

Woolworths Group Ltd
Response to Questions on Notice per request of 9 October 2018

1. *How many individuals have approached Woolworths for rectification of underpayment?*

We have received seven requests for assistance from cleaners to date.

2. *How much has Woolworths repaid so far? Break down amount by individual claim (without identifying individuals)*

Woolworths has not had to pay any cleaners to date. Our contractors have rectified any identified underpayments. Woolworths expects the contractors will make good on any underpayments in the first instance but have undertaken to make good underpayments if the head contractors do not.

- **Case 1** - went to mediation in Canberra. The case settled for an undisclosed amount and was paid by the head contractor
- **Case 2** - was for a late payment assistance. This was a contractual dispute between the head contractor and the sub-contractor. The dispute was resolved and the monies owed was paid. Disputed amount unknown, the subcontractor has confirmed all monies owed has been paid
- **Case 3** - was an anonymous complaint received for underpayment of wages. We were not aware of the sites or the individuals involved so we investigated all 16 sites managed by the subcontractor. 5 of 16 sites had a miscalculation of rates and a miscalculation of the superannuation to be paid. \$3,100 in wages and \$9,900 was back paid to five individuals. The subcontractor was educated on understanding split shifts and penalty rates and put on notice for future infringements. All 16 sites will be reaudited in early 2019.
- **Case 4** - was for a late payment assistance. This was a contractual dispute between the head contractor and the sub-contractor. The dispute was resolved and the monies owed was paid. Disputed amount is unknown, the subcontractor has confirmed all monies owed has been paid
- **Case 5** - was a request for assistance for a late payment from two cleaners. The claim was investigated and a total of \$860 was owing to each cleaner. (Total \$1,720 paid) According to the head contractor this was not the first issue they had received regarding the subcontractor and so the subcontractor was terminated from the site and the employees were employed directly by the head contractor.
- **Case 6** - was received mid-September and is still under investigation. The claim is for underpayment of wages and super.
- **Case 7** - was received in late September and was for an alleged underpayment of \$372.88 as reported by the complainant. The complaint was assigned to an investigator however the complainant withdrew the complaint before the investigation commenced. The site has been added the audit program where all three sites being serviced by the subcontractor will be audited.

3. *What is the process for individuals seeking to claim repayment from Woolworths? Include the following information:*

a. *What evidence do individuals need to provide to verify their claim?*

Woolworths will request any evidence the complainant has available. This will include if available;

- o Payslips
- o Rosters
- o Timesheets
- o Banking records
- o Contracts

We will also request this information from the head contractor. If none of this information is available we will look at the visitors books in stores in store to try to determine a pattern. If one is identified then we will use this as evidence and extrapolate the time across the claim.

We will also accept documented evidence of working patterns such as calendar entries or diaries etc. If the complainant has a witness that can verify the hours worked we will also take that into account. If none of this is available we will look at similar sites with comparative hours, tasks and rosters to determine if the amount paid to the complainant is different to others. If it is deemed to be under we will insist the head contractor make good the underpayment.

We will also talk to the stores to determine if anyone at the store may remember the cleaner and can verify they were working at the store during the period of time in questions.

Failing all of the above we will accept a Statutory Declaration from the cleaner

b. *How long will this process be open for?*

This process is ongoing and has no end date. The Compliance Team have been engaged as a permanent department within the Facilities Maintenance team at Woolworths

c. *What is the expected timeframe for a claim to be processed and repaid?*

Woolworths has agreed with Fair Work to endeavour to investigate and close all claims within 40 business days. Some claims have been quicker and some take longer depending on the nature and size of the complaint. The average time frame for the seven complaints received is 33.6 days

d. *Is there a website individuals can access for all this information?*

Contact numbers and email addresses are available in stores, on the Woolworths website and via Speak Up.

4. *Provide details on how Woolworths has advertised that this process is available. Include examples of the advertisement, which papers it was run in, and on what dates it appeared.*

- The Australian Financial Review - 18th September 2018 (attached below)
- The Australian - 18th September 2018
- The Hobart Mercury - 18th September 2018
- The notice was also published on the Woolworths Website on the 18th September 2018
- It was placed on Woolworths public notice boards and team notice boards
- Flyers were sent to stores to be handed out to all cleaners by the store manager in May, the next flyer drop is scheduled for November (sample attached). This process occurs twice a year.
- We send out comms to the head contractors advising them of their legal requirements and also request they pass on the details of Speak Up to all cleaners
- Our Field Services Coordinators (FSC's) also carry flyers to hand out and are in constant contact with the contractors and cleaners. They will pass on any concerns to the compliance team for them to investigate and concerns.

5. *Has Woolworths or any Woolworths contractor contacted all individuals who may be eligible for repayment? If not, what are the reasons for this decision?*

Woolworths received the names from Fair Work of the individuals in Tasmania who were underpaid on the 4th September however we are yet to receive the contact details of the individuals. Fair Work has advised it is seeking approval from the cleaners to pass on the details to Woolworths. We have subsequently requested this information and once received will make contact with each of them.

Mr Trent Mason contacted the previous Fair Work Ombudsman (Ms Natalie James) prior to her vacating the role and requested the information. It was after this we received the names but not the contact details. We are still following this up regularly.

6. *Who is responsible for the costs associated with the scheme (e.g. repayments, administration and advertising). Will Woolworths pass these costs on to the contractors involved?*

The repayment of underpayments is the responsibility of the head contractor. If the head contractor does not pay, then Woolworths will make the payment and seek reimbursement from the head contractor via our contractual process

The Head Contractor is also responsible for paying for the audits on their 5% of sites being audited by the 3rd party auditors. Woolworths is responsible for the costs associated with the in house audits on the additional 5% of sites. All other costs associated with this process above are the sole responsible of Woolworths. We do not pass any of these costs onto the contractors.

Woolworths' Public Acknowledgement

At Woolworths we are committed to doing the right thing by our team members and our customers. As part of this commitment we have been working in partnership with the Fair Work Ombudsman (FWO) to put in place enhanced processes and protocols to protect the working conditions of cleaners in our stores.

We have entered into a voluntary proactive compliance agreement with the FWO to play our part in stamping out exploitation of vulnerable workers in the cleaning industry.

In entering this partnership we acknowledge that:

- we are responsible for compliance with all aspects of the law across our business operations and welcome the opportunity to work closely with the FWO to ensure ongoing compliance with Commonwealth workplace laws in respect of contractors of cleaning services and their employees who conduct such services for and on behalf of Woolworths;
- we have an ethical and moral responsibility to require and ensure standards of conduct from all entities and individuals directly involved in the conduct of our enterprise that comply with the law and meet Australian community and social expectations to provide equal, fair and safe work opportunities for persons employed at our sites;
- in the past, governance arrangements in relation to the contracting model that was used to engage cleaning services at Woolworths had not fully prevented an environment where employees had been vulnerable to exploitation in the workplace, including by way of underpayment of wages; and
- in the past, our governance systems weren't adequate enough to monitor contractor behaviour, which affected our ability to ensure compliance through the contractor chain and provided greater scope for primary contractors and subcontractors to exploit and underpay vulnerable workers.

As a result of the agreement with the FWO the following applies:

- Woolworths contractors are now required to make and keep accurate employment records required under the Fair Work Act and Fair Work Regulations. This ensures employees, Woolworths and the FWO are able to verify whether employees are receiving their full employee entitlements.
- Woolworths will continue to ensure proper governance structures are in place to monitor and regulate through robust contractual provisions the employment practices and arrangements of its contractors.
- Woolworths will ensure, to the extent possible, that employees of subcontractors covered by these

arrangements who have been underpaid since 1 July 2014 are paid their full employee entitlements due to them under Commonwealth Workplace Laws.

