

Woolworths locks out workers at Australian warehouse

Terry Cook
29 July 2020

Woolworths, one of Australia's big supermarket and retail chains, last Friday imposed a four-day lockout of 500 workers at one of its warehouses in New South Wales (NSW), Australia's most populous state. The company launched its attack after the workers held a 24-hour strike to demand improved wages and conditions.

The Wyong warehouse, on the NSW Central Coast, is one of three such Woolworths facilities in the state, servicing 75 of its supermarkets in the region and Sydney's north.

The United Workers Union (UWU), which covers the site, claims to be demanding a 16 percent pay increase for level-one employees in the first year of a three-year agreement and 9 percent for those employed in higher positions. The union is calling for this to be followed by two annual 4 percent increases.

The union's demands would only result in parity with the low pay rates at the company's centres in Sydney. Currently wages at Wyong are between \$29 and \$37 an hour.

Woolworths has rejected the proposals, condemning "unsustainable pay demands and the removal of basic performance expectations."

The union has created the conditions for the company assault by isolating the workers, restricting them to limited industrial action and encouraging them to make impotent appeals to management.

Union-brokered agreements have resulted in more than 20 percent casual employment in the warehouse. Casuals with years of service have not been made permanent, despite often doing the same work as full-time employees.

Workers' anger has been fuelled by soaring pick rates—the number of items they must move every hour. These have risen substantially during the coronavirus

crisis. Even before the pandemic, workers report that rates had increased to 230 cartons per hour, up from 160 just seven years ago.

At a picket line outside the warehouse, a worker in the chilled and frozen goods section told the WSWS: "There's a big turnaround for casuals here. I've only been here for two years but I've seen heaps of people come and go, I'd say up to 100 every year. With the outbreak of COVID-19, you would see 80 people coming in every week and a lot would leave in the first week. It's a very demanding job. I see injuries all the time with picking."

The worker noted that despite the dangers, the casual employees receive no sick leave or other entitlements.

Another employee commented: "It's going to be a difficult week. Since they've locked us out for five days, a lot of people are going to be struggling to make ends meet. A lot of people on the Central Coast live week-to-week. I've been saving, putting things aside, but it's still going to be a struggle."

"We've worked all through the pandemic, and all we got for a cash incentive was a \$250 gift card to spend at Woolworths and shares, which we can't touch for three years."

While this worker had been made permanent, a colleague had been a casual for seven years. The worker added: "The pick rates in here are just astonishing. They're so incorrect, there's no standard built into it. Week to week they change."

Amid a resurgence of COVID-19 infections in NSW, as well as neighbouring Victoria, the worker said he was worried. "Workers have asked for masks but the management said that it was on the government website that they don't need masks so they weren't going to provide them. If people are trying to keep up speed for the pick rates, there's no social distancing."

The lockout is aimed at establishing a precedent for further attacks, as employers seek to use the pandemic to accelerate a decades-long pro-business restructuring of workplace relations and conditions.

The extent of such planning is shown in the company's strike-breaking measures. When the lockout was announced, management revealed it had "enacted contingency plans" to ensure continued operations at the warehouse.

Just weeks earlier, Woolworths announced plans to close its distribution centres at Minchinbury and Yennora in Sydney and Mulgrave in Melbourne by 2025, and open an automated distribution centre at Moorebank in Sydney. The facilities targeted for closure employ 1,300 workers, whereas planned automated centres will require only around 650.

Last year, even before the COVID-19 crisis, Woolworths announced the closure of 30 Big W stores and the shuttering of associated distribution centres, resulting in the destruction of 1,000 jobs.

While slashing jobs and claiming that it cannot afford meagre wage rises, Woolworths continues to reap massive profits. In June, the company announced it expected full-year earnings before interest and tax to be in the range of \$3.2 billion to \$3.25 billion, just a little down from \$3.9 billion last year.

In response to the Wyong lockout, UWU logistics director Matt Toner issued a grovelling statement, complaining that the company's response was "an overreaction" because the union had already "moderated" industrial action "in recognition of the pandemic circumstances."

The UWU's only concern is that it risks being sidelined by the company, and excluded from the bargaining table, where it negotiates away jobs, wages and conditions while ensuring the privileges of the union officials.

The UWU, like the other unions in the sector, has imposed one sell-out agreement after another, resulting in casualisation and dangerous conditions throughout warehousing.

The union has done nothing to disrupt Woolworths operations at its other warehouses, in a bid to isolate the Wyong workers. Toner's comments are a warning that the UWU is preparing another sordid betrayal.

This is in line with the role of all the unions. Throughout the pandemic, they have collaborated with

the federal and state governments to reduce working conditions and slash wage levels, thus forcing their members to pay for the economic crash.

Workers at Wyong and elsewhere need to take matters into their own hands and establish independent rank-and-file committees across the warehousing sector to conduct a genuine industrial and political offensive for decent, full-time jobs and higher pay.

Such committees would be tasked with breaking the isolation imposed by the unions and turning out to other sections of the working class. Above all, they would confront major political issues, including the need to fight for a workers' government that would place Woolworths and other major corporations, along with the banks, under public ownership and democratic workers' control.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact