of Port Kembla” (Markey, 1988:30). The main elements of the strategy consisted of:

- Agreement on principles and procedures in matters of industrial relations
- Physical development of the port infrastructure and regional support system
- Organisation and management of planning, development, and ongoing operations of the port (Blakey, 1984:6).
- Promotion and publicisation of the advantages of the port (Markey, 1988:34)

In early 1980s the SCLC had played a role in many of the activities of the PKHTF, yet the one that is relevant to this chapter was the major initiative of the PKHTF. This became a major focus for the SCLC in 1982 for dealing with the issues of the level of local unemployment and maintaining local jobs. It involved a public works program that would assist with diversifying the local economy by further developing
Port Kembla harbour (SCLC, 1984a:7; SCLC, 1986a:4). This involved the lobbying of many government and opposition members to pressure the NSW State Government’s Grain Handling Authority of NSW (GHA) to choose Port Kembla as the site on which to build a new grain terminal (Markey, 1988:42, 51). In particular, the SCLC’s role centred on gaining farmers’ support, as they were to contribute significantly to the costs of a new grain terminal. It was considered that the farmers’ public preference for siting the GT at Port Kembla, rather than at alternative locations, would add significant weight to the SCLC’s and PKHTF’s lobbying process of the NSW State government, particularly as the State government was keen on appealing to the rural sector (SCLC, 1986a:5; Ginnane, 1986:3; Markey, 1988:42, 51). The situating of the GT in Port Kembla was hard won, which will be examined in the next section.

Political Method - the Lobbying Process

The GT construction project had its origins in 1981 with the NSW government setting up the Carmichael Inquiry, which was an inquiry into the NSW grain handling system. The Inquiry’s chairperson was Alex Carmichael, who also held the position of chairperson of the State Rail Authority (SRA). The Inquiry arose out of widespread public and grower dissatisfaction with the system. The Minister for Agriculture, J.R. Hallem, commissioned the Inquiry for the Industrial Assistance Commission. It examined existing storage, handling and transport facilities and services for wheat and other grains within NSW. It reported on the NSW grain handling system in which it documented inefficiency and increasing costs. It noted that pressure on the capacities of Newcastle and Balmain had created the need for the restructuring of the NSW grain handling system that handled grain and other bulk cargo. It examined various options for increasing capacity of existing sites and also possible sites for the construction of a new grain terminal in NSW (PKHTF, 1985c:8; PKHTF, 1986:4; Blakey, 1983a:1; Blakey, 1985a:3; Carmichael et. al., 1981:1, 75-80).

On the basis of the Carmichael Inquiry the Coopers and Lybrand Study of 1982 was commissioned. It recommended eight options but favoured an expansion of the Botany Bay site as the best and it provided the lowest cost. The PKHTF’s suggestion of Port Kembla as a possible site was dismissed. However, lobbying by the PKHTF assisted in the decision of making it one of nine options (Blakey, 1985a:3). Subsequently with further lobbying by the PKHTF, Coopers and Lybrand recommended Port Kembla as the best option, or ‘preferred option’, for achieving
maximum cost-effectiveness in February 1983. Yet, this recommendation depended on the agreement of the Federal and State Governments and grain growers with the provision of funds. So, the PKHTF, which included the SCLC, embarked on an intensive political campaign. It set out its case and met twice with the NSW Premier. It met several times with the Federal Government Ministers of Agriculture, Trade and Employment, National Farmers’ Federation Board, Grain Handling Authority of NSW, State Rail Authority, Maritime Services Board, Livestock and Grain Producers’ Association’s Board and the Barley Marketing Board. It made a film of the Port Kembla Grain Terminal Project with the assistance of Wollongong City Council, and toured the Western and South Western districts to meet with wheat growers (Blakey, 1984:3).

As part of the campaign much of the energy of the SCLC went towards lobbying wheat growers. Others in the PKHTF concentrated on lobbying State and Federal Governments. Even though the SCLC did participate in government lobbying it believed that for the most part its energy was best directed towards developing an active support network with the agricultural hinterland of NSW. The support of farmers was critical as they were to pay the largest part of the cost of construction that was to be levied through the NSW Livestock and Grain Producers’ Association (LGPA, which was later known as NSW Farmers’ Association). As mentioned previously, their views would therefore carry significant weight in the final decision particularly for the State government that was keen on appealing to the rural sector (SCLC, 1986a:5; Ginnane, 1986:3; Markey, 1988:42, 51; Blakey, 1985a:3-4).

The SCLC and PKHTF worked with the LGPA as the ‘union of farmers’. Even though they by no means represented all grain growers, their views were influential. Bruce Noble, from the LGPA, was particularly active in building links between the growers and the SCLC and PKHTF. Farmers described their main concern for the GT project, and the major problems of the industry, as being related to the industrial relations at existing facilities (Markey, 1988:51, 64). The SCLC and unions were aware of this concern and were also aware that there would be resistance by farmers to the terminal being located at Port Kembla. In response, they raised with the farmers the misconceptions of the media and employers about the militancy of the area and, in particular, the maritime unions. They suggested that unions were an integral part of the community in the Illawarra and that solutions to any problems were best handled through direct discussions between farmer organisations and unions (Nixon, n.d:2).
The SCLC emphasised in discussions with the wheat growers that it would be influential in the construction, and operation, of the GT. This would be through the ‘Ports Committee’ that consisted of the SCLC and the Port Kembla Committee of Maritime Unions. In its work with the PKHTF the Ports Committee offered a united union position to grain growers (and gypsum users, importers and exporters) concerned with the GT project. The SCLC stressed to the grain growers that industrial relations, on the union side, would be managed by combined unions operating as one union and stoppages would only occur as a very last resort at on the GT project (PKHTF, 1983a:1; PKHTF, 1983b:9; PKHTF, 1985b:1).

In February 1983 the SCLC met with the then LGPA, together with the GHA, in Port Kembla. It aimed to convince them that Port Kembla was vital to a system of exports and imports, which would serve producers of farm products of the Central West, West and South West of NSW (SCLC, 1985c:2; SCLC, 1987b:2). The SCLC participated in the lobbying of government by the PKHTF during 1983 and between 2nd to 5th February 1984 the SCLC and PKHTF travelled to the wheat growing districts in Western and South Western NSW to promote Port Kembla for the site of a new grain terminal. In the tour Peter Morton, chairperson of the PKHTF, expressed the broad views of the PKHTF while Ted McAlear specifically represented the views of the SCLC and Port Kembla maritime unions. McAlear replied to the farmers’ concerns about the need for a third port in NSW to export farm products, union motives, employment conditions, how the industry would be run and the hours of operation of the port. For example he argued that Port Kembla offered a better option than the two current terminals then in operation at Balmain and Newcastle. He compared the operating times at Balmain that were one eight-hour shift with Port Kembla operating 24-hours per day. The increased operating hours at Port Kembla was part of an agreement in 1982 between the management of the port and the unions, the latter comprising of the SCLC and WWF. It consisted of continuous 24-hour shiftwork and an increase in shift-time from seven to eight hours for some bulk cargo, so as to improve ship turn-around time (Nixon, n.d:2; SCLC, 1987b:2; Nixon, 1986:2, 20; SCLC, 1985c:2; Markey, 1988:37; PKHTF, 1983a:7).

**Coalition with farmers grows after government’s decision**

Soon after, on 16 February 1984 the NSW government announced that a new grain terminal would be built in Port Kembla (WCC, 1984:4). The relationship between
the SCLC and the farmers continued and even grew, which demonstrated that there was a genuine commitment of goodwill between the two groups. As a result of the early February 1984 tour, the LGPA at Eugowra in the Central West of NSW extended an invitation to the Port Kembla delegation, including maritime and SCLC unionists. The farmers invited them to visit their area to gain a better understanding of their activities and problems. The SCLC was well represented with its secretary, assistant secretary and senior vice-president in attendance. The delegation visited in March 1984 for three days as house guests of Eugowra LGPA members and visits were organised to other areas in the Central West of NSW including Parkes, Forbes, Bathurst and Orange (Nixon, 1984:3; SCLC, 1984b:2, PKHTF, 1985c:6; PKHTF, 1986:1; Noble, 1988:37). Bruce Noble of Eugowra, who became the LGPA representative on the PKHTF commented on the atmosphere that prevailed:

I wondered how they would get on with their farmer hosts... No problems at all - they were just adopted as another member of the family. We found we had plenty to talk about because we had not spoken to each other for the past one hundred years! Together we visited an agricultural machinery dealer, and abattoir in operation, the grain sub-terminal at Parkes and a seed cleaning business. We visited the local pub, put on a shearing demonstration, followed by a barbeque around the camp fire, and shared a few stubbies (Noble, 1988:37).

Return visits to Port Kembla ensued. These were organised between branches of the LGPA in Eugowra, Parkes and Bathurst-Orange and the SCLC and maritime unions. This time LGPA members were houseguests of the port union members. The first of these visits was for three and a half days in October 1984 and eighteen guests attended. Maritime unions and the Maritime Services Board invited the guests to tour the industrial heartland of the Illawarra region. This included study tours of the port and its offshore environment. The guests also visited the steelworks and coalmines (PKHTF, 1986:1; PKHTF, 1985c:6; Nixon, 1984:3-4; SCLC, 1984b:1-2).

In 1986 the exchange of visits involved a larger number of representatives from both the farming community and the port. During the Port Kembla and Wollongong visit the group included twenty-eight farmers from the Central West. Visitors were also invited on a daily basis from the South Coast. Subsequently, there was a further return visit to Eugowra with thirty-two people from Port Kembla. These visits had been instrumental in the creation of strong organisational links as well as in developing personal contacts between individuals and families (PKHTF, 1986:1-2; Morton, 1988:31; PKHTF, 1983a; PKHTF, 1985b:1). The strength of these ties may be gleaned from an anecdote. Shortly after the Port Kembla group returned from one of their
farming trips Bruce Noble rang up Peter Morton about a big problem he had heard about in Port Kembla involving the shipment of coal from India. The PKHTF considered the matter so important that they were in Eugowra within 72 hours and were talking to Noble and other farmers at his home (Morton, 1988:31). Also Noble again commented:

Of the Eugowra farmers and the South Coast Labour Council unions: you would not find two groups whose backgrounds are more different yet since 1984 many exchange visits have taken place and firm friendships have been established that I don’t think will ever be broken (Noble, 1988:37).

I am very proud of the role of Eugowra farmers and the relationship they have established between the Port Kembla Harbour Taskforce and the South Coast Labour Council. Perhaps it is the most positive step that has ever been taken to improve industrial understanding between rural industry and the union movement (Noble, 1988:38).

Support for the NSW Livestock and Grain Producers’ Association

However, in 1985 there occurred a major test of the SCLC’s support of the LGPA. Local community environmental interests and farmer interests came into conflict and the SCLC needed to choose which group to support. The situation originated from the results of the Environmental Impact Assessment (EIA) report by the Department of Environment and Planning. It assessed the development application and Environmental Impact Statement (EIS) that was submitted to Wollongong City Council by the NSW Public Works Department on behalf of the GHA. The EIS indicated that 200 000 tonnes of the annual grain throughput, or 3.6%, would be expected to arrive by road. This was rejected in the EIA on the grounds that a thorough basis had not been provided on which to weigh up the road versus rail options. The EIA concluded that road receival for the GT should only take place in emergency situations and under certain conditions (NSW Department of Environment and Planning, 1985:i, 4, 19-20). Yet, the LGPA viewed the road haulage of grain to Port Kembla as being essential and rejected the restriction upon the road receival facilities to ‘emergency uses only’. In fact, it would not support the project without its position being met (Blakey, 1985b:8; LGPA, 1985:26).

Various groups lined up for and against the NSW Department of Environment and Planning’s EIA. Those against viewed the near complete dependence on rail as unacceptable. They comprised many farming groups such as the farmers in the Riverina district (Markey, 1988:50). Also, this included NSW wheat and grain growers groups such as the Wheat Growing Cost Crisis Meetings, NSW Oats Marketing Board, NSW
Grain Sorghum Marketing Board, NSW Barley Marketing Board, Yellow Maize Marketing Board and the NSW Oilseed Marketing Board. Furthermore it included the Australian Wheat Board and the NSW Department of Agriculture. Others against the near complete dependence on rail also included Wollongong City Council, Wingecarribee Shire Council, Illawarra Region Port and Railway Community Advisory Committee and the PKHTF (Gilpin, 1985:39-43, 50-58, 65-73). Yet, even though the PKHTF made its decision, the SCLC needed to make its own decision as well.

The PKHTF supported the road receival facility at the terminal but considered it to be appropriate to place limits on the capacity and storage of this facility. It believed it could work adequately within a limit of 200,000 tonnes per annum of throughput a year (Gilpin, 1985:53-54; PKHTF, 1985c:12, 17), the figure that was proposed by the GHA in its EIS (NSW Department of Environment and Planning, 1985:4-5, 22-26). It accepted that it was important to provide marginal competition for rail, which would consist of 3.7% for road transport, with a throughput for the terminal of 5.6 million tonnes capacity. Also the PKHTF noted that 200,000 tonnes a year of wheat on the road was not comparable to the 2 million tonnes of coal originally proposed when the coal loader was installed, and still less than the 6.5 million tonnes a year reported a few years later (Blakey, 1985b:3, 8-9).

In contrast, the local ‘Community Transport Concern’ supported the need for road receival at the GT only in emergency situations, due to road safety concerns (Gilpin, 1985:83). It gained support from sections of the local community who were opposed to road transport of bulk goods. This had built up in the late 1970s and 1980s from a rise in coal truck traffic due to both an increase in coal exports and from the initial operation of the coal loader before the associated rail improvements were completed. The mounting coal traffic appeared to result in a series of road accidents involving coal trucks in which fatalities and serious injuries occurred among motorists (Markey, 1988:50). The State Pollution Control Commission opposed the concept of road receival being extended to 200,000 tonnes of grain per year because it believed this would lead to unacceptable traffic noise. Yet, perhaps somewhat surprisingly, the South Coast Conservation Society Cooperative Limited agreed with the road receival option even though it was at first opposed to road receival. After discussions with the PKHTF it became convinced of the argument that if the GT was to be built for the diversification of the Illawarra economy it meant the limited road receival of 200,000 tonnes per annum (Gilpin, 1985:30, 84).
There occurred some conflict between the unions over this issue that corresponded with protecting the jobs of their members (Markey, 1988:50). The Transport Workers Union (TWU), representing truck drivers, supported the grain producers’ prerogative to choose the form of transport that suited them. It believed that road haulage should be used, without any limits, if that was what farmers required. Nevertheless, it had no objection to rail haulage. In contrast the unions representing rail workers, the Australian Railways Union (ARU) and the Australian Federated Union of Locomotive Enginemen (AFULE), opposed the concept of a road receival option. The SRA also held a similar position to the rail unions (Gilpin, 1985: 31-38; 78-80). The SCLC’s decision was settled at one of its full Council meetings, which will be discussed next.

The SCLC’s decision was based on an awareness that the LGPA’s support for the terminal at Port Kembla was fixed firmly on the condition of access to road transport. Yet, it also noted local community concerns about an extension of road transport. In addition, the SCLC remained committed to rail as the primary means of transportation for the GT, which was not challenged by any of the organisations (Nixon, n.d.:6-7; Gilpin, 1985:75-77). Nevertheless, the SCLC believed that the road safety and noise pollution arguments were overshadowed by the need for the construction of the GT as it viewed the GT as being essential to the diversification of the regional economy away from steel (Gilpin, 1985:76). At a meeting of full Council on the 10th April, 1985 it passed a unanimous resolution stating its support for road receival, but limited this to 200 000 tonnes per annum (Nixon, n.d.:7), the figure that was proposed in the EIS report. In support of its decision the Secretary stated that the SCLC was concerned with the local physical and social environment. He stated that:

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\text{[the SCLC] is not ‘developmentalist’ in the sense of promoting economic development at all costs. The SCLC has considered all aspects of this development seriously and believes that when all factors are taken into account the benefits of the proposed development far outweighs whatever costs there might be (Nixon, n.d.:8).}
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In June 1985 the Minister for Planning and Environment, Bob Carr, set up a special Commission of Inquiry to evaluate the case for and against road receival, which was headed by Dr Alan Gilpin. It recommended that the GT be constructed in line with the EIS, which was presented by the NSW Public Works Department on behalf of the GHA, and limited road receival to 200 000 tonnes per annum (Gilpin, 1985:94). Shortly after Bob Carr agreed with the recommendations of the special Commission of Inquiry.
Thereby the original plans for the construction of the GT were followed (Blakey, 1985b:6).

The LGPA placed the SCLC under pressure. The SCLC supported the LGPA’s concerns above those of the local community who emphasised that increased truck traffic in the Illawarra would probably cause more accidents and noise pollution. The LGPA claimed to have achieved a major victory for wheat growers with the announcement, despite the limits imposed. It was particularly pleased as it considered that road haulage for farmers was very important for the sea transport of small lots of coarse grain that could be separated from wheat shipments (LGPA, 1985:25-26). This was needed, partly due to the lead-time of two weeks that was required for rail deliveries whereas with road delivery lead times were not necessary (Blakey, 1985b:8-9). Also, the LGPA was pleased that the SRA’s monopoly of the delivery of grain to the ports of NSW was broken. It believed that wheat freight charges by the SRA were non-competitive. It pointed to a study by the coal industry that displayed the SRA’s charges, which the study claimed, were three times those of its competitors. The LGPA was also pleased that it broke one of the rail unions’ sources of power through its ability to cause much disruption by restricting the use of the rail system at times of industrial action (LGPA, 1985:25-26).

**Industrial Method: The Grain Terminal Construction Site Agreement**

The SCLC built on its success in the Coal Loader Construction agreement to negotiate with the NSW Government and implement the Port Kembla Grain Terminal Construction Agreement. In early 1985 the SCLC established a committee to draft a document containing its recommendation for the Construction Agreement that would regulate industrial relations on the GT site. Further in September 1985 the SCLC elected a subcommittee to vote on the recommendations and to formulate the details. The first meeting of the subcommittee established a consensus opinion on the terms and conditions of the agreement in line with the unions’ objectives. It based the agreement on the previous Coal Loader agreement and the Darling Harbour agreements (the latter was also based on the Coal Loader agreement). It was decided that the agreement was to cover a site allowance, supply industrial clothing such as safety equipment and include a Code of Ethics to be signed by the contractors and subcontractors (SCLC, 1986a:5; SCLC, 1985c:3-5; SCLC, 1985d:2; Nixon, 1986:3; Markey, 1988:43). As will be seen
later, the Code of Ethics, in particular, was important in influencing local content in the project.

In late 1985, the SCLC approached the NSW Minister for Industrial Relations to have an industrial agreement specifically for the GT site. The subsequent site agreement was between the contractors and subcontractors on one side, and the SCLC and the relevant affiliates on the other. The agreement consisted of additional benefits to the Federal and State awards in some cases. The main provisions included a site allowance of $1.25 per hour for each hour worked on the site, a protective clothing allowance, superannuation and long service leave provisions, requirement of financial membership of appropriate unions for employment and the prohibition of pyramid subcontracting, all-in-payment and cash-in-hand payments. The award conditions continued to apply except where they were less favourable than the rates of pay and conditions contained in the site agreement (SCLC, 1985c:3-4; Markey, 1988:36-37, 43-44; Port Kembla Grain Terminal Construction Project Industrial Agreement, 1985).

With the encouragement of the SCLC, the agreement also dealt with provisions related to demarcation and other dispute settling procedures (SCLC, 1985c:3-5). An ‘island agreement’ was again formed to contain the control of industrial relations at the local level. Any potential dispute was to be dealt with on site, through a hierarchy of grievance procedures, and there was to be no stoppages during the time that the procedures were being followed. This was to minimise time lost due to disputes. In addition a private arbitrator, who was suitable to both sides, was appointed to administer the agreement in situations where disputes could not be solved by the SCLC and union representatives, on one side, and company representatives, on the other. The latter represented the top stage of the hierarchy for the dispute settling procedures on site. This method for establishing an island, or site, agreement differed from the then norm that observed full control of the agreement by the State and Commonwealth conciliation and arbitration tribunals. Nevertheless, the agreement was again formalised, as with the Coal Loader Agreement, through arbitration rulings at both the State and Commonwealth levels (PKHTF, 1985b; PKHTF, 1986:2; Markey, 1988:14-15, 36-37; Blakey, 1983a:4; Blakey, 1985a:2; PKHTF, 1983a:Appendix A; SCLC, 1985c:3-4).

Again similar to the coal loader construction, a bipartite Committee of Works was established to monitor and administer the site agreement and industrial relations generally. The SCLC and unions rekindled this initiative. The Committee comprised of representatives for the SCLC and affiliated unions that were involved in the
construction, the Public Works Department, contractors and the PKHTF. They were to meet on a monthly basis or more frequently when required (SCLC, 1985c:3-5; Nixon, 1986:3-4; Markey, 1988:45-46).

Construction started late in 1985 (PKHTF, 1985b:1). This was shortly before both sides had reached a formal agreement in early 1986. It was at least partly due to the SCLC and unions’ desire to get the project started quickly (Nixon, 1986:3-4). The GT was completed in 1989. It was the largest in Australia and was the most technologically advanced in international terms, for its time. It was built of steel with storage capacity of 360,000 tonnes and a throughput of 5.6m tonnes of grain annually. The cost of the terminal was $238m. The Federal government contributed $18m through the Steel Assistance Programme; the NSW government contributed $30m through its Maritime Services Board and SRA for port and track upgrading, and the NSW grain growers contributed $190m that was paid to the Grain Handling Authority through a levy on the grain (Nixon, 1986:3; Blakey, 1985a:2; Blakey, 1985b:3,8; PKHTF, 1989:1-2; Ginnane, 1986:3; Morton, 1988:37).

The Port Kembla Grain Terminal Construction Agreement gave the SCLC the responsibility to ensure that the relevant unions supported the agreement. Merv Nixon reminded affiliates of their role in the 1986 annual report where he stated:

all delegates and affiliates need to understand the great effort and expenditure of resources which has gone into the winning of the Grain Terminal - a major development and employment source for this district. …I request unions respondent to the construction of the Port Kembla Grain Terminal Agreement as part of the endorsement of this year’s Annual Report, to agree that any problems that may arise at the Grain Terminal shall be resolved by the SCLC. …[t]here are no reasonable grounds for any union to depart from the agreement given that they have been consulted at all stages culminating in their instructions to the Secretary to sign the agreement on their behalf (SCLC, 1986a:5).

The SCLC was assured support for the agreement from the unions as they had assisted in its drafting. The subcommittee of September 1985 drafted the Code of Ethics, in particular, and as indicated earlier it was important in influencing local content in the project. It set out the terms and conditions of the agreement in line with the unions’ objectives. It reviewed the Coal Loader agreement and the Darling Harbour agreement (the latter was also based on the Coal Loader agreement). This subcommittee included a representative from the Amalgamated Metalworkers Union, Builders’ Labourers Federation, Plumbers Union and the SCLC. The Code of Ethics prescribed certain conditions. It included provision for the settlement of demarcation disputes, the requirement that only unionists would be employed and that local firms would be utilised. It included the condition that the company would hire local labour, including
those currently unemployed, make special provisions for casual and weekly hired labour and employ apprentices at a ratio of 4:1. The Metal Trades Industry Association (MTIA) endorsed the Code of Ethics for those members which contracted ‘on-site’ work at BHP (SCLC, 1986a:5; SCLC, 1985c:3-5; SCLC, 1985d:1-3). With the exception of the first two points, the Code of Ethics was not stated in the industrial agreement (Port Kembla Grain Terminal Construction Project Industrial Agreement, 1985). Nevertheless, there was some evidence that the parties endorsed parts of it through their subsequent actions.

Contractors became aware of the union preference for using local workers and unemployed through the SCLC and affiliates’ requests. They responded by claiming to be making every effort to use local resources (Ginnane, 1986:3; SCLC, 1985b:1). Local union preference also arose in 1978 during the negotiations before the commencement of the Coal Loader project, in which the SCLC insisted that preference in the construction should be given to local firms and local labour “wherever it was available” (SCLC, 1981a:7; Blakey, 1983a:2). The local offices of the Metal Trades Industry Association (MTIA) and the Master Builders' Association (MBA) supported this provision (Markey, 1988:14).

Arising from the SCLC’s initial pressure, in February and March 1986 other initiatives emerged to assist locals in gaining employment at the GT. This included meetings at Wollongong Town Hall between the NSW Public Works Department, Transfield, BHP, SCLC, Commonwealth Employment Service (CES), Department of Technical and Further Education (TAFE) and the Illawarra Group Apprenticeship Training Scheme. Profiles of commitments of the GT and BHP were put together. It outlined the regional capital works to which the principals were committed, their projected outlay for the next five years and an analysis of their skilled and semi-skilled staffing requirements. This development resulted in immediate further meetings between the SCLC and affiliates, BHP, CES and the MTIA where they exchanged lists of skilled and semi-skilled workers known to have been unemployed or who had taken early retirement. This established joint communication and collaboration between public and private contractors and their principals. The NSW Office of the CES described this as an unprecedented measure in their experience (Blakey, 1986:1-2). Yet despite these initiatives the Department of Employment and Industrial Relations predicted that there would be an inability for employers in the metal fabrication area to fill vacancies for tradespeople. It anticipated that as work intensified at the GT site and
in BHP in their respective capital works programmes, there would be a severe shortage of tradespeople. Indeed, this was the case, even though the extent was not measured (Bird, 1984:2-3; Markey, 1988:47).

In another local initiative the PKHTF, with the inclusion of the SCLC, assisted in organising the tender for local firms interested in the construction of the GT. However, a study estimated that only about 30 percent of the GT project was undertaken within the region as the GHA had accepted a design for the project that had the unintended effect of discouraging local contractors. The project was broken up into contracts that were too large for local contractors. Yet, the study estimated that if the materials handling contract of $50 m had been split into three parts of about $16m each, six to ten local contractors would have been capable of tendering for those contracts (PKHTF, 1983b:19; SCEDP, 1988d:14). This describes some of the limitations of the SCLC initiative to create more local jobs.

Nevertheless, the GT was advantageous to the Illawarra in terms of local employment generation. From the outset of the project it was anticipated that the GT would employ about 900 at its peak of construction and decline to 240 at the lowest point. This construction was expected to generate further work in local steel and engineering industries through fabrication of materials, maintenance of equipment and provision of services. This ‘multiplier effect’ was difficult to measure but it was estimated to be a factor of 2, thereby generating up to 1800 further jobs in the regional economy at the peak of construction (PKHTF, 1985a; Pascuzzo, 1985:148-149; Markey, 1988:48). In addition, the operational phase was expected to generate between 30-38 jobs in one estimate (Department of Environment and Planning, 1985:20) and 72 jobs in another (Pascuzzo, 1985:150). It was estimated to have a multiplier effect of about 6.5 that would generate between 195 - 468 jobs in the regional economy through the provision of transport, maintenance and services to the GT (Pascuzzo, 1985:150; Markey, 1988:47). By 1996 the number of permanent employees had declined to 19 who were supplemented with varying numbers of casual contractors mostly concentrated in the maintenance area (Manager Port Kembla Grain Terminal, 21 May 1996 interview).

**Conclusion**

The SCLC was able to participate in local employment generation through the Grain Terminal project by utilising and mixing industrial and political methods. Instead
of one method prevailing over the other, as some literature suggested, it supplemented political method with industrial. Its political methods included the procurement of farmers’ support for Port Kembla as the site of the GT, which added to the SCLC’s strength in lobbying the government. It thereby extended this method further than lobbying governments as it had done in the coal loader project. This stemmed from its role in political activity in a broad sense that includes lobbying other interest groups in addition to governments. Alternatively, the SCLC’s industrial method in the GT project consisted of its role in collective bargaining where it coordinated the relevant affiliates in developing an industrial agreement and negotiating with employers. This was similar to the Coal Loader project. Yet in the GT project it did not use industrial action to gain a better bargaining position with the government as it had done in the coal loader project.

In the GT case the SCLC acted on behalf of local community interest in generating local employment through industrial diversification. It achieved this by encouraging a construction project to the region and by encouraging the use of local labour and local firms. However, the SCLC did not necessarily initiate a labour-community coalition with the Illawarra community. There was no identifiable group in the Illawarra with which the SCLC formed a reciprocal relationship, as Craft and Thornthwaite in Chapter 2 suggested was needed for a labour-community coalition.

Yet, the SCLC was presented with an opportunity to support the local environmentalist groups that defended the NSW Department of Environment and Planning’s decision to restrict road receival at the GT site to ‘emergency uses only’. The argument of these groups placed the SCLC under pressure to consider that increased truck traffic in the Illawarra would possibly cause more accidents and noise pollution. It was persuaded by these arguments during the Coal Loader construction. Yet, in the GT case, the SCLC chose instead to support the Livestock and Grain Producers’ Association (LGPA) that represented a section of wheat farmers from Western, Central West and South West of NSW. The LGPA threatened to withdraw its support for the positioning of the GT at Port Kembla if the restriction for road receival to ‘emergency uses only’ was not lifted. The LGPA had many supporters but the SCLC’s support of the LGPA position revealed its attitudes. The SCLC viewed its relationship with the LGPA to be more important than its relationship with some of the local environmental groups. Yet, the SCLC supported environmental groups with the Coal Loader where the consequences were not as high, and the transport of coal by road was greater.
The SCLC did form a reciprocal relationship with the LGPA. The farmers gained a Grain Terminal. The SCLC, through the coordination of its affiliates, ensured that the LGPA did not have to deal with several unions independently. The farmers established a good working relationship with the SCLC and affiliates, both before and during the construction phase. The visits between the SCLC and farmers cemented this relationship. The SCLC was able to demonstrate to the farmers that it could affect the implementation of the Port Kembla Grain Terminal Industrial Agreement through the example of the Coal Loader project. As with the Coal Loader, the SCLC again proposed that a hierarchy of procedures be established where industrial disputes were to be controlled on site. Thereby, work continued while negotiations were taking place. The SCLC again participated in a bipartite Committee of Works to monitor and administer the site agreement.

The SCLC increased employment at the terminal and in the surrounding areas in both the construction and operational phases. Also it expanded preference to local labour and firms, whenever possible, as stipulated in the Code of Ethics associated with the industrial agreement. The number of jobs created by this project in Port Kembla was substantial. It appears that the GT generated 900 jobs during its peak of construction and 240 at its trough. In addition, the construction generated further work in the local area with possibly 1800 jobs created during the peak. Some initiatives were taken to hire a greater proportion of local labour with the SCLC, MTIA, BHP and CES exchanging lists of recently retrenched or unemployed tradespeople. Yet, not as many locals were hired as could have been if the situation was different. There was a shortage of skills in the area, particularly with BHP requiring a short-term influx of tradespeople for its capital equipment development. Unfortunately the GT project did not stimulate local companies as the SCLC had intended. The tendering for the materials handling part of the project would have had to be designed in smaller allotments for this to occur.

The SCLC was well placed to help generate local employment in the Illawarra region, particularly the Wollongong/Port Kembla area, despite some of its efforts being limited. As a regional labour council it was focused not only on the affairs of its affiliates but also on the broader issue of the availability of local jobs. It thereby added to the economic and social prosperity of the local community. It was further able to complement this achievement by employing political and industrial method separately in other opportunities to pursue local employment generation. The political method is the topic of the next chapter.
Chapter Seven
SCLC and the Political Method of Local Employment Generation

Introduction

The previous chapter examined the SCLC mixing political and industrial methods in attracting the GT to the Illawarra region for purposes of local employment generation. It used the political method in its lobbying of farmers, and government officials, to support the positioning of the GT in Port Kembla. It utilised political method in the promotion and encouragement of a quadripartite organisation, the Port Kembla Harbour Task Force. In addition, it used the industrial method in its negotiation and implementation of the industrial agreement related to the GT. In the further examination of methods for local employment generation, this chapter examines the SCLC’s utilisation of one method, the political method, on its own. It finds that the method is used in a similar manner as it involves the lobbying of governments and the promotion and encouragement of a tripartite organisation. However, this chapter also demonstrates a shift in the development of the SCLC’s local employment generation strategy. This is from consent to the Federal Government’s linking of national industry policy with the regional level through a focus on private investment initiatives, to active attempts to gain a greater role for government in regional development, through public sector spending and a comprehensive regional policy.

Steel Industry Crisis and the Steel Industry Plan

As discussed previously, concerns regarding job security came to the attention of the SCLC in the late 1970s with the maritime unions suggesting that the decline of the port of Port Kembla should be assessed with the view to stimulating further activity. Also the steel unions increased the SCLC’s awareness of a potential decline in the steel industry in the late 1970s. Even though the decline in employment and production was only slight in the late 1970s the unions forecasted the potential for a crisis given the depressed international steel trends and national unemployment trends (Kelly, 1989:58-60). The eventual steel industry decline caused a dramatic decline in employment opportunities in the Illawarra during the 1980s and 1990s. While the SCLC played only a minor role in events surrounding the steel industry decline in employment, it helped
offset the resultant regional effects through a continued role in local employment generation.

Initially, in 1982 the local steel and coal unions’ affiliates responded to the massive loss of jobs in the steelworks and in the Southern District mines, as outlined in chapter Four. They organised a joint campaign which involved members from the then Federated Ironworkers’ Association (FIA) Port Kembla Branch, Amalgamated Metalworkers and Shipwrights Union (AMWSU) and the Southern District Miners’ Federation that included actions such as bans, stoppages and mass meetings. At a mass meeting in October 1982 the membership agreed to organise a rally at Federal Parliament House to demonstrate workers’ concerns about unemployment in the region (SCLC, 1983a: 14-15).

In October 1982 over one thousand workers from Wollongong travelled on two special trains to Canberra for the protest. The NSW Premier, Neville Wran, provided the trains to place pressure on the Liberal Federal Government in the build-up to the impending Federal election. The organisers wanted to pressure the opposition believing that Labor would win the upcoming election. Subsequently, the demonstration pressured the Liberal Government, especially as the workers staged an unplanned entry into Parliament House by forcing the doors and occupying the entrance. The Liberal Prime Minister, Malcolm Fraser, was forced to meet with the union delegation that he had previously refused. This rally publicised the region’s desperate situation of increasing unemployment and retrenchment through the national media. Further delegations and rallies helped to gain a pre-election promise from the Federal Labor Party leader, Bob Hawke, to ‘maintain the jobs of those currently employed’ in the steel industry through a Steel Industry Plan (SIP). Yet, Hawke offered no policies on the many jobs that had already been lost in the steel and related industries (Donaldson, Larcombe & McGee, 1983:379-381).

Labor was elected to Federal government in March 1983. One month later, in April, the SCLC called on the Federal Labor Government to include regional consultation in the proposed SIP. The SCLC convened a meeting of labour councils and unions at the Australian steel centres of Port Kembla and Newcastle in NSW and Whyalla in South Australia. Federal Labor Ministers, ACTU executive members and local area representatives also attended the meeting. It was called the Mini-Summit as it was held at the same time as the National Economic Summit that assisted with the implementation of the first ALP-ACTU Accord. The meeting agreed to the SCLC
proposal that each steel centre have its own representative on the proposed steel industry authority to represent the views of local workers and communities. The SCLC’s 1984 Annual Meeting retrospectively endorsed the proposal put to the Mini-Summit and also decided to campaign both locally and with the ACTU for its attainment. The ACTU supported the proposition in principle but it was rejected by the Federal Government. Thereby, the SCLC was largely unsuccessful in pursuing this course of action and this failure added to the SCLC’s critical reception of the SIP, which is discussed later (SCLC, 1984a: 3).

The SIP was announced five months after the Federal Labor Government was elected. It was an agreement between the Federal Government, BHP and the ACTU for a five-year term with the primary goal of re-establishing a viable and competitive steel industry. The main elements of the SIP involved Federal government bounty payments of up to $70.1 million annually on certain types of steel. BHP, in return would cease compulsory retrenchment and invest $800 million over five years in capital equipment. Unions would commit themselves to keeping wage demands within certain guidelines and reaching certain productivity targets (Kelly, 1988:522-23; Kelly, 1989:87-88; Sandercock & Melser, 1987, Chapter 6:2, 23-24). In addition to financing the SIP the Federal Government also financed $100 million for a Steel Regions Assistance Investment Program to help steel regions adjust to changes and diversify their economic bases. Wollongong was allocated funds of $49.7m of which $18.7million was allocated towards the Grain Terminal, $5m towards the Illawarra Technology Centre and much of the remainder of the $26 million that was actually spent went to the tourist industry (Sandercock & Melser, 1987, Chapter 6:2, 25-28).

The SCLC viewed the SIP as a concession won from the Government but it nevertheless had reservations about the plan. Even though the SIP arose from pressure by unionists, amongst others, the SCLC was critical of a tripartite plan that neither steelworkers themselves nor their regionally based unions helped to formulate or were asked to endorse. The SCLC supported the position of the steel industry delegates who were critical of the SIP. They believed that the plan was inadequate as it failed to protect job levels. Furthermore, it did not provide a framework for the introduction of new technology and it made no mention of working conditions, yet it emphasised the need for increased productivity (SCLC, 1984a:2-3; SCLC, 1985a:6).

The SCLC’s overall experience with the SIP made it wary of the other sectoral industry plans, outlined in Chapter Two, which were also designed without any regional
consultation. In its response to the imminent introduction of the Textile, Clothing and Footwear sectoral industry plan it was not optimistic that it would provide positive benefits for the region. The SCLC states:

If the relevant minister's track record is any guide, we can expect little consultation on matters of great concern in our district, and even plant closures, as a consequence of these plans. The plans are due in the first six months of 1986 and the trade union movement in the region should be preparing for this challenge (SCLC, 1986a:2).

Nevertheless, Merv Nixon believed that the government commitment to the sectoral plans presented the SCLC with an opportunity to pressure governments to involve the regional level in national industry planning, as the Federal government had not addressed this issue through other mechanisms (SCLC, 1985a: 2-4). He exerted this pressure through the slogan that the industry development policies of the Accords needed to be ‘activated’ for employment and economic growth to occur (SCLC, 1986a: 2). By this he meant that governments needed to further stimulate investment in manufacturing industries and in new industries, which could produce goods that were imported, at the time, for the local and export markets (Nixon, 1986:1). Nixon proposed that the SCLC become involved in developing and integrating regional industry plans so that the Illawarra would benefit from an overall increase in economic activity and that workers of one region did not compete with workers of other regions. The SCLC would assist the development of a link between the national and regional levels with the objective of increasing employment opportunities in the Illawarra. This occurred through the engagement of an Employment Development Officer and the establishment of the South Coast Employment Development Project. Both were funded by the NSW Labor Government (SCLC, 1985a: 3-4).

**South Coast Employment Development Project**

In Wollongong in the mid-1980s the metal manufacturing group of unions, which was affiliated to the SCLC, encouraged it to initiate the South Coast Employment Development Project (SCEDP). Many union officials and other representatives devoted considerable time to the project (SCEDP, 1986:2; SCLC, 1986a:3; Windshuttle & Burford, 1987:62). Merv Nixon placed much hope in SCEDP as he expected that a reduction in Illawarra’s unemployment rate in 1985 was due to an overall improvement in the Australian economy and significant private and public sector capital development in the Illawarra, which would decline by 1988 unless it was addressed. He forecast that the national economy would again move into a recession by then, and the regional
economy would follow. He attributed the private sector development to increased activity in steel related services that were initiated by the Federal government’s financing of the SIP, which would taper off. In addition, he believed that the public sector developments were due to infrastructure projects such as the Grain Terminal, the Maldon-Dombarton rail link and the construction of State and Federal government office blocks, which he warned would be completed by 1988. Nevertheless, Nixon also anticipated that SCEDP would be supported by other initiatives yet to be recognised and initiated (SCLC, 1986a:2, 16).

The SCLC drew together support from BHP Steel and relevant State government departments that was shaped into tripartite endorsement for the SCEDP. It aimed to broaden the economic base of the Illawarra region by developing industries that correlated with its skill base and industrial infrastructure. It was hoped that employment would be generated to employ and/ or re-employ the region’s traditional manufacturing workforce (NAGLEI, 1987:86-87; Windshuttle & Burford, 1987:57-63).

SCEDP commenced in 1986, but it had its beginnings in 1983 with the SCLC lobbying the NSW Labor Premier, Neville Wran. The SCLC proposed the establishment of an Employment Centre in the Illawarra. This Centre was to address the issue of unemployment by helping to sustain and broaden the region’s economic base. In 1984, while the Employment Centre was still in the planning stage the State Government met a request from the SCLC for the allocation of funds for the appointment of Employment Development Officer to the SCLC.

This officer worked with the SCLC’s industry groups and unions. Similarly, employment officers were also allocated to Newcastle Trades Hall Council, NSW Labor Council, NSW Council of Social Services and the Western Sydney Regional Organisation of Councils. The SCLC gained three year’s funding, from 1985 to 1988, for the position. The Employment Development Officer’s primary role within the SCLC was to work at the local level in critically analysing the affiliates’ regional and national level industry programmes, while fostering a perspective to sustain and broaden the region’s economic base. The SCLC viewed this role to be part of the implementation and extension of the ALP/ACTU Accords to the regional level (SCLC, 1986a: 2-3; SCLC, 1987a:20-22; SCEDP, 1986:5).

In 1986 the proposed Employment Centre became the South Coast Employment Development Project (SCEDP). It developed out of the Employment Development Officer’s (EDO) work with the EDO urging for SCEDP to be established (SCLC,
The Ministry of Employment in the NSW Labor Government funded the project (SCEDP, 1986:2), with a view to addressing the issue of geographically-concentrated manufacturing job losses in safe Labor seats (Tonkin, 2001:13). SCEDP was a tripartite organisation with the Board of Directors comprising representatives from trade unions, industry and the State Government. The State government believed that an important part of its strength lay in this tripartite structure where the Board identified common goals, initiatives and policy responses in keeping with its aims and functions. The SCLC represented the trade unions while business was represented by BHP, the Metal Trades Industry Association and the Illawarra Technology Centre. In addition, the Department of Industrial Relations and Employment (DIRE) and the Department of Industrial Development & Decentralisation (DIDD, later to be known as Consumer Affairs) represented government (SCEDP, 1988a:3, 12).

The aims of the SCEDP may be summarised as:

- the promotion and development of ongoing employment opportunities in the Illawarra Region
- the consolidation, extension and development of employment opportunities and production within the existing manufacturing base, and the diversification of this base within the Illawarra Region. This extended to the development of a more dynamic and resilient employment base and industrial base where the development of long-term employment opportunities could occur (SCEDP, 1988a:3).

These aims were achieved between 1986 and 1988 by:

- the establishment within SCEDP of an economic analysis unit, industry development unit and a supporting initiatives/ trade union liaison/ skills and career development unit (SCEDP, 1988c:10).
- the establishment in the region of new investment which complemented and broadened the existing industry and skills base (SCEDP, 1988a:7-8). This included the identification and advancement of about 30 strategic investment projects and supporting initiatives (Watson, 1988:1; SCEDP, 1988c:4).
- the implementation in the region of employment initiatives by governments and training initiatives by the private sector with an emphasis on improving skills and job opportunities. Also, SCEDP identified the main training needs for the Illawarra region.

SCEDP had a special role in the region as a body that provided advice and assistance on certain options, in its role as an intermediary organisation, rather than a ‘employment generating enterprise’ that actually created additional employment, which...
was more common in regional development. SCEDP complemented ‘employment generating enterprises’ through its function of providing services that facilitated initiatives and supplied assistance (SCEDP, 1988a:4-5). This included examining the industrial and skill base of the region to identify suitable industries to attract and the training needs required (Tonkin, 2001:16). It worked in this capacity with the Port Kembla Harbour Task Force, Maritime Services Board, Illawarra County Council, Wollongong City Council, Shoalhaven Shire Council, Shellharbour City Council, Illawarra Technology Centre, Department of Industrial Development & Decentralisation Regional Office, University of Wollongong and the NSW Farmers Federation (SCEDP, 1988a:4-5). SCEDP focused its services and staff resources on the development of new markets and industry niches and it steered away from seeking out and enticing employers to relocate (Sandercock & Melser, 1987, Chapter 6:32; Trade Union Liaison Officer SCEDP, 4 November 1993 interview).

In 1987 the role of the SCLC’s Employment Development Officer was replaced, to some extent, by the appointment of a supporting initiatives/ trade union liaison officer (henceforth trade union liaison officer) (SCLC, 1987a:20-22). Nevertheless, the SCLC remained central to the work of the new position. The trade union liaison officer would assist in the coordination and management of SCEDP initiatives, under the direction of the SCLC and its Industry Groups, and provide current information on SCEDP to the SCLC on a regular basis. The SCLC viewed the procedure for liaison with SCEDP as being important in keeping the SCLC in a key position. The liaison officer would arrange with the SCEDP Industry Development Manager for both to meet with the Secretary of the SCLC and inform him about project development proposals. From there the SCLC would forward the information to the relevant unions and the union position would be presented directly to the liaison officer and returned to SCEDP. All further correspondence would be conducted through the SCLC (SCLC, 1987a:15; SCLC, 1988a:20-22). Part of the liaison officer’s work with the SCLC entailed developing initiatives proposed by affiliated unions. In addition he had a role in SCEDP involving initiatives of the Economic and Industry Development units of SCEDP. In this role, too, he required the SCLC’s support and/or active participation (SCEDP, 1988b:1-14).

SCEDP had secured funding between February 1986 and April 1988. It received $622 000 from the government and $70 000 from BHP, the latter due to SCEDP’s interest in product development related to the steel industry (Sandercock & Melser,
Yet in 1988 when SCEDP sought $465 000 in further funding (SCEDP, 1988a:1, 28) the newly elected Liberal Government in NSW refused to support the project. The new Minister for Industrial Relations, John Fahey, provided no official reason for its lack of support (Tonkin, 2001:18). The trade union liaison officer suspected that the new State government did not see a role for itself in job creation and industry development (Trade Union Liaison Officer SCEDP, 4 November 1993 interview). The unions were not particularly surprised due to the government’s ideological position, which foreshadowed a rise in economic rationalism and an opposition to union initiatives (Tonkin, 2001:18). SCEDP was not particularly surprised by the new government’s response and had the prospect in view of becoming an incorporated, but non-profit, company. It needed this status so as to work on a training and analysis tender for BHP (Trade Union Liaison Officer SCEDP, 4 November 1993 interview). It thereby gained legal security to protect confidential business matters disclosed during investment arrangements (Tonkin, 2001:18).

In 1988 SCEDP became incorporated and continued its tripartite board with SCLC representation on the executive but its interest in SCEDP waned as will be explained after an illustration of SCEDP’s developments (SCLC, 1988a:40; McInerney, 1993a:4). SCEDP continued to maintain its previous Economic Analysis Unit, Industry Development Unit and Union Liaison (SCLC, 1988b:40; Pasley, 1990). Yet the focus of these activities was much diminished. From 1988 until it wound up in 1993, SCEDP focused almost entirely on training and analysis work, which kept it viable (Pasley, 1990; McInerney, 1993a:4; Trade Union Liaison Officer SCEDP, 4 November 1993 interview). In 1988 it decided that it would attempt to secure funding from the Federal Government and the private sector with a view to becoming self sufficient by the end of 1989 (SCLC, 1988a:40). This compelled SCEDP to adopt new priorities and move away from its original charter involving local employment generation (McInerney, 1993a:4).

SCEDP secured funding from BHP through the Steel Industry Development Agreement, which continued the understanding between BHP and the unions for ongoing productivity and profitability gains after the Federal government withdrew from the SIP and ceased its funding (Tonkin, 2001:20). SCEDP gained the tender for a $1 million consultancy to audit skills at BHP steelworks, which absorbed all of its resources (Pasley, 1990, Tonkin, 2001:20-21). Also, it expanded its Skills Survey Unit from employing two full-time people in 1989 to fifteen in 1990 and thirty two full-time
workers in 1991 (Pasley, 1990; McInerney, 1993a:4). It had won the skills audit tender because of union support. This placed it in a favourable position with steelworkers who feared the possibility that it was covertly intended to identify people for retrenchment if they did not possess appropriate skills. SCEDP appeased these fears (Tonkin, 2001:21-22). The contract involved surveying approximately 7000 employees across 702 classifications. The aim for BHP and the unions was for the restructuring of the workplace into systematic categories of skills based classifications (McInerney, 1993a:4). BHP needed a multi-skilled workforce, given the new steel-making technologies, and the audit would assist in SCEDP developing training programmes and in ranking promotions that were predicated on merit and formal training tickets (Tonkin, 2001:21). Included in the analysis was the generation of reports on: skills for current classification systems, opportunities for restructuring, skills for the new classification system, training requirements for the new classifications, benchmarking and ranking the new classifications and an accreditation and portability system. SCEDP was similarly involved in the restructuring of Vale Engineering and BHP Stainless, in Port Kembla (McInerney, 1993a:4).

The chairperson of SCEDP, Bob Williams, considered the compiling of the skills audit for the steelworks to be SCEDP’s greatest achievement, which took four years to complete (McInerney, 1993a:4). Effectively, when the skills audit had finished SCEDP’s relevance ended (Executive Director IRIS, 6 October 1993 interview). Of the period from 1986-88, Williams believed that SCEDP had achieved little in terms of attracting new businesses to the region, which he attributed to increased speculative investment in the late 1980s. Nevertheless, he maintained that SCEDP did save jobs that would otherwise have been lost with the restructuring of local firms (McInerney, 1993a:4).

In 1988 the SCLC’s enthusiasm for SCEDP changed, even though it continued its formal association and public support. This was partly due to tension between Paul Matters, the subsequent secretary of the SCLC, and Bob Williams, the new Chairperson of the Board of SCEDP and a former metalworkers union organiser. Matters came to believe that the SCLC was not being represented in the SCEDP model as well as it could have been with Williams as chairperson. He believed that Williams’ position was favourable to the metalworkers’ position on award restructuring and career paths but not representative of SCLC position of local employment generation (Tonkin, 2001:22; Executive Director IRIS, 6 October 1993 interview).
Also, Matters was disappointed that SCEDP did not have a long-term impact on the region in terms of employment generation (Secretary SCLC, 27 September 1993 and 8 November 1993 interviews). Yet, he was aware of the difficulties:

The SCEDP and the support of the Labour Council are essential for the ongoing task of local industry development and job creation. … [Yet] it should be emphasised that industry development is a slow and tedious process. Job creation in our regions in Australia and overseas is, in many ways, a battle against incredible odds. We need to be realistic and recognise that there can be no promises of large job increases just around the corner to relieve the relentless growth of unemployment. However, it must be stated that any initiative for job creation and any chance for industry development must be seized upon for the future of workers living in this region (SCLC, 1987a:22).

Nevertheless, Matters judged that SCEDP had been a flawed organisation from the beginning as it relied primarily on a private sector investment recovery to address local employment generation, as had been the Federal Labor policy at the time. This restricted it in its ability to generate local employment. He described this approach as being ‘naïve’ about the capacity of the private sector to generate an alternative employment growth. He assessed that the private sector had developed a reputation for reducing numbers employed rather than generating new jobs, even in periods of growth. Private sector investment, particularly in metals, mining and manufacturing had been largely concentrated in ‘modernising’ investment that was not accompanied by expanded capacity or output, which placed pressure on reducing employment. Matters described the mid-1980 period as the emergence of ‘jobless growth’ for these industries in the region. He believed that by the late 1980s it was ‘obvious’ that this approach had failed. He observed that from 1983-1989 there has not been one significant private sector investment decision in the region to establish jobs (Secretary SCLC, 27 September 1993 and 8 November 1993 interviews; SCLC, 1987a:6).

Matters accepted that cooperative tripartite organisations, such as SCEDP and the Port Kembla Harbour Task Force, had had some success but overall were not an effective means of generating substantial numbers of new local jobs (SCLC, 1987a:6). He noted that tripartite organisations had addressed unemployment at the regional level but the cause of unemployment, particularly in manufacturing regions such as the Illawarra, remained with Federal Government’s financial deregulation policies and the ‘job shedding’ manner in which industries were restructuring. He asserted that the problem of unemployment could not be addressed at the regional level alone even though this level was important (SCLC, 1987a:1-4, 6; SCLC, 1988a:1-2; SCLC, 1990a:10).
In 1988, after the SCLC’s interest in SCEDP had waned, it came to the view that the Federal government needed to develop a national policy for an integrated regional economic development strategy. It believed that the strategy should:

address unemployment due to restructuring, location of industry and government departments to maintain the regional employment base, infrastructure development and the direction of private sector investment into strategic developments that will serve to attract and extend industry so as to create an expanding employment base (SCLC, 1988a:8).

The SCLC was critical of the direction the Federal Government was taking with its deregulation policies. Even so, it continued to lobby it rather than the State Government. This was partly due to it wanting a national policy that linked in with a regional policy. Also it was due to the Federal Government being ‘Labor’ and the ACTU having a role in Federal Government policy, thereby being more easily persuaded by trade union argument, as was explored in Chapter Two. Moreover, the SCLC was disappointed with the new Liberal State Government. It regarded the election in March 1988 of the State Liberal Government as increasing the pace of deregulated free market policies. Following from this it observed that the State Government failed to re-fund SCEDP and set up an alternative. Furthermore, it failed to invest public funds in the region and even dismantled regional infrastructure. The State Government discontinued the construction of the Maldon-Dombarton railway line that had employed about 600 people and closed Huntley Colliery and the Tallawarra Power Station, which were both State-owned. It privatised the Port Kembla Coal Loader in 1990. The SCLC organised public campaigns against the de-investment policies but did not prevent them continuing (SCLC, 1987a:6; SCLC, 1988a:7-13, 40; SCLC, 1989a:4; SCLC, 1991a:21; Bowen, 1993:10; Secretary SCLC, 27 September 1993 interview).

The SCLC considered that substantial and direct Federal Government funding and planning for regional development would be needed for a short and long-term decline in unemployment (SCLC, 1991a:21). It pursued its new focus by lobbying the Federal Government for an Illawarra Regional Consultative Council (IRCC) in 1988 and the implementation of the SCLC’s ‘Jobs Now’ Plan in 1991, which will be examined later. In 1993, the SCLC attempted to maximise the opportunity of a visit by the Regional Development Task Force (RDTF) to the Illawarra. It helped ensure that a joint written submission, by key regional actors, was presented to the RDTF so that the Federal Government would be clear that a broad section of the Illawarra wanted a regional development plan supported by the government.
In addition to pressuring the Federal Government, the SCLC also called on its affiliates to re-affirm their recognition that unemployment was a regional issue and to re-new their campaign for the development of regional policies that were integrated with national policies so as to generate local employment (SCLC, 1988a:13). The SCLC viewed itself as being an important part of that process. It said that:

Regional trade union organisations obviously cannot determine national policy, however they have an important role to play in the application of policy and its integration into trade union action and organisation. It is in the implementation of an appropriate and practical regional policy that regional trade union organisation can make a positive contribution to the advancement towards a more progressive and fairer Australia (SCLC, 1988a:2)

Matters believed that the unions needed to change their response of ‘passivity’ to active strategy proposals toward the Federal Government, State Governments and private sector representatives in the Illawarra because the current approach was not working (Secretary SCLC, 27 September 1993 interview).

**Illawarra Regional Consultative Council and the Illawarra Economic Development Council**

In 1988 the SCLC proposed to its affiliates that an Illawarra Regional Consultative Council (IRCC) be formed to assist in the on-going development of a regional economic strategy (SCLC, 1988a:2). The SCLC believed that the main purpose of the IRCC would be to focus on gaining more direct access to Ministers of the NSW State and Federal Governments. It saw the Federal government as more important because of the greater laissez-faire approach of the newly-elected Liberal State Government (SCLC, 1988a:3-4; 7-8).

The SCLC contacted the Prime Minister outlining its concerns with regional development and proposed a five-point plan (IRCC, 1990:1). It included:

- holding a regional summit to discuss the future development of the Illawarra
- forming a Regional Consultative Committee to develop economic growth
- reviewing current fund allocation by government
- developing a green paper on the region
- encouraging government services to the region (IRCC, 1990:1).

The SCLC placed pressure on Federal local members to support this plan. They were from the Labor Party and were mindful of listening to the local trade unions (Executive Director IRIS, 6 October 1993 interview). The government responded favourably with the holding of a regional economic summit in July 1989. Five cabinet ministers and representatives from unions, business, government and local organisations
attended the meeting. This summit meeting provided the basis for the formation of the IRCC (IRCC, 1990a:1).

The IRCC consisted of a tripartite structure including the SCLC, local industry and all levels of government. Through research and consultation it produced a ‘green paper’ on the constraints, needs and opportunities in the region in relation to the diversification of the manufacturing base and the establishment of new core industries. It put forward strategies for change in the four priority areas it identified. These comprised skill enhancement and job creation, new enterprise development, infrastructure and regional promotion/expansion (IRCC, 1990:v-vi, 1, 15, 23-24, 32-33, 47, 54, 64-65-74).

Even though it may appear that the IRCC overlapped with the vision of SCEDP, the IRCC believed that SCEDP presented part of a fragmented approach to the regional planning process and that it needed to be incorporated into a regional planning structure with other groups concerned with regional development. This included local organisations such as the SCLC, Port Kembla Harbour Task Force, Illawarra Regional Information Service, Illawarra Technology Corporation, local councils and research wings of tertiary institutions. Moreover, the IRCC was focused on government intervention in the short and longer term. The IRCC recommended an immediate ‘kick start’ of $10 million Federal Government funding for infrastructure developments, labour market reforms and specific projects it had detailed. Its proposal was partly designed as a short-term measure to assist the region in reaching a position where it would be equal to other regions in competitiveness. It was part of a longer term proposal, including the establishment of a regional planning body to decide on a five-year plan and was supported by a strong staff and research structure that would coordinate and amalgamate regional expertise (IRCC, 1990:xii, 36, 71-73).

The IRCC was one of several regional tripartite organisations, yet it was significant for the SCLC as it incorporated its position for direct government intervention, rather than private capital investment. However the IRCC came to see the government role as eventually being replaced by its proposed regional planning body that would quickly become financially self-supporting and operate on a commercial scale. It believed that future growth and investment in the Illawarra would depend on the private sector, particularly in the development of Port Kembla and the development of new industries and commercial operations (IRCC, 1990:73). The SCLC kept open its
assessment of the IRCC by stating that its importance depended on the Federal Government’s reaction to its recommendations (SCLC, 1989a:18).

In 1990 the IRCC wound up at the completion of its regional development report, which it presented to the Prime Minister (IRCC, 1990:74). Concurrently, its findings were incorporated into the State Government’s re-constituted Illawarra Development Board, formed in February 1990 which was called the Illawarra Economic Development Council (IEDC). A local Federal Government MP, Stephen Martin, was nominated as a representative from the defunct IRCC to the IEDC (Executive Director IRIS, 6 October 1993 interview; IEDC, 1991:iv). This formed part of the Federal Government representation on the State body (RDTF, 1993a:30).

The SCLC followed the developments of IEDC with close attention. It was the peak advisory body to the State Government on economic development issues within the region and it was to be the lead coordinating body for the Illawarra on strategic economic development issues and major regional projects. Its first task was to prepare a regional economic development strategy together with the NSW Department of State Development to be called the ‘Illawarra Strategy’ (IEDC, 1991:iv, viii; Greiner, 1990:2). The Illawarra Regional Information Service was commissioned by the Government to act as the strategy coordinator. The NSW Department of State Development had the responsibility for coordinating regional economic development strategies for the Illawarra, Sydney, Hunter, Australian Capital Territory and South-Eastern NSW (Griffiths, 1990:1).

The IEDC planned to develop a strategy that would identify a ‘vision’ as to where the Illawarra would be in the next 5-10 years based upon its regional strengths and potential, market trends and opportunities. It sought to identify the private and public sector actions and initiatives required to achieve this vision. It aimed to consult with union groups, the business community, community groups, local government and other government agencies (Griffiths, 1990:1-2). The strategy was developed and finalised by the end of 1991 and it was known as the ‘Illawarra Strategy’. Unlike the IRCC, the IEDC was a continuing body which sought to monitor, advise and report on the progress of the Strategy as well as engaging in continual updates (IEDC, 1991: viii).

The Strategy was similar to the IRCC strategy but it was more detailed. It consisted of four components including:

- strengthening of the global competitiveness of the traditional industry base including steel, coal, manufacturing and copper
• creating and attracting of new employment generating industry focused on suitable growth sectors
• establishing a centre of educational excellence in the region to enhance local skills and to support education export services
• utilising and enhancing the region’s natural and lifestyle attraction so as to increase visitation, investment and growth (IEDC, 1991: vi)

The Strategy identified sixteen areas of work to be conducted immediately. These included the areas of industrial networking, creating and attracting new industry, port development, information technology (telecommunications), waste management, expanding the Illawarra Technology Corporation, agriculture, educational excellence, integrated tourism strategies, ages services, commitment to an ‘enterprise attitude’, regional marketing centre, coordination of infrastructure planning, industrial land, regional training coordination body and industrial relations (IEDC, 1991:viii).

However, the problem for the SCLC was that the Strategy of IEDC planned to realise not only the vision of local groups but also the NSW State Development’s vision in the Illawarra. The IEDC was to work with NSW State Development so as to expand the region through coordinating major projects and attracting international investment. The SCLC found difficulty with the concept of the NSW State Development. It was a State government department set up in 1988 to coordinate public and private sector initiatives. In particular its role was to actively encourage private sector involvement in the development of the State as it viewed a strong role for the private sector as vital for the State’s prosperity. The Government was to attract investment by offering eligible projects tax concessions, funding of infrastructure, assistance with Government charges, assistance with meeting the cost of government regulations and access to government purchasing (Murray, 1990).

The SCLC had doubts about the workings of IEDC from the start, given the SCLC support for a strong government role in regional development, rather than a peripheral role. This was despite the then Minister for NSW State Development, John Hannaford, seeking the participation and contribution of the SCLC in the formation of the IEDC Strategy. He viewed this as being essential to the preparation of a soundly based regional economic development strategy that embodied local commitment and ownership. He arranged for Matters to meet with the Chairman of IEDC so as to give the SCLC an opportunity to fully brief IEDC on its current views on regional issues. Further, Hannaford viewed the SCLC’s role as involving a formal briefing to its affiliates on the government’s overall strategy, its process and philosophy on regional
development. This would be followed by SCLC participation in interviews, workshops and advice on draft documentation in forming the IEDC Strategy (Hannaford, n.d.).

So, the SCLC was given the opportunity to participate in the body even though it was not represented as a member of IEDC (IEDC, 1991: iii), as it had been with the IRCC. Yet, despite its initial participation the SCLC came out in opposition to IEDC because it could not change its focus on private investment. It criticised the IEDC for failing to promote public investment in the region. It believed that its original purpose in lobbying the Federal Government to set-up the IRCC was not achieved through its incorporation into the State Government’s IEDC. Matters considered the focus of the State Government’s approach to regional development had been to wait for the private sector to invest in what he considered to be a “laissez-faire ‘do-nothing’ policy in a recession”. As a public demonstration of disappointment with IEDC in 1993, Matters boycotted a regional forum sponsored by the IEDC that was expected to attract ninety of the region’s key decision-makers. Participants were to be given a review of the progress of IEDC’s regional strategy as well as being presented with a consultative paper titled “Developing Regional NSW”. Matters justified the boycott to the local newspaper by criticising State Government disinvestment in the region. He noted public sector redundancies at the SRA’s Port Kembla depot, active campaigning by the SRA against the construction of the Maldon-Dombarton rail-link and the IEDC’s failure to create jobs (McInerney, 1993b:4; SCLC, 1992a:17; Secretary SCLC, 27 September 1993 interview).

Jobs Now Plan

While the SCLC was disillusioned with IEDC, it continued to lobby the Federal Government for a regional economic strategy that would include government-led regional policy and state sector investment as an important component. It outlined the problems as follows:

deregulatory economic policies have opened the regional economies to the control of the international money market without any planned response to the local impact on employment and investment... [Also] macro economic and national industry policies without specific regional development policies are a recipe for disaster for areas such as ours, since we have to bear the cost of industry restructuring [unemployment] directly for the whole nation, without any specific regional assistance in any way commensurate to the creation of national wealth in this area (SCLC, 1991a:20-21).
It put forward a recommendation to its affiliates proposing that a seminar be organised at which its affiliates develop a comprehensive regional development policy (SCLC, 1990a:10).

By 1991 the SCLC had developed a regional job creation strategy. It believed that its strategy was needed as a countervailing measure to the government’s industry policy that aimed to modernise and restructure industry. Even though it considered the latter to be necessary it believed that it had exacerbated regional unemployment because there was no regional job creation strategy (SCLC, 1992b:15-21). It came to the view that industry policy developments were directed towards the maintenance of industries rather than being directed towards new industries (Secretary SCLC, 27 September 1993 interview). It argued that industrial regions, such as the Illawarra, had developed from the combination of tariffs, selective government assistance to industry and often a favourable national and international environment. Yet, the SCLC recognised that past policies were not realistic such as pressuring for a re-establishment of tariffs. Nevertheless, it believed that government intervention in the region continued to be necessary (SCLC, 1991a: 24-25).

The SCLC’s plan was termed ‘Jobs Now’ and it was aimed at the Federal Government to finance and implement. It however realised that the State Government would need to be involved in such a plan, as it was also responsible for regional development. So it called on the Federal Government to begin immediate negotiations with the State Government to overcome any constitutional restraints in the finance and implementation of the plan. It also believed that pressuring the Federal Government in this way would cut across the inertia of Federal-State relations (SCLC, 1992b:15-21). The ‘Jobs Now’ plan provided a proposed framework for government investment which the SCLC believed it could implement as part of an ‘Industrial Regions Redevelopment Plan’ (SCLC, 1992a:14; SCLC, 1993-4:19). The plan included five major elements it considered to be essential to the redevelopment of regional economies. This included infrastructure development, capital form and investment, innovation and technological change, education and skill development and comprehensive regional planning integrated with supportive national policies (SCLC, 1992b:15).

The elements of the Jobs Now Plan were focused on five areas. Firstly, the SCLC called on the Community Employment Program to be implemented within six months so that jobs growth could start immediately (SCLC, 1992b:20). It proposed that a Community Employment Program be developed which would be available for sponsor/
management organisations such as local councils and community organisations. These organisations would work in cooperation with local businesses and trade unions and be subject to certain conditions such as being able to demonstrate the creation of additional employment. Secondly, the plan involved a Regional Infrastructure Development Fixed Grant Scheme that would make available tied Commonwealth grants for industrialised regions to redevelop their regional infrastructure of roads, rail, port facilities and airports. Priorities for the Illawarra under the scheme would include projects such as the construction of Caloola Pass, as an alternative to Macquarie Pass, and the resumption of the Maldon-Dombarton railway line to link Burragorang Valley coal mines to Port Kembla. This would reduce the distance the coal travels from 165km to 38 km. Thirdly, the plan involved a Regional Selective Assistance Grant Scheme. This would be available to companies for assistance in financing certain investments negotiated on a case-by-case basis and be linked to the creation of new jobs in the region. Fourthly, the plan proposed a Regional Small Business and Cooperatives Loan Guarantee Scheme that would be available to small businesses and cooperatives where certain criteria was met such as being able to achieve additional employment targets. Fifthly, the plan proposed the establishment of a National Centre for Regional Policy Development preferably located at the University of Wollongong because of the Illawarra’s experience with unemployment and the development of local responses. The Centre would carry out the necessary research to develop effective economic, social and environmental policy for the industrial regions of Australia. It would also use this research to frame policy advice to business, government and the labour movement (SCLC, 1991a:21-24, SCLC, 1992b:14-24).

The funding mechanism for the Jobs Now was similar, in part, to that described in the IRCC submission to the Federal Government. It proposed that a Regional Development Fund be set up to ‘kick start’ the projects outlined in the report (IRCC, 1990:73). The SCLC estimated that its Jobs Now plan would cost $700 - 800 million per annum and it proposed that tax reform measures be implemented to provide the funds. These measures would include a 5 percent tax on net wealth in excess of $1 million, tax on capital gains from home sales over $500 000, tax on other sources of capital gains, an indexation of tax scales for wage earners and a blitz on corporate tax avoidance. The Jobs Now plan was initially outlined it the SCLC’s 1991 Annual Report and restated in its 1992 Annual Report, 1992 Official Directory, 1993-94 Official

Regional Development Task Force

In 1993, the SCLC took another opportunity to promote its Jobs Now plan to the Federal Government. This was through the Regional Development Task Force (RDTF). The Federal Government established the RDTF to conduct an inquiry into regional development, as the Federal government and the ACTU became concerned about this issue. The inquiry would examine the links between national industry development and regional development. Thereby it would assist the Federal Government with the forming of a national regional development strategy so as to alleviate the resultant structural unemployment and maximise support and opportunities for business at the local level (Hooper, 1993:28-29).

Specifically, the RDTF was to identify key economic and industry development policy issues from a regional perspective. Also it was to examine the regional development process in relation to private sector investment as well as possible deficiencies in Commonwealth government policies and programmes. The secretary of the ACTU, Bill Kelty who was a key player in the ALP/ACTU Accords, chaired the RDTF and it included members from business, unions and the government. It invited submissions from interested groups, organisations and individuals to provide information concerning economic, industry and enterprise development issues in the regional context. Issues of concern related to the profile of the region, vision of the region, enterprise development, jobs, transport, communications, population spread, tax policies, capital, infrastructure projects, government employment, immigration, regional planning, tourism, unemployment and government assistance. In addition to inviting submissions the RDTF also visited regions around Australia and held consultations with representatives. It reported its findings to the Federal Government in December 1993 (SCLC, 1993c).

The SCLC was enthusiastic about the inquiry as it went some way towards recognising the need for government to assume a greater role in regional development. The SCLC took a lead role and sought to encourage community participation in presenting a regional submission to the RDTF and to coordinate a response that was acceptable to all involved. Matters organised a meeting with regional organisations in August 1993 during the lead-up of the visit by the RDTF to Wollongong. Many of the
regional organisations invited to the initial meeting attended. These were broadly based and included local community groups (church groups, Illawarra Handicapped Persons Trust, St. Vincent de Paul, Wollongong City Mission, Smith Family, Salvation Army), regional development groups (Illawarra Regional Information Service, Port Kembla Harbour Task Force, IEDC, Illawarra Port Authority, Tourism Wollongong), government (State and Federal members of parliament, Illawarra Region of Councils, Wollongong City Council, Shellharbour Council, Kiama Council, Shoalhaven Council), employer associations (Metal Trades Industry Association, Chamber of Manufacturers, Chamber of Commerce) and education groups (Wollongong University, TAFE teachers, DEET, Skillshare) (Author’s notes from meeting in August 1993; SCLC, 1993c).

Matters organised the meeting to identify organisations that wanted representation at the Submission meeting to be convened in Wollongong in September 1993 with Bill Kelty, the chairperson of the RDTF. This meeting worked out how the Submission meeting was to be managed. The Submission meeting was to require written presentation of both data base information, and strategy/policy statements about processes rather that issues which, naturally, differed between the organisations. On the latter issue Matters proposed, and it was accepted, that a broad consensus statement on regional development be presented by all organisations which were putting forward oral and written submissions to the RDTF. This sought to avoid a possible situation of RDTF telling the Illawarra that it firstly needed to get key organisations working together. There was a general consensus that a broad direction for regional development had been developed between various regional organisations over the last five years, starting with the IRCC. It was generally agreed, this involved a well-resourced regional development strategy that went further than ‘shopping lists’ for infrastructure developments. As Matters proposed, a (six member) committee was formed, which represented leading regional organisations. It was to resolve differences and work out the details of the consensus opinion to be presented in the written documentation to the RDTF. In addition to presenting the consensus view each organisation would also present its own views to the RDTF in both oral and written form (Author’s notes from meeting, August 1993).

The SCLC’s ideas were represented in the two booklets that were produced for the RDTF. One contained mostly regional profile material and detailed individual regional plans from the various regional organisations. The other contained a summary and recommendations. The latter document arose from a consensus of the various
regional organisations. The first recommendation from the consensus document was for the RDTF to review the IRCC Strategy for policy implications and, in particular, the recommendation for the development of a Regional Planning Body and a supporting secretarial structure. The second recommendation was for the RDTF to review IEDC’s ‘Directions for Change’ Strategy, which was released in October 1992, for policy implications. The third recommendation was for the Commonwealth Government to establish an Industrial Regions Redevelopment Plan as outlined in the SCLC’s ‘Jobs Now’ Plan. Each aspect of the SCLC’s plan was recommended. This included the Regional Infrastructure Fixed Grant Scheme, Regional Selective Assistance Grants Scheme, Regional Small Business and Cooperatives Loan Guarantee Scheme, Community Employment Program and a National Centre for Regional Policy Development (RDTF, 1993b:2-3; RDTF, 1993a:35).

Further, in the detailed submission of the approaches by the various regional players to regional development, the other groups endorsed the submission of the SCLC’s Jobs Now even though endorsement of the various submissions was rare in this document. Nevertheless, it stated:

While other regional plans (such as the I.E.D.C.) do not seek handouts from government and are based on the development of sustainable long-term jobs, this plan calls on government to acknowledge its social responsibility of providing or encouraging development. A combination of pump priming intervention by Federal and State governments into regional development is timely. For this reason the South Coast Labour Council’s plan should be supported in that it attempts to address infrastructure investment which is not otherwise obtainable. Notwithstanding, the region cannot expect to rely solely on government intervention to establish a sustainable economic recovery plan (RDTF, 1993a:30-31).

Also, the SCLC’s activities were outlined in this document in the section describing ‘Action areas of Illawarra Development Agencies’. The regional actors endorsing the report credited the SCLC with being involved in coordinating development activity in overall strategic planning because of its role in working with various other key organisations, and presenting the trade union viewpoint. In addition, they acknowledged SCLC involvement in networking and access, coordinating education and training and regional advocacy lobbying and for producing a conducive development environment as related to infrastructure availability, human resources/skill availability and the business regulatory environment. Further, they recognised the SCLC identification of opportunities in the enticement of significant large projects. Importantly, in the latter criteria it was the only regional agency to be given this credit and the PKHTF was the only specific agency to be given this credit (RDTF, 1993a:72).
The written submission was presented with oral submissions to the RDTF when it arrived in Wollongong in September, 1993. Oral submissions were heard from three federal members of parliament and a representative from the SCLC, Illawarra Region of Councils, Illawarra Regional Development Board, MTIA/ Chamber of Manufactures, Illawarra Community Sector and the University of Wollongong. Each representative spoke for about fifteen minutes (Author’s notes of meeting on 17th September, 1993).

Bill Kelty response was positive:

There have been some regions we have visited where we were simply handed a wish list.... but today is an example of a community pulling together, putting views not in a local way but rather local strengths being put in the context of a national picture. During my visits to the Illawarra over the years I have noticed the cohesiveness developing pace . . . When you get a situation like today you leave with hope, not only for this region, but for the rest of Australia (McInerney, 1993c:6).

The RDTF attracted 76 consultations and 400 written submissions from regional Australia, state governments, business, business organisations, investment and finance industries. This assisted in the development of the report of the RDTF that the chair, Bill Kelty, presented to the Federal government in December, 1993. The report was called ‘Developing Australia - A Regional Perspective’ and it consisted of two volumes and a supplementary volume (RDTF, 1993c:3, 72-77; Arthur Anderson, 1993:1).

In February 1994 the regional groups in the Illawarra, which put forward submissions to the RDTF, including the SCLC as a key player, again consulted with each other and developed a joint response to the RDTF’s report. They addressed some of the recommendations in their ‘Illawarra Regions’ report under the broad headings of financing regional development, labour market, transport, education, industry policy, communications, agriculture, culture and heritage, tourism, energy, business support and the empowering of regions (RDTF, 1994:1). Matters endorsed the ‘Illawarra Region’ report. He tentatively supported the concept developed by the RDTF for Regional Pooled Development Funds because it attempted to restructure the way capital was formed in the region, even though it relied on private funds. The RDTF proposed that Regional Pooled Development Funds be used as a financial instrument through which regions could attract private savings into local development projects. The range of investments would include both public and private sector projects and the government’s role would be to encourage a continued market for Regional Pooled Development Funds (Author’s notes from meeting of regional groups on 3 April 1994; RDTF, 1993c:5-6, 20, 71; Secretary SCLC, 27 September 1993 interview). Nevertheless, he remained critical of what he perceived to be a lack of Federal
Government investment in capital equipment (Author’s notes from meeting of regional groups on 3 April 1994).

In May, 1994 the Federal Government announced its Regional Development Strategy in a chapter of its policy document called ‘Working Nation’. Apart from drawing on the report of the RDTF, as above, it also drew on the Industry Commission Report, ‘Impediments to Regional Adjustment’, the Bureau of Industry Economics (BIE) Report, ‘Regional Development: Patterns and Policy Implications’, and the McKinsey Report, ‘Determinants of Business Investment in Regional Areas’. In Working Nation the concept of Regional Pooled Development Funds was ignored and instead the financing of regional development was promoted through another couple of suggestions made by the RDTF. These consisted of the Federal Government limiting its role to increased tax concessions and extending possible uses of its ‘Infrastructure Bonds’ and ‘Pooled Development Funds’, which nevertheless could be developed at the regional level (Keating, 1994:160, 168-170).

Matters did not find the ‘Pooled Development Fund’ measure to be adequate in addressing the needs of the region. He viewed Working Nation as a huge disappointment. He was particularly disappointed with the emphasis on labour market reform, including a ‘jobs compact’ aimed at reducing the level of long-term unemployment and improving their skills and competitiveness (McInerney, 1994a:6). In response to the report (Keating, 1994:115-126), Matters said that:

> [t]he measures announced will provide some work experience and training for the long-term unemployed, there’s no denying that, but they will not solve the serious structural unemployment of this region. We will be taking the strongest possible measures regardless of whether the White Paper gets the endorsement of the ACTU or not (McInerney, 1994a:6).

Despite the strong words there appears no evidence that pressure for a government-led regional development policy was continued.

**Conclusion**

In 1982-83 the large and sudden decline in employment in the steel industry in Port Kembla led the SCLC to continue with its strategy for local employment generation. It believed that it could affect local employment generation by helping regional unions and workers to pressure governments for a Steel Industry Plan (SIP) that would address the downturn. It proposed that it become involved in developing and integrating the regional industry plan. Yet the implementation of the SIP in 1983 did not
include an opportunity for local unions or steelworkers to participate. The SCLC became further disillusioned with the SIP as it failed to address the increased regional unemployment. Thereby, the SCLC was in agreement with some of the analysts of the Accords (Stilwell, 1986; McEachern, 1991; Bell, 1991), as illustrated in Chapter Two. They were critical of the sectoral industry plans, in the early part of the Accord years, in which unions in the respective sectors had little or no influence in the nature of design of the plans.

In 1983 the SCLC continued with its political method, for local employment generation, in lobbying for Port Kembla as the location of a new Grain Terminal. Simultaneously, it continued lobbying the State Labor Government but this time it was also for the location of an Employment Centre in the Illawarra to help sustain and broaden the region’s economic base. In 1984 its lobbying proved successful through the State government agreement to allocate an Employment Development Officer to the SCLC for three years. Subsequently, in 1986 the South Coast Employment Development Project (SCEDP) was set up and a Trade Union Liaison Officer replaced the Employment Development Officer. The SCEDP sought to develop regional strengths by mobilising resources to link the regional level with national industry planning. The SCEDP was consistent with ACTU policy which emphasised targeted industry planning, including skill formation, within a tripartite and consultative framework, even to the extent where it became the ACTU-preferred option for regional development initiatives (SCLC, 1986a:3). However, the SCLC viewed these initiatives as unsuccessful because regional unemployment continued to grow in the late 1980s. It came to judge that the 1980s approach had failed because of its almost total dependence on the private sector which provided “... an entrepreneurial approach to regional development and job creation” (SCLC, 1991a:20) and was a naive method of local employment generation. Instead, it emphasised government-led regional policy (Secretary SCLC, 27 September 1993 interview). This supports the analyst, Stilwell (1980) who believed that a comprehensive regional development policy that was spatial in character should be implemented. However, instead, from the mid-1980s onwards the ACTU and unions generally concentrated almost entirely on gaining benefits from the Accords by following a microeconomic reform direction through increased skill, career paths and influencing enterprise bargaining, which did not involve the regional level.

In 1988, the SCLC continued with the utilisation of political method in local employment generation. It concentrated on lobbying the Federal government, partly
because it was disillusioned with the newly-elected State Liberal Government and partly because it expected that the Federal Labor Government would be more sympathetic to its plight. It also assessed that the Federal Labor Government needed play a larger role in regional development. It lobbied and gained a new regional planning body, the Illawarra Regional Consultative Council (IRCC) that produced a report favouring a significant role for government in regional development, at least in the initial stages. This was what the SCLC had sought yet it reserved its judgement preferring to wait and see how others would receive the report. However, when this report was later considered by the State Liberal Government’s Illawarra Economic Development Council (IEDC) the role of government was viewed very much as a secondary issue.

In 1991 the SCLC again judged that its approach to the regional development strategies of the 1980s had been deficient. In 1991 the SCLC turned towards the development of its own policy on regional development, called ‘Jobs Now’. It insisted on a major role for the Federal Labor Government as it believed that it could not change what seemed to it to be an intransigent position of the State Liberal Government. In 1993, the SCLC expended much effort in organising and coordinating regional groups, and in strongly promoting its Jobs Now plan. This was in the lead-up to the development of the Federal Government’s ‘Working Nation’ policy paper, which included regional development. In the lead-up stage the Federal government investigated regional development by appointing a prominent trade union leader as its chairperson, Bill Kelty, who initiated the Regional Development Taskforce (RDTF) that heard submissions from regions around the country. Yet, the RDTF’s recommendations were largely ignored in the Federal Government’s ‘Working Nation’ policy document despite the SCLC’s efforts. The SCLC was disappointed that the Federal Government ignored its call for a strong government role in regional development. Instead the Government favoured a secondary role for itself. This reinforced the belief of the SCLC that it also needed industrial method to pursue local employment generation, which is the topic of the next chapter.
Chapter Eight  

SCLC and the Industrial Method of Local Employment  
Generation

Introduction

This chapter illustrates the SCLC’s utilisation of industrial method alone, and not in combination with political method, as in chapter Six, in generating local employment. The chapter examines and assesses the role of the SCLC in the negotiation and implementation of two construction agreements, related to two projects, with particular attention to the issue of attempting to gain local labour content. These projects were the Esso Concrete Gravity Structures (CGS) construction in Port Kembla, carried out from April 1993 to December 1996 and the No 6 Blast Furnace construction at the BHP Port Kembla Steelworks carried out from November 1993 to June 1996. The former project involved the SCLC attracting industry to the region, while the latter project involved the SCLC adding to the steelworks infrastructure that was already situated in the Illawarra. BHP’s decision was primarily based on the need for increased capacity since two other blast furnaces had reached the end of their operating lives, but it also required commitments from the SCLC before the final decision was made (Organiser AWU/FIMEE, July 1996 interview).

Similar to the negotiations around the Grain Terminal (GT) agreement, the negotiations around the CGS and No 6 Blast Furnace projects included a preference for local labour. Also similarly this did not appear in the agreements but was included in a formal Memorandum of Understanding that, in the more recent cases, had been negotiated before the company’s decision to proceed with the construction. The chapter will analyse the operation of ‘local preference’ in light of the SCLC’s claim that it would generate local employment. Also, this chapter will examine and assess relevant aspects of the CGS and No 6 Blast Furnace agreements, and their implementation, so as to analyse the company and SCLC objectives. In particular it will focus on the extent to which the SCLC and affiliates were prepared to meet the company objectives, and meet their own objectives as well. This will illustrate how the SCLC was able to attract the CGS project to the region. Also, the SCLC’s technique of attracting the CGS project will be compared and contrasted with the No 6 Blast Furnace experience, which occurred at a similar time.
Like in the GT project, also in the CGS project the SCLC acted as the leader of the union negotiating team coordinating affiliate actions to ensure unity both in the process of making the agreement and in its implementation. The SCLC did not play as large a role in the implementation of the No 6 Blast Furnace project as the affiliates preferred to do more of this work themselves.

Both the CGS and the No 6 Blast Furnace projects differed from the GT construction in that they were negotiated with a private firm in the 1990s, not a public instrumentality in the 1980s. The CGS project was significant for two reasons. It was the first of the two private sector projects to be negotiated. Also, unlike BHP Steel’s involvement with the No 6 Blast Furnace project, Esso/ BHP Petroleum had not been associated with the region previously, noting that BHP Petroleum was a different operating unit to BHP Steel, even before it had been “spun-off” from BHP in 2001.

Concrete Gravity Structures Construction Project

The construction of CGS was a three-year project that formed the bases of the West Tuna and Bream B Offshore Platforms. These were towed to Bass Strait at the completion of the project in December 1996. Esso financed the CGS project, in partnership with BHP Petroleum that had a 50 percent non-operating interest.

Similar to the GT project the CGS project contained an agreement for preference in employment to be given to local labour and to unionists. Yet, in addition the SCLC was involved in formulating a training program for long-term unemployed. This program was conducted before the commencement of the project so that the trainees would be available for possible recruitment.

On Esso’s part, its choice of the Illawarra for this construction was influenced partly by it wanting to build unconventional concrete structures for its oilrig base that required special infrastructure that was available in the Illawarra. Also it was attracted to the Illawarra’s off-site conglomeration of fabrication shops and its skilled workforce. Nevertheless, negotiating a flexible agreement with the SCLC was also crucial. It was more usual for the structures for the bases of oilrigs to be made from steel. For concrete structures ‘casting basins’ were needed and Esso was mainly attracted to the Illawarra because such a structure existed there. The casting basin was built in the late 1980s as part of the immersible units for the Sydney Harbour Tunnel project. Yet, Esso would not commit to the project on this basis alone as it had other location options where a casting basin was also in existence. The company representatives pointed out that the
unconventional design of the oilrig gravity bases, using concrete instead of steel structures, had not been previously used in Australia although the technique had been used in Norway. Also, Singapore had a casting basin and a skilled concreting industry. In addition, if it chose to remain with the traditional ‘steel jacket’ design it would not have required a casting basin at all and therefore would again have wider location options. The traditional steel pole jacket structure, which was not as complex, could have been built in South Korea or Indonesia to take advantage of cheaper labour costs. The structures could then have been towed by barge to Bass Strait (Project Manager Esso, 8 March 1995 interview; SCLC, 1993b; SCLC, 1994b).

Esso also based its decision to construct the CGS in the Illawarra on a commitment from the SCLC and local unions towards endorsing an accommodating approach to labour flexibility. Even though this latter demand was secondary in the decision to invest in the Illawarra, without it Esso would have gone elsewhere (Project Manager Esso, 8 March 1995 interview; Industrial Relations & Safety Site Manager Transfield, April 1996 interview). The project manager reported that “[t]hey [SCLC], in fact, are the cornerstone in helping us get the agreement together. They negotiated in good faith” (Project Manager Esso, 8 March 1995 interview).

The SCLC’s coordinating and spokesperson role enabled the various union bodies to focus on collective objectives and negotiate on the basis of a unified position, instead of having the situation where each union represented its own interests (Secretary SCLC, 8 November 1993 interview). The affiliates accepted and appreciated this role of the SCLC. It offered a ‘focal point’ for the affiliates to meet each other face-to-face, rather than discussing matters between themselves on the phone, and thus it simultaneously focused their attention (Organiser AMWU, 31 September 99 interview). This role assisted the affiliates in dealing with the complexity of the process of forging a variety of different State and Federal Awards into one agreement, where each union was satisfied at the end of the process. Also they were aware that the SCLC’s role had a powerful symbolic purpose for it acted as an umbrella, not only for the benefit of the affiliates, but also to “unfurl… and have all the people on the other side see you waving it around” (Branch President AWU, 23 April 99 interview). This unified voice and action of the unions added to their resources in dealing with employers and employer associations. Yet, while the SCLC led the negotiations with the company and bargained on behalf of the unions, in their presence, the decision-making was left to the unions not the SCLC. This has been the situation in all the regionally based agreements (Interviews
with Secretary SCLC, 8 November 1993; Branch Secretary AWU/ FIMEE, 12 July 1996; President SCLC, 29 August 1996).

The SCLC had much experience in agreements as it played a role of varying significance in all the major civil/mechanical construction projects in the region, from the late 1970s with the Coal Loader agreement. The pattern of regional labour council involvement in civil/mechanical construction agreements had been well established by the time in 1992 when the Metal Trades Industry Association (MTIA), acting on behalf of Esso, contacted the SCLC for initial negotiation about the proposed CGS project. The MTIA was included in Esso’s negotiating team as it was traditional for them to be involved in the industrial relations on construction sites (Interviews with Secretary SCLC, 12 January 1995; Industrial Relations & Safety Site Manager Transfield, 26 April 1996).

The SCLC again formed a single bargaining unit made up of itself and the various unions that were to be involved in the project. These consisted of the Automotive Food Metals & Engineering Union (AFMEU) (later to become the Australian Manufacturing Workers Union (AMWU), Australian Workers Union/ Federation of Industrial Manufacturing and Engineering Employees (AWU/FIMEE), Construction, Forestry, Mining Employees Union (CFMEU), Communications, Electrical, Electronic, Plumbing and Allied Workers Union (CEPU), and the Transport Workers Union (TWU). The more recently amalgamated union AWU, in which FIMEE and the AWU amalgamated, was to represent most of the workers on the site as the construction required many concreters, steel fixers, trades assistants and general labourers. FIMEE traditionally represented ironworkers and the AWU traditionally represented a broad range of unskilled and semi-skilled workers (Interviews with Secretary SCLC, 12 January 1995; Branch Secretary, AWU/ FIMEE, 12 July 1996).

The agreement was finalised in early 1993 and Esso then announced that the CGS would be built in the Illawarra. In addition, it built the accompanying topside structure and accommodation modules in Newcastle. After completion, the Newcastle components were transported to the Illawarra by barge and assembled near the CGS site in Port Kembla. While the CGS was the smaller part of the billion dollar project, when it began in 1993 it represented the largest single capital works project undertaken in NSW in that year (Illawarra Mercury, 1993a:2). Also, the MTIA signed the agreement on behalf of Esso and the prospective head contractor. However, while the SCLC was signatory to the Memorandum of Understanding, it could not be a signatory to the
enterprise agreement because, unlike the individual unions, it is not a registered industrial body. Yet, despite the lack of official recognition both the employer and unions recognised the SCLC’s negotiating and coordinating role during the negotiations and during the course of the agreement. They called on the SCLC as, and when, they required its assistance (Memorandum of Understanding, 1992; West Tuna and Bream B Platform Construction Agreement, 1993; Interviews with Secretary SCLC, 12 January 1995; Project Manager Esso, 8 March 1995; Branch Secretary AWU/ FIMEE, 12 July 1996).

The CGS agreement involved the SCLC and affiliates, working within the practices of the construction industry in the 1990s. As part of this, during the negotiation process Esso requested and gained formal agreement from the unions for increased labour flexibility (Illawarra Mercury, 1993a:2). Esso’s requirement from the unions for functional flexibility was established in the international context of regional competition for jobs. In addition to the conjecture that the project could be the start of a new industry in the Illawarra, Esso’s insistence that it could build CGS elsewhere in the world significantly influenced the SCLC and affiliates to change well established work practices (SCLC, 1993b; Interviews with Project Manager Esso, 8 March 1995; Organiser CEPU, 29 March 1996).

Esso acknowledged the importance of the SCLC’s involvement in gaining increased labour flexibility:

They [the SCLC] negotiated in the interests of change that would enhance projects of this nature in the area. Without that sort of attitude we wouldn’t have had an agreement in place. If we hadn’t been able to get a fairly innovative agreement to change some of the practices that make Australia less competitive than the rest of the world, we wouldn’t be here. We’d be off somewhere else... It is the fairly substantial improvements in labour practice that have helped us keep our costs in a competitive vain that allows a project such as this to proceed (Project Manager Esso, 8 March 1995 interview).

Required flexibility was gained through multi-skilling and reduction of job classifications from what would normally be twenty-five, under various awards, down to five in this agreement. Cross-skilling was a feature of all five work categories. For example labourers were required to perform rigging, steel-fixing, concreting and carpentry duties, as required, which had previously been considered the domain of specialised semi-skilled workers. Also, skilled tradespeople such as fitters were required to perform other duties, such as rigging, which had previously been considered outside their range of duties (West Tuna and Bream B Platform Construction Agreement, 1993;
Project Manager Esso, 8 March 1995 interview; *Australian Financial Review*, 1994:1-3). In relation to multi-skilling the site manager believed that the:

multi skilling clauses within the agreement worked very, very well as well. We have had no demarcation issues at all on the job throughout the life of the project... [The workers] were able to broaden their skill base as well and undertake a lot of duties that in lot of other jobs may not have been available to them (Industrial Relations & Safety Site Manager Transfield, 26 April 1996 interview).

The secretary of the SCLC agreed that the multi-skilling on the project had worked well and went much further than that which had previously been countenanced. He added that there was a strong willingness by people to learn new skills on the job (Secretary SCLC, 12 January 1995 interview).

The reduction of job classifications from what would normally be twenty-five down to five differed from the re-classifications introduced into the enterprise agreement that the SCLC and affiliated unions made with BHP Steel. The agreement for the construction of the No6 Blast Furnace in 1994 was made shortly after the CGS agreement was finalised. In the Blast Furnace agreement five awards operated with a total of twenty-one job classifications (No. 6 Blast Furnace Construction Certified Agreement, 1994:Schedule 2).

Another major aspect of the CGS agreement was the use of working time flexibility gained through the organisation of wet-weather work. Instead of the accepted practice where construction employees ceased work in the rain, the wet weather arrangements required workers to continue with normal duties if they agreed with the employer that it was safe to do so. Otherwise the workers were required to perform alternative safe work and/ or training (West Tuna and Bream B Platform Construction Agreement, 1993:20; *Australian Financial Review*, 1994:3). The site manager found this to be a problem, particularly at the start of the project. He said that:

of all the clauses in the agreement that was most probably the most difficult one to find compliance with... but at the end of the day it worked very well. After the first 12 months of everyone getting used to something new... (w)e’ve not had any problems with it in the last 18 months (Industrial Relations & Safety Site Manager Transfield, 26 April 1996 interview).

During periods when it was not safe to return to work the company conducted training sessions. They had a training room on-site which accommodated 50 people where they would show various safety-related videos or training related to fire fighting and confined space (Industrial Relations & Safety Site Manager Transfield Oil and Gas, 26 April 1996 interview).
Chapter 8

The CGS agreement was similar to, but also contrasted with, the GT in regard to the emphasis of the agreement itself in the negotiating process. Similarly, in the GT project, the SCLC building of goodwill and assurances of minimal industrial disputes was important to the farmers (even though they were not officially part of the agreement). However, in contrast with the CGS agreement, the GT agreement was negotiated with the contractor after the decision to construct the project in the Illawarra had been made. Yet, the CGS agreement with the SCLC was made before the decision to locate the construction in the Illawarra. This meant there were conditions to the company’s decision to locate the CGS project in the Illawarra and these were based on an exchange for increased flexibility of the workforce. So as to achieve these gains and to secure the Illawarra as the site for the construction project, the SCLC adopted an accommodating stance, which the company stated that it required. In effect it agreed to greater functional and working-time flexibility. The SCLC demonstrated its commitment through its role in leading and coordinating union negotiations (Project Manager Esso, 8 March 1995 interview). The SCLC and affiliates provided the company with a commitment to cooperate towards achieving changes in work practices which were at least equivalent to recent construction site agreements and other agreements in which unions were involved (see McGrath-Champ, 1995:6; McGrath-Champ, 1996a:10-18, Hall & Harley, 1993:286). Changed work practices occurred in the areas of ‘functional’ and ‘working time’ flexibility and a reduction in the number of job categories. Change was most evident in relation to multi-skilling and cross-skilling involving all categories of workers and working time arrangements involving wet weather work (and continuous work).

It was important to the SCLC and affiliates that the project went ahead partly because it would create much-needed employment in the region. Further, it was believed that if this project was successful, more could follow. Esso made the conjecture that the project may mark the start of a major new industry in the region. This was written into a Memorandum of Understanding in 1992 but did not eventuate. Nevertheless, this hope had a significant influence on the negotiations, particularly in relation to labour flexibility (Memorandum of Understanding, 1992:1; SCLC, 1994b; Illawarra Mercury, 1993a:2; Interviews with Project Manager Esso, 8 March 1995; President SCLC, 29 August 1996).

The SCLC’s ‘accommodating stance’ to the company received strong support from editor and industrial reporter of the Illawarra Mercury, which offered much praise
to the CGS project for providing a boost to employment prospects. Also, the SCLC viewed its role as central to the company’s decision to locate this project in the Illawarra, which Esso also affirmed (Illawarra Mercury, 1993a:2, 1993b:14, 1994b:8, McInerney, 1993d:10). The secretary of the SCLC remarked that:

Esso didn’t finally announce the project until the industrial agreement negotiations had finished. Those negotiations were crucial to the decision by Esso to proceed with the construction in Australia. So, the SCLC wasn’t just negotiating the conditions of work as in a normal industrial agreement… [it was] negotiating the project itself. They can take credit (Secretary SCLC, 8 November 1993 interview).

The SCLC and unions accommodated company objectives whenever possible. Yet, this did not stop them adopting an adversarial position when they believed it necessary. Some issues not resolved in the consultative process were referred to arbitration. This included company procedure relating to bomb threats after such a threat had occurred and the unions were displeased with the way it was handled. It also included a matter concerning claims for further wage increases to compensate for the government’s withdrawal of travelling allowance tax exemptions to construction workers. In addition it involved a dispute that is outlined later concerning the hiring of more local labour in which the unions held a two-day strike and forced a settlement (Industrial Relations & Safety Site Manager Transfield, 26 April 1996 interview; Illawarra Mercury, 1996a:4, 1996b:2, also see every day’s issue from 5 to 20 September 1996).

Also, disputes within the union side occurred but they were contained to the extent that they did not affect the construction schedule. During the course of the agreement the affiliates challenged the manner in which the SCLC exercised its coordinating role on the CGS project. In fact, it became a very public quarrel that was reported in the local newspaper, the Illawarra Mercury (McInerney, 1994b:1-3, 1994c:1-2, 1994d:6). The seven affiliates involved in the public argument were the AWU-FIMEE, Building Division of the CFMEU, AFMEU, Liquour Hospitality Miscellaneous Workers Union (LHMWU), Maritime Union of Australia (MUA), United Mineworkers (UMW) and the Australian Services Union (ASU) (McInerney, 1994c:2, 1994e:1, 1994f:2, 1994g:6). The first three of these unions represented eighty percent of workers on the construction, while the others were not represented on the project itself (McInerney, 1994c:2). However, the exact nature of the affiliates’ concerns with the industrial agreement was often placed within the context of other concerns that the affiliates had with the secretary of the SCLC, Paul Matters. They
wanted to deliver a strong message of discontent to Matters in relation to his manner in dealing with some of them. These affiliates wanted to demonstrate to him that they had power themselves. Thereby, some withheld affiliation fees and they threatened to split from the SCLC and form an alternative organisation (McInerney, 1994f:1, 1994g:6, 1994h:4, 1994i:2, 1994j:2).

In regards to the CGS project, the *Illawarra Mercury* reported that:

For some time, the left-wing unions have been concerned about Mr Matters’ style of driving ahead with industrial agreements for major projects without detailed consultation with the unions concerned (McInerney, 1994b:3).

This argument about ‘style’ was at the centre of the dispute, which the affiliates bundled into disapproval of “…Matters’ continued presence on the project site as the industrial agreement co-ordinator” (McInerney, 1994c:2). The seven affiliates’ concerns stemmed from a major conflict in 1992 between Matters and the affiliates in the negotiation process with one of the prospective contractors for the CGS (which eventually did not win the contract as anticipated). The affiliates believed that Matters had overstepped his powers of leading the negotiations and speaking on their behalf. At the time, some were negotiating a proposed generalised agreement but during this process became irate when Matters delivered them what he considered to be the final document and expected them to sign without further discussions. However, the conflict was resolved to the satisfaction of the affiliates. Nevertheless, the incident was remembered on future occasions when the affiliates believed that Matters had gone beyond his role in acting as the unified voice of the trade unions by not consulting sufficiently with them beforehand (Branch President AWU, 23 April 1999 interview; Organiser AMWU, 31 September interview).

As a result, the unions took a public stand when Matters publicly attacked the then Federal Labor MP for the seat of Throsby, Colin Hollis, in the *Illawarra Mercury* under the banner of the SCLC (McInerney, 1994b:1-3, 1994e:1-2, 1994h:4, 1994i:2, 1994j:2, 1994k:7, 1994l:6, 1994m:10). Even though the unions approved of the SCLC public disagreement with ALP members on occasions (Branch President AWU, 23 April 99 interview), they viewed the then current attacks by Matters as completely inappropriate because it was during preselection for the seat. They believed that it was designed to overthrow Hollis (McInerney, 1994e:2). A union official from one of the disgruntled affiliates stated that:
Interference in elections of ALP candidates, that’s not a role for the SCLC secretary. He should be neutral, you know…the secretary shouldn’t be publicly commenting one way or the other…(Organiser AMWU, 31 September 1999 interview).

These affiliates were not prepared to support the public announcements by Matters and instead publicly aired their grievances about Matters over several past issues (McInerney, 1994b:1-3, 1994d:6, 1994f:2, 1994h:4, 1994i:2, 1994j:2, 1994l:6, 1994n:2, 1994o:1-2). However, the dispute between Matters and the seven affiliates was successfully resolved within the SCLC (McInerney, 1994d:6, 1994f:2). Yet, the style of Matters’ leadership was again the issue in 1999, and was resolved only by the standing-down of the secretary.

The CGS construction project was important in generating local employment and boosting the regional economy. It produced 235 jobs per year for three years with 188 jobs per year going to local people. This had a general regional flow-on effect of a further 79 jobs per year, bringing the total regional impact to 267 jobs per year. It was an $80m project that had a general regional flow-on effect of $66m, contributing a total of $146m to the Wollongong region. This construction project, like others, had even more far-reaching effects in terms of business confidence for it acted as a stimulus to the regional economy. The region’s businesses appeared to need something like this to “hang their hat on” (Figures and discussion provided by Senior Economist, IRIS, 20 September 1996 interview).

The issue of a preference to local labour had been important to the SCLC (Interviews with Secretary SCLC, 8 November 1993; Assistant Secretary SCLC, 12 June 1996; President SCLC, 29 August 1996). This took the form of a ‘local preference’ of employment clause in the Memorandum of Understanding relating to the CGS agreement, to which the SCLC was the signatory for the unions. The affiliates were not required to sign this document, as this was the role of the SCLC. The SCLC agreed to a clause for ‘practical’ exception. For example, if the company had problems gaining the skills or experience they required from ‘inside’ the region they were permitted to look ‘outside’ (Memorandum of Understanding, 1992:5). The clause stated:

All things being equal in respects to skills and experience, preference will be given to local labour. Accordingly, the parties undertake to appraise local training authorities as early as possible of the skills and qualifications required for work on the project (Memorandum of Understanding, 1992:5).

In the CGS case the clause did not appear in the enterprise agreement but an informal understanding about local preference eventuated. After gaining the appropriate clause in the Memorandum of Understanding, through the SCLC’s signature, the
affiliated unions also stated the same requirement to the company in the enterprise agreement but preferred for it to be kept semi-official. The union officials commented that they did not consider it appropriate or necessary to pressure the company into an explicit statement. It would have been difficult for them in terms of their union commitments. They did not want to be seen denying other members of the same union the opportunity for employment. Nevertheless, they were local officials and had a strong interest in addressing local employment. They allowed the employer to hire unionised labour from outside the region but only under the condition of practical exception. They expected that new recruits would have local addresses but did not intervene when they suspected that some of those workers lived outside of the region. For example, they accepted that caravan park addresses could be sometimes an indication that new recruits were from outside the area. Also, the unions were aware that the employers preferred locals because they did not need to pay for travel and accommodation expenses (Interviews with Assistant Secretary SCLC, 12 June 1996; Organiser CEPU, 29 March 1996; Branch Secretary AWU/ FIMEE, 12 July 1996; Organiser CFMEU, 3 July 1996; Organiser AFMEU, 11 April 1996).

The site manager on the CGS project accepted the unions’ requirement for employing locals. He affirmed that his company had “… maintained a very high level of local content here and we have made the commitment in the Memorandum of Understanding to the unions that we will” (Industrial Relations & Safety Site Manager Transfield, 26 April 1996 interview). However he also acknowledged that management had a financial incentive for employing locals and that the clause was not overly restrictive as it allowed for discretion. It recognised local shortages of workers such as crane drivers, who were required to operate very powerful and expensive equipment (Industrial Relations & Safety Site Manager Transfield, 26 April 1996 interview).

One industrial dispute also highlights the strength of the local preference clause in the Memorandum of Understanding. It occurred at the assembly stage of the project, which began in May 1996 and was carried out on the CGS site. It involved placing the topsides (built in Newcastle and barged to Port Kembla) on top of the CGS with a large crane. The head contracting company employed former retrenched people from the newly completed oilrig topsides project in Newcastle. It arose at a time when retrenchments were occurring on the CGS project as it was also coming to a close. The SCLC and the unions became aware of this development and raised the issue with the Project Consultative Committee. They viewed the situation as a breach of the
‘preference to locals where appropriate’ clause. The company claimed it needed these people as they had specialist skills. The SCLC and unions acknowledged that some were specialists but they believed the company was attempting to introduce others into positions that retrenched CGS employees could perform. After a two-day strike in June, involving 160 workers, and further consultative committee negotiations the company finally agreed to train a local person for every specialist hired from Newcastle. Only thirteen people were eventually hired from Newcastle (Illawarra Mercury, 1996c:5, 1996d:2; Interviews with Industrial Relations & Safety Site Manager Transfield, 26 April 1996 and 28 October 1996; Assistant Secretary SCLC, 12 June 1996).

The SCLC took another opportunity to gain as much local employment as possible when the agreement negotiations were finalised and the project began. It did not need the direct involvement of affiliated unions in this stage but it had their approval. Together with the MTIA, it successfully appealed to the Department of Employment, Education and Training (DEET) to finance a construction skills training programme for local long-term unemployed that was specifically designed for the CGS project. For its part the SCLC worked closely with Technical and Further Education (TAFE) in designing the training programme. It gained permission from Esso to design the training programme around the plans of the CGS, and miniature modules were built. It asked the four initial tenders for the CGS project to view the proposed training syllabus for comments, which they did (Assistant Secretary SCLC, 28 September 1995 interview). These were Transfield, Laytons, John Hollands and Asea Brown Broveri (then known as Electric Power Transmission). This type of training programme appeared to be unique but a few other innovative site-based training initiatives in the construction industry had occurred around the same time as well, mostly involving TAFE, which worked on-site and off-site (see Buchanan & Sullivan, 1996:9-11).

The programme at the local TAFE campus was set-up ready for recruits upon Esso’s announcement of the winning tender. They offered a six weeks full-time course that covered skills such as concrete placement and finishing, legislative procedures, job planning and programming, dogging, steel fixing, site preparation and formwork and workplace communication. Jobs were not guaranteed from this course but of the 168 graduates 82 percent found work either on the CGS, No.6 Blast Furnace or other minor projects in the region (Assistant Secretary SCLC, 28 September 1995 interview; NSW TAFE, 1992).
In addition to seeking preference for local workers, the SCLC and affiliated unions insisted that preference of employment be given to unionists. From the outset the SCLC and affiliates maintained that a union preference clause be inserted into the agreement and that the agreement be registered federally as the then state legislation did not easily allow for a union preference clause for workers who were not yet employed. This clause came under scrutiny and gained disapproval from the NSW Building Industry Task Force. The latter was formed as an agency of the 1990-92 Royal Commission into Productivity in the NSW building and construction industry to investigate corruption. Yet, it continued after the Royal Commission issued its final report to the NSW Government in 1992. As a result of its disapproval of the union preference clause in the CGS agreement the wording of the clause was changed but this made no difference to its operation (Secretary SCLC, 22 September 1993 and 8 November 1993 interviews; *Sydney Morning Herald*, 1993:3; *Illawarra Mercury*, 1993c:8). Consequently, the site appeared to have been highly unionised (Interviews with Industrial Relations & Safety Site Manager Transfield, 26 April 1996; Organiser AFMEU, 11 April 1996; Organiser CEPU, 29 March 1996).

**No 6 Blast Furnace Construction Project**

Similar to the CGS project, the No 6 Blast Furnace project was also negotiated with a private firm in the 1990s. Yet, the location of the construction of the No 6 Blast was not an issue as it was with the CGS project. BHP had invested about $1billion over the previous twelve years, and they needed a new blast furnace to keep production at adequate levels and thereby ensure good returns on their investment (Branch Secretary AWU/ FIMEE, 12 July 1996 interview). After BHP made the decision to build the blast furnace, it followed that it needed to be constructed on site. In fact, the immobility of the blast furnace extended to the location being precise and inflexible within the compound. Several buildings needed to be demolished so that close proximity could be gained to the product flow, raw materials and services (Project Manager BHP, 1 May 1996 interview).

Nevertheless, similar to the CGS project, BHP did not make the final decision about the building of a new blast furnace at the Port Kembla steelworks until after the Memorandum of Understanding had been negotiated (Secretary SCLC, 8 November 1993 interview; McInerney, 1993d:10; Project Manager BHP, 1 May 1996 interview). BHP viewed union commitment to the project goals as important, partly because this
would assist with the communication of these goals to the workforce (Project Manager BHP, 1 May 1996 interview). In these negotiations the SCLC demonstrated its commitment and capacity to implement the goals of projects (Secretary SCLC, 8 November 1993 interview). The importance of the Memorandum of Understanding with the unions was publicised in the local paper, the *Illawarra Mercury*. The editor, Peter Cullen stated that:

One of the reasons BHP chose to go ahead with such a massive injection of capital for the blast furnace is a strong conviction that the unions will be striving to make sure the job is done – and done professionally (Cullen, 1993:12).

Once again the SCLC acted in its role of coordinating unions and leading negotiations both in the Memorandum of Understanding and in the subsequent enterprise agreement (Secretary SCLC, 8 November 1993 interview). Relevant affiliates consisted of the then Australian Workers Union/ Federation of Industrial Manufacturing Employees, Automotive Metals and Engineering Union, Construction Forestry Mining and Energy Union, Communications Electrical Electronic Plumbing and Allied Workers Union of Australia and the Transport Workers Union of Australia (No 6 Blast Furnace Construction Certified Agreement 1994, Clause 34.0).

Yet, when it came to implementing the agreement the unions preferred to play a greater role themselves without necessarily involving the secretary as often as they may have done in the past (Interviews with Organiser CFMEU, 3 July 1996; Branch President AWU, 23 April 1999; Organiser AMWU, 31 September 99). This stemmed from the dispute that they had with Matters in 1994, as outlined earlier, that concerned the manner in which he performed his role of presenting the united voice of the unions to the employers for coordination purposes. They were afraid of not being adequately consulted, and believed that they could perform this role themselves. The AWU/ FIME worked closely with the AFMEU to the point where the officials represented each other’s members in negotiations with employers. Together they covered most workers on site and were involved from the beginning of the project until the end. They represented riggers, crane drivers, boilermakers, fitters, plant operators, earthmovers, concrete workers, steel fixers and scaffolders. So the SCLC did not need to have a large coordination role in the implementation stage as the major unions took over this role for themselves (Branch President AWU, 23 April 1999 interview).

The Blast Furnace project cost between $406m (Failes, 1995:10) and $460m (Failes, 1996:3). It employed at least 200 people between December 1994 and April
1996 with a peak of 800 between August and December 1995 (Project Manager BHP, 1 May 1996 interview in which he also displayed a histogram). The blast furnace had a significant impact on the local metal fabrication shops through sub contracting work. They grew in line with the peaks of the blast furnace construction and declined when the project petered out (Senior Economist IRIS, 20 September 1996 interview).

The SCLC and affiliates requested that a preference for local labour be featured in the Memorandum of Understanding as it had been in the CGS agreement (Interviews with Secretary SCLC, 21 August 1995; Project Manager BHP, 1 May 1996). The engineering management company hired by BHP to oversee industrial relations, among other duties, estimated that sixty percent of locals were hired (Project Manager BHP, 1 May 1996 interview). Yet, the SCLC and affiliates did not make any estimates on actual local employment for the reason indicated earlier with the CGS project. Again, they believed that the enforcement of local preference places them in a difficult situation in relation to other unionists from outside the region and also they were mindful that it was in the employers’ financial interest in any case (Interviews with Assistant Secretary SCLC, 12 June 1996; Organiser CEPU of Australia, 29 March 1996; Branch Secretary AWU/ FIMEE, 12 July 1996; Organiser CFMEU Building Workers Division, 3 July 1996; Organiser AFMEU, 11 April 1996).

