

Amazon begins operations in Australia

Patrick Kelly
28 December 2017

Online retail giant Amazon commenced operations early December in Australia, opening a fulfilment centre in outer Melbourne.

The move forms part of Amazon's continuing global expansion, based on the accumulation of profit through the brutal exploitation of low-wage warehouse workers. The company's CEO, Jeff Bezos, is now the world's wealthiest individual, with a personal fortune estimated at more than \$US100 billion.

Amazon's entry into the Australian retail market is expected to undermine the existing corporations that currently enjoy monopolistic control.

Morgan Stanley earlier this year predicted that the value of rival retailers, including JB Hi-Fi, Harvey Norman and Wesfarmers (owner of the Coles, Bunnings, Kmart and Target chains), would plunge by more than \$1.2 billion. A UBS survey of fund managers and brokers in April reported expectations that Amazon would cut sales of rival retailers by 5.2 percent in the next 3-5 years, with earnings slashed by 16 percent. Specific retailers, especially in the electronics sector, will be even worse hit, with JB Hi-Fi earnings expected to decline by 33 percent.

The profit squeeze will trigger a sector-wide restructuring, including store closures, job losses and even greater pressure for lower wages and worse conditions for retail and warehouse workers. Fairfax Media this month reported secretive plans by grocery giant Woolworths to "fight Amazon" by creating four "dark stores," solely devoted to packing and shipping online home deliveries, using 400 workers paid up to \$3,000 less a year than regular Woolworths supermarket workers.

Amazon is notorious internationally for its appalling treatment of warehouse workers. In the US and Europe, the company has presided over multiple workplace injuries and deaths. Its warehouses feature physically harmful demands, relentless speed-up, total

surveillance of its workforce, dangerously hot conditions and minimal toilet and meal breaks.

The situation will be no different for workers in Amazon's 24,000 square-metre facility in Dandenong South, a largely immigrant, working class outer suburb of Melbourne. Operations remain on a small scale, but the company has declared its intention to quickly expand and employ several thousand workers. Already, advertised jobs include "physical warehouse activities" that would require "lifting and moving material up to 16kg each" and "standing and walking for up to 10-12 hours a day."

Workers entering the warehouse car park have been greeted with a large billboard declaring: "Welcome Amazonians. It's still day one! Are you ready to make a difference?"

The state Labor Party government in Victoria hailed Amazon's decision to set up operations in Melbourne rather than Sydney, which the company previously considered as a base. Industry Minister Wade Noonan declared Amazon "the latest global company to choose Victoria for its Australian operations." He claimed it would be "opening up retail opportunities for thousands of local businesses."

Amazon is adept at minimising its tax and avoiding regulations by playing rival governments off against one another. In the US, more than 200 cities are engaged in a bidding war to lure the company's second headquarters, with Chicago offering a \$2.25 billion "incentive package" and Stonecrest, Georgia, offering to change its name to "Amazon" and appoint Bezos "mayor for life." According to media reports, the Victorian government did not lure Amazon with subsidies. Its standard pro-business planning regulations and tax system proved enough to attract the corporate giant.

Several business figures have responded to Amazon's entry into the Australian market by

promoting nationalism, advancing the false notion that working people in Australia have a stake in the accumulation of profit by “their” corporations. Former electronics retailer Dick Smith declared: “It is extreme capitalism. Amazon will make a fortune, and take hundreds of millions of dollars out of this country and send it back to the United States... As it gets greedier and greedier there is no doubt in my mind they will do well. All of the money will not stay here, like from Harvey Norman, or JB Hi-Fi, the money will go back to the United States.”

The trade unions hope to establish a relationship with Amazon as soon as possible. In existing retail warehouses, the union bureaucrats serve as an industrial police force, overseeing the exploitation of low-wage workers. The National Union of Workers (NUW), which covers most warehouse staff, is responsible for numerous industrial betrayals and is currently overseeing the planned “orderly closure” of Woolworths’ Broadmeadows facility in northern Melbourne, at the cost of more than 700 jobs.

NUW national secretary Tim Kennedy told the *Guardian* he wrote to Amazon in August “seeking a meeting to discuss plans for Australia but never heard back.” He later told the *Age*: “We want to organise them; we will really focus on this as a big opportunity.”

The union’s plans to capitalise on the “opportunity” provided by Amazon’s operations have been backed by the pseudo-left group, Socialist Alternative. This organisation works very closely with the NUW in several Melbourne warehouses, serving as its “left” apologist for every sell-out and manoeuvre. Before Amazon’s entry to Australia, Socialist Alternative declared that the company “presents a challenge for the Australian trade union movement” and published a fawning interview with a NUW official.

To fight for decent wages and conditions, Amazon workers need to turn not to the unions and their pseudo-left accomplices but to the Socialist Equality Party and the *International Amazon Workers’ Voice*, a worldwide publication of the *World Socialist Web Site* that tells the truth about conditions in Amazon facilities globally. Warehouse workers need to unite within Australia and internationally, forming independent rank-and-file committees, based on the socialist perspective of mobilising the entire working class in a fight to abolish the profit system itself.

We urge all Amazon workers in the new Australian warehouse to follow the *International Amazon Workers’ Voice* Facebook page and contact us to discuss how to take this struggle forward.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact