

25 November 2019

The Hon Shayne Mallard MLC  
Chair, Standing Committee on Social Issues  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

By E-mail

Dear Chair

**Inquiry into the Modern Slavery Act 2018 (“the Act”) and Associated matters  
Response to Questions on Notice**

The Union refers to the above matter and to my evidence given to Standing Committee on Social Issues on 4 November 2019. There were three questions that the Union took on notice during my evidence. The questions and the responses to the questions are as follows:

There were three questions on notice that the Union undertook to respond to the Committee by today.

1. Between the two of them [Coles and Woolworths] they would account for 60 per cent to 70 per cent of Australian fresh fruit produce? (Hon Daniel Mookhey – page 70 of transcript)

No. Whilst both Coles and Woolworths are very significant in the fresh food and produce market, they do not account for 60 per cent to 70 per cent. Between them Coles and Woolworths combined account for around 50% of the market.<sup>1</sup>

2. In terms of trucking movements, they [Coles and Woolworths] would be responsible for the purchase of domestic freight movements close to 70 per cent to the best of your knowledge? (Hon Daniel Mookhey – page 70 of transcript)

The Union believes that this question could be more appropriately answered by the Transport Workers Union and suggests the Committee may wish to direct its enquiry to the Transport Workers Union.

3. You would be asking for some roping-in provisions [for franchisees], where you aggregate turnover amongst franchise operators. Is that right? [and what would be the best way to do this]? (Hon David Shoebridge and Hon Shayne Mallard – page 73 of the transcript)

Franchising is a mode of business where there is a clear interdependence between the franchisor and the franchisee. The Union believes that the nature of the relationship means that it is in the shared interest of both the franchisor and the franchisee to consider the impact on their brand of their activities and so report on the steps taken to ensure the franchise as a whole is free from slavery. We believe the franchisor, rather than individual franchisees, is better placed to produce the modern slavery statement required by the Act. However, where a franchisee's turnover is \$50 million or more, they would be required to report directly.

To ensure transparency of the supply chain, in so far as it relates to franchising, the Act should require a franchisee to provide to the franchisor all relevant information needed to prepare a modern slavery statement.

Should the committee have any further questions or comments about my responses to the questions, please contact me on or Mr Bernard Govind, of our office, on (02) 9281 7022.

Yours faithfully,

Bernie Smith  
BRANCH SECRETARY-TREASURER