

Australian union sells out Toll warehouse strike

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18 November 2021

An “indefinite” strike by up to 1,000 Toll warehouse workers at seven distribution centres in Victoria, New South Wales and South Australia was brought to an abrupt conclusion yesterday by the United Workers Union (UWU).

While the union hailed this as a victory for workers, it can only be viewed as a sell-out of a workforce that was clearly ready to undertake a protracted struggle.

Toll operates the sites under contract for major brands including Kmart, Nike, Mondelez, Treasury Wine Estates and Optus.

On Monday, the first day of the protected industrial action, UWU national secretary Tim Kennedy vowed to “remain on strike until we get a fair deal.”

Reports in the corporate media portrayed an air of immense hostility between Toll and the UWU. According to the *Australian Financial Review*, the union was pursuing an 8 percent per annum wage rise, although Kennedy refused to nominate a figure, saying “we don’t negotiate out in the street.” Toll, meanwhile, responded to the establishment of picket lines at the seven sites by calling the police and threatening legal action to break up this supposedly “illegal conduct.”

Under Australia’s draconian industrial relations laws, workers are only allowed to strike over pay and conditions during the narrow window in which their enterprise agreement is being negotiated, and only union members covered by the agreement are allowed to take part. These restrictions on industrial action were introduced by the union-backed Rudd Labor government in 2009, building upon anti-strike laws brought in under Hawke and Keating in the 1980s and 90s. They have been consistently enforced by the unions ever since.

While the striking workers were undertaking so-called “protected industrial action” in compliance with these “Fair Work” laws, the company alleged that union officials were intimidating casual workers—not legally allowed to participate in the strike—who were attempting to cross the picket line.

The UWU has form in this regard. At General Mills in

June, the union drove a wedge between permanent and casual staff, denouncing casual labour hire workers as “f***ing us over” for continuing to work, even while upholding the laws that barred them from participating.

Toll warned that the “reckless, illegal action” of workers and the UWU would “disrupt the lives of our employees, our valued customers and Australian working families who have purchased products from those customers.”

Yet, by late Tuesday night, management and the union had hammered out a deal in closed-door negotiations.

By Wednesday afternoon, the UWU had declared the strike over, claiming that the membership had voted in favour of the union-management agreement.

Among the few details of the deal highlighted by the union was a wage rise of 3 percent per year over three years, a marginal increase over the 2 percent and 2.5 percent figures rejected by workers because, according to Kennedy, “that will not change their life.”

Far from a life-altering windfall, the 3 percent figure is likely to amount to a pay cut in real terms. The most recent official figures put annual Consumer Price Index growth at 3 percent, and figures released yesterday by the Australian Bureau of Statistics (ABS) showed that the Wage Price Index had increased by 0.6 percent in the September quarter and 2.2 percent in the past year. The Reserve Bank has stated that it expects wage growth to top 3 percent by late 2023.

On Monday, Kennedy described the circumstances of workers at the Kmart distribution centre in the working-class Melbourne suburb of Truganina. In 2010, the cut-price department store chain outsourced operations at the warehouse to Toll, slashing workers’ wages from \$32.65 per hour to \$17 an hour. In the eleven years since, the hourly rate has risen to just \$27.53. The median hourly wage in Australia was \$36, according to ABS figures from August 2020.

The 3 percent pay rise heralded as a win by the UWU means that, at the conclusion of this three-year agreement, workers at the Kmart facility will still be earning more than

\$2.50 an hour less in nominal dollar terms than they were in 2010.

One of the key demands of workers in the dispute was for greater job security. The UWU declaration of victory noted that Toll would create “more than 100 new permanent jobs,” a small fraction of the approximately 400 new casuals hired in the last year at the Truganina facility alone to deal with surging volume during the COVID-19 pandemic. In 2020–21, Kmart Group posted earnings before tax of \$693 million, an increase of almost 70 percent over the previous financial year.

The new agreement will cover any new Toll warehouses, where it will impose a minimum “starter rate” of \$25 an hour.

The new agreement reportedly contains (unspecified) improvements to redundancy payments and “a guarantee that if workers are moved to a new Toll distribution centre their wages and redundancy provisions will be maintained.” All this really means for workers is that they will continue to receive below-average wages while being shunted from one warehouse to another until they are finally thrown on the scrapheap as the industry moves rapidly towards automation.

Almost half of the 32,000 square metre footprint of Toll’s flagship Prestons Advanced Retail and eCommerce Fulfilment Centre in south-west Sydney, which opened in 2017, is taken up by automated equipment. The facility, where more than 95 percent of volume is handled by machines, including driverless forklifts and automatic carton optimising machines, has the capacity to pick and pack up to 175,000 items per day with just 200 workers.

The unions, which are completely committed to capitalism, uphold the logic of the market when it comes to automation, i.e., developments in productivity must be used to slash jobs, wages and conditions. The UWU and its counterparts are bitterly hostile to the fight for socialism, under which automation would be used to lighten the workload of warehouse employees and other sections of the working class, with no reduction of wages.

The UWU’s reference to redundancy provisions is a warning. It has already enforced the closure of Coles’ Smeaton Grange warehouse, with a sell-out agreement earlier this year that was widely opposed by workers. It is preparing the same at other Coles and Woolworths warehouses, and will seek to inflict the same job cuts on Toll staff as demanded by the company.

The swift conclusion of the strike makes clear that any animosity between Toll and the UWU was largely for show. In a period in which workers throughout the supply chain, including truck drivers at Toll itself, have demanded industrial action more stridently than they have for decades, the UWU called the limited stoppage to let off steam while it

worked out a sell-out deal with management.

The UWU’s declaration of victory is designed to afford it the credibility it needs in order to resume the role it shares with the rest of the trade union bureaucracy as the enforcer of management dictates and suppressor of workers’ discontent.

The unions, as the servants of big business and the government, have ensured that, despite common issues of job security, wage stagnation and rampant casualisation throughout the working class, each dispute has been carefully isolated and timed to avoid any significant disruption to the supply chain.

UWU members at a Country Road warehouse just five kilometres away from the Kmart distribution centre are currently striking over pay and job security concerns. Far from calling for a unified struggle of workers at even these two nearby workplaces, the union made only a few token references on Monday to the Country Road dispute.

Two of the seven sites involved on Monday are Mondelez confectionery factories, where hundreds of workers covered by the Australian Manufacturing Workers’ Union are currently involved in a pay dispute that has involved multiple 24-hour strikes over recent months. Again, no effort has been made by either union to expand the struggle to different groups of workers within a single facility, let alone to the working class more broadly.

The current global supply chain crisis has exposed the vital role played by workers throughout the transport and warehousing sectors and places them in a position where there is the potential to exert tremendous power. This cannot be realised while workers remain straitjacketed by the unions.

Workers at Country Road, in particular, must learn sharp lessons from the Toll sell-out, make an immediate break with the UWU, and form independent rank-and-file committees to carry out a genuine struggle to defend their jobs and improve their pay and conditions. This struggle must be connected to a socialist perspective, aimed at placing warehousing and logistics under public ownership and democratic workers’ control, the only means of halting the incessant, pro-business restructuring of the sector.



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