

Australia: Woolworths lifts lockout as union pushes through sell-out deal

Terry Cook
8 August 2020

Supermarket and retail giant Woolworths on Thursday ended its indefinite lockout of Wyong distribution centre workers in New South Wales after negotiating a sellout enterprise agreement (EA) with the United Workers Union (UWU).

More than 550 workers were locked out after going on strike for 24 hours on July 24, following the breakdown of five month long negotiations for a new agreement.

The UWU claims its deal with the company is “inspiring all workers to not just have to accept whatever scraps are tossed their way” and to “fight for good wages and conditions, decent jobs and a more equal society.

In reality, the agreement, which was hatched in closed-door negotiations and pushed through at a union meeting on Thursday, is a sell-out and follows management’s previous declarations that it would not accept “unsustainable pay demands and the removal of basic performance expectations.”

A media statement from Woolworths chief supply chain officer Paul Graham said the company “was happy” with the outcome, fraudulently claiming the offer was a “reasonable compromise.”

In fact, the deal jettisons workers’ key demand for pay parity and maintains Woolworths’ low-pay regime and exploitative working conditions that together with similar conditions across its warehousing and supermarket outlets provide the giant corporation with massive profits. Woolworths’ full-year earnings for 2020 are expected to be up to \$3.25 billion before interest and tax.

The UWU’s original demand was for an immediate 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, followed by up to 4

percent annually depending on their grade for the remainder of the agreement.

Under the new agreement, workers will receive an average 11.2 percent increase over three years, or around 3.7 percent annually, far below the amount required to establish wage parity with the company’s Sydney distribution centres.

The company will also retain 20 percent of the Wyong workforce as casuals who do not receive holiday and sick leave and other entitlements provided to fulltime employees. The percentage of casuals can be increased during peak periods, such as Christmas and Easter.

Woolworths will no doubt call for more casuals at Wyong and across its other warehousing operations to offset disruption to retail outlets caused by COVID-19 restrictions now in place in Victoria, where infections have dramatically increased.

Woolworths also rejected any easing of the Wyong centre pick rate, the number of items workers are required to move every hour. One Wyong employee told the WSWS that the Wyong pick rate had increased to over 230 cartons an hour, up from 160 seven years earlier. This was further driven up during the pandemic to dangerous and unsafe levels that made social-distancing virtually impossible.

When Woolworths management locked out the Wyong workers, it planned like other employers to use the pandemic to inflict a major blow on distribution workers, and establish new exploitative benchmarks to be imposed on the rest of its workforce.

Woolworths launched its attack fully confident that it could rely on the UWU to isolate the dispute and block calls for industrial support from workers at its Sydney distribution centres to supply supermarkets in the Central Coast region and Sydney’s north normally

serviced by Wyong.

While the company enacted its “contingency plan” to maintain supplies to supermarkets, the union diverted the Wyong workers into harmless protests outside the empty Wyong warehouses. The UWU used sporadic visits to the protest by officials from various unions and their hangers-on and photo-op appearances by Labor MPs to claim it was organising extensive support.

Just days before pushing through its sell-out deal, the UWU organised a group of Wyong workers to travel to Sydney. The trip was not to visit their counterparts in other warehouses and appeal for support and industrial action, but to protest outside Woolworths headquarters and present a petition calling on Woolworths CEO Brad Banducci to support the workers’ demands.

Appeals to Banducci, who has overseen years of savage attacks on jobs and conditions to drive up share values and fund lucrative executive remuneration packages, are worse than a waste of time. On top of his \$2.6 million annual salary in 2019, Banducci was paid \$5 million in vested long-term incentives for slashing wages and jobs.

Banducci’s package would have been significantly higher had he not agreed to forgo short-term bonuses in a damage-control exercise following revelations last October that Woolworths underpaid nearly 6,000 employees by \$300 million over a 10-year period.

Woolworths sudden decision last week to end the lockout and reopen negotiations with the UWU was not out of any concern of what the union might do. It reflected fears in ruling circles that a protracted dispute, under conditions of growing popular opposition to the criminally-inadequate government response to the pandemic and unprecedented unemployment, could spark widespread industrial action by other workers.

On Monday, workers at Woolworths liquor distribution centre in Melbourne’s west took matters into their own hands and walked off the job after learning that one worker tested positive to COVID-19. The site remained open on Saturday even though management were informed of the positive result at least the day before.

This walkout came amid similar actions in other industries, such as the recent refusal of meatworkers at the JBS abattoir in Brooklyn, Melbourne to begin work unless the company improved COVID-19 safety measures and provided personal protection equipment.

There had been at least 86 coronavirus infections at the facility.

Yesterday, more than 200 Melbourne Toll warehouse workers began unscheduled strike action over inadequate contact-tracing after infections were detected.

The UWU sell-out of the Wyong dispute is in line with the response of the Australian Council of Trade Unions and all other unions to the pandemic. From the outset, the unions have collaborated with the federal and state governments and employers to maintain production and profits by reducing working conditions, slashing wage levels and imposing the cost of the pandemic on their members.

This demonstrates that in order to fight for full-time jobs, along with decent pay and safe conditions, workers need to take matters into their own hands through the establishment of independent rank-and-file committees in every workplace and site and to unify all sections of the working class.

Above all, these new organisations must be based on the fight for socialist policies and a workers’ government that would place the major retailers and other key corporations and the banks, under public ownership and democratic workers’ control.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact