

Australia: Molycop steelworkers speak out against job cuts in Newcastle

Our reporters
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The *World Socialist Web Site* spoke with workers at steel manufacturer Molycop in Newcastle, New South Wales (NSW), about the 250 job cuts announced on September 21, with the plant's bar mill set to close in December and the electric arc furnace in January next year.

The trade unions covering these workers, the Australian Workers Union (AWU) and the Australian Manufacturing Workers Union (AMWU), have promised to assist the company in the slashing of jobs, with the AWU stating that the union would work with Molycop to "minimise the pain," that is, to ensure the smoothest possible transition of workers onto the scrapheap.

The WSWs discussed with workers the necessity to develop an independent rank-and-file committee, controlled by workers themselves, to unify workers at Molycop and more broadly to halt the job cuts.

A steelworker, who is among those whose job has been slashed, expressed how this will impact him and the rest of the community: "I bought my house and mortgage to fit my pay here. What am I going to do now?"

"There's also a lot of people that stock us specifically with steel-making gear and we've had to let them know that we don't need it anymore. So they will probably have redundancies too—some businesses might close because they rely on sending us stuff to make steel. It's an ongoing thing, it's not just us, there will be more. You just won't hear about it because it probably won't be 250 blokes like we have here."

The day before the cuts were announced, Labor Prime Minister Anthony Albanese visited Newcastle, declaring that manufacturing needs to return to the city. On the visit, the worker said: "Albanese should have

stopped by to see what it's like for 250 blokes to lose their jobs! This is the end of steel making in Newcastle, which was once called Steel City. It's not just losing our jobs, this is a big deal. We were the last."

The worker said that the unions "have just accepted for a fact that we've lost the battle on this. Both the company and the unions have had meetings with the government about this before, nothing came out of it and here we are now."

An electrician at the plant stated that the job cuts are "all being packaged in a way that Gupta would accept." Sanjeev Gupta is the British billionaire who owns GFG Alliance, which acquired Arrium Mining and Steel, including OneSteel, Australia's main steel manufacturer and distributor, in 2017. Arrium owned Molycop prior to its 2016 acquisition by US private equity firm American Industrial Partners.

"Gupta has been here three times. He's got some really clever guy who knows the value of what we've got just by looking at it. He has a modern arc furnace; he apparently built a new one somewhere else recently. They've got good rolling mills that are better than ours. Ours can do a fair bit of tons but they are dearer than the ones at OneSteel. When they sized them up, our steel was cheaper because we were below our capacity. Once it was brought up from under capacity, we were no longer cheaper. So, they ended up getting rid of all the stuff that they did not want. One investor said that they wouldn't buy the whole thing for a dollar because it cost them so much to produce."

On the restructuring and the job cuts, he said: "I think they are screwing us down to make us more attractive to a buyer. I think the people who own us are trying to float this on the stock market. I reckon once they float it, they will be backing out.

"We will be left with nothing. I said at a meeting here

a couple of years ago, ‘you guys [the owners] are getting the whole thing, where’s our slice? We’ve worked here our entire lives and we are left with nothing.’”

Another worker said, “We still need [our] store open to service the other areas, but you never know. There’s always been talk about closing down. We talked about this happening, but then it never did. Everyone just kind of got comfortable because the thing they were talking about was never happening.

“Then all of a sudden, we heard that the bar mill was going to have some bar coming in from overseas and then all of a sudden, the steelmaking department decided they were going to close too. So, everyone thought it was just going to be one department and then got hit with two, so that’s what knocked everyone around a bit.

“There’s a couple of things going on, apparently labour-hire companies are going to help people transition—there’s still a lot of talk about how it’s going to all unfold. I hope it happens, I hope they do it as respectfully as possible. There are people who have been working here their whole lives who are just going to be left without a job, they don’t have any other skills. Some people will bounce right back and get jobs elsewhere but it’s not that easy for people who have been in one job their whole lives.

“The work is overall good, but it’s a hard, hot, dusty environment. It’s not for the faint of heart and it never has been.”

The worker, an AWU member, said, “It’ll be interesting to see what the union does about all this. Back in the day, people would just not turn up to work over something like this and stand out the front, but that doesn’t really happen these days. I’d happily go on strike for this if it was organised.

“There was an overtime ban here a couple of years back where a lot of people would finish an hour early every shift. Something like that could work, but you’d need a unified front and it’s scary to do that because of job stability.”



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