



**Future Work,  
Future Communities  
ADELAIDE WORKSHOP  
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**Just Transitions  
in the Australian automotive sector?**





# Introduction

The closure of the Australian passenger vehicle industry was foreshadowed in 2013 and 2014 through the announcement of the intention to close by Ford, General Motors and Toyota.

By 2017 the last plant had been shut down and an important phase in the nation's economic history ended.

Closure affected up to 100,000 employees working across manufacturers and the supply chain, with the impacts concentrated in Victoria and South Australia.



**Holden Elizabeth  
on its last day  
20 October 2017**



# Our research

We examined both the processes and the outcomes of this transition.

We reviewed the measures put in place to assist workers displaced by plant closure, while also drawing on three waves of data from a longitudinal survey of retrenched workers.

We argue that the process of transition for former employees was shaped both by the distinctive characteristics of Australia's system of industrial relations and the ambition of governments to have as many of the affected find employment as possible.

We also note the complexity that emerged as a consequence of the COVID-19 pandemic.



# Elements of Just Transition

<b>Coordination</b>	Just Transition principles and processes
	Long-term planning
	Engaging with unions
	Engaging with communities
<b>Redeploying workforces</b>	Communication of plans
	Job guarantees and compensation
	Worker transition services
	Retraining workers
	Job quality
	Worker pensions
	The gender gap
<b>Regional economies</b>	Role of education and research institutions
	Diversifying economies
	Local infrastructure development
<b>Social cohesion</b>	Local government revenue streams
	Coal communities as social Identity
	Environmental remediation

Source: Weller et al. (2020);  
Adapted from Pai et al. (2020)



# Three years of insight ...

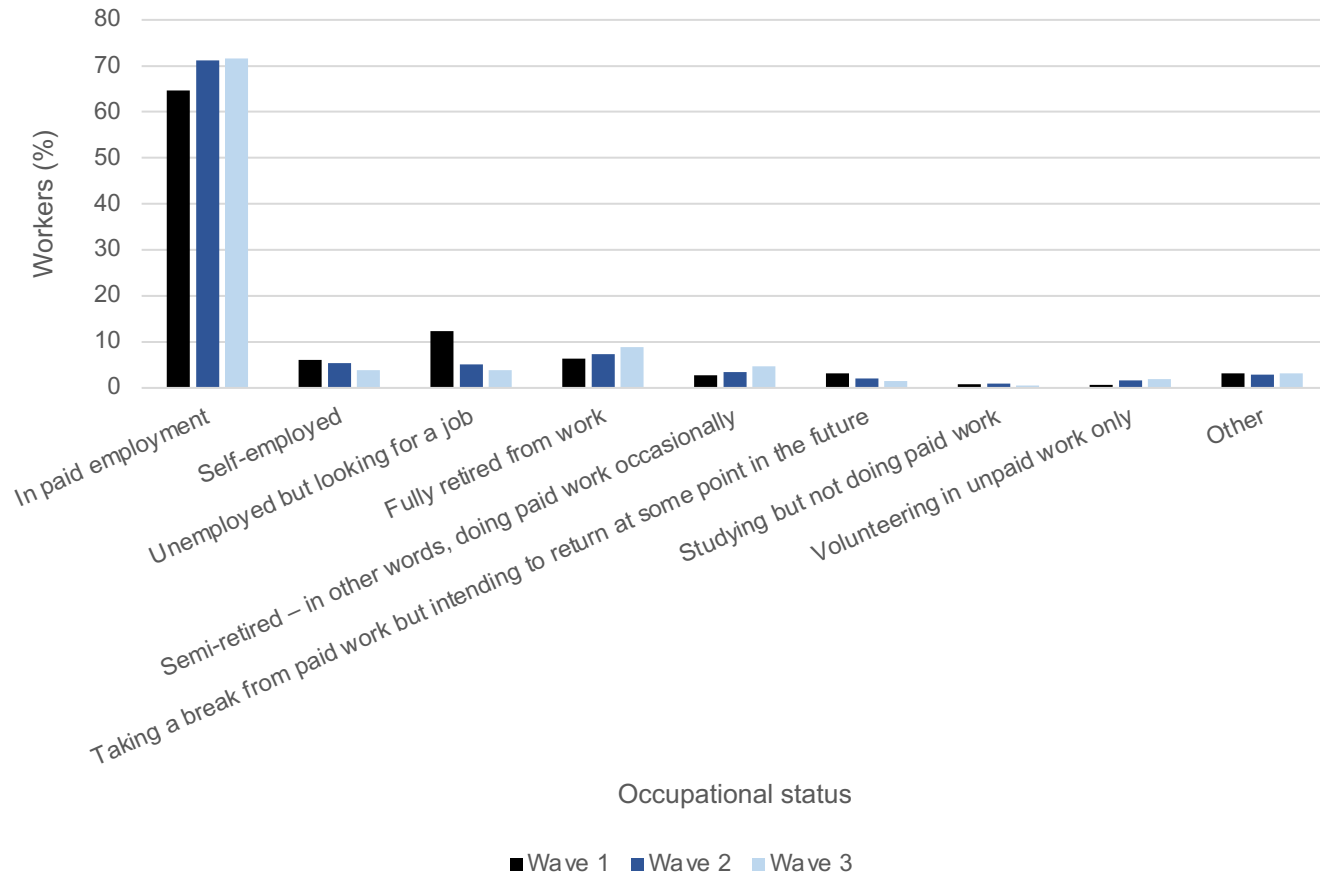


Figure 1: Labour force status by year

# Three years of insight ...

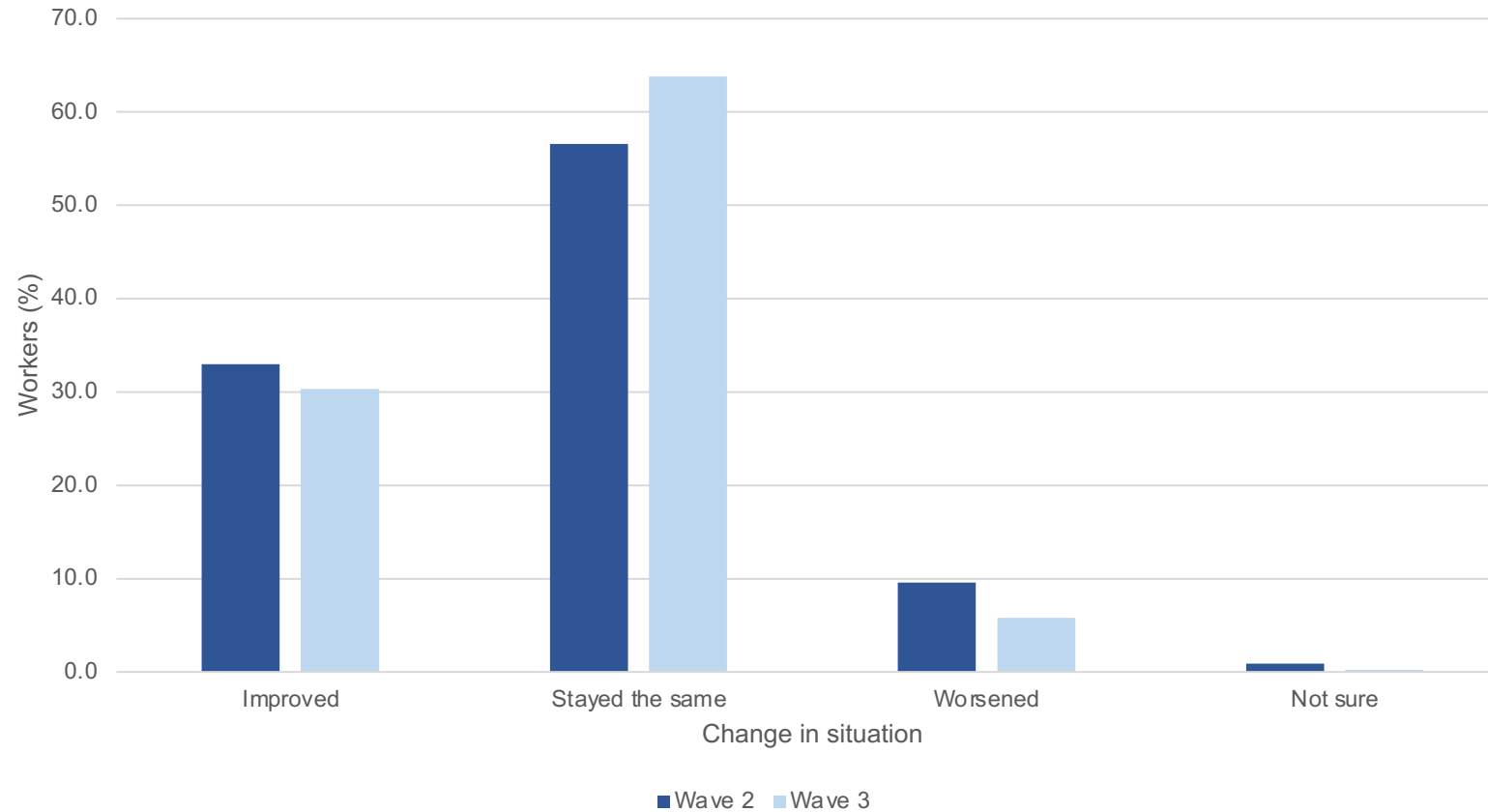


Figure 2: Change in employment situation, Wave 2 and Wave 3

# Three years of insight ...

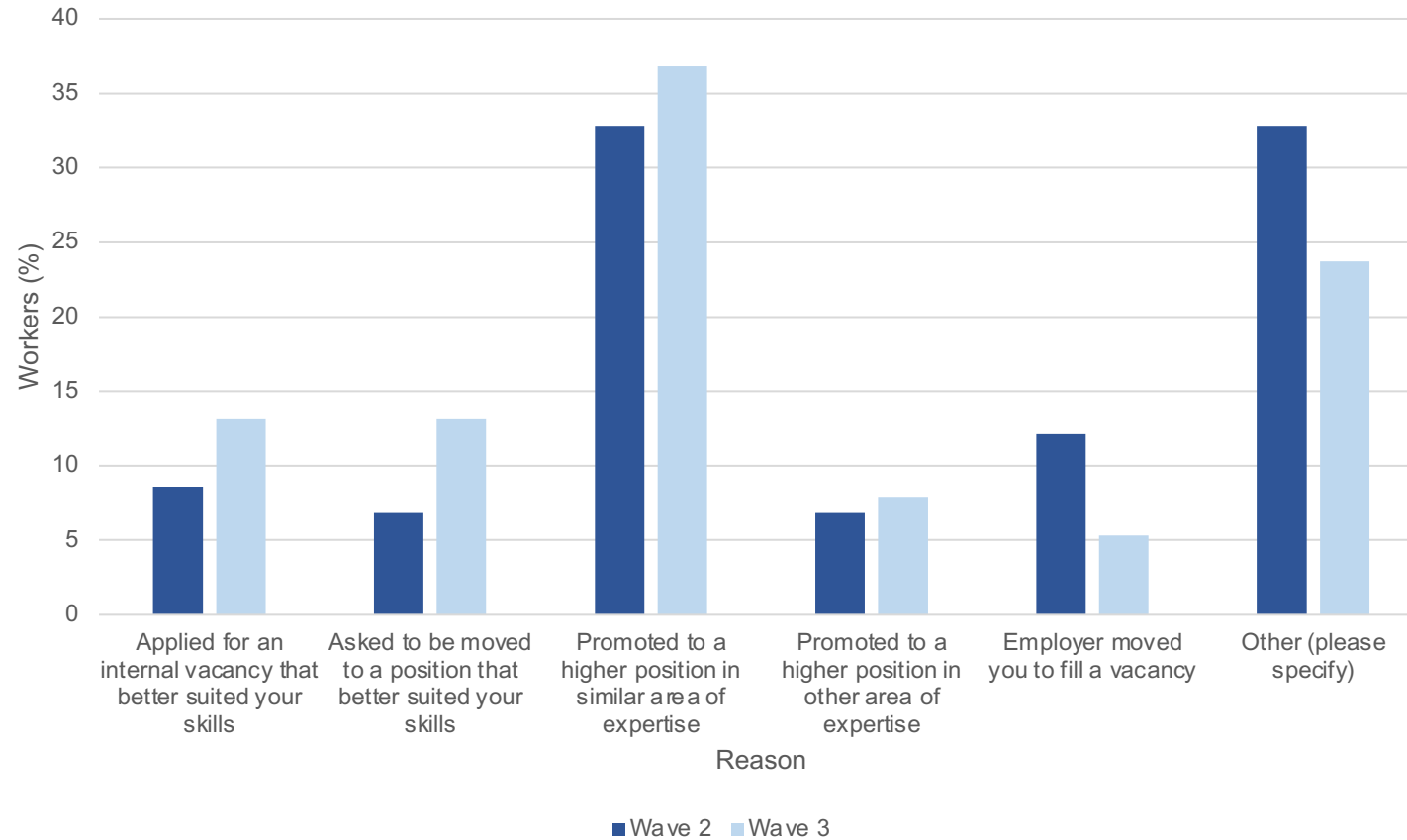


Figure 3: Reason for job change Wave 2 to Wave 3

# Three years of insight ...

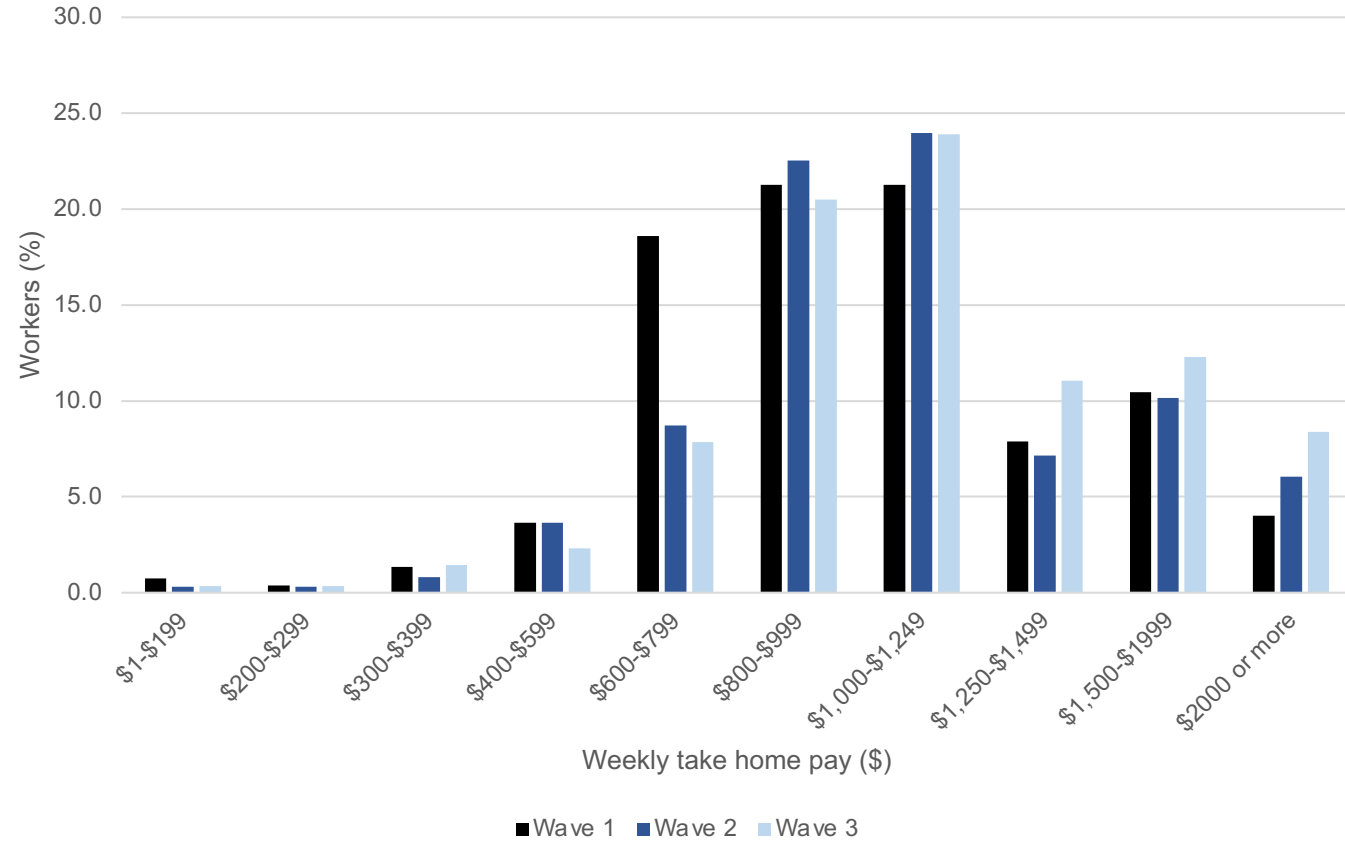


Figure 4: Remuneration by year



# Three years of insight ...

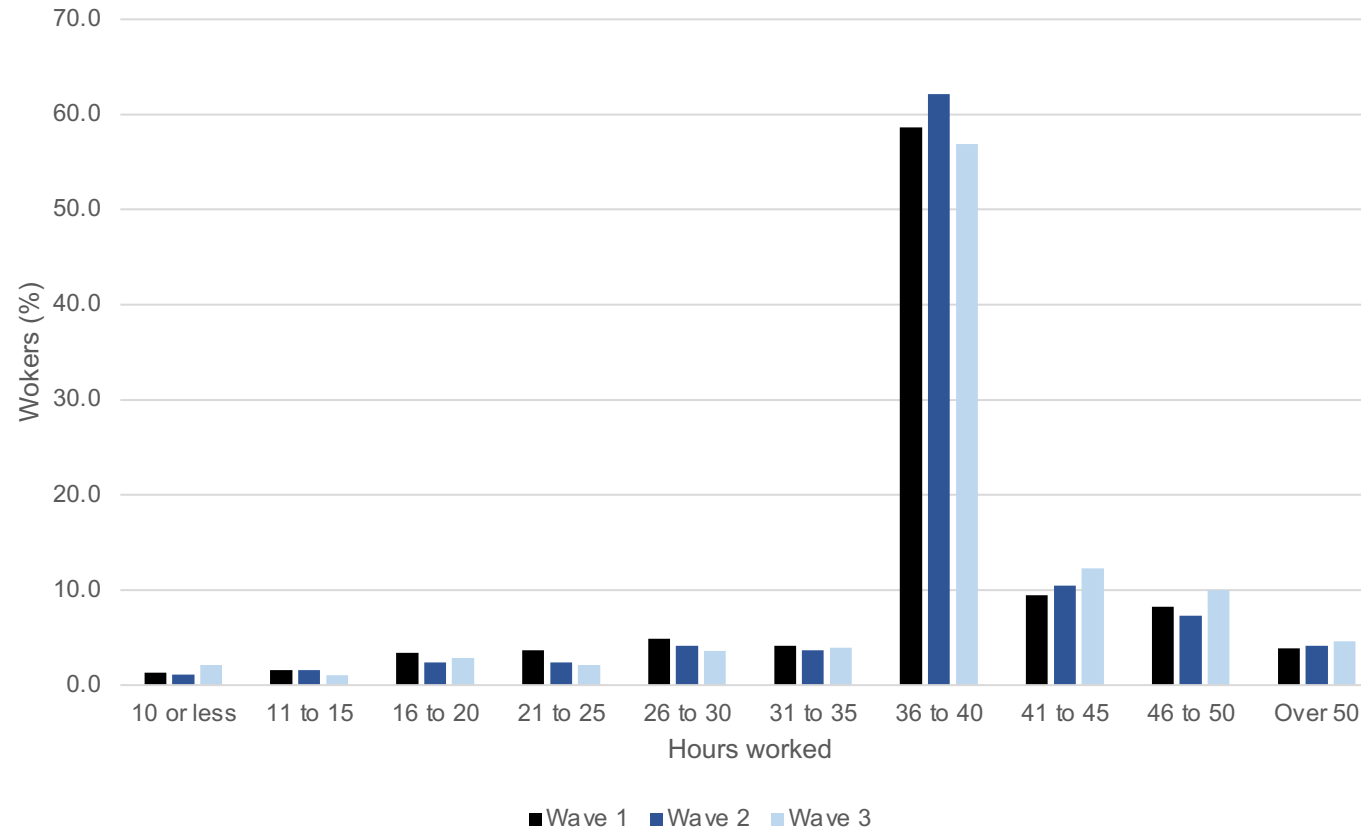


Figure 5: Weekly hours worked by year

# Three years of insight ...

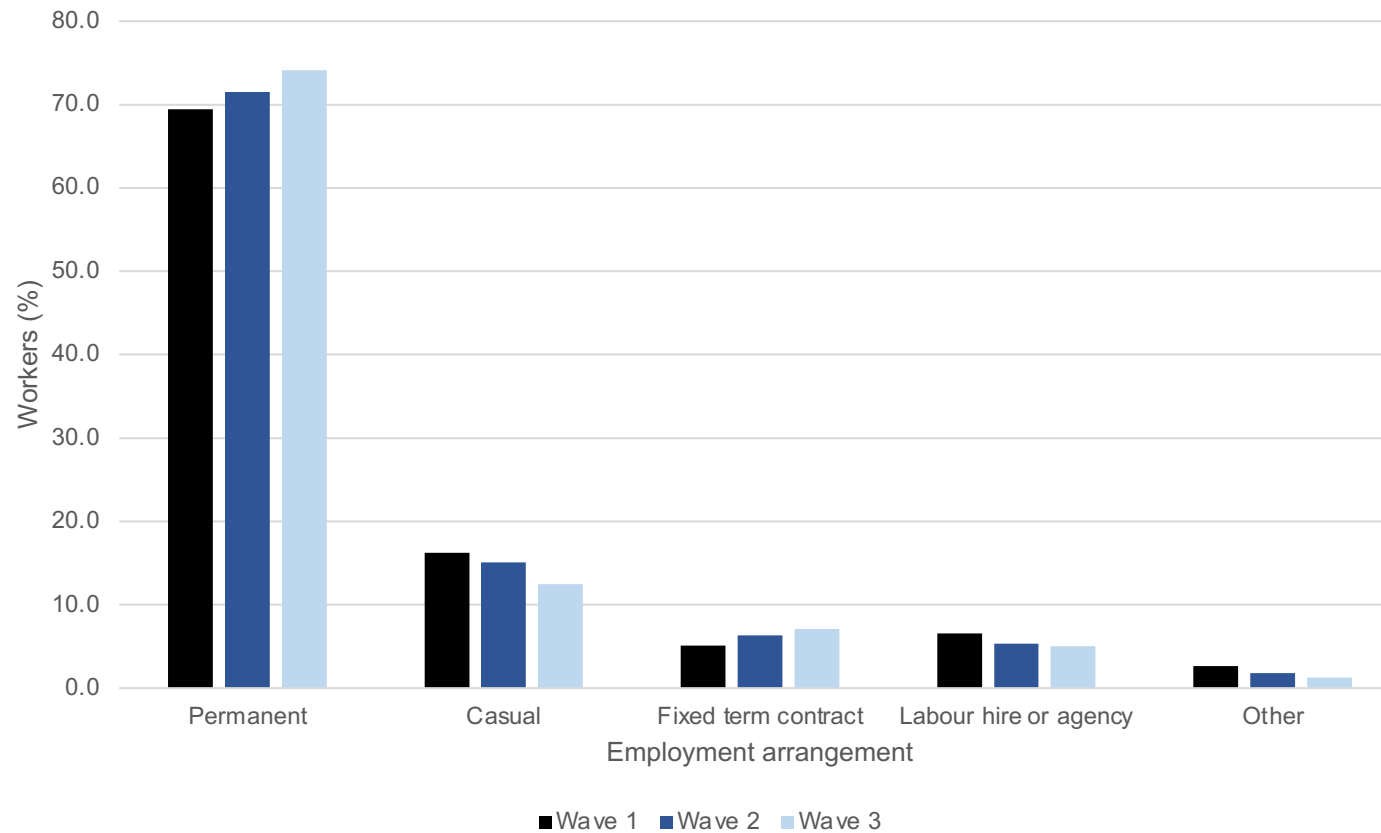


Figure 6: Employment arrangement, three waves

# Three years of insight ...

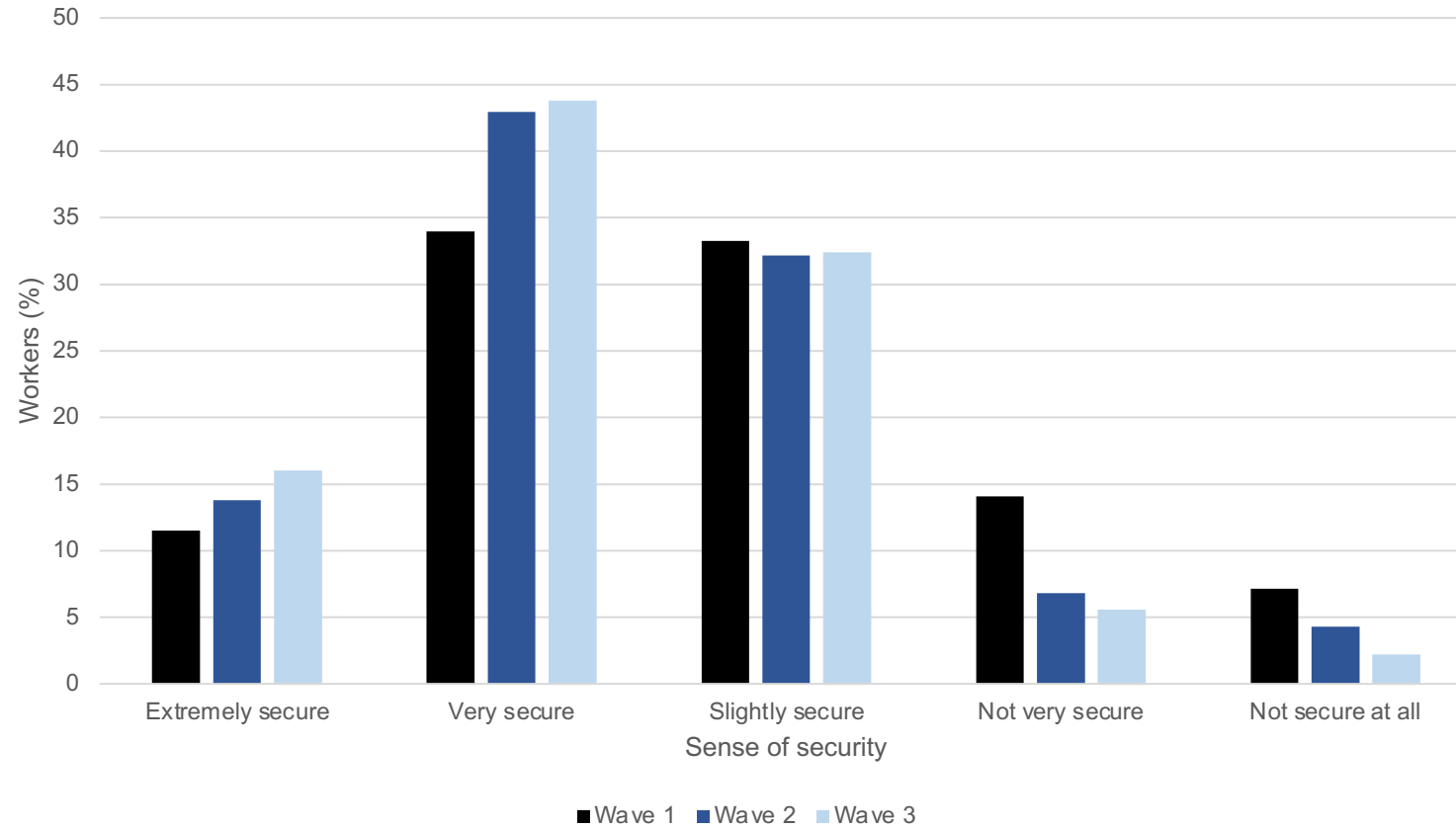


