

Dairy giant Norco threatens to sack over 170 workers in flood-torn Australian city

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Dairy company Norco, one of the largest employers in the flood-devastated regional Australian city of Lismore, declared this week that it would retrench another 170 casual and permanent workers—all the remaining workforce at its ice cream plant in the city—despite being offered a \$35 million federal government grant. That is on top of 70 workers made redundant in July.

The sacking of workers, some of whom have worked at Norco's South Lismore ice cream factory for over 40 years, will be another cruel blow to the working-class residents of the city of 46,000 people and the surrounding Northern Rivers region of New South Wales (NSW).

Among the threatened workers are at least 44 who lost their homes in the February and March floods. Norco worker Chris Martin told the Australian Broadcasting Corporation (ABC) that the past six months had been devastating after being stood down and having to finance rebuilding his flood-damaged Lismore house.

Over the past six months, Norco has already received more than \$8 million in government wage subsidies, only to insist that it will dismiss the Lismore workers as soon as the payments end on September 23.

This move typifies how every aspect of the flood disaster has been subjected to the dictates of capitalist profit—from the lack of preparation and warnings to people, to the inadequacy of basic infrastructure and support services, and the lack of assistance offered to the hundreds of thousands of flood victims.

The company is now demanding more federal and state government money, including \$11 million from a "Regional Growth Fund," while refusing to guarantee the retention of the threatened jobs. Instead, the management is speaking of only employing the workers

it decides that it requires after possibly rebuilding its factory.

Norco chief executive Michael Hampson told the ABC: "We believe if that can be done we can rebuild a sustainable, flood-resistant ice cream factory, where we can employ a significant amount of people."

While feigning concern, the federal Labor government responded to Norco's ultimatum by saying that the company had to make its own business decisions. Asked at a media conference if it was okay for Norco to lay off the workers after being offered millions of dollars in taxpayers' money, Prime Minister Anthony Albanese gave the question short shrift.

"I would hope that Norco look after their employees. I'll continue to work with [NSW] Premier Perrottet on these issues. I realise that the Northern Rivers has suffered greatly, including businesses, but we have provided substantial support."

Federal Emergency Management Minister Murray Watt said there was no requirement in the grant program for Norco to retain workers in return for the cash. He told the ABC: "I'd like to think that there's still some opportunity here, but at the end of the day, it's a decision for Norco what they do with their business."

When asked if Norco could still accept the \$35 million grant if it retrenched workers, Watt said that had not been negotiated. The only condition was that companies would remain "a very large presence" in the Northern Rivers. That deliberately vague language is a green light to use the disaster to restructure at the expense of workers' jobs and conditions.

In line with Labor's pro-business stand, the three trade unions covering the workers have refused to issue any call for workers at Norco, across the region and nationally to oppose the company's plans. The

Australian Manufacturing Workers Union, the Australasian Meat Industry Employees Union and the Electrical Trades Union have instead appealed for talks with the management on September 22, just a day before the job axing deadline.

Any such talks will be aimed at preventing a struggle by the workers against the mass sacking and striking a deal with the unions and the Labor government to permit Norco to proceed with axing most, if not all, the jobs.

Norco's ice-cream factory, head office and rural store in South Lismore were inundated with floodwater on February 28. Since March, Norco has received wage subsidies to pay their workers. Many of them have worked tirelessly in flood clean up and recovery operations throughout the community, only to face being thrown out of work.

On its Facebook site, Resilient Lismore, a community group, said it "tasked Norco crews to some of our biggest, dirtiest jobs. Demolitions, clean-ups and yard work. You name it. Every morning they arrived at the Volunteer Hub ready and willing to serve the most vulnerable in their community—some workers are flood affected themselves."

While formed as a dairy farmers' cooperative, Norco operates as a business corporation like any other large firm. In addition to the Lismore facilities, it has two milk bottling factories, at Raleigh, near Coffs Harbour, NSW and Labrador on the Gold Coast of Queensland.

According to Norco's most recent annual report, it made a record operating net profit of \$12.7 million in 2020–21, with its milk sales generating \$189.4 million in revenue, representing an annual growth rate of 22.4 percent. Like most companies, its workforce is heavily casualised. As at June 30, 2021, it had 554 full-time, 56 part-time and 231 casual employees.

Large businesses like Norco have been offered millions of dollars in a federal-state Anchor Business scheme, supposedly to ensure that some of the region's larger employers—those employing more than 200 people—stay in the Northern Rivers. The \$60 million scheme is part of a broader federal-state support package to pour \$725 million into the hands of regional businesses, large and small.

By contrast, thousands of working-class residents in Lismore and throughout the region lost their homes,

then struggled for months to access limited government grants. Many have been told they must wait until the end of the year for possible grants to relocate to flood-free areas.

Among the other recipients of the government "anchor" scheme for large employers are sugar refiner Sunshine Sugar (\$12.6 million), North Coast Petroleum (\$4 million), Williams Group Australia (\$3.6 million), Multitask Human Resource Foundation (\$3.3 million) and welfare group Social Futures (\$900,000).

The pro-business response of the Albanese Labor government and the three unions is in line with their record. For decades, particularly since the Accords struck between the Hawke-Keating Labor government and the unions in the 1980s, these labour apparatuses have enforced the requirements of the corporate elite, at the expense of workers' jobs, wages and conditions.

To defend their jobs and conditions, the Norco workers and their supporters throughout the community need to take matters out of the hands of the government and the unions. They need to form a rank-and-file workplace committee, completely independent of the unions.

Through such an organisation, workers can democratically discuss and prepare a fight for their social needs, not the dictates of corporate profit. They can reach out to all the flood-devasted communities and workers everywhere, including the Norco workers at Raleigh and Labrador, for a unified struggle against the sackings.

If Norco claims it cannot "afford" to employ the workers, then it should be placed under public ownership and workers' control, as part of a broader fight for a socialist program and a workers' government to reorganise society on the basis of social and human need, not private profit.

We encourage Norco workers and Northern Rivers residents to contact us to discuss this perspective and the establishment of an independent rank-and-file committee.



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