

Australia: Workers report 96 redundancies at Coles' Smeaton Grange warehouse

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Workers at Coles' Smeaton Grange distribution centre in south-western Sydney have told the *World Socialist Web Site* that 96 of their colleagues have been made redundant since the warehouse re-opened in early March.

They are among the 350 workers who were recently subjected to a 14-week company lockout that ended in betrayal at the hands of the United Workers Union (UWU). After a long-running and courageous stand, the workers were finally compelled to accept a sell-out deal after the UWU refused to provide them with strike pay and colluded with management to push an agreement that ratified the closure of the facility and the destruction of all, or most, of the jobs there.

Workers have also reported an increased reliance on casuals, employed through labour hire companies, as well as an atmosphere of hostility between management and permanent workers.

The enterprise agreement that was imposed by the UWU stipulated a maximum of 80 "voluntary" redundancies in the initial process, suggesting either that some of the 96 workers have been involuntarily retrenched or that more workers were eager to leave.

The refusal of the UWU to provide strike pay during the protracted lockout forced many of the Smeaton Grange workers to seek alternative employment. Some may have elected to take redundancy rather than return to Coles and face unemployment within the next two years.

While it is not clear when the redundancies will take effect, the reports are an indication that the major supermarket chain is moving rapidly to shut down the warehouse in advance of the opening of a new automated facility scheduled for 2023-24. The UWU has not made a single statement on Smeaton Grange since ramming through its deal with management,

indicating that the union is now collaborating closely to get rid of the workers as quickly as possible.

The Smeaton Grange distribution centre is just one of five Coles warehouses in New South Wales (NSW) and Queensland slated to close by the end of 2023 and to be replaced by two new automated facilities.

The other warehouses in line for shutdown are Eastern Creek in Sydney, Goulburn in regional NSW, and Heathwood and Forest Lake in Brisbane, Queensland. All up, some 2,200 Coles workers face the scrapheap. The company has not indicated how many workers will be employed at the new facilities, but the number will undoubtedly be far lower than the current workforce and will likely include many casuals.

The Coles overhaul is part of a ruthless restructure throughout the warehousing and logistics industry.

Rival supermarket chain Woolworths plans to open a new automated distribution centre in NSW by the end of 2023, and shut down its Yennora, Minchinbury, and Mulgrave warehouses, which employ around 1,350 workers, meaning a net loss of at least 750 jobs. This follows the company's 2018 construction of the Melbourne South Regional Distribution Centre, which resulted in the closure of its Broadmeadows shed and the destruction of more than 600 jobs.

This is being carried out in circumstances where real unemployment (as calculated by survey firm Roy Morgan) remains in double digits. Last month's figure of 11.4 percent was 4.1 points higher than the first half of March 2020, when the announcement of COVID-19 safety measures set off a wave of job cuts.

The pandemic has been used as an opportunity to accelerate the assault on working class jobs and conditions.

The Labor party and the unions are playing the linchpin role in close collaboration with big business

and the federal Liberal-National government. This was exemplified by Australian Council of Trade Unions boss Sally McManus telling employers last year that they could “get everything they want” by working with the unions.

At Smeaton Grange, and more recently at McCormick Foods in Melbourne, where workers struck against sweeping attacks on pay and conditions, prominent Labor and union figures were trotted out to the picket line in a desperate bid to prevent the emergence of opposition.

The UWU and Labor shutdown the McCormick’s strike earlier this month, proclaiming a “victory,” without making public their deal with management. The speed with which they shut down the dispute was a response to the Smeaton Grange lockout, where the UWU’s perfidious role provoked widespread opposition.

All 350 permanent employees at Smeaton Grange were locked out on November 19 last year after they voted for a one-day strike objecting to the enterprise agreement offered by management.

From the start, the UWU isolated workers, carrying out only a handful of stunts and calling for a toothless customer boycott of Coles supermarkets. The union prevented any action at other distribution centres, and did not even inform workers at some of them that a dispute was underway.

In the first month of the lockout, the union abandoned its call for a 5.5 percent pay rise and told workers to accept the company’s offer of 3.5 percent as a “sign of good faith to Coles.”

By mid-January, the UWU had abandoned its log of claims and sought to ram through the company deal. The union held ballot after ballot on the agreement, the majority of which were voted down. Only as workers were pauperised by the refusal of the union to provide strike pay, and facing the prospect of months longer being locked out, was the UWU able to force through its sellout.

Throughout the dispute the union insisted that the job cuts and warehouse closure were inevitable. It then worked with management to ensure that provisions for redundancies, wages and conditions cost Coles, a multi-billion dollar corporation, as little as possible.

The extent of the collaboration was spelt out by Coles’ Chief Operations Officer Matt Swindells in a

video posted on February 10 which sought to defend the UWU from socialist criticism.

In a thinly-veiled reference to the Socialist Equality Party and the WSWS, Swindells denounced the “extreme socialists who have infiltrated this dispute,” noting that “they are anti-union people,” pushing “this wider agenda of taking on big business and the banks.” Swindells praised the UWU for working “constructively” with management.

The record of the Smeaton Grange dispute, and the haste with which jobs are being cut, is a warning to all other workers throughout the warehousing and logistics sector. The UWU is preparing to enforce the same job cuts and closures at the other Coles and Woolworths warehouses slated to be shut.

The only way that this offensive can be combated is through a complete break with the union. New organisations of struggle, including independent rank-and-file committees must be established at all facilities. Such committees can distribute information, organise democratic discussions without the interference of the union bureaucrats, and prepare joint industrial and political action to defend jobs and stop the closures.

The restructures underscore the need for a socialist perspective, directed against the companies, the government, Labor and the unions, all of which insist that workers must “sacrifice” to ensure the profits of the corporate and financial elite. In opposition to this drive, workers should fight for Coles and Woolworths, along with the banks and major corporations, to be placed under public ownership and democratic workers’ control. This is inseparable from the broader struggle for a workers’ government and for socialism.



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