

Australia: 238 jobs axed at Tahmoor Colliery

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Hundreds of workers face immediate redundancy at the Tahmoor Colliery, southwest of Sydney, after liquidator McGrathNicol announced on March 12 that 238 of the 328 employees would be let go. The remaining 90 workers would be kept on to oversee the mine's "care and maintenance."

Workers, including some who have been at the colliery for decades, told the *Illawarra Mercury* they learned of their sacking via an email late Wednesday night. They were given until Friday—less than 48 hours—to decide whether to immediately accept redundancy or take six weeks' unpaid leave in the hope that the mine is quickly sold.

The mine has not produced coal for more than a year. Operations were suspended in February 2025, after suppliers and transport contractors refused to service the mine because of unpaid bills run up by its owner, SIMEC, part of steel tycoon Sanjeev Gupta's GFG Alliance.

While these directly employed workers have been kept on at base pay rates throughout the shutdown, around 250 more who were engaged through a labour-hire contractor were let go last October, after SIMEC allegedly stopped paying its bill months earlier.

McGrathNicol was appointed following a decision by the NSW Supreme Court earlier this month, after Coal Mines Insurance, an industry workers' compensation fund owned jointly by the Mining and Energy Union (MEU) and the mining corporations, launched winding-up proceedings last year.

GFG had attempted to avoid liquidation by appointing its own administrator, but the funding behind its proposal was highly questionable. The \$40 million required to keep Tahmoor going during the voluntary administration was supposedly to come from Clydesdale Engineering, a small UK manufacturing company owned by Gupta, which last reported an annual profit of just \$234,000 and net assets of only

around \$10 million.

GFG Alliance purchased the mine from Glencore in 2018 for \$146 million. For several years it was highly profitable—reporting annual earnings of \$85.7 million as recently as 2024. But, in a process that has numerous parallels across GFG's international steel and coal operations, Tahmoor's resources were drained to prop up its struggling Whyalla steelworks in South Australia.

In August 2024, Tahmoor Coal extended a \$354.8 million loan to Whyalla operator OneSteel Manufacturing. At the time, the steelworks, which was out of action due to maintenance issues for most of 2024, was losing \$1 million a day. This loan receivable was then transferred to Liberty Primary Metals Australia (LPMA), Tahmoor's sole shareholder, as a \$427 million dividend.

The collapse of GFG's main lender, Greensill Capital, in 2021, exposed the shaky finances of many of its operations. Gupta faces a criminal fraud investigation in Britain and has been found to have failed to file accounts for more than 70 companies.

Earlier this month, the Australian Securities and Investments Commission (ASIC) announced that it had launched court proceedings to wind up another GFG operation, the Liberty Bell Bay smelter in Tasmania. The corporate regulator said the company had failed to lodge annual reports since GFG acquired it in 2020.

None of the tens of thousands of GFG coal and steel workers around the world had any role or say in the financial wheeling and dealing that has produced the crises at Tahmoor, Whyalla and numerous other Gupta facilities. But it is they who are paying the price.

The MEU bureaucracy is continuing the role it has played throughout the shutdown, simultaneously promoting illusions that the mine will be sold with no negative impact on workers and insisting that there is nothing workers can do except wait and see what

happens.

When the shutdown began in February last year, the MEU told workers there would be “no dramas” if the mine was sold—“they would keep the workforce they have.” District secretary Andy Davey practically delivered a sales pitch, describing the mine as “the honeypot,” and praising the local bosses, stating, “We at the MEU believe that the management team have done a tremendous job.”

More than a year later, Davey is telling the same story, saying on Friday, “we have no doubt that the place will get sold.”

MEU district president Bob Timbs told the *Mercury* last week, “We welcome the option of a period of unpaid leave to consider options and potentially remain employed until the mine re-opens.”

The reality is, even a quick sale of the Tahmoor Colliery would by no means guarantee workers’ jobs, let alone their wages and conditions. The role of the liquidators is to slash the operation’s cost base, chiefly its labour expenses, in order to make the facility a more appealing prospect for a potential buyer, whose concern is not workers’ livelihoods, but profits.

The MEU held a mass meeting of workers at Tahmoor Sportsground on Friday, not to discuss how the destruction of hundreds of jobs could be fought, but to advise workers to update their resumes. The real purpose of this meeting was to ensure that the anger and frustration of the sacked workers was kept within safe union channels.

This is the same role the MEU and other trade union bureaucracies have played countless times over decades, presiding over the “orderly closure” of mines, factories and even entire industries. Rather than uniting workers in a common struggle against industrywide attacks on jobs, wages and conditions, the unions isolate them and use the destruction of jobs in one workplace to justify wage cuts and other concessions in others.

The Tahmoor sackings are part of a widening pattern of coal job destruction that stretches across Australian states. In Queensland, the coal industry shed more than 1,000 jobs in September 2025 alone. BHP Mitsubishi Alliance (BMA) cut 750 positions and announced it would mothball the Saraji South mine from November 2025, destroying a further 72 jobs, while Anglo American slashed more than 200 jobs in its Queensland

coal division.

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.”

Mining workers at Tahmoor, throughout the country and around the world, along with workers in every industry, confront deepening attacks on their jobs, pay and conditions. To defeat this, a unified counteroffensive must be developed.

This underscores the necessity for workers to build new organisations, rank-and-file committees, independent of the union bureaucracy, to link up across the mining sector and more broadly in a joint fight for secure jobs and decent wages and conditions.

This must be connected to a struggle by the working class against capitalism, which subordinates everything to profit. That means a fight for a socialist perspective, to establish workers’ governments to place all essential industries, including mining, under public ownership and the democratic control of the working class to satisfy social need, not corporate profit.



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