

Coles' trolley collectors report

9 January 2019

The final report on the Fair Work Ombudsman's Court Enforceable Undertaking (EU) with Coles Supermarkets Australia Pty Ltd reveals a highly compliant network, with 94 per cent of the supermarket's stores now using 'in-house' trolley collectors.

Coles entered into an EU in 2014 after the FWO commenced legal action against two sub-contractors operating at several Coles sites for underpaying 10 trolley collectors over \$200,000.

As part of the EU, Coles paid the 10 collectors amounts owed by their former subcontractor employers, who went into liquidation, and acknowledged that its operating model was "vulnerable" to underpayments by contractors.

Coles declared publicly that it had an ethical and moral responsibility to ensure entities and individuals involved in its trolley collection supply chain were abiding by workplace laws.

As part of the EU, Coles was required to commission an annual independent audit of a sample of trolley collectors contracted by Coles' trolley collection provider, United Trolley Collections Pty Ltd (UTC).

While the first audit in 2015 found 245 employees were underpaid more than \$112,000, the 2018 sample audit found 37 employees had been underpaid \$7,099, which has been rectified. A further \$6,791 was back-paid to seven trolley collectors who raised concerns.

Acting Fair Work Ombudsman Kristen Hannah said the audits revealed a significant improvement in wage compliance across the Coles trolley network.

"A supply chain that had serious workplace issues has been transformed, showing the benefits of a lead business taking ownership for wage issues. Both Coles and its trolley collectors are better off as a result of compliance measures implemented throughout this partnership," Ms Hannah said.

"The community expects that large companies have processes in place to ensure all workers in their supply chain receive the lawful minimum wage. This is even more crucial for a vulnerable workforce such as trolley collectors, who are often young and include many migrant workers."

"The Enforceable Undertaking has delivered a compliant network and is now concluded. The Fair Work Ombudsman will continue to monitor the Coles trolley network to ensure their improvements to workplace compliance for trolley collectors are sustained," Ms Hannah said.

The number of Coles stores with entirely 'in-house' trolley collectors was up from 730 to 768 in 2018, out of 812 stores nationally, equating to 94.6 per cent. This is up from 55 per cent in 2014.

Trolley collecting at most other stores is undertaken by a mix of directly-employed Coles staff and contractors, who are engaged by UTC. Collection remains fully outsourced at just one per cent of stores. The FWO recently published a [report \(https://www.fair-work.gov.au/about-us/news-and-media-releases/2018-media-releases/november-2018/20181102-utc-pcd-report-media-release\)](https://www.fair-work.gov.au/about-us/news-and-media-releases/2018-media-releases/november-2018/20181102-utc-pcd-report-media-release) on its separate proactive compliance partnership with UTC.

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Download the [Coles Supermarkets Australia Pty Ltd Enforceable Undertaking 4th Annual Report \(DOCX 328.3KB\)](http://www.fairwork.gov.au/ArticleDocuments/545/coles-final-eu-report.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/545/coles-final-eu-report.docx.aspx) (PDF 977.4KB) (www.fairwork.gov.au/ArticleDocuments/545/coles-final-eu-report.pdf.aspx)

View the [Enforceable Undertaking](http://www.fairwork.gov.au/reports/coles-eu-report/the-enforceable-undertaking) (www.fairwork.gov.au/reports/coles-eu-report/the-enforceable-undertaking) .

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