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INDUSTRIAL RELATIONS IN THE LATROBE VALLEY:
Constructing Myths and Confounding Realities

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DEPARTMENT OF MANAGEMENT
WORKING PAPER SERIES
I S S N 1 3 2 7 – 5 2 1 6

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INTRODUCTION

In this paper we examine attitudes towards work, employment and industrial relations in the Latrobe Valley region of South East Victoria in Australia. The Latrobe Valley is an old industrial area of Victoria, 150 kilometres south east of Melbourne, based on power generation connected to open cast brown coal mining. The formerly stated owned power generator (SEC) was broken up and privatized in the 1990s with devastating employment and social impacts on the locality. Before privatization, the area in general and SEC in particular had a reputation for militant union organisation, leading to the joke that SEC stood for Slow Easy and Comfortable. Despite a radical restructuring of work and employment in the region, and a flurry of academic studies which suggested that the old image of the region as a hotbed of militancy was unwarranted, it is believed in some quarters that the old image of the region deters inward investment on the one hand and local entrepreneurial activity on the other. This paper draws on two pieces of work; firstly an ongoing study of the impact of locality on workplace organisations (see Rainnie & Paulet 2004; and secondly a project on industrial relations in the region (see Rainnie et al 2004). The project, commissioned by a Victorian State Government Taskforce on the region, was designed to investigate what employers, trade union representatives and most importantly, inhabitants of the Latrobe Valley thought about the image and reality of work, employment and industrial relations in their region. This was in the context of an attempt (the most recent of many) to construct a new non-conflictual image of the Valley that would aid restructuring. Drawing on the work of people such as Bradon Ellem, Ray Hudson and Doreen Massey, we argue instead that attitudes to work, employment and locality revealed in the study point to a more complex and conflictual construction of place. Whilst not denying the possibility of short term, local boosterist, place marketing strategies that promote a collaborative image of place, uniting unions, local employers and government institutions (the New Regionalism), we point to conditions which also allow for the (re)emergence of a more conflictual future. Unions have drawn on the history and conception of the locality to organize in new and often hostile environments.

Latrobe Valley

> In Victoria's rustbelt of the Latrobe Valley, where traditional trades once thrived in the power and coal industries, skills shortages are as deep as in other parts of Australia and many companies have withdrawn from the training agenda.
>
> To fill the void, Gippsland Group Training (GGT) was established 20 years ago. It is now one of the biggest trainers of traditional trades in the country with more than 1000 apprentices. Unlike many other group training organisations, it has its own multimillion dollar training facilities, allowing it to train its workers when employers return trainees because they don't have work for them.
>
> But even GGT has problems attracting candidates for its apprenticeships. It once picked the top 10 per cent of applicants; now it gets only enough applicants to fill its places, and often doesn't get a single enquiry when it advertises for applicants in Melbourne.
>
> (Australian Financial Review, 11-12 October 2003: 19-20)

This quote from the Australian Financial Review neatly sums up many of the issues that will be raised in this paper. These are namely:

1. the characterisation of the region in the national press as Victoria's rustbelt, despite the fact that the region has at least five call centres, with more reportedly on the way, and that two of the old 'rustbelt' power companies have either won or been nominated for the Premiers Partnership at Work awards;

2. the acknowledgement that many of the problems employers face here are no different from those confronting the rest of Australia;

3. a fleeting acknowledgement that Gippsland is leading the way in confronting some of the problems arising from the national skills and training crisis but no concentration on this factor; and

4. the problem of attracting labour of any sort from Melbourne into the region. More recently, coverage of a fire in a local briquette factory will have served only to reinforce images of the Latrobe Valley as an outdated and dangerous place of work.

The Latrobe Valley is situated in the heart of Gippsland in South East Victoria. Gippsland is the size of the Netherlands with a population of around 300,000. The Latrobe Valley consists of five small to medium sized towns grouped around four power stations fired by open cast brown coal, mined alongside the power generators. Gippsland itself is largely agri and aqua cultural, but the Valley has provided the vast majority of power for Victoria since the State Electricity Commission came into existence in the 1920s. The SEC dominated the area (see Fletcher 2003) building model towns in the hope of constructing model industrial relations. However, when the value of the coal under the township of Yallourn proved to be more valuable than the town itself the SEC simply ploughed it into the ground.

The Valley also has a large paper mill. This heavy industrial concentration acquired a reputation for strong and militant unionism, a reputation which as we shall see was somewhat misleading. Post privatisation in the mid 1990s (and even prior to that in the commercialisation phase) employment in and union organisation of the power companies came under attack. Towns that had been relatively prosperous became a byword for social problems. The image of the Valley changed dramatically but remained defined as a problem, even if for very different reasons.

Industrial Relations and Locality

Ellem and Shields (1999) have argued that Australian industrial relations (IR) writers have adopted a systems approach to the issue of the 'region' and therefore have made little progress since Benson and Hince (1987) first addressed the concept. Ellem and Shields (1999) question the manner in which space is taken as an objective given in discussions of regional industrial relations. The authors draw on ideas from economic geography to examine how different social agents construct concepts of 'space' and 'place'. According to Burgess (2001) their critique focuses on three tendencies in the IR literature:

1. to construct arbitrary and distinct levels of IR without considering how these interact;
2. to abstract from the complexity of spatial relations; and
3. to place IR onto an empty stage called 'place' without evaluating how that stage is constructed.

