

United Workers Union rams through sell-out at Australian clothing warehouse

Paul Bartizan
21 November 2021

The United Workers Union (UWU) this morning declared that Country Road Group (CRG) workers would immediately return to work, concluding an 11-day strike.

According to the union, workers voted early this morning to accept an enterprise agreement (EA) containing a 13.3 percent wage increase over four years, backdated to begin from the expiry of the last agreement in April.

While this offer is slightly better than the 2.7 percent per annum previously offered by the company and twice rejected by the workers, it is unlikely to keep up with sharp rises in the cost of living. Even the official CPI, which vastly underestimates the impact of increasing prices on the working class, is already at 3 percent, with global signs pointing to sharp inflation in the near future.

Furthermore, these warehouse workers are starting from a wage that is not only far below the national median hourly wage (\$36 in August 2020, according to the Australian Bureau of Statistics), but also significantly less than others in the sector.

The hourly Level 1 wage at CRG is now just \$22.52, compared with \$26.24 at nearby apparel company Hanes warehouse and \$30.84 at the Just Group. The 13.3 percent pay rise trumpeted by the UWU leaves CRG workers earning an hourly starting wage of just \$25.52 by 2025, less than what their counterparts are earning today.

The new EA calls for the creation of 20 new permanent positions, but still allows for a quarter of the workforce to be employed as casuals. The union-management deal does nothing to stamp out the use of labour-hire casual workers, merely guaranteeing them the same meagre wages as those directly employed by the company.

Workers at the CRG clothing warehouse in Melbourne began indefinite strike action on Thursday, November 11, following a 24-hour stoppage at the end of August.

As it has done in significant disputes this year at Coles Smeaton Grange and General Mills in Sydney, the UWU carried out a campaign of isolation, with no attempt to mobilise other warehouse workers or broader sections of the working class.

Instead, the union engaged in a series of publicity stunts, including workers chaining themselves together outside retail stores and engaging in a mock catwalk show meant to lampoon the company's involvement in Fashion Week.

On Friday, more than 50 workers protested outside Country Road's upmarket flagship store in South Yarra in wet, wintry conditions. Some workers were joined by their families. Kate, a packer, said: "All I'm after is a living wage to be able to support my family." Another packer, Sue, stated: "All I want is an extra dollar [an hour] from a company that made millions in profit in a COVID year." Sugar, who has worked at CRG for 15 years doing online orders, said: "We're all here for one reason—for a living wage, for respect and to support our families and they can't even give us a dollar."

UWU logistics coordinator Mick Power stated, "Workers have reported persistent intimidation. Examples include dictatorial Amazon-esque announcements made in staff meetings, communicating with workers at their homes and out of hours, pressuring workers to continue working despite legitimate safety objections and one-on-one conversations with workers discouraging their participation in the union."

Speaking at the protest, Power explained that when there were several COVID-19 cases at the warehouse, the company forced workers to keep working despite legitimate fears for their health. He also noted that 70 percent of the mostly female workforce are casuals. On some days, casual workers, having driven up to an hour to work, were informed just five minutes before their shift was due to start that it was cancelled.

Country Road Group (CRG) is an umbrella for a number of upmarket fashion brands including Country Road, Witchery, Politix, Mimco and Trenery, with around 600 retail outlets. In 2016, CRG was acquired by Woolworths Holdings Limited, which employs 7,000 people in Australia, New Zealand and South Africa, where it is headquartered. CRG reported a profit of \$155 million for the 2021 financial year—a 55 percent increase over 2019—while receiving \$25 million in JobKeeper payments from the public purse.

In 2015, the CRG “Omni Fulfilment Centre” was opened to supply both its retail outlets and online shopping customers. The highly automated 21,000 square metre facility is one of many large warehouses in the western Melbourne suburb of Truganina. The CRG website boasts that it provides employees with safety boots, employee of the month awards and regular on-site team BBQs. It fails to mention that it also offers some of the lowest wages in the industry.

The 2015 “greenfield” EA negotiated by retail workers union, the Shop Distributive and Allied Employees Association (SDA), included a starting wage of \$20.43 per hour.

The EA expired in April this year and, according to the UWU, workers twice voted down a new EA offered by the company which included a 66 cent per hour increase.

The UWU mounted a campaign that won CRG workers from the SDA last year. The SDA is renowned for overseeing extremely low retail wages and has a track record of suppressing their members’ wages below those of non-unionised workers.

In 2017 Coles supermarkets admitted that 60 percent of its workforce would be better off if they were paid statutory minimum award wages rather than the rates negotiated by the SDA. Similar SDA deals at Woolworths supermarkets and fast-food companies McDonalds, Hungry Jacks and KFC resulted in workers being paid a total of \$300 million per year less than legal minimums. An estimated 250,000 workers were affected.

Today’s announcement at CRG makes clear that workers should harbour no illusions that the UWU, or any other trade union, represents a way forward, or even a lesser evil.

Around 400 workers at a Kmart warehouse just five kilometres from the CRG facility began an indefinite strike on Monday, along with Toll workers at six other sheds in Victoria, South Australia and New South Wales. Despite the close proximity and similar issues confronting workers, the UWU did nothing to unify these struggles or mobilise broader support among the tens of thousands of warehouse workers throughout the western suburbs of Melbourne. The Toll strike ended almost as soon as it began, with the UWU ramming through a sell-out deal in less than three days.

The unions claim that broader actions are impossible because Australia’s “Fair Work” laws prohibit secondary boycotts and pattern bargaining. The reality is, these laws were introduced by union-backed Labor governments and have been consistently enforced by the unions ever since.

At the Coles warehouse in Smeaton Grange in Sydney, 350 workers were locked out for more than three months, beginning in November 2020, after refusing to accept an EA which included the planned shutdown of their warehouse. In

league with management, the UWU repeatedly attempted to ram through a deal that workers rejected on eleven occasions and refused to mobilise any workers from other Coles warehouses or elsewhere. Despite having \$300 million in assets, the union provided no strike pay and the workers were starved back to work after a courageous 14-week struggle.

At the McCormick Foods plant in Clayton, 100 workers struck for six weeks in early 2021, as the company refused to negotiate a new EA. The UWU claimed a victory when workers received a 3 percent pay increase, but this came after losing 10 percent in real terms as their wages had not increased in the previous five years.

After three weeks on strike, 80 workers at General Mills in the Sydney suburb of Rooty Hill were sold out in a UWU-brokered deal that delivered less than the union’s meagre 3 percent pay demand and did nothing to address the other key issues in the dispute, job security and rampant casualisation.

In each case, workers showed their willingness to take action in the face of concerted hostility from their employer and under conditions of a global pandemic in which workers risk infection every day.

The key factor holding these workers back is the UWU. This is no aberration. The unions everywhere function as an industrial and political police force of the corporations and governments. They represent an affluent bureaucracy whose privileges are directly tied to the unions’ suppression of the class struggle and imposition of the dictates of the financial elite.

Workers need to adopt a strategy that the unions will not. That is, a turn to other workers in warehousing and to the working class more broadly. This means making a conscious break with the unions and forming rank-and-file committees at every workplace to organise and direct a genuine fight for fair pay and working conditions.



To contact the WSWS and the Socialist Equality Party visit:
wsws.org/contact