BHP did not consider the issue of local preference important. The companies that hired labour acted in an unrestrained way. Also, in the No 6 Blast Furnace case, the weighing up of costs for ‘locals’ versus ‘outsiders’ was not a large issue as most of the larger companies already had a base in Wollongong, in any case. The large local companies included Transfield, ABB-EPT, Boulderstone Hornibrook and Lucon-Lurgi, which had only recently closed a branch in Wollongong (Interviews with Project Manager BHP, 1 May 1996; Area Manager Transfield, 2 May 1996; Area Manager Lucon-Lurgi, 31 May, 1996). However, generally, for the contracting companies the hiring of labour was based on financial considerations and on gaining reliable workers. The financial benefits for hiring locals were obvious to the companies as it was generally more expensive to hire workers from outside the area. A ‘living away from home’ allowance, including fringe benefit tax, needed to be paid which was worked out at an extra $380 per week. Nevertheless, there were some long-term employees with Transfield, at least, from various parts of Australia whom it provided with continuing employment. They regularly transferred them to another project when one had finished. These were highly skilled and reliable workers, with whom the company was willing to
incur additional costs (Interviews with Area Manager Transfield, 2 May 1996; Area Manager Lucon-Lurgi, 31 May 1996).

The hiring practices of one of the large companies, Lucon-Lurgi, however, consisted of it using a list of local people who had worked for it previously and it hired them as direct employees. These people were hired on the basis of being reliable locals. At the beginning of the project it advertised in the local and Sydney papers but did not hire these people immediately. Rather, it kept the resumes and contacted people, as it needed them throughout the project. Added to this it hired labour indirectly through labour hire companies and specialised contractors, based in Sydney. These companies sourced labour locally and from Sydney. Lucon-Lurgi used a two-stage process of selection when it used the labour hire companies. Firstly it included ‘the devil you know’ scenario where good workers in these companies that it already knew from Sydney were employed and secondly it used local labour as needed (Area Manager Lucon-Lurgi, 31 May 1996 interview). ‘The devil you know’ scenario was of primary importance to Transfield in hiring labour (Area Manager Transfield, 2 May 1996 interview).

The issue of a shortage of some skills did arise but this was expected. In the Illawarra there was probably between 700 and 1000 construction workers and a shortage was felt, particularly with the two large projects operating concurrently at times. Also, on the No 6 Blast Furnace the contractors were operating in a compressed time frame so they all needed a lot of people at the same time (Interviews with Area Manager Transfield, 2 May 1996; Area Manager Lucon-Lurgi, 31 May 1996). Yet, a local labour shortage with these types of projects had been felt in the 1980s as well (Branch Secretary AWU/FIMEE, 12 July 1996). When the construction projects were underway, the expertise to service that project was built up. However, there was not a continuation of construction projects so people found work elsewhere. The Illawarra Regional Information Service ascertained that in 1994 and 1995 there were skill shortages in boilermaking and welding work. The CGS required much welding of high tensile steels. This was a very specialist skill that not every boilermaker could perform. Therefore, these skills needed to be ‘imported’ from the Sydney metropolitan region where there was greater variety of skills (Senior Economist IRIS, 20 September 1996 interview). In regard to the No 6 Blast Furnace, it was difficult to find welders who could work on pressure vessels, as the boilermakers’ skills were often not sufficient. Specialist TIG welders were needed for the pipe work and refractory brick layers were required, as
house bricklayers could not perform this function adequately (Project Manager BHP, 1 May 1996 interview).

The unions sought the employment of unionists as a condition of work, as they also had done with the CGS and the GT projects. The agreement stated that preference of employment be given to unionists in both the selection of workers and in delaying retrenchment. The unions and a subcontractor believed that union membership was about ninety-nine percent (Interviews with Area Manager Lucon-Lurgi, 31 May 1996; Organiser AFMEU, 22 May, 1996). Union membership was enforced but only partially. One union official claimed that he kept regular checks with the companies in this regard, even though this was time-consuming. This caused him to approach a company “on one or two occasions” where they had employed non-unionists when a unionist could have been employed (Organiser AFMEU, 22 May 1996 interview). Another union official believed that there was a small problem with non-unionists on the site but relied on a relevant clause in the agreement and did not intervene further in this process (Organiser CEPU, 29 March 1996 interview). The engineering management company controlling industrial relations on the site brought pressure to bear on a conscientious objector to add to pressure imposed by at least one union. The worker eventually elected to join the relevant union (Area Manager Lucon-Lurgi, 31 May 1996 interview). The No 6 Blast Furnace agreement was registered in both systems with the State agreement only omitting the union preference clause for similar reasons as in the CGS agreement (Secretary SCLC, 27 September 1993 interview).

Similar to the CGS agreement, the Blast Furnace agreement also included specific flexibilities. In the CGS project this included the area of slipforming operations that were agreed to be performed on a continuous basis irrespective of Rostered Days Off (RDOs), Union Liaison Meetings (ULMs), national, state or local work stoppages. Slipforming operations were to be performed on a two or three shift basis per day over seven days per week. Also RDOs and ULM’s were to be postponed during periods where heavy lift cranes were contracted onto the site (West Tuna and Bream B Platform Construction Agreement, 1993:Clause 28b). Similarly, in the Blast Furnace construction continuous operation was planned during the parts of the project that involved the installation and dryout of the refractory, welding on the furnace fabrication and erection and during the pouring of concrete foundations. Yet, the No 6 Blast Furnace agreement did not seek a reduction in job classifications. It continued with the practice of numerous awards operating simultaneously. In this case five awards operated with a
total of twenty-one job classifications (No. 6 Blast Furnace Construction Certified Agreement, 1994: Clause 27.0; Schedule 2). Also, there was no other evidence to suggest that the related issues of multi-skilling and cross-skilling were as keenly sought by BHP as they had been by Esso.

Conclusion

In this chapter the SCLC employed the industrial method for local employment generation through its involvement in the agreements for both the CGS and No 6 Blast Furnace projects and in its involvement in industrial relations in the CGS site, in particular. This method is employed separately from the SCLC’s political method in the 1990s of attempting to gain government policy and investment in regional development. These projects were important in the short-term to the region in terms of the number of local jobs created. Long-term importance is difficult to assess but it does not appear substantial in influencing the high unemployment rate. In the case of the CGS project, the oilrig base construction industry that was hoped would follow this project never eventuated. Yet, the construction of the No 6 Blast Furnace was necessary for the continuing viability of the steel industry in the Illawarra, which provided a substantial employment base for the region.

The SCLC encouraged Esso’s investment decision and confirmed BHP Steel’s investment decision. The SCLC was successful in generating a large proportion of local jobs from these projects, during their construction. This was in terms of the local labour that was employed directly onto the projects and also indirectly from the increased funds injected into the regional economy. These types of construction projects relied mainly on local labour. The SCLC’s efforts in local employment generation depends on this situation. This view was articulated by a leading union official involved in both negotiations who remarked that “… [t]he employment comes with the project” (Branch Secretary AWU/ FIMEE, 12 July 1996 interview).

However, there were problems with the local preference clauses. To begin with, the manner in which the contractors in the No 6 Blast Furnace Project hired labour, in particular, would suggest that it had little effect. The contractors acted mostly in their own financial interest, which was to hire locals who matched the skill requirements. This procedure was supported by union officials who sympathised with the hiring of local labour. They were, however, reluctant to enforce local preference as it may have led to conflict with unionists who lived outside the region. There is no evidence that the
SCLC or affiliates counted the number of locals employed by any of these projects. Nevertheless, the insertion of such a clause into the Memorandum of Understanding was congruent with the GT agreement and demonstrated the sentiment of the unions on this issue.

This situation was similar on the CGS project, from both the employer and union viewpoints. Yet, the SCLC and unions did go further in attempting to gain a greater proportion of local labour. Firstly, the SCLC initiated a construction-skills training programme for local long-term unemployed that was focused on the CGS project, with many of the graduates subsequently finding jobs on either this or the No Blast Furnace project. Secondly, the management appeared more mindful of the SCLC and affiliates’ view on the hiring of locals than was the case with the Blast Furnace project. Thirdly, the clause in the Memorandum of Understanding became important in the retrenchment stage of the project, which was shown by the unions engaging in a two-day strike over this issue.

Apart from its insistence on the hiring of locals where appropriate the SCLC’s commitment to the project rested on a guarantee from management that the sites be fully unionised. As a result of the NSW Liberal Government’s hostility to pre-entry closed shops, the CGS agreement was registered federally and the No 6 Blast Furnace agreement was registered in both systems with the State agreement only omitting the union preference clause. The NSW Building Industry Task Force was opposed to the clause in the CGS case. As a compromise the wording was changed but the application of the clause remained the same. Effectively, the CGS project was a closed union shop.

In the CGS case the condition from management to locate in the Illawarra was the gaining of endorsement from the SCLC and affiliates for greater flexibility in working arrangements. This was achieved by the SCLC acceding to changed work practices at least equivalent to other agreements involving the construction industry and trade union participation. This assessment of acceding to changed work practices was based not only on the terms of the written agreement but also on its implementation.

Nevertheless, the involvement of the SCLC shaped both agreements by leading negotiations and coordinating union demands and action. In the negotiation stage of both projects the affiliates required the SCLC to organise a united position and lead negotiations between themselves and the companies for the agreement. This is particularly important with the ‘broadbanding’ wage/skills structure. The single bargaining unit role of the SCLC simplifies the negotiation process for both parties. It
assists the unions with the effective targeting of resources and activity. The companies also benefit from the presentation of a coherent position as it leads to potential conflict being contained within the union movement. This also extends to possible demarcation disputes.

The SCLC performed this role, in the CGS agreement, in simplifying the negotiation process, and in the implementation stage of the agreement. Examples of SCLC involvement in the implementation stage of the CGS project included the case of the local labour dispute in which the SCLC and unions organised a two-day strike. It helped the company manage the industrial relations on the site through the Project Consultative Committee and Union Liaison Meetings.

The CGS agreement had hallmarks consistent with the literature on flexible arrangements involving trade unions in the 1990s. The agreement allowed for greater labour flexibility. This included functional flexibility in the form of multi-skilling and cross-skilling, and a reduction in the number of job classifications, as well as procedural flexibility in the form of consultative committees. While this was typical of agreements involving unions, it appeared from management and union comments that the successful implementation of these clauses drove agreements in the construction industry further down this road. Whether this is the case or not, the SCLC and affiliated unions certainly assisted in the implementation of these provisions. They were mindful that they were trading labour flexibility for ensuring the location of the project in the Illawarra.

In the 1990s, the SCLC through industrial method supported the regional community by assisting local employment generation. It did this by satisfying both Esso and BHP Steel’s desire for a commitment to the goals of the projects. This was shown by a willingness to negotiate a Memorandum of Understanding and follow this by an agreement that was attractive to both management and unions.
Chapter Nine

Conclusion

This case illustrates that regional labour council participation in local employment generation is relevant in Australia, as something that has actually happened. The SCLC highlights an alternative union approach to the local employment generation of the Accords, which emphasised the national and workplace levels. The SCLC, as a peak regional union body, viewed the Illawarra’s regional-level unemployment as a local union issue. It extended union focus further than employment issues of job security by encompassing concerns for local employment generation. Its concerns were initially a response to affiliates’ alarm about job security of their members and the SCLC dealt with this issue in conjunction with the wider social consideration of growing unemployment in the region. This is congruent with the broader aims of trade unions that include the social goals that they share. The objectives of regional labour councils sometimes extend to social goals that are beyond the reach of individual unions. Thus, regional labour councils assist in developing a ‘movement’ of labour.

The literature on regional labour councils is scant. So, to strengthen this the thesis draws upon literature that relates to peak union councils and trade unions generally. This allows for an examination of some issues that are not examined in regional labour council literature. There are differences but also similarities between the various forms of union organisation. This is assessed later and reveals characteristics of regional labour council method that, up to this stage, have been attributed to unions generally but not regional labour councils, in particular.

The SCLC in the Illawarra region is the focus of this case study of a regional labour council that pursued a local employment strategy between 1981-1996. Unemployment is concentrated in certain regions in Australia. At least one, or even the most, important issue in the Illawarra in this period has been unemployment. This stems from Australian post World War 2 boom restructuring in the 1970s and 1980s that influenced employment levels in the Illawarra as elsewhere. Yet, its effects on the Illawarra were particularly adverse as the restructuring process was used to reduce jobs in its dominant traditional industries as a means of maintaining competitiveness. It had a large but narrow employment base that had been focused on steel, manufacturing and coal industries from the 1920s. The industrial composition of the Illawarra caused it to experience unemployment at higher rates than the State and national averages during the
1980s and 1990s. This base had diversified in the 1990s but not to the extent that it absorbed the unemployment caused by the dramatic decline in the steel industry, in particular, in the early 1980s. Therefore, the Illawarra is an appropriate focus of the study. Moreover, the SCLC pursued a local employment generation strategy from 1981 up till 1996.

The literature on local employment generation has largely ignored trade unions, and has almost completely disregarded regional labour councils. This includes the prominent ‘location theory’ that focuses on the plight of capital being attracted to a particular location. This theory neglected to analyse the regional changes of the 1970s in the context of the transformation of the overall structure of the global economy. A notable alternative theoretical approach examined the changes in the global production system since the end of the World War 2 boom period, which was known as the restructuring approach. Yet even so, local integration theory, that was based on the restructuring approach, focused on the organisation of small firms into ‘industrial districts’, as a form of local employment generation, and still generally disregarded trade unions. However, the ‘global integration’ theory, also based on the restructuring approach, viewed these changes as causing an ‘uneven geographical development’ of regions and a ‘new internationalisation of labour’ that led to regional growth and decline. It proposed a role for trade unions in local employment generation that involved determining a socially manageable velocity of capital. It suggested that unions can explore and develop innovative political organisation and representation methods in response to industrial location and sectoral alterations.

In Australia, regional labour councils already exist to meet this challenge, principally in relation to political organisation and representation methods. They organise politically by providing a ‘focal point’ for trade union action. Their activities are based at the regional level, which is unique as they can represent another level of trade union interest in generating employment that differs from the workplace, industry and national levels. They can respond to the issue of local unemployment through their use of representation methods, to speak for unions and the wider community, in both political and industrial arenas.

The SCLC has a tradition of political and industrial action, upon which it drew from so as to pursue a local employment generation objective in the 1980s and 1990s. The SCLC’s predecessors had been involved in pursuing issues of community concern. The Illawarra Labour Council possessed political method to pursue its objectives from
its inception in 1914 when it planned to establish a Trades Hall and to organise regular annual eight-hour demonstrations. It ceased to operate in 1918 and was reactivated in 1926. This reactivated but impermanent Illawarra Trades and Labour Council (ITLC) used political method to orient to the unemployed in the region from 1928 to 1931 and from 1935 to 1938, during much of the period that signified the Great Depression. The ITLC was moribund between 1931-1935 but the ‘Unemployed Workers’ Movement’ (UWM) it helped to organise continued. The ITLC and the UWM assisted the unemployed by lobbying governments around their immediate concerns for housing and in helping them develop self-help organisations in small-scale agriculture and craftwork. The ITLC’s development of industrial method began in 1935 with the growing industrial strength of the unions. In the late 1930s the ITLC evolved the use of industrial method, in the form of coordinating strike action. The utilisation of this method developed in the steel and coal industries but it was not applied to resolving employment issues. The SCLC adopted the strategy of local employment generation as part of its role in the 1980s and 1990s in which it utilised industrial and political methods.

The literature explained that the roles of peak bodies, including regional labour councils, were mobilisation, exchange and the social regulation of labour and commodity markets. Each of these roles evoked both political and industrial methods. With regard to local employment generation, the SCLC mobilised the power of affiliates into collective action so as to engage (or exchange) effectively with employers and governments to regulate the labour market in terms of generating local employment. Its political method of mobilisation and exchange included numerous campaigns. This involved gaining regional agreement for the setting up of the Port Kembla Harbour Task Force and organising farmers to assist it in lobbying government. It included disseminating its ‘Jobs Now’ plan to government and to regional organisations. Its industrial method of mobilisation and exchange involved coordinating union effort, which included handling inter-union relations, and acting as the unions’ representative voice in collective bargaining with employers and employer associations. The SCLC’s regulation of the labour market, through local employment generation, involved political links with its affiliates, governments, farmers and the Illawarra community. It included industrial links with its affiliates and employers.

Debate occurred in the literature regarding the position of the roles and methods in relation to each other. Generally it viewed the political as taking precedence over the
industrial. However, neither appeared to dominate the other in the SCLC’s local employment strategy. It used them at different times and sometimes even mixed them as in the Grain Terminal project.

The SCLC case demonstrates that the literature relating generally to union methods can also be extended to regional labour councils. The literature suggested that unions use industrial and political methods where appropriate to achieve their objective. From 1981 to 1996 both methods were important to the SCLC to maximise its potential for generating local employment. One method on its own would not have been as effective. In addition, the literature stated that unions may use political and industrial methods to achieve political objectives and they may use both methods to achieve industrial objectives. The thesis found that the SCLC used both methods to achieve its essentially political objective of local employment generation.

Also, similar to the literature on unions generally, as described by Martin (1980) and Dabscheck & Niland (1981), the SCLC mixed method to increase its effectiveness. The GT project showed the strength of combining industrial and political method to reinforce or supplement the effects of the other. So, one method can enhance the other. The SCLC used industrial method, by negotiating an industrial agreement, to supplement the political method of gaining farmer support to lobby the State government. Also, the SCLC’s potential to utilise industrial method provided political method with more influence. Thus, the SCLC used its potential to be involved in the industrial relations on the site as a political instrument. Farmers viewed the SCLC and affiliates’ offer to develop a good working relationship at the GT site as attractive. The SCLC’s involvement in industrial methods helped it to influence the farmers to provide their support to the lobbying of the government.

This case of the SCLC adds depth to the literature on regional labour council involvement in local employment initiatives and it expands on trade union participation in labour-community coalitions, demonstrating that regional labour councils are involved. Both these examples formed part of the SCLC’s political method. The scant literature identified two examples of trade union practice in local employment generation. These included ‘local employment initiatives’ (LEIs) and ‘labour-community coalitions’. However, the literature virtually neglected to examine the role of trade unions in these examples. Nevertheless, in regard to LEIs it proposed that trade unions needed to build on government commitment, which in fact declined. This suggests that lack of government commitment impeded the capacity of trade unions to
act in the area of local employment initiatives, such as in the South Coast Employment Development Project (SCEDP). Also, government support proved important for the success of the SCLC’s labour-community coalition with farmers. Consequently, government commitments need to be taken into account in assessing the effectiveness of the SCLC in local employment generation, particularly in relation to political method. The examples of the local employment initiative of SCEDP and the labour-community coalition with farmers were part of the SCLC’s larger role involving political method, so these are better assessed in this broader context.

The SCLC not only depended on government commitment in building a role for itself in SCEDP, but it also saw its role as initiating government commitment. From the outset, in the early 1980s, the SCLC with Merv Nixon as secretary worked on the assumption that a strong government role in regional development was needed and that its role was to lobby governments. In 1983 the SCLC lobbied the NSW government for regional development in the Illawarra, which included private industry development. It succeeded in gaining an Employment Development Officer to the SCLC and the introduction of SCEDP. This was only marginally successful for government commitment was not sustained and the SCLC largely did not support the later direction of SCEDP in 1988 when its funding from government ceased and it became a self-funded company.

Subsequently, in 1988 the SCLC with a newly-elected secretary, Paul Matters, believed that a government-led regional policy, with public sector investment, was needed. It assessed that SCEDP was too reliant on private industry development, which did not necessarily generate local employment and even placed pressure on existing jobs. So the SCLC tacitly changed from accepting the Accord’s focus on private sector investment for employment generation to a rejection of this approach and an appeal to further direct government intervention. It continued to keep pressure on the Federal government, in particular, while it placed less emphasis on the newly-elected State Liberal Government, as it believed that its efforts would be ignored by the latter.

The SCLC was successful in persuading the Federal government to assess the role of government in regional employment policy. Examples included the establishment of the Illawarra Regional Consultative Council and the Regional Development Task Force, to which in the latter case it presented its ‘Jobs Now’ plan. Yet, the SCLC found its policy rejected in 1994 in the Federal government’s white paper on employment, which emphasised private investment for employment recovery.
Its political method of local employment generation also included enlisting others to support government investment in the region in the form of a labour-community coalition. In the earlier period of the SCLC’s local employment strategy, in 1981, the SCLC sought the establishment of the Port Kembla Harbour Task Force. This was a labour-community coalition to facilitate the diversification of the port of Port Kembla and the growth of its maritime activities. In 1983 the SCLC gained farmer support in obtaining State government endorsement for the siting of a Grain Terminal (GT) in Port Kembla. The relationship between the SCLC and the Livestock and Grain Producers Association (LGPA) can be labelled a labour-community coalition as the literature suggested that a reciprocal relationship was needed for such a characterisation. Indeed the arrangement between the SCLC and LGPA did involve reciprocity. The SCLC gained an influential partner to assist in its lobbying for the siting of the GT in Port Kembla. This was in return for the LGPA gaining a partner that was receptive to its needs to get the GT built and operational through consultation and minimal industrial disruption.

This labour-community coalition was not focused on opposition to an employer. Yet, the literature suggested that this type of opposition was needed for the formation of labour-community coalitions and that it was usually found in a situation of retrenchment, plant closure, relocation or concession bargaining. Instead, the SCLC-farmer labour-community coalition was ultimately aimed at pressuring government officials to position the GT in Port Kembla. The SCLC example supports the literature by Patmore that makes the point that lobbying government officials through labour-community coalitions can play a crucial role in gaining a successful outcome. The Patmore example concerned a labour-community coalition in Lithgow that lobbied government officials for ‘outside work’ so as to utilise the unused capacity of the small arms factory for non-military orders for goods, which came to full fruition between 1929 and 1932. It highlighted and extended the range of actions of labour-community coalitions to include lobbying government officials for new, additional jobs.

Further, in both examples, the focus of the labour-community coalitions was on furthering the unions’ or regional labour council’s political objectives. In these cases it concerned lobbying for increased local employment. This essentially political objective expands the focus of the literature that is mostly concentrated on examples of furthering a union’s industrial objectives.
Also, the SCLC-farmer case, in particular, demonstrates that labour-community coalitions cover more diverse groups than has been suggested by the literature. It may go beyond homogenous groups and spaces, which tends to be the focus of the literature. Traditionally the literature has focused on unions in a single town as in the examples of retrenchments and/ or possible retrenchment in Hammond, Indiana in the US and Lithgow in Australia. Similarly, the literature also covered a wide geographical focus of union activity in multiple localities in a large rural area, such as in the protest against retrenchments in rural Queensland in Australia. However, in contrast, the GT case study extends the literature’s focus further and suggests that it is not necessary to confine labour-community coalitions to close-knit groups, whether they are geographically, politically or socially close. The labour-community coalition around the GT case consisted of a relationship between diverse groups. This relationship was between the SCLC that represented unions in the industrial Illawarra region and the LGPA that represented a body of wheatgrowers in rural areas in NSW that stretched much further than the boundaries of the SCLC’s jurisdiction.

Alternatively, the effectiveness of the SCLC local employment generation strategy may be viewed in relation to industrial method. This may be assessed in terms of the numbers employed directly on the site and indirectly in the region, in the projects that the SCLC attracted to the region. The SCLC overtly encouraged the GT and the Concrete Gravity Structures (CGS) to the region. It influenced the Coal Loader and the No 6 Blast Furnace to the Illawarra. While the construction of the Coal Loader at Port Kembla was partly dependent on the SCLC’s political relationship with the Deputy Premier and Minister of Public Works in the State government, the SCLC utilised a work ban to gain ancillary services for Port Kembla and a better industrial agreement for the workers. The No 6 Blast Furnace relied on the SCLC negotiating an acceptable industrial agreement with BHP Steel.

The SCLC attracted the Esso CGS to the Illawarra on the basis of concessions that Esso required, which involved the SCLC agreeing to a more flexible workforce. Thereby, the Esso agreement differed from the BHP Steel and GT agreements in terms of the SCLC’s role. Nevertheless, similar to the Esso agreement, in the case of BHP Steel, the company wanted an understanding with the unions before the commencement of the No 6 Blast Furnace project. Similarly, the GT was built with an agreement from the unions, but it differed from both the 1990s agreements as it was negotiated after the decision to locate the project in the Illawarra was made. The NSW State Government as
the client essentially made the decision to invest and the contractors, with whom the SCLC made the agreement, were hired afterwards. The government’s decision to invest in the Illawarra was a result of State infrastructure needs and political pressure. This procedure meant that a satisfactory agreement with the unions did not feature in the investment decision. Yet, similarly, the agreement with the contractors was negotiated to deal with site-specific issues in a systematic way from the beginning of the project. This allowed for most disputes to be settled at the lower levels, through a hierarchy of grievance procedures, which helped build a greater commitment to the process in terms of less industrial disruption and the hastening of resolutions. It led to work continuing while negotiations were taking place and the SCLC participating in a bipartite Committee of Works to monitor and administer the site agreement. This allowed the SCLC and local unions more control over the agreements. Yet, the SCLC’s industrial method, to some extent, is dependent on government commitment, as in the GT project. However, the Esso and BHP Steel projects did not rely on government commitments. The SCLC was successful in attracting both public and private sector projects to the region. These projects generated local employment directly in the construction and operation of the projects and indirectly through the effects of the projects in the regional economy.

It was important to the SCLC and affiliates to have gained a written agreement for a preference for local labour in the Memorandum of Understanding for each of the projects, even though it rarely imposed penalties on employers if they failed to abide by this clause. This preference was important for the Barrier Industrial Council (BIC) in Broken Hill but it was gained through a different channel. In Broken Hill the provision was enforced at the recruitment stage, through union rules for local residence status in a closed shop situation. Since it had support of local employers it thereby became part of an unofficial agreement with them. In contrast, the SCLC’s and affiliate’s pressure for local preference was more limited as they had few mechanisms for checking that the clause in the agreement was being observed. They were satisfied that, in most situations, it was in the employer’s financial interest in any case to hire local labour. Moreover, they held the view that local employment would be generated from the construction project being situated in the region.

The separation of methods in the thesis, in chapters seven and eight, draws out the point that political and industrial methods are based on different dynamics within the SCLC in its local employment generation strategy. While the SCLC with the support of
the affiliates can develop political method, the affiliates’ direct involvement is not necessary. The secretary, sometimes with the assistance of other executive members, has the authority to carry out much of this work himself. The affiliates’ direct involvement was not needed for the purpose of legitimacy, but nevertheless they assisted when they could. This was pointed to in examples concerning the SCLC’s involvement in the PKHTF, its lobbying the State Government for the positioning of the GT in Port Kembla, its lobbying of the State government for what eventuated as the Employment Development Officer and for the SCEDP. It occurred, but to a lesser extent, in the lobbying of the Federal government for the Illawarra Regional Consultative Council, and the organising of submission meetings for the visit of the Regional Development Task Force.

In contrast, industrial method does require the affiliates’ regular involvement. This was pointed to in the coordination meetings in the GT project. It was apparent in similar meetings for the CGS project and the No 6 Blast Furnace project. For example, the affiliates necessary involvement was demonstrated in the CGS project when they became dissatisfied with the negotiation process. They became disgruntled because they believed that the SCLC did not consult with them sufficiently in its dealings with the anticipated main contractor. The matter was settled and the future negotiations with BHP for the No 6 Blast Furnace construction also continued with their regular involvement. The affiliates preferred to take a larger role for themselves in the implementation of the No 6 Blast Furnace agreement and dealt with company officials more often than they did in the CGS project. This required the union officials to agree to endorse designated officials from other unions to speak to the company on their behalf at times. The larger role of the affiliates in the No 6 Blast Furnace agreement was a matter of emphasis as the SCLC still played a substantial role and was part of the dispute settling procedures.

This example of conflict within the SCLC supports Ellem and Shields’ analysis that unity needs to be built in peak councils, as unions themselves are characteristically sectional organisations. Also, the example highlights Dabscheck’s analysis of the nature of the peak body – affiliate relationship, which may never be put to the test. This relationship is mostly consultative and cooperative and its nature is particularly pertinent in collective bargaining. In this internal dispute the SCLC affiliates became concerned with the secretary’s lack of consultation and, in reply they withdrew their support of the proposed industrial agreement until he dealt with their complaints. This
event endorses Martin’s analysis that personal relations between the affiliates and the peak council is a factor in the dynamics of the relationship in regard to whether the affiliates merely influence or overtly coerce the peak body to act in their interests. They hold ultimate power in the relationship. Also, this case supports Martin’s and Brigden’s suggestion that the affiliates give up their autonomy, and thereby provide the peak council with ‘power over’ them, so as to provide ‘power for’ a united front to the employer. The affiliates will only do this when they believe that it is necessary.

The SCLC adopted strategies for local employment generation. The literature on general union strategy also can be applied to regional labour councils. The SCLC has been involved in both types of strategy that is specified in the literature. One type of strategy is ad hoc decision-making or muddling through, which is often associated with reaction. The other strategy involves characteristic and distinctive regular patterns that can be associated with tradition and choice. The literature suggested that union strategy often fluctuated between these types, thereby sometimes being reactive but, at other times, being proactive in making conscious choices, even though these were limited by external and internal factors. Therefore, union strategy was more likely to involve replication than forethought, and it also contained choices within certain boundaries. This analysis avoided a ‘post hoc’ account of union strategy that involved rational plans, which Gardner warned, was often mistaken.

At times the SCLC pursued its local employment generation in an ad hoc manner and muddled through. Yet, at other times it pursued the other type of strategy. In relation to the ‘ad hoc manner and muddling through’ approach, this tended to occur near the beginning of a course of action. However, over time, it developed ‘characteristic and distinctive regular patterns’.

The SCLC’s political method started with an ‘ad hoc manner and muddling through’. Maritime and steel unions made the SCLC aware of their concern with job prospects in their respective industries in the late 1970s. In 1981 the SCLC ‘muddled through’ with its initiation of the Port Kembla Harbour Task Force (PKHTF) and through its pursuit of the main activity of the PKHTF which was to attract the GT to Port Kembla. The SCLC did not appear to draw from other experiences in developing the labour-community coalition with farmers and it did not appear to repeat this experience in its local employment generation strategy even though it was successful. However, with the PKHTF, the SCLC moved from the ‘ad hoc manner and muddling through’ to ‘characteristic and distinctive regular patterns.’ It built on the PKHTF
instance by lobbying government for regional development from 1983. It continued the focus on government involvement and trade union participation, thereby developing a ‘characteristic and distinctive regular pattern’ to its lobbying.

Also, the SCLC’s involvement in the GT project developed characteristic and distinctive regular patterns in relation to its industrial method. It built on the coal loader experience. This strategy can be associated with tradition and choice. The pattern of industrial agreement became ‘characteristic and distinctive’ to the SCLC in relation to the procedures of controlling industrial relations on site, whenever possible. These patterns could also be identified in the later industrial agreements of the 1990s even though they had changed. The SCLC continued with single bargaining unit role in both the Concrete Gravity Structures (CGS) and the No 6 Blast Furnace agreement that simplified the negotiation process for both parties. In the CGS agreement, in particular, the SCLC performed this role in the implementation stage of the agreement. For example, it helped the company manage the industrial relations on the site through the Project Consultative Committee and Union Liaison Meetings. It assisted in the negotiations with the company in the dispute over labour being hired from elsewhere. This offers an explanation as to how the SCLC pursued a local employment generation strategy, which combined both approaches of ‘ad hoc manner and muddling through’ with ‘characteristic and distinctive regular patterns’.

Yet, in examining why it pursued this strategy Gardner’s warning against post-hoc accounts of union strategy involving rational plans also needs to be heeded. She suggested that strategy was dependent on internal and external factors and on choices in relation to union methods, type and range of policy implementations. The element of choice emphasised the importance of agency in strategy. The thesis suggests that there are several factors to consider in explaining why the SCLC, as an agent, chose to pursue a local employment generation strategy.

Firstly, the place where the SCLC is situated is important. Consequently the spatial dimension is meaningful. Specifically, the type of jurisdiction that the SCLC presided over stands out as being influential in its decision to adopt and pursue a local employment generation strategy. The Illawarra is an industrial city that has experienced a high rate of unemployment. Therefore, the initial union concerns in the late 1970s about the prospect of a shortage of local employment for maritime and steel workers prompted the SCLC to adopt a local employment generation strategy. The SCLC responded initially to union concerns and it continued to pursue this strategy in the
wider context of high regional unemployment. It was difficult for maritime and steel workers to gain alternative, suitable employment close to their homes, if retrenched. The SCLC was disturbed by the shortage of local employment for the wider community. Secondly, the SCLC possessed a history of involvement in local social issues, and also it had exercised its capacity to use both industrial and political methods to deal with these issues in the past. Therefore, it had the ability to intervene in local employment generation.

Thirdly, the power equilibrium between the SCLC and its affiliates had been stable during the period between 1981 and 1996, when the SCLC exercised its local employment generation strategy. The affiliates supported the strategy. Before 1981, or thereabouts, the prospect of unemployment was not a serious concern for its affiliates and by 1996, the SCLC had exhausted the opportunities it had set-up and pursued up until that stage. The affiliates had confidence in both successive secretaries, up until 1996 at least. The affiliates were agreeable to the secretaries’ efforts and even, at times, active in pursuing the objective of local employment generation. This supports the literature by Ellem and Shields, which suggested that unions need a situation of internal power equilibrium for them to unite and to remain united to a common purpose and strategic orientation. If the thesis had focussed on a period of ‘disequilibrium’ then the ability of the SCLC to undertake a strategy of local employment generation would have been weakened.
Appendix 1 – Comparisons of unemployment rate between selected regions

Table 1: Unemployment rate for selected regions (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Australia</th>
<th>NSW</th>
<th>Illawarra</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>5.6(^1)</td>
<td>4.4(^4)</td>
<td>7.1(^1)</td>
</tr>
<tr>
<td>1982</td>
<td>6.7(^2)</td>
<td>6.4(^4)</td>
<td>n/a</td>
</tr>
<tr>
<td>1983</td>
<td>9.9(^2)</td>
<td>9.5(^3)</td>
<td>11.9(^*)</td>
</tr>
<tr>
<td>1984</td>
<td>8.9(^3)</td>
<td>9.5(^3)</td>
<td>13.8(^6)</td>
</tr>
<tr>
<td>1985</td>
<td>8.4(^5)</td>
<td>9.0(^5)</td>
<td>13.4(^5)</td>
</tr>
<tr>
<td>1986</td>
<td>7.8(^6)</td>
<td>8.2(^5)</td>
<td>12.6(^5)</td>
</tr>
<tr>
<td>1987</td>
<td>8.1(^5)</td>
<td>8.8(^5)</td>
<td>12.2(^5)</td>
</tr>
<tr>
<td>1988</td>
<td>7.6(^6)</td>
<td>7.6(^6)</td>
<td>8.0(^5)</td>
</tr>
<tr>
<td>1989</td>
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<td>10.6(^6)</td>
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<tr>
<td>1990</td>
<td>6.4(^5)</td>
<td>6.2(^4)</td>
<td>10.2(^6)</td>
</tr>
<tr>
<td>1991</td>
<td>9.5(^5)</td>
<td>8.2(^5)</td>
<td>8.8(^5)</td>
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<tr>
<td>1992</td>
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<td>9.8(^5)</td>
<td>14.4(^5)</td>
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<tr>
<td>1993</td>
<td>10.8(^6)</td>
<td>10.6(^6)</td>
<td>14.9(^5)</td>
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<tr>
<td>1994</td>
<td>10.0(^4)</td>
<td>10.0(^4)</td>
<td>14.0(^3)</td>
</tr>
<tr>
<td>1995</td>
<td>8.3(^4)</td>
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<tr>
<td>1996</td>
<td>8.3(^4)</td>
<td>7.7(^4)</td>
<td>10.0(^3)</td>
</tr>
</tbody>
</table>

Sources: \(^1\) Industry Development Board, 1981; \(^2\) ABS, Cat. No. 6101.0; \(^3\) ABS, Cat. No. 6201.1; \(^4\) ABS, Cat. No. 6203.0; \(^5\) DEET, 1994b:42; \(^*\) Figure available for Illawarra/ South Eastern Region Statistical Division only

Figure 1: Unemployment rate for selected regions (based on data in Table 1)
Appendix 2 - Regional Labour Councils in Australia

(Listed under their corresponding State Labor Councils, Sourced from ACTU 1994)

**Australian Council of Trade Unions – Provincial Trades and Labor Councils**

**Queensland Branch**
- Biloela Trades and Labor Council
- Bowen Trades and Labor Council
- Bundaberg Trades and Labor Council
- Cairns Trades and Labor Council
- Gladstone Trades and Labor Council
- Ipswich Trades and Labor Council
- Mackay Trades and Labor Council
- Mt Isa Trades and Labor Council
- Rockhampton Trades and Labor Council
- Sunshine Coast Trades and Labor Council
- Toowoomba Trades and Labor Council
- Townsville Trades and Labor Council

**NSW Provincial Trades and Labor Councils**
- Barrier Industrial Council
- Central Coast Trades and Labor Council
- Goulburn District Trades and Labor Council
- Lismore and Richmond Valley Trades and Labor Council
- Newcastle Trades Hall Council
- Orange Trades and Labour Council
- Port Macquarie Council of Trade Unions
- South Coast Labour Council
- Tamworth and District Trades and Labor Council
- Tweed Byron Trades and Labor Council
- Upper Hunter Trades and Labor Council
- Wagga Wagga Trades and Labor Council

**SA Provincial Trades and Labor Councils**
- Leigh Creek Trades and Labor Council
- Port Augusta Trades and Labor Council
- Port Pirie Trades and Labor Council
- South East Trades and Labor Council
- United Trades and Labor Council Whyalla
- Yorke Peninsula Trades and Labor Council

**Tasmanian Provincial Councils**
- Burnie Trade Union Council
- Devonport Trades and Labor Council
- Launceston Trades and Labor Council
Victorian Provincial Trades and Labor Councils
  Victorian Regional Trades and Labor Councils Association
  Ballarat Regional Trades and Labor Council
  Bendigo Trades and Labor Council
  Geelong Trades Hall Council
  Gippsland Trades and Labour Council
  Goulburn Valley Trades and Labour Council
  North East Trades and Labour Council
  South West Trades and Labour Council
  Sunraysia Trades and Labour Council

Western Australia Provincial Councils
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