The Ellem and Shields' (1999) article is important for advancing the investigation into how geography can be incorporated into the analysis of industrial relations. To do this Ellem and Shields suggest the following five issues need to be acknowledged:

1. That while social relations and processes are constructed over space, space is not a given, being constructed in different ways by different actors.

2. That there are tensions between different concepts and constructions of place and space.

3. That the scope of analysis has to move beyond the workplace to include issues of labour reproduction and consumption.

4. That labour markets are regulated in place specific ways.

5. That local labour markets are the focal point for the organization and reproduction of labour.

This argument draws support from Allen et al (1998), and Hudson (2001), where place, space and region or locality are seen as concepts involving far more than simple questions of proximity and distance.   From this perspective regional identity is constituted through time and through relationships with other regions.   Therefore regions have a history and an identity but this is relational: "regions draw their meaning at any one point in time through their differences from other regions" (Allen et al 1998: 10).   Space is socially constructed and as Allen et al (1998: 34) point out "regions (more generally 'places') only take shape in particular contexts and from specific perspectives.   There will always be multiple, co-existing characterisations of particular places/spaces… there is, then, no single, essential place".   As a corollary, if space is social relations stretched out, then there can be no social relations that do not have a spatial form.

Ellem (2001) brings these insights together with an approach outlined by Jamie Peck (1995) to argue the centrality of labour markets in fashioning the relationship between labour and capital. Particular geographies tend to be associated with the development of new industries or processes or the shift to a new paradigm of development as far as the most suitable locale for new institutions are concerned.   The power industries in the Latrobe Valley are a classic case in point.

In this context the operation of the labour market is the filter between the organisation of work or more widely workplace governance and particular localities.   It might be argued that labour markets for higher level occupations are not so firmly geographically rooted but in general the point is well taken.   Yeung (2002) suggests labour is not merely a unit of production but its identities and social meanings are discursively constructed for political reasons.   For example, hegemonic labour market discourse in a locality (for example, militant labour in the Latrobe Valley) may be more important than grounded reality.   There is no such thing then as an undifferentiated and uncontested labour market.   Instead labour and its socially constructed labour markets – from highly skilled international business elites to 'docile' and 'submissive' workers in developing countries – should be seen as embodying multiple identities and discursive practices (Yeung 2002: 372).

Peck (1995) argues that all labour markets are spatially specific and that local labour markets are established at the intersection of 'space' and 'place'.   At this intersection community structures collide with the logics of business organisation.   Crucially, the operation of labour markets can only be fully understood outside of the workplace, in what Peck (1995) calls the sphere of reproduction. This extends from production of the next generation to media, education, training, housing and health.   These are anchored not only in the labour market but also in household community and the state. Labour supply is then socially regulated, as are labour markets. If both these factors are spatially fixed then to understand the nature of industrial relations and work organisation we must examine the relationship between production, labour, labour supply and social reproduction (Ellem 2001: 3).

Industrial Climate and Image of the Latrobe Valley

By the mid 1980s, 24 unions represented electricity workers in the Latrobe Valley, and overall union density of around 95 per cent, with 90 per cent of these members belonging to four manual and two non-manual unions.   In effect, a defacto closed shop was in operation (Fairbrother and Testi 2002: 109).   Wider union organisation was focussed on Gippsland Trades and Labour Council (GTLC).   The membership of the main unions was organised in local branches, reinforcing the local focus of the trade union action.   Furthermore, despite terms and conditions being covered by three major federal awards, there was evidence of extensive local bargaining between workplace trade union representatives and line management.   These arrangements arose from the specific characteristics and history of industrial relations in the Latrobe Valley and involved disputes involving sections of the SEC workforce.   The outcome, according to Fairbrother and Testi

(2002), was a complex relation between union pressure at the local level and the pursuit of remedies through centralised tribunals.

Writing shortly after the disputes of the late 1970s and early 1980s, Benson and Hince (1982: 1) argued that "conventional wisdom is that the Latrobe Valley, the centre of the Gippsland coalfields region, is a strike prone oasis, that it is more strike prone than elsewhere, and that this characteristic has been even more noticeable in the more recent years". However, their work concluded that there was little difference in industrial disputation in Victoria as opposed to other states (Benson and Hince 1982). Further they also found that a significant number of hours lost in strike action were due to events outside the Latrobe Valley, such as "a campaign for a 35 hour week, the national Medibank strike, arrests of a unionist in Western Australia and opposition to amendments to the Victorian Workers Compensation Act" (Benson and Hince 1982: 10).

Pullin, Gough and Foster (1993) confirmed that Benson and Hince's (1982) findings for the early 1980s applied for the rest of that decade and into the 1990s. Their survey of Latrobe Valley organizations employing more than 20 employees compared findings to the 1990 Australian Workplace Industrial Relations Survey (AWIRS) survey. Although they conceded that the lapse in time between the surveys would have had an effect on the findings, the authors concluded that the incidence of industrial action in the Latrobe Valley was slightly less than national figure. This despite the fact that the survey indicated that the number of unionised workplaces in the Latrobe Valley was higher than the national average and that major changes had occurred in the region as opposed to nationally in areas such as "award classifications, work practices, introduction of career path and changes to working time arrangements" (Pullin et al 1993: ii).

