# UWU Submission to the Food and Grocery Code Review 2023-24

8 March 2024





#### Acknowledgement of Country

We acknowledge and respect the continuing spirit, culture, and contribution of Traditional Custodians on the lands where we work, and pay respects to Elders, past and present. We extend our respects to Traditional Custodians of all the places that United Workers Union members live and work around the country.

### **About United Workers Union**

United Workers Union (UWU) is a powerful union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives. We feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. We are proud of the work we do – our paramedic members work around the clock to save lives; early childhood educators are shaping the future of the nation one child at a time; supermarket logistics members pack food for your local supermarket and farms workers put food on Australian dinner tables; hospitality members serve you a drink on your night off; aged care members provide quality care for our elderly and cleaning and security members ensure the spaces you work, travel and educate yourself in are safe and clean.



#### Introduction

We welcome the opportunity to comment on the review of the Competition & Consumer (Industry Codes- Food & Grocery) Regulation 2015, which is commonly known as the Food & Grocery Code (the Code).

The terms of reference state that the Independent Review of the Food and Grocery Code of Conduct 2023–24 (the Review) will *"assess the effectiveness of the Code provisions in achieving the purpose of the Code to improve the commercial relationship between retailers, wholesalers and suppliers in the grocery sector."* But there is one group missing: workers. In labour intensive industries across the supply chain, wages and working conditions are undeniably relevant to the commercial relationship between retailers, wholesalers, and suppliers. Workers must have a voice at the table because the decisions of the major supermarkets directly affect us. UWU is uniquely placed to comment on the likely impact of changes to the Code because UWU represents thousands of workers in the food and grocery supply chain, whose work is directly impacted and influenced by the decisions of the major supermarkets.

It is well-known now that Woolworths and Coles hold the largest share of market value in the supermarket sector; approximately 65%. At the top of the supply chain, Coles and Woolworths' market dominance, pricing and purchasing strategies exert considerable price pressure on suppliers, growers and labour hire companies further down the chain, creating a demand and a market for insecure and underpaid work.

In the past two decades, supermarkets have consolidated their power in the market through transitioning to direct supply relationships with growers, seeking to source directly through a smaller number of larger suppliers and seeking to acquire and directly operate processing facilities. Today, almost all horticultural operations of any size in Australia either supply Coles and/or Woolworths directly or do so through a small number of large aggregators who specialise in supplying the supermarkets across a number of select product categories.

Farm workers feed Australia, yet they are treated as if they are expendable, not essential. Whether picking fruit and vegetables or packing them, workers do physical, painful, repetitive work for hours on end, outside, often in extreme weather conditions. Not only is farm worker labour socially and economically undervalued, but farm workers are also routinely subjected to discrimination, racism, intimidation, and sexual harassment at work. Furthermore, a number of other studies confirm that workers in the farm industry are routinely underpaid.<sup>i</sup> Addressing working conditions on farms requires addressing the price pressure at the top of the supply chain created by the supermarkets' market dominance.

"You can strictly mandate the size, shape and colour of the apples you accept, so why do you keep wriggling out of mandating that the workers who pick and pack those apples aren't subject to wage theft and modern slavery?" Farm worker, Coles AGM, 2019.

The major supermarkets exercise immense power across the supply chain. UWU members in food and beverage manufacturing have reported instances where major supermarkets have pressured food manufacturers to reduce working conditions to access better supermarket promotions. At one site, a major supermarket advised a food manufacturer that it had concerns that the food



manufacturer's rostering practices were too "inflexible", and that if it didn't alter working conditions, it would lose out on promotions and premium shelf space to a competitor. UWU members in logistics report the pressure placed on workers in warehouses that supply to the major supermarkets – pressure that all too often results in workplace accidents as workers are pushed to go beyond their limits in the chase for supermarket profits.

Everybody involved in the industry knows that Coles and Woolworths have unparalleled power in the supply chain, and can, if they chose, be the drivers of systematic improvements in the working and living conditions of workers in the industry. Efforts to improve the Food and Grocery Code must recognise and address these pervasive supply chain price pressures, and Coles and Woolworths must be made to take a leading role in raising standards and supporting the industry through fair pricing.

In the revised Code, workers should be respected and recognised as key industry stakeholders through a worker voice mechanism, be empowered to raise grievances with suppliers, wholesalers and supermarkets, and be able to access effective dispute resolution mechanisms, with penalties for employers in the supply chain who breach labour standards.

#### **Key recommendations**

We call on the Review to make the following recommendations:

- 1. The Food and Grocery Code should include a worker voice mechanism. Educated and empowered workers are the most effective monitors of compliance with decent work standards.
- 2. The Code should be mandatory, include a concrete mechanism for dispute resolution and penalties for non-compliance.
- 3. The Code should require supermarkets, wholesalers and suppliers to consider labour market impacts and work standards in agreement making.



# Worker voice: educated and empowered workers are the most effective monitors of compliance with decent work conditions

Low pay, poor working conditions, a lack of job and visa security, unsafe work conditions, unreasonable work demands, and reprisals against those who speak out - these issues arise all too often in supermarket supply chains and it is not by chance. The effects of Coles and Woolworths' pricing and purchasing strategies are felt further down the chain, creating a demand and a market for insecure and underpaid work.

Whether picking fruit and vegetables or packing them, workers on farms do physical, painful, repetitive work for hours on end, outside, often in extreme weather conditions. The work often involves bending in awkward and unsafe positions. Vegetable pickers, for example, often work standing but bent over at 90 degrees picking vegetables from the ground 8-10 hours a day, 6 days a week.<sup>ii</sup> Not only is farm worker labour socially and economically undervalued (being amongst the lowest paid in Australia), but farm workers are also routinely subjected to discrimination, racism, intimidation, and sexual harassment at work. Furthermore, as noted earlier, multiple studies have confirmed that workers in the farm industry are routinely underpaid.<sup>iii</sup>

In the horticulture industry, workers are often spoken of, spoken to, or spoken about, but are rarely listened to. For the industry to genuinely address and end exploitation, this attitude must change. Workers must be empowered and supported to police compliance in the industry and must be respected and recognised as key industry stakeholders.

# Perfection 12: A group of 12 Union women who are fighting back after surviving sexual violence in the glasshouses of Perfection Fresh

In South Australia, 12 UWU members on farms have been subjected to sexual violence whilst at work. Their matter is currently before the Federal Court of Australia. Unable to reveal themselves publicly, yet still wishing to tell people about their fight for justice UWU has created an album, Bread & Roses, which gives voice to these migrant worker women and their experiences working on Perfection Fresh Farms in Australia.

Perfection fresh is a key supplier of tomatoes and mini cucumbers to Coles and Woolworths, and it has failed in its legal duty to ensure a safe workplace for women. Orders from the big supermarkets keep companies like Perfection Fresh in business. Coles, Woolworths, and Aldi have huge power over their supply chain and should use it to hold their suppliers to account and demand those companies make changes to better protect workers.

Another example is of pickers and packers on broccolini farms: UWU members were recently told by the major supermarkets they had to bunch the produce within a specific sized elastic band. Then the elastic band size was changed by the supermarkets, despite it being too difficult to wrap around the produce. This caused issues for the workers who had no right of reply on conditions directly affecting them at work. It is the supermarkets that control the size, price, colour,



presentation and quality of the produce. They have control over what conditions these workers have, they can influence and change circumstances in which these products are brought to consumers.

Exploitation and unsafe working conditions are also rife in food processing. At one food processing site, which supplies all major supermarkets, UWU members have reported that their "bodies hurt all day long" from being pushed to work faster, that toilet breaks are timed, and that there have been cases where they are even denied toilet breaks altogether. Baiada, which produces Lilydale Select and Steggles chicken brands, is one of Australia's largest poultry companies supplying to Coles, Woolworths and McDonalds.<sup>iv</sup> In a major scandal in 2015, Baiada was found to be using a sophisticated system of outsourcing and labour hire companies to hire migrant workers who were then routinely underpaid whilst working up 19 hours a day.<sup>v</sup> The labour hire contractors did not cooperate or engage with the FWO inquiry, instead producing inadequate, inaccurate and/or fabricated records to Inspectors.<sup>vi</sup> The inquiry by FWO found that exploitation included significant underpayments, extremely long hours of work, exorbitant rents for overcrowded and unsafe worker accommodation, and discrimination and misclassification of employees as contractors.<sup>vii</sup> In short, migrant workers were exploited and underpaid in order to keep costs low.

In enterprise bargaining, pressure from the supermarkets is regularly cited as a reason to keep wages low. One union official, with significant experience bargaining with bread manufacturers, stated that employers would seek to cap wage increases by arguing that they "couldn't pass on costs to Coles or Woolworths". Yet supermarkets appear to have no problem passing on costs to consumers, including the very same workers who have been short-changed at the bargaining table. At one logistics site, Scott's Refrigerated Logistics, UWU members were told in a 2020 bargain that they couldn't have any more than a 2% wage increase because the company couldn't pass on costs to Coles or Woolworths. Three years later Scott's Refrigerated Logistics went into liquidation. Workers lost their jobs and struggled to obtain their redundancy entitlements. Meanwhile, Woolworths continues to expand their directly owned warehousing and logistics facilities.<sup>viii</sup> Supermarket market power is increasing while workers, consumers, suppliers, and processors often lose out.

The above examples demonstrate the extent of influence and control supermarkets have on worker's wages and conditions. Only a Code that actively involves workers in the oversight of their industries will ensure that supermarket supply chains are free from modern slavery, exploitation, and poor working conditions.<sup>ix</sup> Central to the Code must be positive respect for workers' right to Freedom of Association, in line with Australia's international obligations, and recognition of the key role of trade unions in supporting workers to be educated about and enforce their rights.<sup>x</sup> A dedicated worker voice mechanism within the Code would enable the raising of workplace issues and lead to better accountability. The demand for lower costs, tighter delivery deadlines, fluctuating order volumes and shorter supply contracts has added multiple layers to the supply chain.<sup>xi</sup> Supermarkets should not be able divest themselves of responsibility simply by outsourcing key functions in the supply chain. Rather, through the Code, supermarkets should be required to put workers front and centre of identifying and mitigating labour rights risks in their food supply chains.<sup>xii</sup>

Unions should be able to become parties to the Code, have the right to raise grievances and to pursue both alternative dispute resolution, as well as penalties, where necessary. Suppliers,



wholesalers, and retailers must be required under the Code to meet with workers and unions in a timely manner (this is described in more detail in a later section). A tripartite system that encourages alternative dispute resolution in the first instance will be beneficial for smaller suppliers and processors too, who may feel they lack the market power to challenge supermarkets on their own. A worker voice clause in the Code is key to ensure worker safety, company transparency and accountability in the supply chain. Simply put, educated and empowered workers are the best monitors of decent work conditions.

# An effective code is a mandatory code

We note for completeness that the current Code is referred to as a 'voluntary prescribed code', meaning that it is voluntary for all retailers and wholesalers to opt in but automatically covers all suppliers.<sup>xiii</sup> However, once a retailers or wholesalers does opt in to the Code then it becomes mandatory and binding, hence the description of a voluntary but *prescribed* code. The issue with the current Code is that whilst current retailers and signatories such as Coles and Woolworths have opted in, they can decide to withdraw to be bound by the requirements of the Code at any time.<sup>xiv</sup> For this reason the Code should be made mandatory. In addition, the Code has a flawed dispute resolution mechanism because it is run by industry and there are no penalties for breaches (something we will examine further in the subsequent sections).

# **Voluntary Ethical Codes**

Real world experience shows that voluntary codes are ineffective. Coles' voluntary Ethical Sourcing Policy currently requires the company's suppliers to complete self-assessments through supply chain auditor Sedex, which rates them as low, medium or high risk.<sup>xv</sup> Low-risk suppliers are certified and approved by Coles for the next two years, and medium-to-high risk suppliers are required to undertake an independent third-party audit.<sup>xvi</sup> However, in 2019 the Australasian Centre for Corporate Responsibility (ACCR) found that only 30 to 40 per cent of Coles suppliers were rated low risk.<sup>xvii</sup> A major UWU survey of farm workers in 2020 also showed widespread exploitative practices in the industry, including in the Coles supply chain.<sup>xviii</sup> The results of UWU's survey demonstrated the extent of non-compliance with the supermarket's ethical supply codes. Relying on auditing systems that are based on self-assessment and reporting, and on verification by industry associations or other third parties, will be insufficient to overcome the significant barriers to compliance and facilitate meaningful change for workers in the industry. The ACCR has also argued that there are inherent flaws in relying on third party audits, because often labour violations evade detection under such mechanism, a finding which has been supported by the International Labour Organisation and the World Bank.<sup>xix</sup>

Listening to the voices of workers directly is more effective and is far more transparent. As Dr Katie Hepworth from ACCR stated: 'Only a model that actively involves farm workers in the oversight of their farms will ensure that Coles supply chains are freed from modern slavery'.<sup>xx</sup> Only a mandatory Code with a worker voice mechanism will be able to make significant process in addressing the imbalance of power in Australia's food and grocery sector.



#### **PALM Scheme**

An example of a more effective regulated scheme, which has union involvement, is the Pacific Australian Labour Mobility (PALM) Scheme which was introduced on 12 December 2023. It brought together the Seasonal Workers Program (SWP) and the Pacific Labour Scheme (PLS). It allows eligible Australian businesses to hire workers from Pacific Island countries and Timor-Leste on a temporary basis when there are not enough local workers available. PALM visa holders are permitted to work in occupations classified as low-skilled, semi-skilled or unskilled, and the majority work in agriculture or meat processing. The scheme is intended to enable workers to send income home during their stay in Australia and, ideally, return home with savings. Temporary workers rely on their 'Approved Employer' for employment, visa sponsorship, accommodation, and transport. Being so closely tied to their employer in this way creates a power imbalance that can lead – advertently or inadvertently – to exploitative practices.

Prior to the review of the PALM Scheme in 2022, there was a history of lack of enforcement of minimum wages and the provision of enough working hours to earn a decent wage and limited access to Medicare.<sup>xxi</sup> This led to reports of underpayments, exploitation and of workers running away from their employers.<sup>xxii</sup> Unions helped PALM workers recover unpaid wages, transfer employers, and represented them in disputes over accommodation, deductions, and hours of work.<sup>xxiii</sup> It was unions who helped bring to light exploitation in the agricultural and temporary worker sector, which, inter alia, led to the establishment of a horticultural minimum award rate for piece workers.

As a result, there was widespread recognition that unions need to be involved in the PALM Scheme process to make approved employers more accountable and transparent in their processes. Unions (& the Fair Work Ombudsman) must be invited to speak at worker arrival briefings with Approved Employers.<sup>xxiv</sup> In this sense freedom of association is duly recognised and encouraged. Union involvement should be facilitated under the Food & Grocery Code for similar reasons: in order to expose exploitation rife in the supply chain.

In addition, Approved Employers under the PALM scheme may have their 'participation' suspended if they fail to adhere to the terms of the deed, including if there is a risk to the safety of any worker or there is fraudulent activity. <sup>xxv</sup> The Department can then go on to suspend any payment under the deed in whole or in part and prevent the approved employer from operating or having access to Department IT Systems.<sup>xxvi</sup> This direct oversight of the Department could be replicated in the Food & Grocery Code with respect to the ACCC, to ensure that there is a clear regulatory scheme in place. For example, the ACCC could publish information about non-compliant parties or breaches of the Code on their website, thereby discouraging subversive activities and incentivising uniformity across the Code. Furthermore, any penalties imposed by the ACCC should also be published on their website.

# The Dairy Code

The dairy industry is an example of a sector where a mandatory code was introduced to better regulate prices and ensure that farmers were better protected from larger processors. In 2020, the federal government established the mandatory Dairy Code of Conduct following extensive



consultation with dairy farmers, processors and industry groups.<sup>xxvii</sup> Prior to this the industry was de-regulated and farmgate milk prices fluctuated and remained volatile.

The Diary Code was designed to address significant imbalances in bargaining power between dairy farmers and processors, particularly protecting producers from unfair contracts by enforcing minimum standards of conduct for business practices.<sup>xxviii</sup> The introduction of the Code was a tacit admission that de-regulation of the dairy industry had not worked.

The Dairy Code prohibits processors from buying milk from farmers without a Milk Supply Agreement (MSA) in place.<sup>xxix</sup> Processors and farms must also deal in good faith and failure to do so can lead to civil penalties.<sup>xxx</sup> The ACCC is responsible for investigation and enforcement of the Dairy Code. The Dairy Code doesn't set prices of milk per se, rather it defines the 'minimum price' as the lowest price payable for milk supplied under an agreement.<sup>xxxi</sup> This facilitates competition between processors and creates a transparent system for farmers to participate in.

A similar mandatory code should be implemented arising from this review, due to the inherent power imbalances that exists between farmers/suppliers and wholesalers or retailers. A mandatory code (with civil penalties) would ensure that all retailers are automatically bound and accountable, to ensure that opting out cannot be a possibility.

Currently the Food and Grocery Code does not regulate price either (similar to the Dairy Code), it primarily focuses on the rights of suppliers with the terms set by the retailers, through a grocery supply agreement. However, where it differs from the Dairy Code is that the latter automatically binds all participants in the industry. These rights and obligations within the Food and Grocery Code need to be strengthened and expanded in a new mandatory code. There's also a push to increase transparency on produce pricing and provide insight into the negotiation process between major chains and suppliers.<sup>xxxii</sup> A mandatory Code could document and publish this information to engender more competition in the system.

# **Enforceability- Dispute Resolution**

Whilst the ACCC is supposed to enforce the Code and provide guidance for supermarkets about their obligations, it does not resolve disputes, provide legal advice, or investigate individual supplier complaints about a retailer or wholesaler. <sup>xxxiii</sup>

In the current model, the Code requires the appointment of a Code Arbiter who is an employee of the retailer or wholesaler. This compromises their impartiality and independence when investigating disputes.

We know that under the current Code Arbiter model there have only been 5 complaints in total to Code Arbiters up to financial year 2020-21.<sup>xxxiv</sup> In addition, Woolworths, Coles, ALDI and Metcash received no complaints for investigation according to their 2022-23 annual reports.<sup>xxxv</sup> This indicates that the current model is ineffective in dealing with disputes because suppliers are clearly too frightened to raise a dispute with a supermarket for fear that their product will be removed from the supermarket shelves. The current dispute mechanism - which is industry led – is also inadequate as it has no enforcement mechanism and no penalties.



After a complaint is raised with a Code Arbiter, it can then be referred to an Independent Reviewer, (appointed by the minister). However, their decision cannot be enforced legally, although ultimately, they can refer the matter to the ACCC. This mechanism has not been used at all since the provisions was introduced in 2021. This further demonstrates the ineffectiveness of the current voluntary prescribed Code, as the ACCC currently does not have sufficient oversight of disputes or enforcement of any outcomes.

We note that there are no penalties or enforcement mechanism for non-compliance with the Code. This has arguably led to the widely held perception that the Code is completely voluntary with regards to enforcement.

If a dispute resolution mechanism is to have any independence or impartiality Code Arbiters should not be appointed by the retailers but by the ACCC or the relevant minister. The Federal Government should establish a properly resourced, expedited dispute resolution mechanism within a mandatory code that would enable workers and their representatives to bring issues and disputes related to supply chain pressures between suppliers, retailers and wholesalers.

A new dispute resolution mechanism should contain the following features:

- Simple grievance lodgement procedure for the worker, their union, or the supplier;
- A requirement for the relevant supplier, wholesaler, and/or retailer to meet with the party lodging the grievance within 3 days of lodgement;
- If the matter cannot be resolved, the party lodging the grievance can elect to have a meeting scheduled with a Code Arbiter within 7 days of lodgement;
- Conciliation between all the relevant parties in the presence of a Code Arbiter within 7 days;
- Investigation and outcome within 10 days;
- Should the Code Arbiter determine that it is necessary, the Code Arbiter may then exercise its powers under the Code to sanction the supplier, wholesaler, or retailer.
- The Code Arbiter can then refer the matter to the ACCC for the assessment and imposition of penalties. For suppliers and wholesalers, breaches of labour standards should include as a penalty the loss of contract with the retailers.

A transparent and time bound dispute mechanism such as this would improve early resolution of disputes by an independent and impartial Code Arbiter. This would hopefully incentivise early intervention before the risk of imposing penalties.

# Penalties

The current Code contains no penalties for non-compliance or breaches. As consumer law expert Barry Yau from James Cook University said in relation to the Code: '*It doesn't have teeth to it. In fact, its not even subject to Australian Consumer Law...it is a voluntary code adopted by the industry's supermarkets and I think they key fact is its voluntary. So there are no penalties*".<sup>xxxvi</sup>

Whilst the ACCC can technically take other enforcement action "if necessary", such as seek an injunction, or seek court ordered compensation for legally determined economic loss or review conduct under the unconscionable conduct provisions of the Australian Consumer Law (ACL) these



procedures have never been enlivened under the Code. Furthermore, the provisions are discretionary<sup>xxxvii</sup> and thereby provide no genuine threat to the supermarket giants.

Craig Emerson has already suggested that a mandatory code with new enforcement measures, including taking stores to court, could resolve disputes more quickly and combat fear from suppliers holding retailers and wholesalers accountable.<sup>xxxviii</sup> He said that *"[e]nforcement options could include infringement notices and court proceedings to impose financial penalties for non-compliance"*. <sup>xxxix</sup>

It is noted that penalties under other existing industry codes are generally limited to \$187,800 for each offence, which is not high enough to be an effective deterrent, considering the market power of supermarkets. <sup>xI</sup> We note that under the Code a Code Arbiter may recommend but not determine that the retail or wholesaler pay compensation to the supplier in excess of \$5 million.<sup>xIi</sup> Needless to say, this amount has never been imposed before and cannot be enforced, it is only part of a 'recommendation' from the Code Arbiter. Even if it were enforced, it is pocket change for the supermarket duopoly. Coles recently announced a \$1.1 billion full year profit at its recent full year results, while Woolworths announced its annual profit was \$1.6 billion.<sup>xIII</sup> Both results were more than 4% higher than the year before, showing that supermarkets are making huge profits while workers and consumers struggle with the cost of living.<sup>xIIII</sup>

The National's leader, David Littleproud, stated that boosting penalties should be done to make them more punitive, even suggesting a \$10 million maximum fine for non-compliance.<sup>xliv</sup> He also suggested adding powers to the ACCC to break up grocery giants in the event of misconduct. In addition, the president of the NSW Farmers Association agrees that 'mandated rules of fairness' are necessary and that breaking up the big retailers may be necessary if there is ongoing noncompliance.<sup>xlv</sup> Whereas the National Farmers Federation is also calling for 'significant civil pecuniary penalties' to be introduced.<sup>xlvi</sup>

This demonstrates that there is widespread support across the political spectrum for making wholesalers and retailers more accountable and facilitating change within a more prescriptive regulatory framework. UWU is in favour of the proposition to impose significant penalties to deter non-compliance and facilitate accountability, transparency and justice down the supply chain.

#### Labour Market Impact

Labour market impacts and standards are notably absent from the Code entirely, despite it regulating other key aspects of supplier and retailer interactions, including grocery supply agreements, promotions, delisting products, shrinkage and good faith provisions to name a few. These provisions are designed to codify fairness standards and they implicitly recognise the inherent power imbalance between suppliers and retailers or wholesalers. Labour market impacts should also be recognised, as they are greatly influenced by the major supermarkets. The Code should aim to rectify the inherent power imbalance that workers face at all stages of the supply chain.

First, there should be an additional object added to section 2 of the Code, which should state that the purpose of the code is also to ensure that international and domestic supply chains are free



from exploitation and modern slavery. This would prioritise the exposure of such arrangements and emphasise the importance of transparency in the supply chain.

Then, after the good faith provisions in s 6B of the Code, (at Part 1A Good Faith, s 6B) there should be a specific section dedicated to labour market impacts and workers' rights. This should include a commitment to providing safe working conditions for all workers in the supply chain with a particular focus upon providing secure permanent work- as opposed to casualised or temporary workforces whose continued employment is precarious. Such arrangements discourage workers from speaking up about important matters such as safety and workers' rights. There should also be a commitment to providing safe regional jobs on farms, safe factory work at processing centres and for pickers and packers at the major supermarkets.

A focus on labour market impacts and workers' rights would also require the large supermarkets to be more proactive when engaging labour hire companies rather than simply divesting and abrogating their responsibilities to those further down their supply chain. This combined with a dedicated worker voice would ensure that workers experiences are heard, thereby making supply chains more transparent and the key supermarkets more accountable.

#### Conclusion

The Code needs to be made mandatory so that it binds all retailers and wholesalers automatically and then ensures that cooperation under the Code is not contingent upon opting in or opting out of obligations and responsibilities.

Due to the complex layers and multiple companies in the current supply chain, greater transparency and accountability is needed to ensure that workers are not being covertly subjected to modern slavery or exploitation. There must also be a way to address the downward pressure Coles and Woolworths place on wages and working conditions throughout the supply chain. This can be addressed through a worker voice mechanism within the Code, which ensures that workers and unions have a seat at the table, can lodge grievances, meet with the relevant suppliers, wholesalers, and retailer in the supply chain and know that those in supply chain who breach labour standards will face penalties for their actions. The major supermarkets have the power and influence to raise standards, they cannot divest themselves of responsibility simply by outsourcing key functions in the supply chain.

For more information about this submission, please contact Kate Edmondson, Research Analyst, at <u>kate.edmondson@unitedworkers.org.au</u>

Your sincerely,

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<sup>xi</sup> Modern Slavery in Global Supply Chains: the state of evidence for key government and private approaches, Justice & Care Research Brief, July 2022, page 55, available at: https://justiceandcare.org/policies-and-reports/modern-slaveryin-global-supply-chains/

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