

The inner city transformed: industrial and post-industrial Melbourne in pictures c1970-2005

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INTRODUCTION

In 1977 Melbourne's then urban planning authority, the Melbourne and Metropolitan Board of Works (MMBW) issued two reports on the city's inner area. The first, a *Position Statement* on the current state and future prospects of the region noted the on-going decline in blue collar employment in inner Melbourne and warned of the potential for 'serious problems of chronic unemployment' to develop among unskilled workers and others unless efforts were made to generate alternative employment strategies for people displaced by economic restructuring. (MMBW 1977 p. 1) The second report, *Socio-economic implications of urban development* by Frank Little of Urban Economic Consultants, also voiced concerns about the effects of economic change on inner Melbourne, but was much more alarmist in tone, declaring that the region was experiencing a 'crisis' in manufacturing which was rapidly leading to de-industrialisation, economic stagnation and rising unemployment. (Urban Economic Consultants 1977 pp. 6/7). The report went on to intimate that if these trends were left unchecked there existed the real possibility of the emergence in inner Melbourne of British or American-style urban decay and social disorder. (pp. 6/7) The Little report drew on the work of US sociologist Daniel Bell and others to suggest that, as in many cities across the Western world, the industrial era was coming to end in Melbourne and that in order to ensure economic success in the 1980s and beyond, planners, politicians and business people should immediately institute policies that would facilitate 'the transfer from an industrial to a post-industrial economy'. 'Trying to put off the change', the report warned, 'will only lead to ultimate collapse of that activity (manufacturing) as its structure becomes increasingly outmoded and uncompetitive'. (p.7. Also see Bell 1973)

Little's was one of a number of voices in the 1970s and early 1980s forecasting the de-industrialisation of the Australian economy and the coming of a post-industrial economic future based on knowledge industries, consumption and the service sector. Another Australian prophet of this trend and its opportunities and threats, was former quiz show champion, MP, Minister for Science, and genuine know-all Barry Jones. His 1982 book *Sleepers' Wake* was one of the earliest harbingers of the coming information and communications revolution, and even though somewhat apocalyptic in tone was, and remains, a huge national and international success. It is now in its 26th edition. Jones advocated a social democratic response to the challenges of the post-industrial society, calling for work to be distributed across the population and for some sharing of the likely economic and social benefits of the coming revolution. (Jones 1982) As we now know the social democratic path was not followed even by Jones' own Labor Party in office; rather than government intervention in the economy to redistribute prosperity and economic opportunity, in Australia, as in much of the rest of the English-speaking world, the market was left to sort out the winners and losers from the information revolution. From the vantage point of the new century, however, it appears that the Hawke and Keating Labor Governments of the 1980s and 1990s may have been at the forefront of international social democratic responses to the threats and opportunities opened up by the pressures of post-industrialism. The responses of

these governments to the decline of manufacturing and the loss of jobs in traditional blue collar industries, including structural adjustment packages and retraining initiatives, stand in stark contrast to the sink or swim attitudes of their successors in Australia, the contemporaneous policies of the Reagan and Thatcher governments in the USA and Britain, as well as some of the hardline policies then being advocated by the more strident members of the Australian economic Right. (Button 1998, Argy 1997, Kasper et al 1980, High 2004).

The economic and social responses of the Hawke and Keating governments to industry restructuring reflected several of the recommendations of another 1970s discussion paper on the future of the manufacturing industry in Australia, the 1975 Jackson Committee Report, of which Bob Hawke as ACTU President had been a member. This committee had warned of a 'crisis' in the manufacturing sector and recommended major adjustments to 'improve the working of the economy'. But these changes needed to be tempered with a concern for working people. 'Improving the quality of worklife' and 'increasing the involvement of Australians in systems of decision-making' were, the Report suggested, important considerations to be kept in mind in any structural adjustments. So too was maintaining 'social cohesion'. Processes for achieving change needed to be well-thought out and incremental, with the capacity to leave industry able 'to adapt to future change whatever it may be'. Structural adjustment, in other words, was not to be a slash and burn affair. (Committee to advise on policies for manufacturing industry 1975 (Jackson Report) p. 6) The problems facing Australian manufacturing industry were especially acute in the textile, clothing and footwear (TCF) sector which was largely based in inner Melbourne and to a lesser extent inner Sydney, Geelong, and some Victorian and NSW regional cities. Many TCF businesses were only able to survive because of high and increasingly counter-productive tariff and other protective barriers, which, rather than allowing the industry to develop free from unfair competition were, by the 1970s, instead being used by owners to maintain profit share and put off investment in new plant and machinery. The Jackson Report noted that much 'of the equipment in factories, consequently is old, inefficient and overdue for replacement; desirable technical innovations have been delayed', and growth 'in productivity [is] below that of other nations, far below that of Japan, France and Germany'. (Jackson) p. 2) Conditions for employees, who were often female and overseas-born, were often poor. But employees and their unions had little incentive to support improvement and innovation, as this would likely mean the permanent loss of jobs. (Jackson, CURA 1975).

The situation worsened in the late 1970s as the Fraser Government avoided facing up to the deep-seated problems in the economy. Contrary to its rhetoric of free-market philosophies, it actually increased protection and stood by while industries became more inefficient and stagnant. By the 1980s many Australian manufacturers were using technology which was decades out of date. In his memoirs former Labor Industry Minister John Button describes Australian factories as resembling 'industrial museums' by the 1980s and provides an amusing but hair-raising series of accounts of the decrepit state of the Australian industry, especially the TCF sector, in this period. One anecdote has Carlo Bennetton, the head of the Italian clothing empire describing Australian textile mills as 'antique', unlike anything he had seen 'in Italy for fifty or sixty years'. (Button 1998 pp. 246 and 342)

INDUSTRIAL AND POST-INDUSTRIAL MELBOURNE: SOME STATISTICS

Globalisation, tariff reductions, and the recessions in the mid-1970s, the early 1980s and again in the early 1990s destroyed much of Australia's manufacturing base, especially the oldest inner city-based plants where little new investment had occurred. Many of the changes in the economic profile of the Australian economy forecast in the 1970s, have indeed come to pass in the last twenty to thirty years. The economy has undergone de-industrialisation, although the transition to post-industrialism is not complete and probably never will be, as there will always be some manufacturing industry in a country as large and varied as this. But manufacturing has rapidly declined as a proportion of the economy, to the point where in 2001 it accounted for only twelve per cent of employment, down from 25 per cent in the early 1970s. (ABS *Yearbook Australia* 2001, 2003) In Melbourne, traditionally, and to a certain extent still the home of manufacturing in Australia, it has declined as a percentage of employment from one third to less than seventeen per cent. Since 1971 the number of manufacturing jobs in the Melbourne metropolitan area has declined by a quarter from about 350,000 to around 265,000. And whereas in 1971 manufacturing employed more than three times as many people as property and business services, by 2001 the latter employed nearly ten per cent more.

The economic and social profile of inner Melbourne has changed even more dramatically than the metropolis as a whole. As predicted by both 1977 MMBW reports, inner Melbourne has been largely de-industrialised, but the predicted economic decay and social unrest has not come to pass. Inner Melbourne is now overwhelmingly post-industrial, but rather than being a region of abandonment and decay, it has re-emerged as the main loci of an economy based on services and consumption. The social transformation of the region in the last thirty years has been profound. Fewer than ten per cent of the resident population of inner Melbourne is now engaged in manufacturing employment, a massive drop from almost 30% three decades ago. The most common occupation of residents of the inner suburbs is now in management and the professions, which together account for about 45% of all employment. Most of this change is directly related to gentrification and the replacement of poor and low-skilled residents with affluent white collar workers who for a number of reasons now seek to live in proximity to the city. As has been extensively documented by geographers, demographers and others in recent years, an arc of previously working class suburbs stretching from St Kilda in the south to Yarraville and Williamstown in the west has been colonised by highly paid workers in a range of post-industrial professions and re-invented as expensive and fashionable places to live. (Logan 1981, Jager 1986)

