

Australia: Glencore threatens tiered wages at Mangoola coal mine

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Workers at Glencore’s Mangoola open cut coal mine in New South Wales (NSW) are voting this week on a proposed enterprise agreement (EA) that would introduce a three-tier pay structure. The immediate effect would be to slash the wages of labour-hire workers at the Hunter Valley mine, who are not directly covered by the agreement and are not allowed to vote on it.

The financial press has noted that, if successful, Glencore’s tiered wage workaround could set a precedent for the slashing of labour-hire wages throughout the coal mining industry and more broadly. The Mangoola workers stand to lose as much as \$36,000 a year, according to the Mining and Energy Union (MEU).

The existing direct workforce—whose vote is needed to approve the EA—have been assured by the company that they will be grandfathered into the top pay rate. Glencore is trying to turn one section of workers against the other, even as it further cuts the real wages of the entire workforce.

The proposed EA would deliver meagre nominal wage “rises” of 4 percent in each of the first three years and 3 percent in the fourth. This is barely higher than the current official inflation rate of 3.8 percent and far short of the 6 percent or higher surge expected within months as a result of the US-led war of annihilation against Iran.

Moreover, Mangoola workers’ wages have already fallen drastically in real terms since 2021, due to the 2 percent per annum nominal pay rise in the last union-management EA, signed by the MEU when official inflation was already at 3.8 percent and on its way to 7.8 percent.

Mangoola’s labour-hire workers, employed by Workpac and TESA, were awarded last year significant pay increases under “Same Job, Same Pay (SJSP)” laws introduced by the federal Labor government in 2023. The Fair Work Commission (FWC) ruled that labour-hire workers at the mine must be paid as much as direct

employees doing similar work. This increased wages by as much \$50,000 per annum, according to the MEU, which brought the case before the FWC.

At the core of the dispute is a clause Glencore has embedded in the proposed Mangoola EA that introduces new, lower-paying job classifications.

The “Regulated Labour Hire Arrangement” ordered by the FWC requires that labour-hire workers be paid at least the minimum rate set in the host employer’s enterprise agreement. But if the host EA contains a lower-tier classification—even one that no direct employee currently occupies—that becomes the minimum against which labour-hire wages and conditions are measured.

MEU NSW Northern District president Robin Williams described the Mangoola clause as the first attempt in the industry to reverse pay rises won under SJSP.

“For decades, labour hire has been used across the mining industry to drive wages down and create a cheaper second-class workforce,” Williams said. “Same job same pay was meant to put an end to that practice.”

The MEU bureaucracy, while calling for a “no” vote, is covering up the real significance of Glencore’s attempt to introduce lower wage tiers. The union has accepted as good coin and is promoting the company’s promise not to cut the pay of existing direct workers, and is painting the issue as one that solely affects labour-hire workers.

In fact, Glencore has made crystal clear that the tiers would also apply to new direct hires. In a company memo sent to workers in response to an article in the *Australian Financial Review* (AFR) about the manoeuvre, management stressed, “Mangoola is not proposing a new classification that only applies to labour hire.”

The memo explained that Glencore’s aim is to slash wages and conditions in the EA by bringing them closer to the industry award—the minimum rates allowed by law. It said, “Mangoola has aligned the structure of its proposed Enterprise Agreement with the tiered

classifications of the Black Coal Award.”

The federal Labor government, with the full-throated support of the MEU and the rest of the union apparatus, presented the SJSP legislation as a “landmark reform” that would end the rampant exploitation of labour-hire workers. In fact, the laws were aimed at legitimising insecure forms of employment through limited improvements to wages and conditions and expanding the coverage of the unions, whose legal intervention is required to lobby the FWC for SJSP orders on a workplace-by-workplace basis.

The reality is that the widespread use of cut-rate, insecure labour hire throughout the mining industry would not have been possible in the first place without the assistance of the unions.

The existing MEU-brokered EA at Mangoola, for example, places no restrictions on the practice, except that, in the event of job cuts, Glencore must “consider the use of contractor, casual and supplementary labour.”

Notably, the same clause underscores that direct-employed workers at the mine have scarcely more job security than those engaged through labour hire. It states, “The parties recognise that continuity of employment for the life of the Agreement is dependent upon the company meeting its yearly business plan targets, and it is understood that improvements in productivity, efficiency and reliability will have a direct effect on enhancing ongoing employment.”

In other words, workers’ jobs are safe only as long as corporate profits continue to grow, and the MEU bureaucracy has agreed to enforce whatever speed-ups and cost-cutting measures management demands, under the pretext of “protecting jobs.”

Now, the MEU has no plan for Mangoola beyond calling for a “no” vote this week. The union has not called for industrial action, in fact emphasising on its website that “A NO vote does not shut down the site,” but “signals that workers want changes to the offer.”

In other words, the union bureaucracy is telling workers that Glencore’s attempt to drastically slash wages does not need to be fought, but can be fended off through backroom negotiations.

This highlights the need for Mangoola workers to take matters into their own hands. A rank-and-file committee, politically and organisationally independent of the MEU and other unions must be built to lead the fight against the introduction of wage tiers, for permanent jobs for all and for real wage rises to meet the soaring cost of living.

Through such committees, Mangoola workers can link

up with the thousands of other coalminers confronting similar attacks. This is impossible within the unions, which do everything they can to keep disputes isolated to individual workplaces and prevent a unified struggle.

Glencore has already introduced new pay tiers at other coal mines that froze labour-hire workers’ pay following SJSP orders. The Mangoola tiers represent an escalation, explicitly and immediately slashing wages for labour-hire and new employees. The company is simultaneously pushing similar clauses at other mines in the region.

Glencore has also axed 1,000 jobs globally as part of a cost-cutting drive announced in December 2025, targeting \$1 billion in operating cost reductions. At the same time, Glencore reported adjusted EBITDA of \$13.5 billion for 2025 and announced approximately \$2 billion in shareholder returns for 2026.

In September 2025, BHP Mitsubishi Alliance (BMA) announced 750 redundancies in Queensland, blaming the state government’s royalties regime. Anglo American and its BMA joint venture cut a further 200 positions in the Bowen Basin.

The response of the MEU bureaucracy was to downplay the significance of the cuts, including by claiming that most of the BMA job losses would be in “head office.”

This month, 238 permanent workers at Tahmoor Colliery in NSW were let go and the facility, which is under liquidation, placed into care and maintenance mode. This follows the sacking of around 250 labour-hire workers last October.

These attacks on coalminers’ conditions are all part of a broader assault on wages and conditions spearheaded by the federal Labor government as part of its program of austerity and expanding military expenditure.

This poses the need for not just an industrial fight, but a political one, against the subordination of workers’ needs to corporate profits, and above all, against the capitalist system itself.



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