# Australia: 600 jobs slashed at Whyalla steelworks

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Around 600 workers are being thrown out of work at the Whyalla Steelworks in South Australia (SA) after Labor government-appointed administrator KordaMentha announced Monday that efforts to repair and restart the plant's 60-year-old blast furnace would be permanently abandoned.

The shutdown also means the closure of the associated pellet plant. The rolling mill will remain in use, processing imported semi-finished steel. Mining and port operations will continue, with iron ore to be exported.

Prior to the shutdown, Whyalla was one of only two primary steelworks in Australia. It produced about 75 percent of the country's structural steel and was its sole domestic producer of long steel products, including rail and structural sections.

The destruction of approximately 500 permanent positions and another 100 labour-hire jobs will slash the OneSteel workforce from around 1,700 to 1,200. The fate of a further 200 "embedded contractors" employed by outside firms at the steelworks, mines and port remains uncertain.

The sweeping retrenchments are a devastating blow to workers, their families and the entire regional city of Whyalla, with a population of around 22,000. The steelworks and associated operations have historically accounted for around a quarter of local employment and 35 percent of the city's economy, with health, education, retail, hospitality and other services also dependent on the population and income sustained by the plant.

The job cuts expose the fraud of repeated declarations by the federal and South Australian Labor governments that placing the steelworks into administration and handing over billions of dollars in bailout funding would "save" jobs and secure the future of steelmaking in the city.

In February 2025, when the state Labor government forced the GFG Alliance-owned plant into administration, SA Premier Peter Malinauskas told workers their futures were "assured" and that they would remain employed "into the foreseeable future." Labor Prime Minister Anthony Albanese likewise declared that workers could be confident they had "a job ongoing."

Nineteen months on, Labor's story has changed. Malinauskas declared on Monday that the job destruction was inevitable. The blast furnace's "days were numbered," he said. "It was always the intention that it would close."

Later in the press conference, Malinauskas let slip the real motive behind the job destruction: "That blast furnace essentially had no value to the new owner."

By shutting down the furnace and throwing workers on the scrapheap now, KordaMentha is ensuring that the $60–80 million redundancy bill will be financed by the state and federal Labor governments. The mass sackings therefore clear hundreds of workers—and their associated entitlements—from the books before the steelworks is handed to a private buyer.

The Australian Workers Union (AWU) has lined up squarely behind the mass sackings, endorsing Labor's claim the shutdown of the blast furnace was "something we knew was coming."

In a statement, the union blithely declared: "It is a hard day [for] our members, but it's also day one of a new future in Whyalla.

"The state government has always been clear that closure of the blast furnace would happen, and this does not undermine the long-term vision of the Whyalla steelworks as a green steel powerhouse."

The AWU does not call for a single job to be defended. Instead, it presents the destruction of livelihoods as the beginning of a "new future"—a deliberate attempt to hose down opposition to the job cuts and smooth the path for potential buyers.

Whyalla workers have been through this process before. During KordaMentha's 2016–17 administration of Arrium, the AWU and Australian Manufacturing Workers Union (AMWU) imposed a 10 percent wage cut and other regressive measures, slashing $17 million in annual labour costs as part of a $300 million restructuring program. This followed the destruction of more than 900 jobs in preceding years.

In 2022, the unions pushed through an enterprise agreement providing nominal annual wage rises of just 2.5 percent while inflation exceeded 7 percent. When a botched maintenance shutdown halted production in 2024, workers lost up to 30 percent of their take-home pay as the unions allowed management to slash their rostered hours.

After being out of action for much of 2024, the 60-year-old blast furnace has again been offline since April. Three employees were injured during restart work in July, a fact that has been cynically used by the administrators as a pretext for the mass sackings. A letter to workers on Sunday declared that it was “no longer appropriate to place our people at risk in pursuit of a recovery that is no longer feasible.”

The degradation of the Whyalla blast furnace is the product of decades in which successive private owners extracted whatever profits they could while running down the ageing works, aided by governments and trade union bureaucracies that subordinated every question of jobs, safety and investment to corporate profitability.

KordaMentha reported after taking control last year that OneSteel had lost $319 million since July 2024 and owed creditors more than $1.3 billion. The company had only $8 million in the bank—not enough to meet payroll—and around $189.7 million in employee leave and redundancy liabilities. The administrator said maintenance and repairs had been neglected for much of GFG’s ownership and that related-party agreements had effectively “hardwired” the business to make losses.

Sanjeev Gupta’s GFG Alliance acquired the works in a fire sale following the 2016 collapse of Arrium and was promoted at the time by the political establishment and unions as Whyalla’s “saviour.”

The Labor governments have sought to present the present closure as a clean break with Gupta’s neglect. In reality, their intervention has been to downsize the operation in preparation for sale, with the public bearing the cost of keeping it afloat, paying worker entitlements and removing the old furnace from the calculations of a private buyer.

The SA government says the sale will be completed by the end of 2026. The prospective buyers are Indian steel producer Jindal Steel or Australian mining and commodities company M Resources, while BlueScope retains a right of final offer. Both bidders are reported to have based their proposals on replacing the blast furnace with an electric arc furnace.

Whichever bidder is selected will likely demand still more public subsidies, cheap energy and attacks on workers’ conditions, in order to drive up profits.

The original joint federal-state package announced in February 2025 totalled $2.4 billion. The bulk of this, $1.9 billion, will be handed over to the next buyer to subsidise upgrades, with the remainder going to creditors, the administration and to fund ongoing operations. A further $275 million was announced in July 2025 and another $232 million tranche was agreed to earlier this month.

With the job cut announcement, the Labor governments have unveiled a derisory $10.2 million “transition and support” package for those losing their livelihoods. Despite talk of “redeployment,”only around 150 possible positions have been identified with BHP and construction-materials company Hallett Group, a fraction of the 600 jobs being eliminated.

Whyalla workers should reject the claim that their jobs must be sacrificed to secure the plant’s future. This is the fraudulent basis upon which the trade union apparatus and Labor have destroyed hundreds of thousands of jobs, and entire industries, over the past four decades.

An immediate fight is required for no forced redundancies and no loss of income. All affected permanent, labour-hire and contract workers should remain on full pay, with retraining conducted on paid time, until equivalent permanent positions are provided.

Such a struggle will have to be waged in direct opposition to the trade union bureaucracies, which have presided over successive restructurings and have made clear that they will enforce the latest round of job cuts.

Steelworkers need to take matters into their own hands. This means establishing a rank-and-file committee, democratically controlled by workers themselves and independent of the union bureaucracy, to organise a fight against the sackings.

An appeal should be made to workers across Whyalla and throughout the steel, mining, manufacturing, construction and transport industries—including at BlueScope’s Port Kembla steelworks—to prepare unified industrial and political action in defence of every job.

This fight requires a fight for a new political perspective. The Whyalla Steelworks and associated mines and port should be placed under public ownership and the democratic control of the working class, with full protection for all jobs, wages and conditions. Its resources and productive capacity should be developed according to social need—including the production of steel for public housing, transport, hospitals, schools and renewable-energy infrastructure—not the profit demands of another private buyer.