But it is not only the social profile that has changed. Working class people have left, but so too have the jobs they once performed and the industries in which they once worked. What was once a region characterised by low-skilled, low-paid manufacturing and similar jobs, is now an area of high-skill, highly-paid professional jobs. According to MMBW figures, in 1971 the inner city core region was home to just over 40% of all jobs in the MSD, including 170,000 'blue collar' and 135,000 'white collar' jobs. There were also about 127,000 jobs in 'mixed industries', such as utilities, retail, communications, entertainment etc. These figures respectively represented 33%, 56% and 45% of all such jobs in the Melbourne Statistical District (MSD). By 2001 employment was much more decentralised and evenly spread across the metropolis, with the inner area only accounting for only about 30% of all jobs in the MSD. Industries employing blue collar workers,

including manufacturing, transport and storage, construction, water supply and one or two others have now left the inner city for the outer suburbs, especially the outer south and east.

To take the case of manufacturing we can see just how profound has been the transformation of job location over this period. A recent unpublished study by the Victorian Department of Infrastructure (DOI) shows that whereas in 1971 almost one third of manufacturing jobs were in the inner city, today that figure is less than one eighth.¹ One third of manufacturing jobs are now in an arc across the outer east and southeast from Croydon to Moorabbin, and another third are in the middle to outer north and west. The rest are spread across the metropolis. The study also shows that inner Melbourne (based on the post-1994 cities of Melbourne, Pt Phillip, Stonnington and Yarra) has lost more than 70% of its manufacturing jobs since 1971, down from almost 118,000 to just under 37,000. Of all the inner city municipalities, the City of Melbourne retains the most manufacturing jobs (18,504 or almost seven per cent of all such jobs in the MSD), but it was also the municipality that suffered the largest numerical decline in manufacturing, down by 43,5000 jobs or 70%. The largest percentage decline was in Yarra, down by almost 75% from over 35,500 to just over 9,000. (DOI unpublished data) A similar study published in a recent *Victorian Yearbook* shows that by 1998 only 1866 of the more than 37,300 businesses in inner Melbourne were manufacturers, less than 14% of the total number of manufacturing businesses in the whole of the MSD. (*Victoria Yearbook* 2001).

In 2001, the largest employment field in the inner city was property and business services, which combined with finance and insurance services, accounted for more than a third of all jobs (167,179 out of 489,293), higher than the MSD average of about 18.5%. (DOI unpublished data) In 1998 nearly one third (13,838) of all businesses in the inner city were in these fields, much higher than the MSD average of 24.5%. (*Victoria Yearbook* 2001) In Yarra (based on the former industrial municipalities of Fitzroy, Collingwood and Richmond) in 1998 the most common businesses were in the fields of property and business services, which number 1835 or 23% of all enterprises and employ almost 12,000 people, or about seventeen per cent of all jobs. But while it generates high-level, well-paid jobs, the post-industrial economy also requires people to undertake less well-paid jobs in the retail, hospitality and tourism industries. The second largest industry in terms of numbers of businesses, both across the inner city and in Yarra, is retail trade. In inner Melbourne retail accounts for 14.5% of all businesses, which is about the average for the whole MSD, but slightly more than in Yarra (13%).

But the retail sector does not generate that many jobs. Only 45,033 people are employed across the inner city, less than ten per cent of all employment, below the average for the MSD of just over 15%, and down from its 1971 level of 13%. Employment in this sector has grown by two thirds across the MSD since 1971, but actually declined by about one third in the inner city. Hospitality (accommodation, cafes and restaurants), another overtly post-industrial sector of the economy accounts for more than 5% of all enterprises in the inner city, (and 6% in the City of Melbourne), almost double the figure for the MSD. It generates about the same percentage of jobs, which is slightly above the MSD average of four per cent. (DOI unpublished data and *Victoria Yearbook* 2001) These figures suggest that while shops, restaurants, cafes and new hotels in revitalised inner city shopping strips and new or refurbished leisure precincts create many new small businesses, they have not created many jobs. Inner city retail employs almost

one third less people in 2001 as it did in 1971, and the growth in hospitality has been minor (up by less than ten per cent, compared to the MSD average of nearly one third).

THE LARGER PROJECT

This paper is the first report of a major new project that is investigating the de-industrialisation of inner Melbourne and the regional city of Geelong in the 1970s, 1980s and 1990s, especially the rapid decline in employment in manufacturing. (CURA 1975, Greig 1991a and b, Johnson 1987, 1991) The project also investigates the on-going process of re-imagining and recreating formerly industrial areas of the inner city as sites of white collar industry, artistic and cultural production, conspicuous consumption and revalorised residential space. We intend to ask a series of questions about the de-industrialisation, restructuring and reinvention of the inner city in this period. Among these are: How did the transformation from industrial to post-industrial occur? How did traditional inner city populations cope with the economic and social dislocation and destruction associated with the loss of thousands of jobs in the 1970s, 1980s and 1990s? How many old jobs were lost and how many new jobs replaced these? Who got these jobs, and therefore who were the winners and who were the losers in the restructuring process? And what were the nature of those gains and losses? While we recognise that de-industrialisation is linked to gentrification, and that this has been much studied in Australia and elsewhere, we are attempting to do something more than simply report on this process from an historical rather than an economic, geographical or sociological perspective. What we hope to show is that what has occurred in the inner city over the last thirty years or so has been multi-faceted, and that while economic decline, de-industrialisation and the emergent post-industrial economy has been traumatic for some people and groups, for others it has opened up a variety of economic, social and cultural opportunities that may not have been possible under the existing Fordist industrial order. The aim of this study, then, is to investigate how de-industrialisation affected people and groups in different ways: skilled and unskilled workers, men, woman, migrants, youth, artists, musicians and others. Our approach will be to produce a series of case studies based on individual enterprises, industries, local communities, and groups within communities, to understand how these processes of change impacted at the macro and micro level.

Our major focus will be on Melbourne's inner core region as identified by the two MMBW reports of 1977. This region covers the former municipalities of Melbourne, Fitzroy, Collingwood, Richmond, Prahran, St Kilda, South Melbourne, and Port Melbourne. (MMBW 1977; Urban Economics 1977) We obviously also recognise that de-industrialisation was not simply a local phenomenon and that similar processes were occurring around Australia, and indeed the world. There will thus be some comparative work on inner working class suburbs in Sydney, and similar suburbs in other cities around Australia and other cities in English-speaking countries including Britain, the USA and Canada. (Zukin 1982, 1991, High 2004) There is also a need to recognise that while de-industrialisation bit hard in the capital cities, their more diverse economic base allowed some scope to cushion the employment effects of this process. Industrial cities and towns were not so fortunate, as Mark Peel and Erik Eklund have shown for Elizabeth and Port Kembla (Wollongong), respectively. (Peel 1995 and 2003, Eklund 2002) A major component of this project will therefore be a comparative study of the experience of Victoria's 'second city', Geelong in the postwar years and in the same de-industrialising and 're-imagining' period.

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But that is all to come. In this paper our aims are much more limited, but hopefully just as illuminating. What we'd like to do here is to present a visual showcase of the transformation of various sites around inner Melbourne from industrial to post-industrial over our period, to show some of the sites and businesses which we will go on to study in more depth. For the last few months we have been searching out photos of various places taken in the 1970s and 1980s and comparing them with current shots which, as far as possible, we have taken from the same angle. The results are really quite astonishing and illustrate just how profound has been the makeover we are studying.

Case studies to be discussed and illustrated include:

Vickers Ruwolt – Victoria Gardens.

Southbank – Southgate, casino and apartments.

Docklands

Como – Electrolux and Hecla

Macrobertsons.

Newmarket.

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¹ We would like to thank Andrew Watkins and Jeremy Reynolds for this information. Note that in the early years no data for Cardinia was available, and the figures for Communication have been imputed. Only people have been counted who have (a) declared that they are employed (those who have not stated whether or not they are employed have not been counted) (b) completely specified their job location (incomplete or defective responses have been ignored). This means that the totals from these tables will not necessarily add up to totals from other census tables.