Thus, by the early 1990s, industrial relations in the Latrobe Valley were still dominated by the electricity industry, with a widely held, but somewhat misleading, view that strikes were common in the area and the unions were militant. However, there is however some question mark regarding even the perception outside of the Latrobe Valley of the region as a strife torn location. Research carried out by the Gippsland Research and Information Service (GRIS) in 1994 regarding Melbourne residents perceptions of Gippsland and the Latrobe Valley threw up some interesting results. Over fifty per cent of respondents agreed with the statement that 'industrial disputation in the Latrobe Valley was no worse than in Melbourne', with less than a quarter disagreeing (GRIS 1994: 28). Furthermore, nearly two thirds either disagreed or strongly disagreed with the statement that 'workers in the Latrobe Valley had it easy' (GRIS 1994: 23). The worst aspects of the Latrobe Valley reported by respondents were (in descending order), pollution, power stations, ugly industry and unemployment (GRIS 1994).

This difference in the image of the Latrobe Valley and the contrasting reality could in part be due to the very public and strong effects of strikes resulting in electricity reduction or restrictions across the state. The role of the media in constructing the image of the Valley is worthy of more detailed examination. Employees may see a strike as an effective method of improving work conditions, but for the general public electricity restrictions were viewed as disruptive and inconvenient for both home and business. Benson and Hince (1996: 39) explained the perception of the Latrobe Valley as strike prone by stating that "a strike involving the power industry, generation or construction, has a high public and political profile; and this must be seen as part of the backdrop to industrial relations in the region". The process and outcome of privatisation on the other hand would be vastly disruptive for the inhabitants of the Latrobe Valley, but this would not be defined as a problem in quite the same way that disrupting state power supplies might be, nor would it attract the same level of media concern.

Gippsland was one of the few areas that it was publicly acknowledged would be adversely affected by the general effects of National Competition Policy. Walker and Con Walker (2000) also report among many negative effects of privatisation were loss of services to the community, marginalisation of rural communities, eroded arrangements for public sector accountability and a possible increase in environmental damage. Arguably the largest negative impact of privatisation of the electricity industry on Latrobe Valley residents was the significant loss of jobs (Walker and

Con Walker 2000). As Fletcher (2002: 220) reports "the workforce employed in the Latrobe Valley power industry was quickly and dramatically reduced" following privatisation. Employment in the industries of electricity, oil and gas, and forestry in Latrobe Valley dropped from 20,420 in 1986 to 10,997 by 1994 (GRIS 1995 as cited in Pullin, Bryant and Haidar, 1997).

Corporatisation and privatisation transformed industrial relations, with each power generating company and associated mine setting up its own terms and conditions of employment, sometimes through early ventures into enterprise bargaining. Unions faced the challenges of large-scale job losses, falling membership and pressure from the remaining membership for protection. They were also faced with the arrival of new multinational owners in an era of progressively decentralised bargaining (Fairbrother and Testi 2002).

Fairbrother and Testi (2002: 129) argued that the devastating impact of restructuring on the communities of Moe and Morwell presented trade unions with new challenges. Workers retaining their jobs were privileged but in a quite different sense to that which SEC workers had hitherto been viewed. Vulnerability was now an everyday and obvious experience. Trade unions had difficulties developing a new outward looking form of unionism in response to these challenges. Symptomatic of this was the almost complete collapse of the once powerful Gippsland Trades and Labour Council

By the end of the 1990s the image of the Valley was becoming a contradictory dualism. The 'old' image of the Latrobe region as a hotbed of militant union organisation remained but by the early years of the twenty-first century this was even further removed from reality than it ever had been. Melbourne newspapers in 1997 were already describing the region as 'The Valley of the Dole' when commenting on the devastating effects of privatization and restructuring of the power industry. By 2001 an editorial in The Age (27th Oct 2001) called the Latrobe Valley the 'unhappy valley' and argued that 'the break up and privatization of the SEC have left the Latrobe Valley in a permanently depressed state'.

There was an objective and a subjective element to this change. The first and most obvious change was in the nature of work and employment. Unemployment has remained tragically and stubbornly high since the mid 1990s, and furthermore the nature of employment has changed. By 2001 despite the fact that the proportion of employment in Electricity, Gas and Water in the region was nearly twelve times the national average, these sectors only accounted for 8.2% of the regions employment. In 2001, nearly half of all establishments and more than half of all employees were to be found in four major industries – retail services, health and community services, property & business services, and education (Snell et al 2002). The proportion of employees in all these sectors (bar property & business services) was above the national average. It is not surprising then to find a higher proportion of Latrobe employees in the public sector than in Victoria as a whole. Although the Latrobe Valley is now a small business dominated economy, the proportion of small businesses in the region (92.8 per cent) was slightly below national figures (96 per cent). However the most significant growth in establishments between 1994 and 2001 was in micro-businesses. Even more problematic was that accompanying high unemployment rates was a significant growth in part-time work, accounting for over one-third of employment in 2001, above the national figure of 28 per cent. Between 1994 and 2001 full-time employment in the Valley fell by nearly nine per cent, whilst part-time employment rose by nearly eleven per cent. (Snell et al 2001).

The area continued to suffer overall net population loss. The Latrobe Valley Ministerial Taskforce, reporting in 2001, recorded population levels falling in the City of Latrobe for more than a decade with the City recording the largest absolute population decline amongst Australia's local government areas in 1999-2000 and the second largest in 1998-1999 (LVMT 2001: 12). More young women than young men were leaving, creating a growing gender imbalance. For Gippsland as a whole, the group most likely to leave were adult skilled males able to earn high salaries elsewhere, and those most likely to remain or relocate to the region ware a disproportionately high proportion of low income, often welfare dependent families (Forth 2003). Over the course of the

1990s average taxable income in the City of Latrobe fell from a level 6 per cent above the Victorian average to 3 per cent below it. Between 1991 and 1999 the numbers in the region receiving unemployment benefits rose by 78.2 per cent and number in receipt of disability pensions rose by 118.5 per cent. In the health ranking of local government areas in Victoria, the City of Latrobe was listed 72 out of 78 in men's overall health category and 73 out of 78 in women's overall health (LVMT 2001 14-15). This combined with the inquest into the tragic death of two year old Jayden Leskie in 2000 served only to reinforce the newly emerging image of the region as a troubled area populated by (moccasin wearing) dysfunctional groups and individuals. These media generated images were challenged by local representatives at the time, but the challenges did not carry the weight of the disempowering and destructive dominant image. That this image was equally as inaccurate as the previous caricature is not important, its strength and pervasiveness is what matters. In 2001 the Latrobe Ministerial Taskforce reported the despair that many members of the community expressed about the regions negative image problem, particularly stereotypical images – an uneasy industrial environment, troubled social environment, polluted atmosphere and a fractious local council (LVMT 2001: 18). There have been attempts to construct more positive and affirming images of the local community generated by the local community (see Cameron & Gibson 2003) but without massive success as yet.

We have already seen that some commentators suggest that SEC workers were "infantilized and controlled as well as protected and pampered" (Gibson 2001: 654). In an earlier study, the same author argues that by the end of the 1990s, 'a narrative of victimhood seemed to be predominant in the Latrobe Valley region. Participants in focus group discussions spoke of dependence of the region on state and federal levels of government, of being lied to by governments, of the hopelessness engendered in people and of their inability to fight back or exert their rights…….These images position the Latrobe Valley community as needy and requiring care' (Gibson et al 1991 np).

Despite the restructuring of the power industry and the growth in small business in recent years, the perceived negative effects of SEC domination are taken as being all pervasive. The Latrobe Valley Ministerial Taskforce Report (2001: 69) noted that 'the absence of a strong commercial culture amongst small businesses in the Latrobe Valley is an enduring legacy of the SECV's complete dominance of the local economy'.

In contrast to the old militant and active image, the new characterization is therefore of a passive, demoralised and unenterprising region, losing entrepreneurial, creative or skilled people to more attractive regions. This goes some way to accounting for the numbers of children who are bussed out of the Latrobe Valley on a daily basis to schools in towns outside of the Valley. These schools, it is believed, will engender a more active and entrepreneurial set of characteristics in contrast to what is taken to be the prevailing Valley mentality.

The images of the Valley, both old and new are believed not only to deter inward investment but also to account for a perceived lack of entrepreneurialism in the locality. Therefore as the focus of regional development has shifted from exogenous to endogenous growth the target for blame for lack of success has remained the same, the local working population. All that has changed is the characterisation by others of the Latrobe working class from being mindless militants to feckless and dysfunctional, or indeed both. It is to the attitude and organisation of people who live and work in the Valley that we now turn.

RESEARCH METHODS

There were two parts to gathering data for the industrial relations project; a telephone survey of 302 Latrobe Valley residents; and interviews with senior managers in Latrobe Valley workplaces as well as representatives of local employers associations and trade unions.

A telephone survey of 302 Latrobe Valley residents regarding their views on work and employment in the region was carried out in July 2003. A geographically proportionate sample of phone

numbers was randomly selected from White Pages telephone directory to ensure that residents from all towns across the local government area were represented in the sample.

Of the 302 respondents, 51 per cent were currently in employment, with just over half of these working full-time. Nearly 80 per cent of respondents were from the three major towns (Moe, Morwell and Traralgon), and 78 per cent indicated that they had been resident in the region for more than 20 years. This suggests that people living in the Latrobe Valley have done so for quite a long period of time. At the end of the survey respondents were asked if they wished to make any comments regarding the subject matter covered. Some very forthright and vehement comments were forthcoming, which are included.

The purpose of this stage of the research was to examine the diversity of industrial relations practices in Latrobe Valley workplaces as well as to examine how managers and other key informants perceived industrial relations in the Latrobe Valley. Those interviewed were not chosen for representative purposes but rather to reflect old and emerging patterns and trends in the local economy. With the consent of interviewees the interviews were tape recorded, transcribed and subsequently analysed for common themes. Each interview lasted 60 to 90 minutes.

To examine the diversity of industrial relations practices we interviewed senior managers in the: public sector; transport industry; textile industry; engineering industry; power industry; information and communication technology sector; health care industry; hospitality; business services industry. Seven of the organisations where we conducted interviews were locally owned and these were all small or medium sized firms. Interviews were also conducted with six trade union officials and one local representative of an employers association to gather their views about the perception and reality of industrial relations in the Latrobe Valley.

Survey Results

Survey respondents were asked a series of questions about their perceptions of work and industrial relations in the Latrobe Valley (see Table 7).

Table 7: Perceptions of Industrial Relations in the Latrobe Valley

|	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	(N.)	No answer /Don't Know (N.)
Workers in the Latrobe Valley have it easy	30.6	44.8	11.8	11.8	1.0	(288)	(14)
Industrial disputes in the Latrobe Valley are NO worse than in Melbourne	5.3	16.5	14.8	55.6	7.8	(243)	(59)
Industrial disputes in the Latrobe Valley are NO worse than other parts of Victoria generally	3.0	21.4	13.7	55.6	6.4	(234)	(68)
The Latrobe Valley provides secure employment opportunities	26.1	32.4	14.4	24.6	2.5	(284)	(18)
Trade unions in the Latrobe Valley play a positive role	7.2	18.6	20.3	47.0	6.8	(236)	(66)
There are ample job opportunities in the Latrobe Valley	36.5	37.2	9.1	15.1	2.1	(285)	(17)
Job opportunities are going to improve in the next few years	10.7	27.3	21.7	38.3	2.0	(253)	(49)
Trade unions are involved in the Latrobe Valley community	3.3	17.1	16.1	55.9	7.6	(211)	(91)
Employers are involved in the Latrobe Valley community	1.1	7.7	12.5	66.9	11.8	(272)	(30)
Locally owned and operated organisations make good employers	0.7	7.6	11.6	67.1	13.0	(277)	(25)

Just over ¾ of respondents disagreed with the statement that 'workers in the Latrobe Valley have it easy', although perhaps surprisingly, 13 per cent did agree with this statement. Around 2/3 of respondents as a whole felt that industrial disputes in the Latrobe Valley were no worse than in Melbourne or other parts of Victoria. However it is worth pointing out at this stage that managers were more likely to disagree with this statement than the rest of the occupational groups tested. Nearly 60 per cent of respondents as a whole disagreed with the statement 'the Latrobe Valley provides secure employment', just over ¼ agreeing with the statement. 75 per cent disagreed with the statement 'there are ample job opportunities in the Latrobe Valley'.

There was strong support for the statement 'Locally owned and operated organisations make good employers'. This may be a response to perceived effects of post-privatisation ownership restructuring of power stations in the locality which, after privatisation, have witnessed a number of ownership changes form predominantly US and UK based multinational to now mostly South East Asian multinationals

Figure 7 shows the mean scores for each of the statements relating to perceptions of industrial relations in the Latrobe Valley with comparisons to LV employees and persons not in the

workforce. Similar results were received in each category with the exception of issues relating to current employment opportunities.

Figure 7: Mean Scores for Perceptions of Industrial Relations
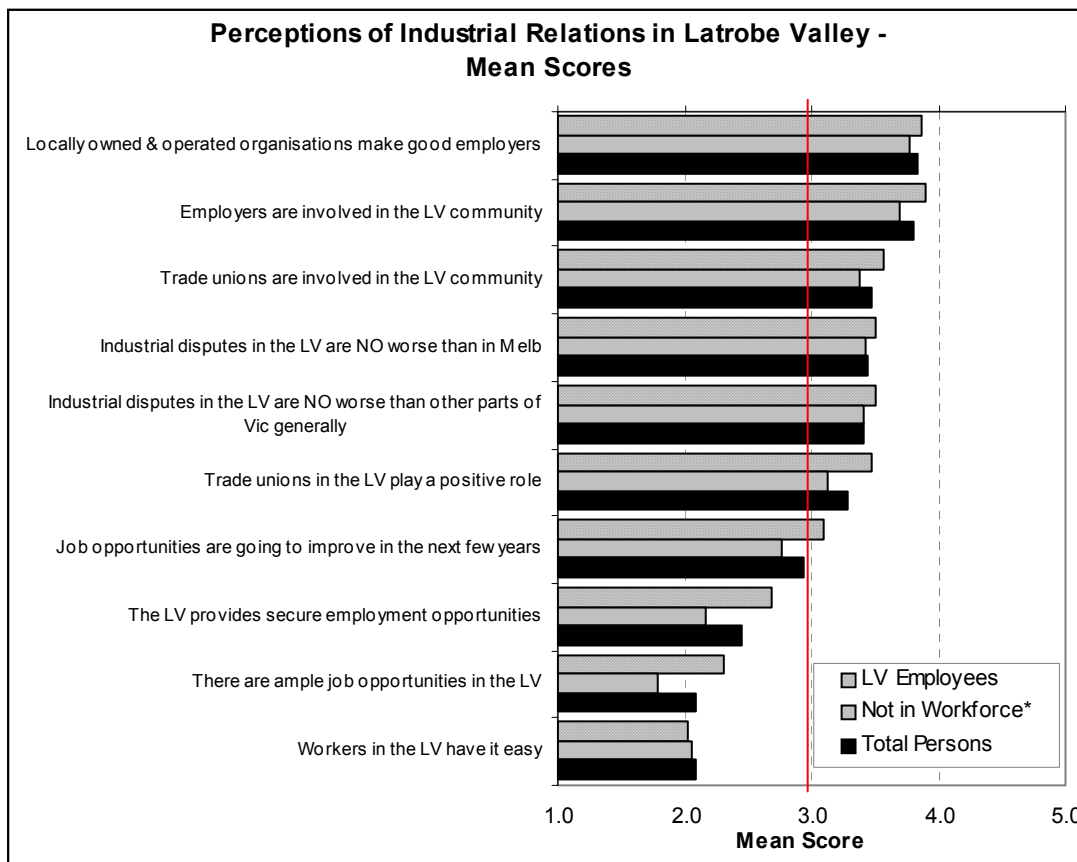
The statement 'Job opportunities are going to improve in the next few years' received a mean score of 2.94 although there are some varying levels of agreement among the different sub categories. Latrobe Valley employees rated this statement just above the borderline with a score of 3.09 while those who are not in the workforce were not that optimistic with a score of 2.77. Although there were people who felt that job opportunities would improve in the next few years, most respondents felt that the current employment situation is bleak. The statement 'The Latrobe Valley provides secure employment opportunities' scored a mean rating of 2.45. Naturally those who were least likely to agree with this statement were persons who are unemployed, who gave a very low rating of 1.88 and persons who are not in the workforce (2.16).

Again showing a low level of confidence in the region, the statement 'There are ample job opportunities in the Latrobe Valley' received a score of 2.09. This low level of confidence was more prevalent in the grouped category of persons not in the workforce with a score of 1.79 compared to LV employees who gave a score of 2.30.

Job Opportunities

The issue of job opportunities provoked a range of comments from people when given the opportunity at the end of the survey. Privatisation and restructuring of the SEC are widely blamed both historically and currently for the problems that the Valley has faced, and unemployment and job prospects for young people remain high in the local psyche as an apparently intractable problem.

Comments about Privatisation/SEC

- *Employment in the Latrobe Valley has dropped since the days of the SEC and has never really picked up. My husband now has to work in Warragul and has to take the night shift which is not good for family life.*
- *Following privatisation of SEC, Industrial Relations have been neutralised to the detriment of society in the Latrobe Valley in general.*
- *Privatisation was an act of revenge against workers in the Valley. Kennett did more harm to the Latrobe Valley than the unions could ever do as to harming industry interest in the valley.*
- *It has all altered for the worse since the electricity industry here has been privatised.*
- *Privatisation stuffed up this area.*
- *Since old days of the SEC there are no employment opportunities for qualified or even skilled people - especially if you are over 45 years. There does not seem to be any apprenticeships for younger people either in the Latrobe Valley since the SEC times.*
- *We've been let down by the government with all this outsourcing and privatisation. The government should not let outside countries run the power companies, water utilities or public transport.*
- *Latrobe Valley is stuffed since the old days of the SEC. Many families are on the bread line and cannot get a job because they are not out there. Either you are over qualified or don't have enough experience!*

When looking to the future, opinion was nearly equally divided on future job opportunities, with 40 per cent of respondents agreeing with the statement that job opportunities won't improve in the next few years and 38 per cent disagreeing (Table 7).

However in interviews with senior managers it was clear that in a range of workplaces (notably call centers, hospitality, the power industry and contractors) employers were moving away from the traditional full-time model of employment, towards a more casualised form of work. This was reflected to some degree in the problems that people did identify in their working life. Nearly ¼ agreed with the statement that 'they did not feel secure about their futures at work,' and 43 per cent described their jobs as very stressful, particularly self-employed and union members. Nearly one third of respondents disagreed with the statement that 'there was a good chance to get ahead in their organisation'.

As one union official put it, *'One time you could do your apprenticeship as an electrician or a fitter and turner and you might have three jobs for the rest of your life….. You had the stability, you could buy a house, you could raise a family without any worries at all, you knew where your next dollar was coming from. Now we've got people working for six weeks, they might work 40 days out of 42, and then they haven't got a job for four weeks, six weeks, twelve weeks. They're not sure where their next dollar is coming from, they're not able to budget and the mainstream banks wont even lend money for housing because they don't have a steady employment record…. casualisation has hit here a lot harder than its hit the rest of Australia'*. Another official commented on the conditions in one of the new growth sectors – tourism. *'Its created a whole lot of shitty, poorly paid part-time jobs where people are getting their hours cut…you've just got people in lowly paid, low skill jobs, they're never going to get anywhere'*.

Respondent Comments about Employment Prospects

- *I would love to see the Valley go ahead again as it was twenty years ago.*
- *I think there needs to be more employment, and more job security in the Valley.*
- *Find me decent job!*
- *I would just like to see the employment situation return to the way it used to be in the Latrobe Valley.*
- *It would be alright if there were more jobs.*

- *I think there is far too much unemployment in the Valley and for that reason workers cannot afford to be vocal about their jobs. They just have to grin and bear it as there is always someone out there to replace them.*
- *We need more jobs in the Latrobe Valley. Especially in Moe area - too much concentration on Traralgon and Morwell.*
- *I hope job opportunities improve in the area in the future.*
- *There is not enough long term, full time work around the Latrobe Valley and there should be.*

Image

In interviews there was a widespread perception that the region has both real problems and image problems. For instance, a small business person in construction argued that the rest of Victoria suggested that *'we are like a sewerage treatment plant – we have to be here, but they really don't want to know about you'*. A manager in the hospitality sector argued that '*people believe what they read in the papers, and therefore think it's a dead-end place*'. An HR manager in a call center said, '*the Valley is viewed as having social problems such as family problems and drug problems. Not only are these problems perceived to be continuing, they are perceived to be deep-rooted and it will take time to change*'. A manager in engineering argued that '*the stigma will take years to wear off*'.

These types of comments/views have an effect on the way people view themselves and the region that they work in. In the small transport and construction businesses the senior managers said that when they talked to people, both in business and personally, they said '*they were from Gippsland or Traralgon*', rather than the Latrobe Valley.

In interviews it was argued that this image has caused recruitment difficulties. In particular it was suggested that businesses were unable to persuade mid-level managers, supervisors or technically qualified staff to come to the region and second it was argued that relatively few people with qualifications for these positions live in the Latrobe Valley. However the effect of the '*SEC mentality*' on inhabitants of the Valley and possible generational effects were also said to cause problems recruiting people to the Latrobe Valley. In interviews people agreed there was a generational effect but they were less clear about what that meant. So for example, an HR executive in the health services sector argued that '*older workers were infected with the bad habits of the SEC and hoped that the next generation would change*'. On the other hand an executive of engineering argued that '*older workers were solid and dependable with a committed work ethic, possible mentors for young people*'.

In terms of younger people, in interviews there were mixed views about their work habits and commitment. For example, according to an executive in the hospitality sector, young people were '*low in self esteem, with no competence dealing with the public, many have drug problems, they have limited life experience that hampers their ability to do jobs*'. Similarly a construction executive argued that '*25 year old guys haven't got the vaguest idea about what they're doing. They don't have a grip on their own job and no real commitment to their own career*'. However a power industry HR manager argued that '*the younger generation nurtures their responsibility to develop their own skills and manage their career – work hard for what they can get out of it now rather than think they will still have it 20 years later in the same organisation*'.

We suggest that the type of attitudes being aired here are dependant on the type of labour being sought and how recruitment difficulties rather than skill shortages affect different sectors within the region. In some cases similar attitudes were being expressed in the open comments from the survey (below).

Comments about Employment Prospects for Young People

- *There is not many jobs around and it is very difficult to find work in a particular field. It is not very fair for the young people who are eligible to get jobs and cannot find anything here at present.*
- *Hoping job opportunities will increase for teenagers and upcoming workforce so my children will not need to leave the Latrobe Valley.*
- *Youth unemployment is a problem and their work ethics is not very good. They don't seem to want a job and this is where they need guidance. It's a disgrace that there is not a decent library that is open after hours where we can study and use resources.*
- *Something needs to be done to keep youth in the Valley as job opportunities just are not there.*
- *There's not many job opportunities in the Latrobe Valley for the young people.*
- *There is not enough work in the valley for young people, they are all leaving to go to the cities.*

Role of Trade Unions

If we come now to questions of unions, employers and community involvement, the majority of respondents, some 64 per cent, agreed that trade unions were involved in the Latrobe Valley community and a majority, although a smaller one, 55 per cent, agreed that trade unions played a positive role. Approximately a quarter of respondents, including large proportions of the managers and self employed in each case disagreed. Nearly 80 per cent of respondents agreed with the statement that employers are involved in the life of the Latrobe Valley (see Table 7).

An HR Manager in one of the call centres, who had come from outside the region, argued that the call centre was the most highly unionised in the company and he had therefore expected a stronger union involvement but had been pleasantly surprised. The union atmosphere was not damaging, he argued, rather people were just well aware of their rights. This he called the '*toughness of the Valley*'. By this he meant that if people disagreed with something, then they would question and raise the issue, but again if they were given a justification for what was happening then they were likely to accept it. In fact, the most critical comment regarding industrial relations in the Valley came from the non-unionised hospitality sector, which were the only group to talk about a 'them and us distinction' being active and influencing young people.

The relationship with trade unions was addressed in interviews with senior managers and while there was a general belief that relationships had been bad in the past, there was a view that this was now changing. An executive in the power industry argued that union officials are 'hard nosed bastards' but negotiations are now different.

Unsurprisingly the union officials interviewed had a different perspective on the current situation. There was a general recognition that the unions in the locality had been hit hard by the impact of restructuring of the SEC, although one official argued that if the unions had concentrated as much on dealing with restructuring as they had on in-fighting then the picture might have been different. However the impact was noticeable with Gippsland Trades and Labour Council moving from a power industry dominated delegate structure to a secretariat to virtual extinction and now to rebirth with a more avowedly community orientated stance. Furthermore there was a feeling that redundancies have disproportionately affected union membership with employers targeting activists. *'..key delegates, well trained, motivated people, they tended to be the first to fall out of employment ...if you brought in the contractors and a new private company...the very first people you choose not to take on were health and safety reps and shop stewards, the whole lot.'* This had an immediate effect in workplaces with the remaining workforce, even if remaining in union membership, unwilling or unable to resist changes, particularly in the light of a changing legal climate making many forms of industrial action illegal.

There was also a feeling that, even in the past, the image of militant industrial relations was driven as much by 'militant' employers particularly in the SEC restructuring phase as it was by union action. Furthermore the extent of action in the power industry was felt to be overstated. Finally,

the power industry could not be taken to be representative of union organisation and activity generally. As one official organising in tourism and related sectors said,' *Our members aren't militant, they aren't active. They want the servicing model, they don't want to elect delegates. They basically want the RACV dial-a-pizza thing, like we ring you, you sort out our problem....'*

Interestingly the major complaint from small firms was not about the previous power, or indeed current power of trade unions, but about current wage levels in large firms. For example, the senior manager we interviewed at the small transport company complained about the level of wages for drivers at APM as they felt they were unable to compete. Equally the hospitality sector felt that they were unable to compete with the wages being offered by call centers, particularly with a view to attracting young people.

Taken together these factors led one official to question whether there was any substance in the notion that the image of the Valley's industrial relations had deterred inward investment - *'I was regularly co-opted onto Latrobe Valley based committees to attract investment…..and it's regularly put that the unions and the image of unions in the Latrobe Valley deters inbound investment. I always say "give me an example, give me an example" and some of the loudest voices, the people who say this loudest in this Valley and outside, are not able to give me specific examples'.*

There was a feeling that the situation both for employment in general and union membership in particular had reached its lowest point. For one official *'so it's like I said, I think it's at the bottom, it's the bottom of the trough. We can't go any lower. Were at…were there. There's only one way to go from here. We've just got to be able to encourage and get something happening down here that's going to give our people some fair-dinkum work'.* The outcome for another organiser being *' Now we've got less organisers than what we had in those early days in the late 80s, early 90s, …but we're producing more, we're getting membership back'.* Once again this echoes the national picture of a reversal in the trend toward declining union membership. At a local level, increased confidence is perhaps also reflected in attempts to revitalise Gippsland Trades and Labour Council on a broader membership base and with a greater community focus.

Indeed the area has witnessed a successful union organising campaign in a local call centre that has attracted national attention, with the union organiser concerned being presented with the ACTU organiser of the year award. The importance for our argument is that the organiser in question attributes some of her success to the characteristsics and attitudes of people in the region, in particular the union friendly climate. As the organiser herslf said 'I actually targeted here because of the union history of the area, and the area itself' (for an elaboration of this argument see Rainnie, Drummond, Barton & Barrett 2004). Adopting tactics drawn from the 'organising model', organisers visited potential members in their homes in a very successful membership blitz.

'Or you'd knock on some doors and parents would let you in and their kid wasn't home yet, and so they would ring their child coz they knew where they were and say 'Look, you've gotta come home – your Unions here……….and one of the interesting things was you weren't talking to the person who was at Commco (pseudonym), you were actually talking to the whole family. So you'd go into the lounge room and the whole family would be there, which was quite interesting too, coz a lot of the Dads, if they were there, were saying how they were with the union when they were at the power station etc. So the families wasn't hindering, they were helping a lot….they're pretty incredible families down here'

The success in the call centre has fed back positively into the attempts to revive and rebadge the local Trades and Labour Council.

CONCLUSION

Andy Herod has argued that:

'..for workers who are, effectively, spatially trapped in their communities by their embeddedness, working with local business and government to try and encourage inward investment or to try to limit capital flight by, say, offering contract concessions to local employers in exchange for the promise of continued jobs can seem like a rational option for maintaining their ways of life. Equally the fear that local militancy might scare off potential investors may temper the passions of such spatially entrapped workers who must attract capital to where they themselves are located because they are unable to follow the migration of capital to new sites of investment…..Likewise, certain types of capital which are relatively immobile….may choose to engage in cross-class alliances with local workers as a way of making the local community an attractive place for outside investors.' (Herod 2002: 10)

Returning to our original point about there being no 'essential' place, we can begin to see how places become ascribed with (contested and changing) identities but also how places form a basis by which people form their own identity. Even places started from scratch, as new industrial spaces, eventually become meaningful places in which people live and learn as well as work (Hudson 2001: 263). Places that became closed communities (or at least viewed as such) developed deep attachment on behalf of residents as we saw in the case of Yallourn, and in many monoindustrial areas this developed out of necessity. It was a way of coping with a 'from scratch' community that relied in many cases on bringing most of the new labour force from other areas if not other countries.

The places themselves might be open and porous but the inhabitants increasingly defined them as closed. Defining a shared interest in a place as against other areas (but not necessarily with the dominant employer, try though they might) was a way to cope with the exigencies of life and the whims of a dominant employer (Hudson 2001: 265). The identities constructed, although specific, were viewed as timeless giving a sense of cohesion and stability to new communities. However this collective construction of place did not emerge overnight, nor was it without its divisions and contradictions, and all these elements were reflected in the organisations and institutions that the communities constructed for themselves.

However as these communities came under threat, the conditions that created the new disempowering and almost wholly negative image of the region paradoxically also created the conditions that allowed for the emergence of a degree of agreement that the 'old' image remained a problem. Thus in 2003 a Memorandum of Understanding was signed by a number of federal, State, local government, private sector and trade union bodies in the Latrobe Valley pledging cooperation and support for the actions of the Latrobe Investment Facilitation Committee and coordination of activities to encourage inward investment. This could be taken as a great example of a New Regionalism type institution emerging in a region doing it tough. However our analysis would suggest that this alliance to promote an attack on the 'old' Latrobe image is a product of the conditions that have also created the 'new' and equally unwanted and unwarranted image. They are therefore likely to be temporary as well as concealing the contradictory nature of images of locality. This does not suggest a new form of workplace based trust contributing to a New Regionalism, rather local desperation driving alliances based on vague notions of shared concern.

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