

Australia: Coles imposes three-month lockout on 350 warehouse workers

Our reporters**29 November 2020**

Coles, one of Australia's two largest supermarket retailers, responded to a 24-hour strike on November 19 at its Smeaton Grange distribution centre in southwestern Sydney by locking out the 350-strong workforce for the next three months, until February 11.

Tensions between warehouse workers and management have been intensifying since the company announced plans last year to close the facility, its largest distribution centre in New South Wales, and replace it with a new automated warehouse in 2023. United Workers Union (UWU) members walked out after rejecting an enterprise agreement "offer" from management. They are calling for job security, higher pay, improved conditions and greater termination payouts.

Demands of the UWU-organised strike included the right of workers to transfer to the new automated warehouse; five weeks of pay for each year of service capped at two years' pay if they are terminated, and a 5.5 percent wage rise.

Coles offered four weeks' pay per year of service and a 3.5 percent pay increase. The giant corporation recorded a 7.1 percent rise in net profits to \$951 million in the 2019–2020 financial year. Dividend payouts to shareholders climbed by nearly 15 percent and share prices continue to increase.

Coles and Woolworths, which collectively control 80 percent of the supermarket industry in Australia, are both attempting to drive up productivity at their distribution centres. Approximately \$1.5 billion is being invested in new operations to supply Melbourne, Sydney and Brisbane supermarkets with Coles alone investing \$950 million in the projects. The cost-cutting and increased productivity is in line with the super-exploitative warehousing techniques used by Amazon and other retailers.

Coles is seeking to set a precedent for an increased assault at other distribution centres, as well as conditions

more broadly. With planned closures of Coles distribution centres, including at Goulburn, south west of Sydney, the working conditions and redundancy provisions at Smeaton Grange will be enforced elsewhere.

The Smeaton Grange dispute, which follows the July lockout of 500 workers at Woolworths' distribution warehouse in Wyong, was long planned by Coles. Management put in place "alternative arrangements" to supply to its supermarkets—i.e., increased productivity at other distribution facilities and pop-up distribution centres employing casuals.

The UWU has responded to the Smeaton Grange attack by isolating the locked out workers, denouncing Coles management whilst appealing for talks, and engaging in a series of photo-opportunity stunts, including a protest yesterday outside the company's head office in Melbourne. The UWU declares that it "will support these workers with all the resources available, no matter how long the dispute goes on." This is a fraud.

The union, which has 150,000 members nationally, has already accepted the conditions being offered by Coles at its other distribution centres, including the planned closure of the Goulburn facility. Just like its betrayal of its members at Woolworths in Wyong, the union will resume closed-doors talks with management as soon as it can to work out a suitable deal.

The UWU is determined to prevent workers reaching out to the tens of thousands of retail distribution workers across Australia and developing unified action independent of the unions to defend jobs and win decent wages and conditions.

Yesterday, *World Socialist Web Site* reporters visited locked out Smeaton Grange workers at a protest picket outside the facility. UWU officials directed workers not to discuss anything with the WSWS, slandering the site and claiming it "attacked workers" and had "caused trouble" in July amongst Woolworths' Wyong employees. Like

the rest of the union bureaucracy, the UWU cannot allow any objective discussion of its record of betrayal.

The UWU responded to the Woolworths lockout by negotiating a sellout deal and a return to work in little more than a week. The pay increases that Woolworths workers were demanding were dropped and the level of casualisation in the distribution centre maintained. The pick rate, the number of items moved by workers each hour, which had increased to 230, up from 160 some years earlier, was maintained.

During the Wyong dispute, the union encouraged futile appeals to the Woolworths CEO, appealing to his “compassion” to support workers’ demands. Similar appeals are now being made to the Coles management, urging them to “look after” their employees. Workers wanting to support the locked out Coles staff are being directed to sign a petition calling on management to “look after” the workers.

In order to defeat the Coles lockout, Smeaton Grange workers need a new perspective based on the political lessons of decades of betrayals by the unions, going back to the Hawke Keating Labor government accords, and embodied in recent experiences.

Workers cannot take a step forward without making a conscious break from the unions and establishing rank-and-file committees 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 now being imposed by the unions and turning to other sections of the working class as part of the struggle for workers’ government and socialist policies that would place Coles and other major corporations, including the banks, under public ownership and democratic workers’ control.

We appeal to workers who want to unify to fight the attacks on pay and conditions to contact the Socialist Equality Party at: sep@sep.org.au.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact