

**Senate Education and Employment References Committee**

**Questions on Notice – Friday 18 May 2015**

**Melbourne, VIC**

**Inquiry into the impact of Australia's temporary work visa program on the Australian labour market and on the temporary work visa holders**

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## Senate Education and Employment Committee

### Inquiry into the impact of Australia's temporary work visa program on the Australian labour market and on the temporary work visa holders

Melbourne, VIC

#### Questions taken on notice –Woolworths

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#### 1. HANSARD, PAGE 3

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**Senator RICE:** How much legal responsibility do you think Woolworths has for the wages and conditions of workers employed by suppliers?

**Ms Mardirossian:** As I stated in the opening statement, we have certain conditions in our trading terms that we expect all suppliers would adhere to, and particularly to Australian laws—they have to comply with the Australian laws. We expect the authorities that are in place in Australia would have very good strong regulatory agencies that would enforce the laws.

**Senator RICE:** But your legal responsibilities? Do you feel that you have a legal responsibility to make sure those wages and conditions are being met?

**Ms Mardirossian:** We expect that they are met. I am not a legal expert and so I really cannot answer that question. I will have to take it on notice and ask our legal department to come back to you.

**Senator RICE:** That would be good.

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#### 2. HANSARD, PAGE 4

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**Senator RICE:** Have you had any contact with the minister's office regarding the Four Corners report?

**Ms Mardirossian:** Our government relations team probably has. I am not aware of those contacts. I can come back to you on those. I will take that on notice.

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#### 3. HANSARD, PAGES 4 - 5

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**Senator McKENZIE:** Thank you very much for your evidence. How many 457 visa holders does Woolworths employ?

**Mr Dunn:** For its own staff? I would have to take the question on notice, Senator.

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#### 4. HANSARD, PAGE 9

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**CHAIR:** The NUW gave you specific examples of where they believed laws have been broken. Did you specifically raise that with any of the suppliers?

**Ms Mardirossian:** There is just the one supplier they have raised an issue with. The other letters are general in terms of the produce sector generally. For one supplier that they have raised an issue with, which NUW says it has specific evidence about, we have asked them to refer that to Fair Work Australia and we have spoken to that supplier.

**CHAIR:** As a result of the letter from the NUW?

**Ms Mardirossian:** I am not quite sure of the timing, but we have spoken to that supplier.

**CHAIR:** Can you take that on notice and get back to us on that?

**Ms Mardirossian:** Sure.

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**5. HANSARD, PAGES 12 -13**

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**Senator RICE:** You have ceased doing business with Covino. Are there any other businesses that you have ceased a contract with since the Four Corners program or since the NUW brought issues to your attention?

**Ms Mardirossian:** I am not aware of any others. I will have to take that on notice and come back to you. We have 350 suppliers. I am not quite sure what the buying team has done.

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**6. HANSARD, PAGE 13**

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**Ms Mardirossian:** One particular one I recall is a Western Australian supplier. The police came to us with some issues. They had a 12-month covert operation on this supplier. They brought us the evidence and we suspended trade immediately.

**Senator RICE:** Were there others in the last two years?

**Ms Mardirossian:** I will have to take that on notice. I cannot recall any others.

## RESPONSES TO MATTERS TAKEN ON NOTICE

**Senator RICE:** *But your legal responsibilities? Do you feel that you have a legal responsibility to make sure those wages and conditions are being met?*

**Ms Mardirossian:** *We expect that they are met. I am not a legal expert and so I really cannot answer that question. I will have to take it on notice and ask our legal department to come back to you.*

### **Response**

Woolworths expects that all of our suppliers abide by Australian law, including all legal requirements relating to employment of workers. We explicitly require our suppliers to sign our Trading Terms and provide warranties and indemnities that they will abide by all relevant laws, regulations and community standards.

**Senator RICE:** *Have you had any contact with the minister's office regarding the Four Corners report?*

**Ms Mardirossian:** *Our government relations team probably has. I am not aware of those contacts. I can come back to you on those. I will take that on notice.*

### **Response**

While Woolworths is regularly in contact with stakeholders at all levels of government, including on issues in our supply chain, I am advised that there was no contact with any Minister or ministerial office specifically in relation to the Four Corners report.

**Senator McKENZIE:** *Thank you very much for your evidence. How many 457 visa holders does Woolworths employ?*

**Mr Dunn:** *For its own staff? I would have to take that question on notice, Senator.*

### **Response**

As at 2 June 2015, Woolworths Limited employs 178 sponsored 457 visa holders.

**CHAIR:** *As a result of the letter from the NUW?*

**Ms Mardirossian:** *I am not quite sure of the timing, but we have spoken to that supplier.*

**CHAIR:** *Can you take that on notice and get back to us on that?*

**Ms Mardirossian:** *Sure.*

### **Response**

We are in regular contact with our suppliers on a range of issues, including their need to comply with our Terms of Trade and all relevant laws, regulations and community standards. I am advised that we made contact with this supplier about the specific concerns on Friday 8 May 2015.

**RESPONSES TO MATTERS TAKEN ON NOTICE**

**Senator RICE:** *You have ceased doing business with Covino. Are there any other businesses that you have ceased a contract with since the Four Corners program or since the NUW brought issues to your attention?*

**Ms Mardirossian:** *I am not aware of any others. I will have to take that on notice and come back to you. We have 350 suppliers. I am not quite sure what the buying team has done.*

**Response**

Woolworths has not ceased doing business with suppliers due to allegations made in the Four Corners program or raised by the NUW.

Woolworths will, as a matter of course, seek to resolve any issues with our suppliers, rather than unilaterally cease a contract.

Accordingly, we recently wrote to all of our suppliers reminding them of their obligations under our Trading Terms to abide by all relevant Australian laws, regulations and community standards.

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**Ms Mardirossian:** *One particular one I recall is a Western Australian supplier. The police came to us with some issues. They had a 12-month covert operation on this supplier. They brought us the evidence and we suspended trade immediately.*

**Senator RICE:** *Were there others in the last two years?*

**Ms Mardirossian:** *I will have to take that on notice. I cannot recall any others.*

**Response**

There have been no other cases in the last two years where a law enforcement agency has brought allegations or evidence to us about our suppliers.

Woolworths would take any allegations or evidence brought to our attention by law enforcement very seriously, as we did in regard to the case of the Western Australian supplier.

**Senate Education and Employment Committee**

**Inquiry into the impact of Australia's temporary work visa program on the Australian labour market and on the temporary work visa holders**

**Melbourne, VIC**

**Questions taken on notice –National Union of Workers**

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**1. HANSARD, PAGE 16**

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**Mr Robertson:** A lot of recruitment happens online in various forums where jobs are advertised. It is very, very easy and pretty blatant advertising for sub-award wage positions. Workers routinely move around the country in response to those advertisements, and it is pretty shocking to see that these jobs are just advertised freely on the internet.

**CHAIR:** When you say they are online, do they appear in forums that backpackers specifically look at? And what form do the ads take? Is there a way you could table an ad for us?

**Mr Robertson:** Yes, we can certainly provide examples. Absolutely.

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## Working Holiday in Australia

### Promotion Plan 1:

- Guaranteed respective rights and obligations under Letter of Authority **certified by court**
- Application fee and costs for Australian working holiday visa and health examination
- One-way air ticket to Australia
- Legal work arranged through Australian accommodation providers
- **Escorted journey** from departure to transit and arrival
- **Personal assistance** with bank account establishment and tax file number application
- Purchase of mobile SIM card
- Hostelling International card
- One year overseas travel insurance up to **6 million**
- **Three weeks local cultural adjustment experience through a dedicated personal assistant**
- Entourage costs for personal assistant
- **NTD\$3000** language course subsidy (reimbursed against course proof)

NTD\$158,000

**Limited offer: NTD\$128,000**

### Promotion Plan 2:

- Legal work arranged through Australian accommodation providers
- **Escorted journey** from departure to transit and arrival
- **Personal assistance** with bank account establishment and tax file number application
- Purchase of mobile SIM card
- **Three weeks local cultural adjustment experience through a dedicated personal assistant**
- Entourage costs for personal assistant
- Certification of agreement at own cost

NTD\$69,000

### Promotion Plan 3:

- Legal work arranged through Australian accommodation providers
- **Three days adjustment period facilitated by a dedicated personal assistant**
- Certification of agreement at own cost

NTD\$39,000

Taipei Enquiry Centre:

Open time: 10:00 am – 6:00 pm

5/F3, No.121, Section 1, Chongqing South Road, Zhongzheng District, Taipei City 100, Taiwan

Telephone: 02 5576 0055

Kaochiong Enquiry Centre:

Open time: 1:00 pm – 9:00 pm

No.465, Zhongshan 2<sup>nd</sup> Road, Lingya District, Kaochiong City 802, Taiwan

Telephone: 07 968 4188 / 07 968 5208

Free Information Session

# Wage Breakthrough Victory

## Working Holiday in Australia

Saturday 20 December

Start: 3:00 pm

No late admission. Check website for session times across the country.

**Place:** Dahsin Hall, Information Centre, Cultural University, No.127 Yanping South Road, Taipei City

No education qualification required for people under 55 years of age. Maximum 4 years.

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**Enquiry:** **02 5576 0055 / 0980 068 296** (10:00 am – 6:00 pm)

<http://www.alsos.com.tw>

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## 2. HANSARD, PAGE 17

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**CHAIR:** Are they offering a particular sort of visa? Is it always a 417, or are they offering other sorts of visas?

**Ms Huang:** They are 417s.

**CHAIR:** Are you able to give us evidence of that, if you took that question on notice?

**Ms Huang:** Yes.

It is our understanding the visas offered are generally 417 working holiday visas.

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## 3. HANSARD, PAGE 19

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**Mr Robertson:** At Covino, for example—and this is quite common; there are a number of other farms where this occurs—all that is provided to workers is an envelop with the hours written on it. We are happy to table some examples of that for the committee.

**CHAIR:** That would be good. And they are paid in cash?

(We have not been able to obtain this evidence at this stage).

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## 4. HANSARD, PAGES 22 – 23

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**Senator McKENZIE:** In the last three years, how many cases have you referred on?

**Mr Robertson:** Of sexual abuse?

**Senator McKENZIE:** No—of any illegal workplace practices by labour hire companies.

**Mr Robertson:** A large number of them; I do not have that information on me.

**Senator McKENZIE:** Could you quantify that on notice?

**Mr Robertson:** On notice, sure

**CHAIR:** Do you mean right across the NUW because they are a massive union? Every single referral—that is a huge job.

**Mr Robertson:** Also, I think it is important—

**Senator McKENZIE:** I think we were asking people earlier to actually expect them to audit every single one of their suppliers, so I do not think the union should keep stats on this.

**CHAIR:** Just for agriculture?

**Senator McKENZIE:** Yes.

**CHAIR:** Okay.

(Response as per our cover letter:

In response to your query regarding referrals to the Fair Work Ombudsman (FWO), we estimate that there have been around five direct complaints made in the last three years, with approximately 30 referrals of members made in that time. As mentioned at the hearing, we strongly prefer to deal with companies and resolve issues directly.)

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## 5. HANSARD, PAGE 23

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**Senator McKENZIE:** If you could take on notice the understanding of the level of engagement that your union has with farming bodies, as well as AUSVEG and Hort Australia. Do you meet with AUSVEG?

**Mr Robertson:** I would have to take that on notice.

(Have not met with any other farming bodies except those stated in earlier answers during the hearing)

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**6. HANSARD, PAGE 24**

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**Senator McKENZIE:** Have you written the same letter to Coles?

**Mr Robertson:** We have, yes.

**Senator McKENZIE:** What was their response?

**Mr Robertson:** We are going to be meeting with them shortly.

**Senator McKENZIE:** Aldi?

**Mr Robertson:** We have written to them. They have engaged with us in the past in a pro-active way in dealing with these issues. I would have to take it on notice about their most recent response.

**Senator McKENZIE:** And IGA?

**Mr Robertson:** I would have to take that on notice.

(There is no letter to IGA)

AP:GS

15B-011

5 May 2015

Brad Gorman  
Fresh Produce General Manager  
Coles  
800 Toorak Road  
Tooronga Vic 3146

Dear Sir,

**RE: SYSTEMATIC UNLAWFUL EMPLOYMENT PRACTICES**

We refer to the 'Four Corners' episode, titled 'Slaving Away', which was aired last night on ABCTV.

As you would be aware, this program raised a number of allegations about widespread contraventions of employment laws and regulations in the Australian vegetable and poultry industry. A number of suppliers of Coles were featured prominently in the program.

We are extremely concerned with these revelations, which are consistent with our own investigations and previous correspondence to you.

The NUW believes that Coles has a responsibility to ensure that its suppliers (and contractors working for its suppliers) abide by all relevant laws and regulations.

The NUW would like to work cooperatively with Coles to address these problems. As such, we propose that a meeting be held between senior Coles and NUW representatives within the next 7 days. We are happy to host this meeting at our Melbourne office.

Please contact National Industrial Officer Adam Portelli on  
or to arrange a meeting.

Yours faithfully,

**TIM KENNEDY**  
**NATIONAL SECRETARY**

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## 7. HANSARD PAGE 26

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**Senator O'NEILL:** What number of days of free labour are we talking about here?

**Mr Robertson:** We would have to take that on notice in terms of the specific example, but I have spoken to workers who have said: 'Oh yeah, the contractor wanted me to work for free in order to get the second year contract.'

Unfortunately, on reflection, are not able to quantify the exact amount of hours worked for free by workers. Indeed, by definition this is difficult to track as records of such engagement, in our experience, are not kept.

## Senate Education and Employment Committee

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Melbourne, VIC

#### Questions taken on notice –Fair Work Ombudsman

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#### 1. HANSARD, PAGE 38

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**Senator McKENZIE:** Mr Campbell, in terms of your brief response there, if you have any quantitative data or analysis from your journeys around the harvest trail, could you supply that on notice? That would be fantastic.

**Mr Campbell:** No worries.

#### ANSWER:

In August 2013, the Fair Work Ombudsman launched a three-year Inquiry called The Harvest Trail. This program was launched in response to ongoing requests for assistance from employees in the horticulture sector and the Fair Work Ombudsman's observations that there is confusion among growers and labour-hire contractors about their workplace obligations.

The fruit and vegetable growing sector is a large employing sector in regional Australia and attracts a large number of backpackers on 417 working holiday visas (as well as other types of visa holders).

This Inquiry aims to ensure that pickers receive their minimum employment entitlements and improve Fair Work Ombudsman's understanding of the drivers of non-compliance with workplace laws in this sector. This includes labour hire arrangements which are common in this industry.

Fair Work Ombudsman Inspectors have made numerous field trips to various regions throughout Australia, meeting with growers, labour-hire contractors, hostel operators, harvest workers themselves, industry bodies, local councils, unions and other relevant stakeholders. So far, the Fair Work Ombudsman has visited growers in the following states and territories:

	ACT	NT	NSW	QLD	SA	TAS	VIC	WA
Mixed crops		x		x				
Strawberries				x			x	x
Cucumbers								x
Cherries			x		x	x	x	
Grapes			x					
Apples and pears			x	x	x	x	x	x
Blueberries			x			x		
Bananas				x				
Mushrooms	x		x	x		x	x	

The Fair Work Ombudsman is checking compliance with workplace laws following the education and awareness-raising stage of the Inquiry. The Fair Work Ombudsman has so far recovered \$232,785.61 for 470 employees from 37 employers. The Fair Work Ombudsman has also issued:

- 37 formal Letters of Caution warning employers of contraventions;
- 24 Infringement Notices (on-the-spot fines) totalling \$14,250;
- One Compliance Notice requiring contraventions to be rectified; and
- Commenced proceedings against one employer in the courts.

As at 31 March 2015, the Fair Work Ombudsman had conducted 160 Harvest Trail audits with a compliance rate of 66 per cent. However, it should be noted that the Inquiry is ongoing and these are interim results. When the Inquiry is finalised the Fair Work Ombudsman will publish a final report with complete findings and analysis for the three year Inquiry.