

Major supermarket chain Coles opens new automated Sydney warehouse, destroys hundreds of jobs

Martin Scott
23 August 2024

On August 6, Coles opened a new highly automated distribution centre at Kemps Creek in Western Sydney. It will replace two existing warehouses owned by the major Australian supermarket chain, resulting in the direct loss of at least 350 jobs.

This follows the cutting of hundreds of jobs by Coles in recent years, including with the 2021 closure of the company's Goulburn distribution centre.

The 66,000 square metre facility at Kemps Creek is the second of two built by Coles in a \$1 billion capital investment aimed at slashing labour costs throughout the company. The first was opened in April 2023, at Redbank near Ipswich in the state of Queensland.

Using automated robotic technology from German firm Witron, the Kemps Creek warehouse will be able to handle more than four million cartons per week, amounting to around 32 million products on the shelves of 229 supermarkets across New South Wales (NSW) and the Australian Capital Territory.

Labor Prime Minister Anthony Albanese attended the official openings of both Kemps Creek and Redbank, falsely hailing both as great advances for workers and customers alike.

At Kemps Creek, Albanese declared, "This facility here is good for jobs. It's good for productivity and economic growth.... Of course efficiency and productivity lead to lower prices."

This is a lie on both counts. Coles is slashing jobs, not to lower prices for customers, but to increase its profitability and gain a competitive advantage over its rivals, Woolworths, Aldi and Metcash.

The aim is not just to cut jobs in warehouses, but in supermarkets as well. The new high-tech machinery is able to automatically pack pallets according to the layout of the stores they are being sent to, meaning fewer

supermarket staff will be required to stock shelves.

In addition, Coles is building two automated fulfilment centres, in Sydney and Melbourne, to reduce the number of staff required to handle online orders, and continuing to increase the predominance of self-service checkouts in supermarkets.

This is all part of a major cost-cutting operation dubbed "Smarter Selling," centred on "deployment of technology in stores and supply chain to drive efficiency, control loss and lower expenses." Starting in 2019 with the slashing of 450 head office jobs, the program met its four-year target of cutting \$1 billion in expenditure by the end of June 2023, according to the company's annual report.

In 2021, Coles employed some 2,200 workers in its Smeaton Grange, Eastern Creek, Goulburn, Heathwood and Forest Lake warehouses. The two facilities replacing them will employ a total of fewer than 1,000 workers.

This destruction of jobs is a direct result of the role of the trade union apparatus, especially the United Workers Union (UWU), which has facilitated Coles' orderly closure of its distribution centres across NSW and Queensland.

Coles' Smeaton Grange warehouse, in the city's southwest, was the site of a major dispute in 2020–21 in which the company locked workers out for more than three months.

In the face of workers's determined efforts to fight for real wage increases and job security, the United Workers Union (UWU) collaborated with Coles management to impose a sell-out deal.

The union bureaucracy insisted from the outset there was nothing workers could do to prevent the closure of Smeaton Grange and the destruction of their jobs. Instead, UWU officials claimed to be leading workers in a fight for a "just transition" and "fair redundancies."

Even these meagre demands were quickly abandoned by the union leadership, along with almost every item in the log of claims originally put forward by workers. An initial demand for a 5.5 percent per annum wage rise was scrapped for the company's "offer" of 3.5 percent; calls for redundancies capped at the equivalent of 104 weeks of service were dropped for Coles' proposal of 80, and any talk of workers being given the right to redeploy to Kemps Creek when it opened was rapidly dispensed with.

The workers courageously maintained a 24/7 picket for 14 weeks, repeatedly voting down union-management "offers" that were virtually unchanged from the company's original proposal, holding out against the efforts of the UWU bureaucracy to starve them out. Workers received no strike pay, despite the enormous financial resources, including some \$94 million in cash, controlled by the union.

The UWU leadership cut the locked-out Smeaton Grange workers off from the broader working class, and even from other Coles employees within the union. Management was given carte blanche to shift workload to other distribution centres, where the UWU ensured workers stayed on the job, picking up the slack.

As a result, while workers at Smeaton Grange ran through their savings, racked up debts or scrambled to find second jobs, Coles' operations and profits were hardly disrupted.

Just as significant was the political isolation carried out by the UWU leadership. Socialist Equality Party (SEP) members and other sections of workers who visited the site were physically threatened in an effort to prevent workers from discussing an alternative perspective to the sell-out being prepared by the bureaucracy.

The SEP warned that the UWU, like all unions, was functioning as a police force of management. The only way forward for workers was the establishment of rank-and-file committees, independent of the union, and an industrial and political struggle across the operations of Coles, its chief rival Woolworths, and the warehousing and retail sector as a whole, to defend jobs, wages and conditions, and prevent closures.

It was not just the UWU leadership that considered this perspective dangerous. Late in the dispute, after workers had voted down the company offer yet again, Matt Swindells, chief operations officer at Coles, denounced the role of "extremist anti-union socialists... suggesting this wider agenda of taking on big business and the banks."

Swindells declared: "These are faceless people, who are

not even part of the union. In fact, they are anti-union people. Down on the picket, handing out leaflets, stoking up the agenda."

A leading figure at one of Australia's largest corporations rushed to defend the union from socialist criticism because the collaboration of the UWU bureaucracy is an essential component of Coles' cost-cutting agenda.

This line up of forces is not by any means unique to Smeaton Grange, Coles, or the UWU. It is a reflection of the character of all unions, which have been transformed over the past four decades into corporatised anti-working class organisations.

This underscores the need for workers to build their own organisations of struggle, democratic rank-and-file committees. Through these committees, workers can fight for a future in which automation, artificial intelligence and other advancements in technology are used to improve the living standards of the entire working class.

The developments in productivity have created the foundations for an alternative, a higher form of social organisation, under which the immense technological developments would be harnessed to meet human need.

Automation could be harnessed to shorten working hours—without reducing pay—and eliminate onerous tasks, while also increasing productivity, to meet the needs of all. This would free up precious hours for workers to engage in leisure and cultural activities, profoundly improving quality of life.

But that means a fight for socialism, under which the major corporations, such as Coles, together with the banks, would be under public ownership and democratic workers' control.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact