

# Australia: Hundreds of jobs in danger amid temporary shutdown of Tahmoor coal mine

Martin Scott  
11 February 2025

Around 450 workers and contractors have been stood down on paid leave for four weeks at Tahmoor Coal, southwest of Sydney. The shut down is reportedly due to a lack of fuel, chemicals, basic hardware and other essential materials, with more than \$150,000 owed to suppliers.

The Tahmoor mine produces almost 3 million tonnes of coal per year, mostly hard coking coal used in the production of steel. Annual output is expected to increase to as much as 4 million tonnes in the coming years, after the mine's southern expansion was authorised and its working life extended to 2032.

Despite this relatively positive outlook for Tahmoor, what workers now confront is that their livelihoods are tied up with the fortunes of a company that is wracked with crisis on an international scale.

The mine is owned by SIMEC, part of Sanjeev Gupta's GFG Alliance, which is saddled with debt and faces numerous legal challenges following the 2021 collapse of financier Greensill Capital. Credit Suisse alone is seeking to recover \$US1.3 billion from GFG Alliance.

While ostensibly temporary, the production halt at Tahmoor, amid GFG Alliance's ongoing financial problems, has workers worried about the ongoing security of their jobs.

"We have got some really anxious people," Andy Davey, Mining and Energy Union (MEU) district secretary, told the Australian Broadcasting Corporation (ABC): "They are worried that at the end of the month, do they get a redundancy? Is the money there for a redundancy?"

Tahmoor has been a major source of coal for GFG Alliance's Whyalla Steelworks, but has not supplied the South Australian (SA) plant since early last year. Whyalla's blast furnace suffered two protracted outages in 2024 and has only returned to production, at reduced capacity, in recent weeks. At one stage last year, Gupta declared that the operation was losing \$1 million per day.

The technical problems at Whyalla began with scheduled maintenance in March, carried out against the warnings of workers, who raised concerns with management over the risk of serious damage to the blast furnace.

Since August last year, contractors and suppliers have reported not receiving payment from Whyalla Steelworks. Last week, SA Premier Peter Malinauskas declared that GFG Alliance owed the government "tens of millions" of dollars in unpaid royalties, while it was revealed yesterday that the company owes \$15 million to state-owned utility SA Water. Major rail freight corporations Pacific National and Aurizon have both refused to transport goods for the company at various times due to outstanding debts.

InfraBuild, another part of Gupta's Australian operations, last week had its debt rating further downgraded by Moody's to Caa2, that is, "speculative, of poor standing and... subject to very high credit risk."

InfraBuild buys much of its material from Whyalla, and suffered a financial impact of \$11–12 million from the South Australian plant's shutdowns last year, contributing to losses in three successive quarters. Compounding this, InfraBuild has been used to prop up other parts of Gupta's operations, including payments totalling \$28.8 million to Liberty Holdings Australia in the September 2024 quarter, more than its earnings before interest and tax of \$25 million over the same period.

Liberty Primary Metals Australia, parent of both Whyalla Steelworks and InfraBuild, has not yet filed its 2023–24 accounts, missing the December deadline. This could trigger a \$US550 million debt default if this is not rectified by the end of March, according to Moody's.

These financial woes have nothing to do with the actions of workers at Tahmoor, Whyalla, InfraBuild or anywhere else in the GFG Alliance's global empire. But in every case, it is workers who are forced to pay the price for the reckless and speculative machinations of the financial oligarchy, while those responsible enjoy the spoils, exemplified by Gupta's plans to spend \$10 million renovating his Sydney mansion, purchased just five years ago for \$34 million.

During the production halts at Whyalla last year, workers were slugged with pay cuts of up to 30 percent, while contractors and tradespeople faced a total loss of income. This was endorsed by the Australian Workers Union (AWU)

and the Australian Manufacturing Workers Union (AMWU) bureaucracies. An AMWU organiser said that workers “fully understand that if you’re not making anything, the company can’t keep throwing money at them.”

At InfraBuild Newcastle, workers struck in 2023 against cuts to real wages and conditions in their enterprise agreement, before being sold out by the unions that claim to represent them.

While the stood-down Tahmoor workers are currently said to be on “paid leave,” there is no scenario in which the underlying reason for the production halt, GFG Alliance’s global crisis, will be resolved in the next four weeks, meaning they face an uncertain future.

The shutdown has led to speculation that the mine will be sold. According to the ABC, at least two potential buyers have expressed interest, with one reportedly touring the facility in recent weeks.

There are also calls for the state government to intervene. Local Independent Member of Parliament Judy Hannan said last week, “I have sought assurance from the Government to ensure a transition to a new company will keep the local workers engaged.”

The NSW Labor government has not publicly responded, but Tahmoor workers should be under no illusion that any state intervention would preserve their jobs, wages and conditions. The government’s role would be to create the ideal conditions for a new corporation to profit from the mine, while maintaining the flow of royalties to the state coffers.

Tahmoor workers should draw a stark warning from the blithe comments from the MEU bureaucracy. Davey told the ABC the union expected “no dramas” if the mine was sold, “and that they would keep the workforce they have.”

In statements to the *Illawarra Mercury*, Davey practically delivered a sales pitch for the facility: “They’ve upgraded the gas plant. They’ve fixed up the washery. They’ve got a rail loop on site. The travel time underground is the shortest in the Illawarra, and they’ve got a mining lease in front of them. Tahmoor’s the honeypot at the moment.”

Davey was similarly effusive in his praise for the bosses: “We at the MEU believe that the management team have done a tremendous job... to keep the boys being paid, which is great for our members.”

The MEU bureaucracy is seeking to further ingratiate itself with local management, as well as the potential new corporate owners, in order to maintain its privileged position as an enforcer of company demands.

Davey’s statements are clearly intended to placate the stood-down workers ahead of a possible sale, in an attempt to head off opposition to the cost-cutting operation that will surely follow.

Whyalla Steelworks provides an object lesson. When the previous owner of the Whyalla Steelworks, Arrium, collapsed in 2016, the AMWU and AWU worked closely with administrators to impose a 10 percent pay cut across the board, slashing \$17 million in labour costs. This was part of a \$300 million cost-cutting package to prepare the Arrium assets for sale. In previous years the unions had assisted in the destruction of over 900 jobs at Whyalla.

Similar operations have been carried out time and again by union bureaucracies across the country and around the world. These organisations do not represent the interests of workers, but serve as an industrial police force of management.

This underscores the necessity for workers to build new organisations, rank-and-file committees, independent of the union bureaucracy and democratically led by workers themselves.

In the event of a sale at Tahmoor, a rank-and-file committee will be the means through which workers can fight for improved wages and conditions, and insist that not a single job is destroyed.

Through a network of such committees, workers at Tahmoor, Whyalla, InfraBuild and throughout the mining and steel industries can link up in a unified global struggle to defend their jobs, wages and conditions.

That must form part of a broader struggle by workers against capitalism, which subordinates everything to profit. The onslaught on jobs and conditions underscores the need for a socialist perspective, and the fight to establish workers’ governments to place all essential industries, including mining, under public ownership and the democratic control of the working class to meet social need, not private profit.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**