Figure 7: Sense of security in main job, three waves

# Three years of insight ...

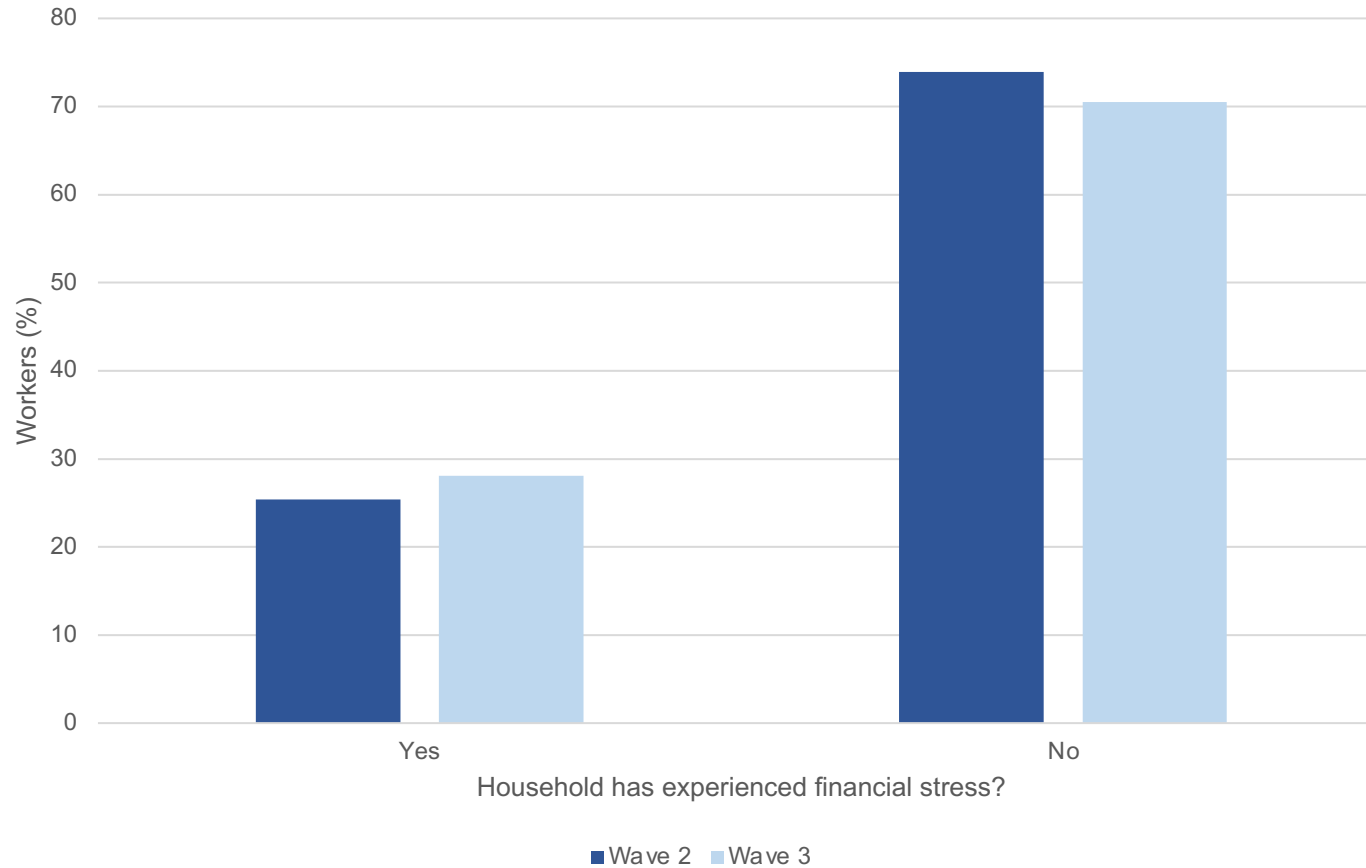


Figure 8: Incidence of financial stress as a result of leaving the auto-industry, Wave 2 and Wave 3

# Three years of insight ...

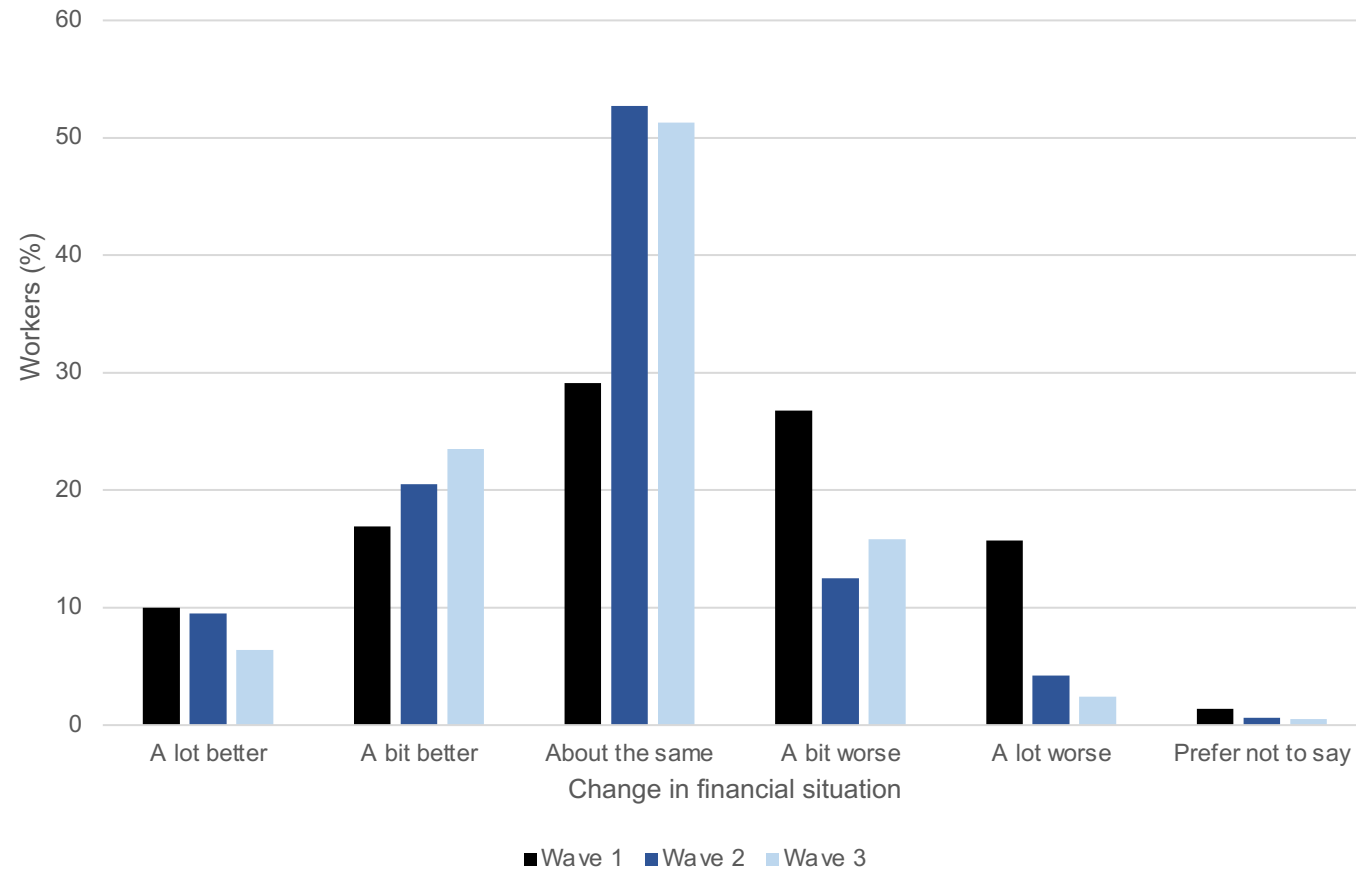


Figure 9: Change in financial situation since interviewed/leaving auto-industry, by year



# Three years of insight ...

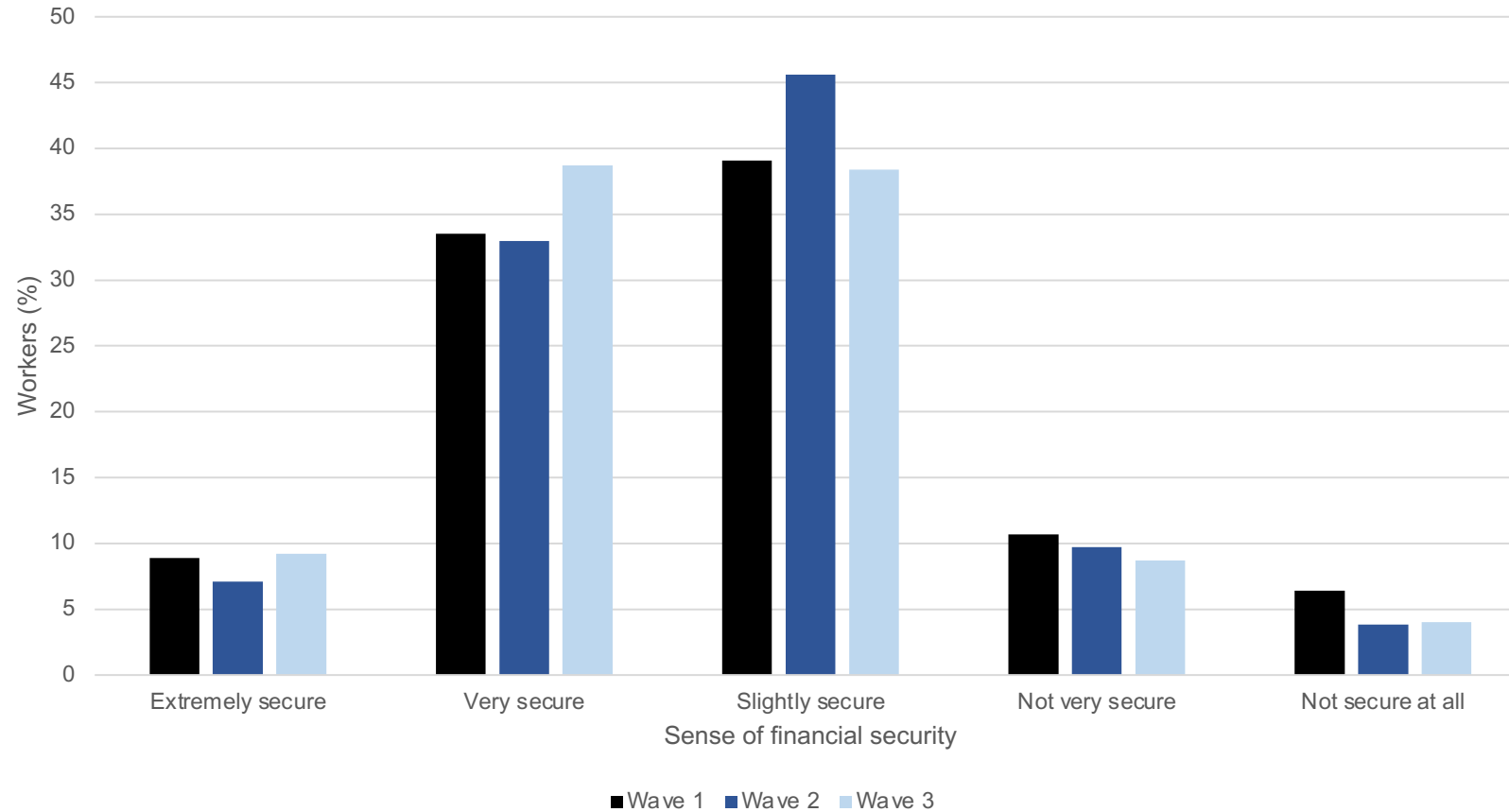


Figure 10: Sense of financial security, three waves

# Three years of insight ...

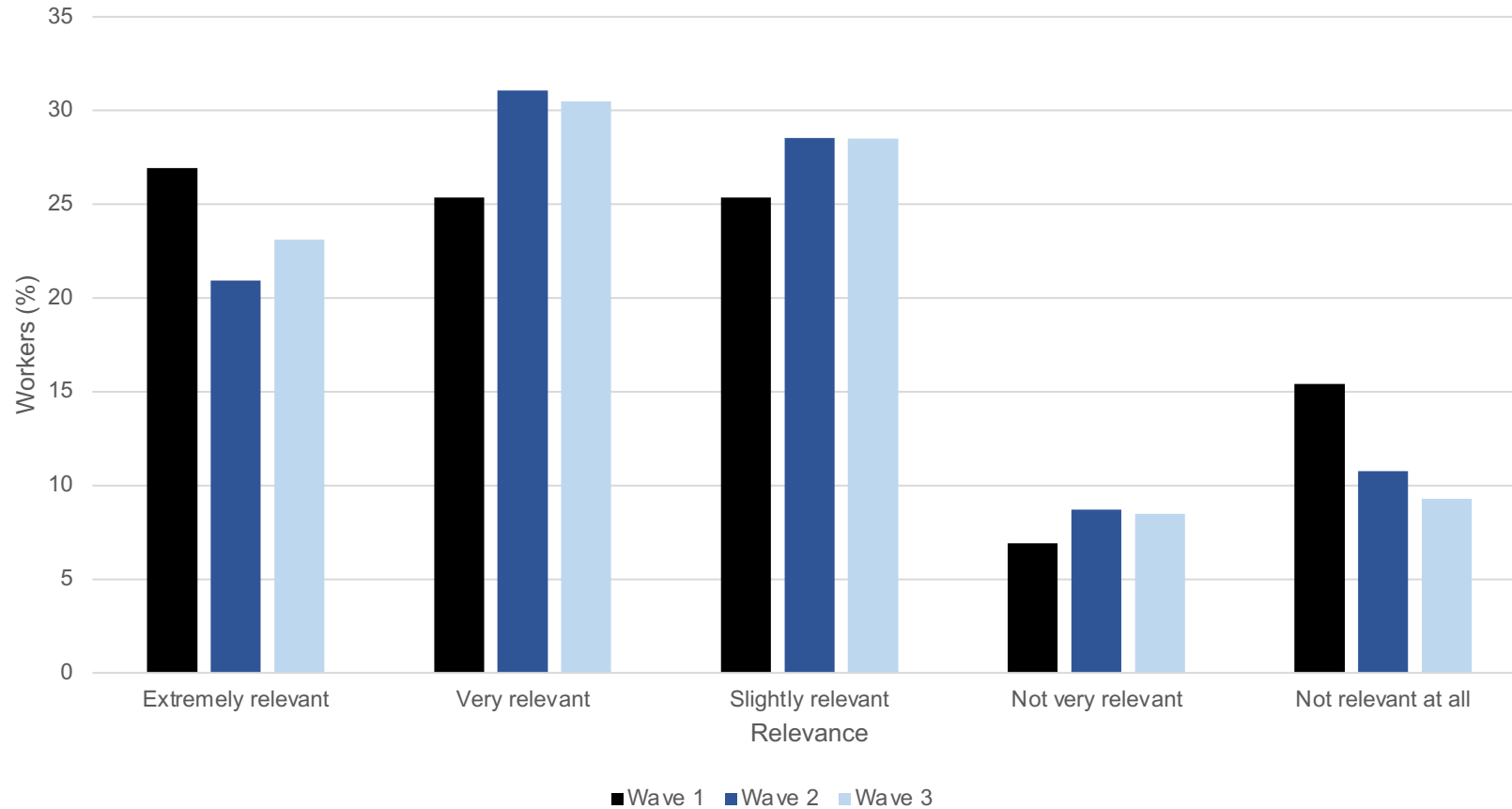


Figure 11: Relevance of knowledge and skills from the auto-industry, repeat cross-sectional

# Three years of insight ...

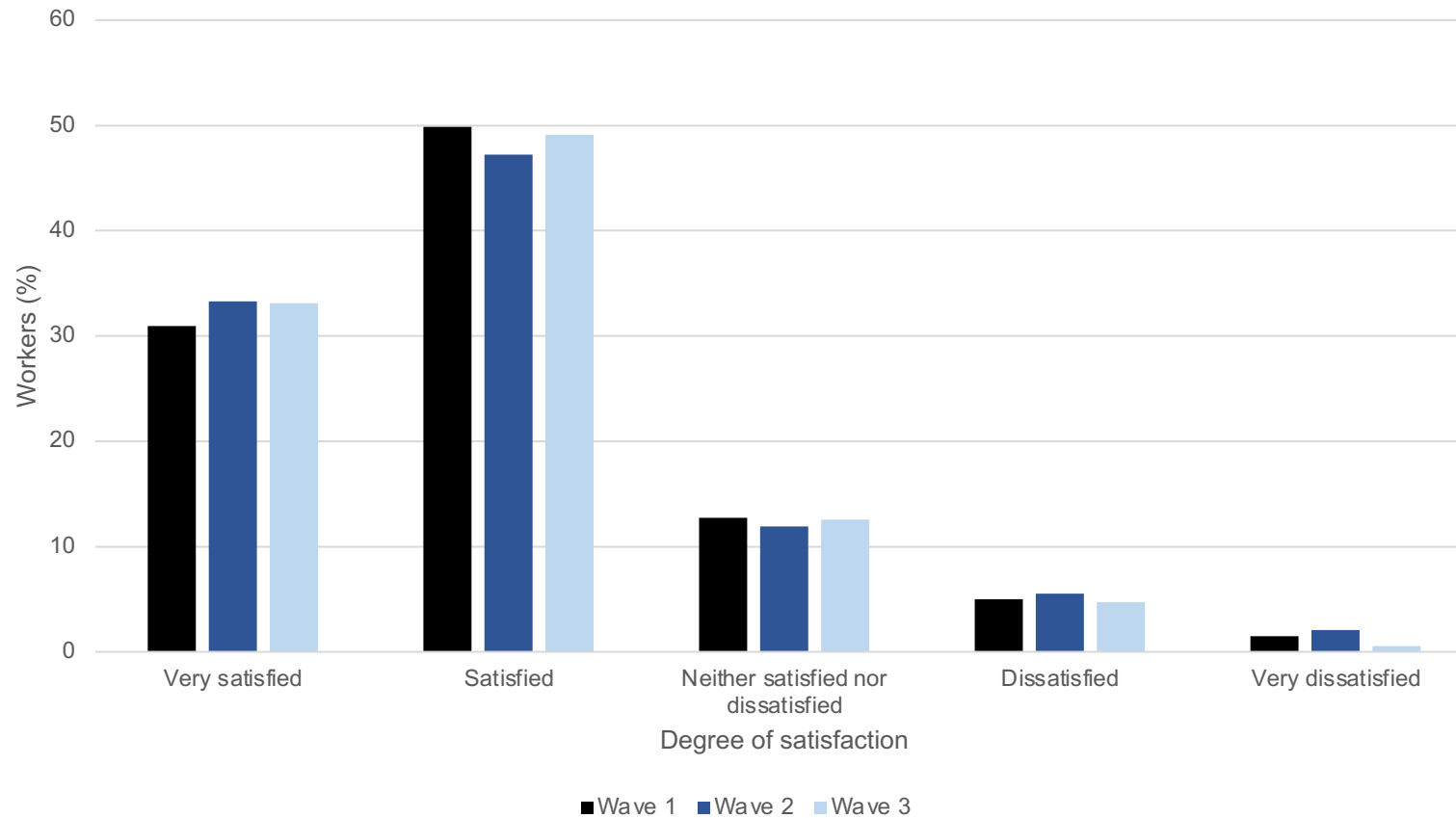


Figure 12: Job satisfaction with new employer, three waves

# Three years of insight ...

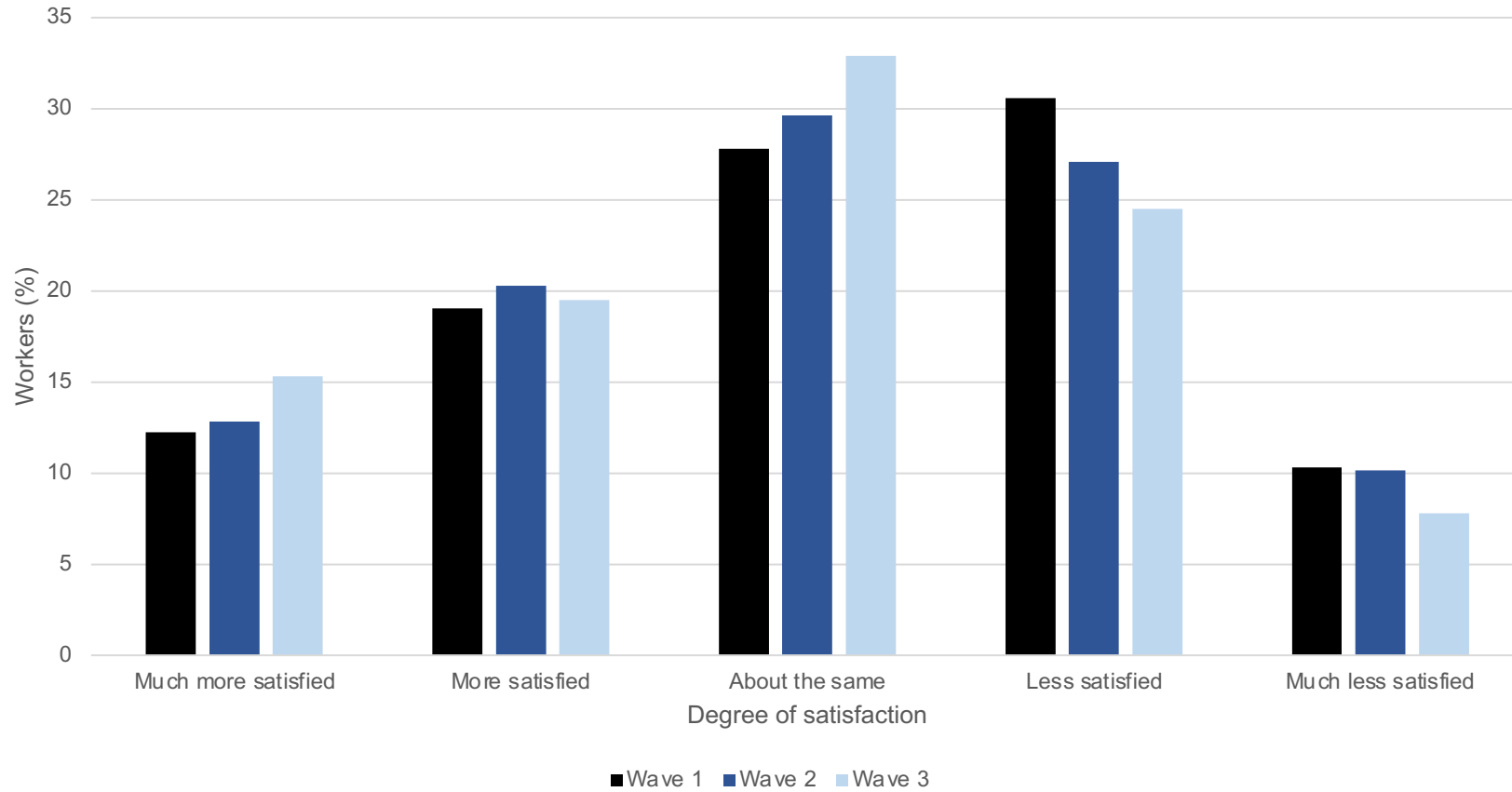


Figure 13: Job satisfaction compared to previous job in the auto-industry, three waves

# Three years of insight ...

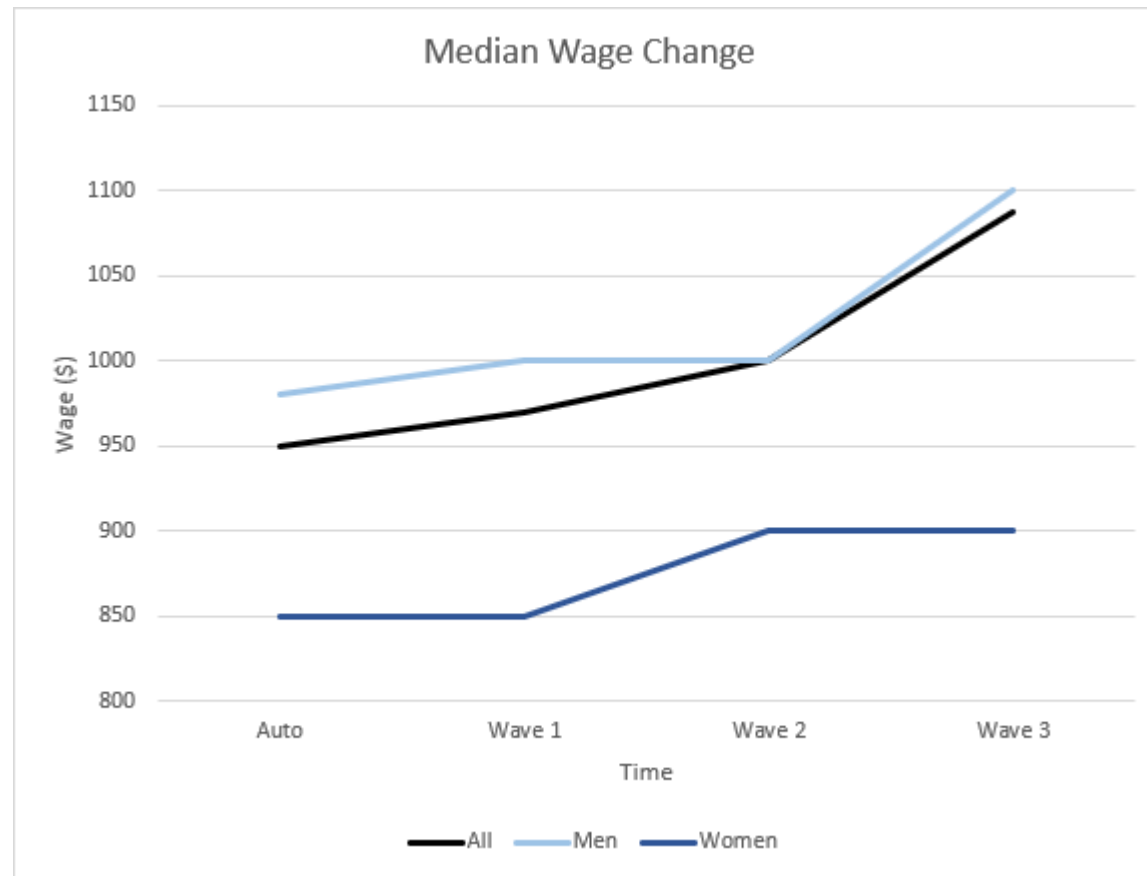


Figure 14: Median wages by gender, from employment in the auto industry through to Wave 3



# Conclusion

Overall, the analysis suggests strong labour market outcomes for those who exited the labour force as a result of the departure of the OEMs.

However, not all dimensions of the analysis present a positive picture of resilience in the face of change.



# Conclusion



Overall, there is much to celebrate in the labour market outcomes of workers made redundant from the Australian car industry. However, a simple focus on whether those made redundant appears insufficient, especially when judged against the benchmarks established for a Just Transition. There is a pressing need to address those broader dimensions of change towards a better future, including social cohesion, regional economies and co-ordination.

The Just Transition framework is now a mature and comprehensive perspective.

In many ways it represents an ideal for dealing with future plant closures and, if implemented, it would be a future that is more equal, productive and sustainable.