

Australian retail union pushes through sell-out wage deal at Woolworths amid growing worker opposition

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Around 130,000 workers at Australia's largest supermarket chain, Woolworths, confront another four years of dire wages and conditions under a deal pushed through last month by the Shop, Distributive and Allied Employees' Association (SDA).

The agreement contains a supposed pay "increase" of 3.75 percent this year, while the latest inflation figures from the Australian Bureau of Statistics show a 4 percent rise over the year to May. The price of many essentials like rent is rising faster still. Fuel costs went up 9.3 percent, power bills rose by 6.5 percent and there was a 5.2 percent jump in housing costs, including a 7.4 percent increase in rents.

In the remaining years of the agreement, even such sub-inflationary increases are not guaranteed, with annual pay rises tied to the pro-business Fair Work Commission's annual wage review.

In other words, the SDA deal commits Woolworths, Australia's largest private sector employer, to little more than the bare minimum it could legally get away with. After this year's pay "rise," most Woolworths workers will earn just 42-45 cents more per hour than the federally mandated minimum award wage.

Under the deal, entry-level adult employees at the supermarket chain will be paid a base rate of just \$26.07 per hour, while workers in the highest classification, whose responsibilities include managing departments and supervising more than 15 staff, receive just \$29.31 per hour. This is less than two-thirds of the average Australian hourly wage.

The agreement also retains junior rates, under which workers below the age of 17 are paid half the adult wage for doing the same job, with 17-, 18-, and 19-year-olds receiving 60, 70, and 80 percent of the full wage.

The agreement passed despite significant opposition from workers. While the SDA, in lockstep with management, ran a flashy campaign advocating a "yes" vote, less than half the total workforce approved the deal.

After the vote, management and the union bureaucracy spoke in virtual unison. SDA national secretary Gerard Dwyer said he was "very pleased" workers had approved the "good agreement." Making clear just who the agreement is "good" for, a Woolworths spokesperson said, "We're very pleased our new enterprise agreement received a majority yes vote."

While around 62,000 workers voted in favour of the agreement, almost 36,000, or 38 percent of those that returned ballots, voted "no." This is a substantial increase in the level of opposition to Woolworths and the SDA bureaucracy: In 2018, just 7 percent of workers voted against the last proposed enterprise agreement.

Cost of living pressures are forcing more Woolworths workers to reject the determined efforts of management and the union leadership to keep wages as low as possible. Woolworths and competitor Coles, which between them control 65 percent of the Australian supermarket business, are themselves major contributors to soaring inflation.

Especially since the onset of the COVID pandemic in early 2020 and the US-NATO war against Russia in February 2022, the major supermarket chains have used supply-chain issues and broader price increases as a pretext to raise their profit margins. The Australian government has held various inquiries into price gouging that have done nothing to lower shelf prices.

In the six months to December, Woolworths recorded net profit after tax of \$929 million, 2.5 percent higher than the same period in the previous year. The company's Australian food division increased its gross profit margin by 1 percentage point to 28.9 percent.

As a further means of driving up profits, the supermarkets have slashed thousands of jobs through the introduction of self-serve checkouts, semi-automation of online shopping and increasingly automated warehousing and distribution systems. This has been facilitated through the total collaboration of the unions in the sector.

The SDA is the main union that has covered retail and fast food workers for decades and has around 200,000 members nationally. The union maintains close working relationships with major retail companies, including paying millions of dollars in fees to employers, which collect dues on behalf of the SDA and ensure that joining the union is essentially a formality for new employees.

In collaboration with the SDA, the major supermarkets and fast food chains have stolen millions of dollars of workers' wages.

The SDA's stranglehold on retail workers is being challenged by the Retail and Fast Food Workers Union (RAFFWU), which was founded in 2016. RAFFWU postures as an alternative to the "company union" SDA and claims to represent around five percent of Woolworths and Coles workers.

The RAFFWU promotes the conception that workers can secure decent wages and conditions simply by joining a more "militant" union. In this dispute, the RAFFWU promoted the illusion that just by voting "no," workers could compel Woolworths to provide a better offer.

RAFFWU's log of claims called for a base pay rate of \$29 per hour and the abolition of junior rates, and "supported" wage rates, under which workers with a disability can be paid as little as ten percent of the adult rate. Other RAFFWU demands were for abolition of the despised RT3 automatic rostering system, for the increase of minimum shift lengths from three to five hours, and a minimum contract of 12 hours per week for part-time workers.

Amid a growing cost-of-living crisis, such demands are striking a chord with growing numbers of workers. But the real function of the RAFFWU, led by career

bureaucrat Josh Cullinan, is to divert workers' anger over decades of betrayal by the SDA and other unions into a "safe" channel that presents no threat to the corporate and political establishment.

Despite its left talk, the RAFFWU completely accepts and defends the framework of enterprise bargaining and the pro-business industrial courts that has been used over the past four decades to slash workers' pay and conditions and suppress the class struggle.

RAFFWU's aim is to protect this apparatus from any challenge, by posturing as an alternative that does not require workers to make a political break with the corporatised trade unions, the parliamentary political parties and the capitalist system they represent.

What is needed are rank-and-file committees of retail workers independent of any union bureaucracy. Through such committees, retail supermarket employees can reach out to workers throughout the food production and logistics chain, and build a unified struggle against the subordination of the interests of essential workers to the profit demands of the corporate elite.

Above all, the fight for decent wages and conditions requires a new political perspective aimed at the establishment of workers' governments to place the supermarkets, along with the banks and other major corporations, under democratic workers' control and ownership.



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