

Australian nickel refinery workers sacked without entitlements

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Hundreds of workers retrenched at Queensland Nickel's (QN) Yaulu refinery remain in limbo, without jobs or entitlements, despite schemes being proposed by the owner, mining magnate Clive Palmer, and an investment group to eventually reopen the facility.

More than 200 workers at the Townsville refinery were sacked in January and the remaining 550 were laid off on March 11 without even redundancy payouts being met. Once again, workers are being made to pay for the collapse of the mining boom that enriched tycoons like Palmer for two decades.

The refinery was one of the largest employers in northern Queensland, where official unemployment levels now exceed 10 percent in many areas. In 2009, BHP Billiton, the world's largest mining company, offloaded the refinery to Palmer, who hoped to reap profits from high nickel prices.

Instead, the price has fallen by more than 80 percent since its 2007 peak. Mining commodity prices have plunged under the weight of the deepening impact of the 2008 global economic breakdown and the slowdown in China.

QN was placed in voluntary administration on February 18 after Palmer declined to provide \$35 million to meet immediate cash flow problems following a decision by major banks and the state and federal governments not to lend QN that sum.

According to the administrator, FTI Consulting, QN owed creditors around \$110 million. The payout of workers' accrued entitlements was at the bottom of the long list of creditors. Workers may be able to access payments from a federal government entitlements guarantee fund but only if QN is placed liquidation, an option to be considered at a creditors meeting next month.

Earlier this month, Palmer suddenly took back control

of the refinery, via a different company, after claiming he had secured a \$23 million bailout loan from an unnamed Sydney financier. He then declared that the facility could not re-open until at least July 31. Interviewed on the Australian Broadcasting Corporation's "Insiders" program on March 13, he made no guarantees about the future of the workers.

Attempting to shift the blame, Palmer has claimed that the administrator "decided to close shop and in doing so froze the bank accounts for the business to make them not available for ongoing operations." FTI Consulting director John Park, however, accused Palmer of "doing nothing" to keep an undertaking to issue new work contracts.

Palmer also accused the state Labor government of dragging its feet with 18 environmental and safety approvals needed to operate the plant legally. This buck-passing was joined by Premier Anastacia Palaszczuk who said her government was doing everything it could to help Palmer to salvage the jobs.

Palmer founded the right-wing populist Palmer United Party (PUP) just before the 2013 federal election to pose as an alternative to both the Liberal-National Coalition and Labor, which have implemented pro-market agendas and backed an escalating corporate assault on jobs and working conditions. His contemptuous treatment of the refinery workers has shattered his pretensions.

Last week around 300 sacked workers attended a meeting, along with 700 creditors, where they voted to support a "community buy back" bid for the refinery being organised by Sister City Partners (SCP), led by investment banker and former Labor Party staffer Warwick Powell and property investor Mark Dunworth.

On its web site, SCP states it "works with

communities to rebuild regional economies” via “a not for profit regional investment banking model.” Under its plan, creditors and workers would supposedly become joint owners of the refinery via a publicly-listed company, CommNickel.

However, workers would have to forgo entitlements and accept lower wages and worse conditions. Powell said the operation would require “some belt-tightening” that could include pay cuts, and an increase in output to reduce unit costs. He claimed the plan would not “cost the individual workers a cent,” but “we have made it very clear from day one that this is a conversion of what they’re owed in terms of entitlements into a value of shares in the future.”

Dunworth said Palmer had agreed to draw up a non-binding document outlining the possible sale of the refinery to CommNickel. Palmer is clearly weighing the option of offloading the refinery.

Dunworth said SCP hoped to secure financing from the federal government’s yet-to-commence Northern Australia Infrastructure Fund. It remains unclear whether the proposal would be eligible for concessional loans, which are intended to finance public infrastructure such as airports, ports, roads, rail, energy and communications projects.

Mine workers in the French Pacific colony of New Caledonia also face the loss of their livelihoods. The refinery took a large portion of the nickel extracted from the island state. A New Caledonian ship carrying \$1 million worth of nickel ore was expected to arrive off the Townsville coast last week, but Palmer’s Queensland Nickel Sales, the new refinery manager, refused to buy it.

Even if the refinery were to be reopened by Palmer or CommNickel, its operation would be subject to the same market forces that have brought about QN’s demise and driven mass layoffs and closures throughout mining-related industries. Resources companies internationally are restructuring their operations to drastically slash costs and ramp up output.

In Australia, they are doing so with the complete backing of the federal Liberal-National government and the state governments, including the Labor administration in Queensland.

If workers have been left jobless and stranded, the responsibility lies entirely with the trade unions that cover them, notably the Australian Workers Union

(AWU) and the Australian Manufacturing Workers Union (AMWU).

While denouncing Palmer, the unions have worked to prevent any independent fight to defend jobs, instead appealing to Palmer to honour sacked workers’ entitlements and presenting the job destruction as a fait accompli. AMWU state secretary Rohan Webb last week declared: “It’s game over red rover and they [the workers] are out of a job, unless something spectacular happens.”

Above all, the unions and the Labor Party leaders oppose any struggle that would raise the necessity for a socialist solution: the fight for a workers’ government to take the banks and basic industries, including mining and refining, out of the hands of the capitalist elite, such as Palmer, and place them under social ownership and under the democratic control of the producers.



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