- Woolworths will require contractors to ensure that their current and future employees at each Woolworths site receive the full entitlements due to them under Commonwealth workplace laws.

As a Group we have also introduced additional governance measures, including those required under the agreement, such as the establishment of an internal compliance team. The team are tasked with monitoring and driving compliance in Woolworths' cleaning procurement practices, including by conducting on-site compliance audits, managing Woolworths' external audit program and investigating and managing complaints.

We remain committed to ensuring responsible compliance with all aspects of the law across our business operations. It's also a fundamental requirement of any business partner working alongside Woolworths.

We welcome this opportunity to work closely with the FWO to ensure standards of conduct from all entities and individuals directly involved with our business comply with the law and meet Australian community and social expectations.

Cleaners are an integral part of our store teams, providing an essential service across Woolworths' sites nationwide.

We thank them for their continued hard work and support of our customers.

Speak-Up Line

If you or anyone you know has been exploited in any way as a cleaner on a Woolworths site, we encourage you to contact the Woolworths Speak-Up line on the details below. You can make an enquiry, lodge a complaint or report potential non-compliance with Commonwealth workplace laws in relation to cleaning services, including the underpayment of wages.

**“Don’t ignore it.
Do the right thing and report it.”**

speakup

Woolworths Vendor Speak Up Service
Phone: 1800 772 173
Email: vendorspeakup@deloitteditdigital.com

WOOLWORTHS GROUP

Woolworths Limited
ABN 88 000 014 675

Speak Up

Calls made to the Speak Up service will be logged by specially trained operators at Deloitte who are used to dealing with sensitive information. Each concern is then escalated to a senior nominated Woolworths' representative to investigate.



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Speakup

W: www.vendorspeakup.deloittedigital.com.

User Name: Woolworths

Password: VendorSpeakUp6#

Alternatively you can contact Vendor Speak Up:

Telephone - 1800 772 173

Email - vendorspeakup@deloittedigital.com

Fax - +61 3 9691 8182

Mail - Speak Up, Reply Paid 12628, A'Beckett Street, VIC 8006.

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Speakup



WOOLWORTHS LIMITED

SPEAK UP

As part of Woolworths' continuous efforts to improve transparency and accountability, we have introduced an additional way in which potential misconduct can be identified and reported – the 'Speak Up' service.

The 'Speak Up' service mirrors a similar system we have in place for our own employees.

It should be used if you believe that your dealings with any Woolworths' business division, Employees or Service Provider / Contractor may have created or are likely to create issues such as;

- Unfair work conditions
- Paying under the modern award
- Bullying
- Harassment
- Breach of Laws
- Safety risks

If you are experiencing or know of any of the above issues, contact the 'Speak Up' service.

Calls can be anonymous.

Woolworths will not tolerate workplace misconduct and we need our trade partners to work with us to stamp out any and every instance. If you encounter anything you believe constitutes a serious breach, ***I would urge you to report it.***



Don't put up with it. Report it.....

- Fraud, Corruption or behavior that threatens others
- People or Product Safety Risk
- Breach of the Law
- Theft
- Conflict of Interest
- Secret commissions, bribes or corruption
- Improper disclosure or confidential information
- Bullying
- Harassment
- Unfair work conditions
- Deliberate underpaying of employees

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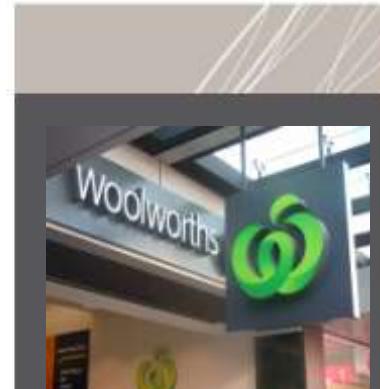
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www.vendorspeakup.deloittedigital.com

User Name: Woolworths
Password:
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