

**'Save our Steel':
How working people influenced industrial transformation at Port Kembla in 2015**

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Abstract

Working people have historically played a significant role in shaping industrial transformation through collective actions fortified by a place-based values. The community-oriented campaign that ran from May to November 2015, intent on saving the Port Kembla steelworks in the Illawarra region of NSW from potential closure, is a relatively recent example of this. This 'Save Our Steel' campaign forms the empirical focus of this paper and highlights the need for Australian policymakers to recognise the role and needs of workers and local communities when planning infrastructure and economic growth.

In 2015, the steelworks had been the major employer in Port Kembla for the past 100 years and was highly integrated economically and socially into the region. They had 3000 employees and 1000 contractors – the majority focussed on crude-steel production. Every steel job supported up to five indirect jobs in the region.¹ The Port Kembla steelworks ran one of only two blast furnaces operating in Australia which could produce raw steel, making it a strategic national asset. At that time, macro-economic trends and global structural change were causing closures of steelworks across the OECD, and the entire market was at the bottom of the price cycle due to a global oversupply of steel, in what became known as the '2015 Steel Crisis'. The owner of the steelworks, BlueScope Steel, flagged plans to cease the manufacturing of crude (slab) steel at the plant but to continue the value-added Spring Hill division by using imported steel. BlueScope institutional investors and many Coalition Government members were very open to BlueScope closing crude steel production at Port Kembla in 2015 due to the unprofitability of crude steel production at that time.

In contrast, among the Illawarra community there was broad support for the steelworks to continue operating through the cyclical downturn. This was evident through the campaign run by the South Coast Labour Council, the small-business organised petition gathering 15,000 signatures across the community, extensive sympathetic media coverage in the *Illawarra Mercury* and *Win News*, social media support, rallies, posters displayed in shop windows and positive community feedback in the street and from family and friends. The broad sentiment of worker, union and community actions became known as the 'Save Our Steel' campaign. Ultimately, workers, unions and community actors helped establish the conditions for the long-term profitability of the plant and growth of the wider community.

E.P. Thompson's conceptualisation of agency is central to this research because it construes working people as actors who are capable of directly influencing processes of industrial transformation and place-based community life². Thompson links the actions of working people as not simply a response to industrial change but as attempts to change trajectories and circumstances based on historical, geographical and cultural understanding of themselves and the lives they want to lead in the future. In addition, following Jane Wills³

¹ BIS Shrapnel, *The Benefits of a Government Procurement Policy for Local Steel*, (report prepared for the Australian Workers Union, Port Kembla, September 2015).

² Thompson, E. P, *The Making of the English Working Class* (London: V.Gollancz, 1963).

³ Wills, J, "Space, Place and Tradition in Working-Class Organization," in *Organizing the Landscape: Geographical Perspectives on Labour Unionism*, ed. A. Herod (Minneapolis: Minnesota University Press, 1998), 129-158.

and Bradon Ellem⁴, this research uses a geohistory framework to apply concepts of space, place and scale to provide equal weight to agency brought about historical and cultural influences. Further, while Australian scholarship on the agency of working people within globally integrated industries has increasingly incorporated spatiality, the morality and values underpinning actions and social power have been comparatively under-researched⁵. Consequently, this research incorporates Thompson's moral economy framework with a geo-historical approach to consider the role of unwritten moral codes and shared pre-existing values and customs underpinning the collective action of working people.

A detailed analysis of the events of May to November 2015 using documentary research and interviews with select local union and small business representatives has highlighted two critical acts that saved the steelworks at Port Kembla. The first was unions seemingly going against their interests by *recommending* wage freezes and evaluating the steelworks department by department to find cuts in order to reach the \$200 million dollar saving to keep the site open. The second was the workers themselves voting to accept the EA across both the steelworks and the more profitable Spring Hill division. These actions by the unions and BlueScope workers were responsible for keeping the steelworks from closing in late 2015, buying time for the market to rebound, the NSW government to sign off on a \$60 million payroll deferral and for union and business lobbying to influence the federal government to establish a Parliamentary Inquiry into the steel industry and make changes to regulation on anti-dumping, procurement, and standards of steel.

The case study demonstrates place-based values underpinning the actions of working people during the campaign. I describe these as 'Our Community, Our Steel' reflecting the history of ownership the community felt over the steelworks due to the economic and social role it has played in the community. 'Fight for our kids, our future' reflected a moral obligation to the future generations where present opportunities and lifestyles are maintained. The theme of 'Sacrifice', placing the community over individual needs also reflects the historical connections between workers, unions, community and the role of steelworks. The community response of viewing workers as heroes demonstrates that their actions reflected the morals and values of the broader community to save the steelworks. In addition, state and federal government inaction was viewed as failing to perform their role to preserve jobs, the community and a national resource.

The ability of working people to influence the direction of Port Kembla's industrial growth was deeply linked to the place-based moral economy. The collective social power of the workers held together by place-based values and supported by the community with the same moral economy, enabled actions to influence the profitability of BlueScope at Port Kembla. These actions allowed the company to remain at Port Kembla during a time of financial crisis despite institutional pressure from investors, until macroeconomic conditions improved and national regulations changed. The moral economy of workers and the community is apparent in the place-based spatial practices including the local media to publicly voice their support of the steelworks and their opposition to the government inaction as a breach of community expectations. The place-based moral economy also informed the strategy of the union campaign to see the 2015 crisis as one for the community, not wages and conditions, and it also enabled tough but necessary actions that went against individual

⁴ Ellem, B, "Geographies of the Labour Process: Automation and the Spatiality of Mining," *Work, Employment and Society*, 30, no. 6 (2016): 932–948.

⁵ See for example: Caspersz, D., & Barratt, T, "From Industrial to Social Campaigns: Lay Morality, General Elections and Australia's Trade Union Federation". *Relations Industrielles (Québec, Québec)*, 75(3), 547-568. 2020; Ellem, B, "Contested communities: geo-histories of unionism," *Journal of Organizational Change Management*, 21, no.4 (2008): 433-450.

interests of many workers in the 2015 EA. The role of local union leaders as long-term residents meant they were operating within the same moral economy as the community and workers making them highly effective to manage local concerns and needs and to view global forces within the context of the Illawarra community needs.

The shared values across workers and community evolved through spatial and historical conditions of Port Kembla and the Illawarra. These shared values enabled the community and workers to take collective action when their community and way of life was threatened by external forces. This reflects an identity of interests across working people at this place that culminated in an expression of agency through the range of actions that established the long-term profitability of the plant and growth of the wider community.