

12 November 2018

I'm an accountant from Geraldton WA and I have been following this inquiry closely as I opened a case on behalf of two of my clients in mid-September (we are Case 6 in the attached 18.AQoN).

I was reading through the Answers to Questions on Notice, specifically 18 Woolworths Response to Questions on Notice per request of 9 October 2018 (attached for your convenience)

Woolworths were asked how much has been repaid so far, and in every case the reported amounts seemed incredibly trivial, or are not disclosed which leads me to question how accurate the repayments have been.

The reason I question this is because my clients have been offered 3 vastly different settlement amounts, all of which had been grossly miscalculated.

Had I not been assisting my clients free of charge, they undoubtedly would have taken the first offer.

Below is an outline of settlements offered to Client X. Client Y has also been offered very similar amounts.

- The first offer was \$4,567.29 and it came directly from Pioneer. I had already done my own rough calculations so I knew it was way off.
- I notified Woolworths of the offer and Woolworths then calculated the underpayment to be \$7,708.86. After looking closer at this offer I realised there were errors in their calculations
- After I pointed out these errors Woolworths recalculated the new settlement amount at \$8,949.05
- On Friday 09/11 I emailed Woolworths as I still don't believe the calculation is correct. My calculations amount to \$10,368.88 and I'm confident I'm correct. I have not received a response yet.

These settlement offers span just 11.5months\* (or 320 days) as the store only opened in late 2017. I cannot begin to imagine how much must be owed to longer term cleaners, but it would undeniably exceed what my clients are owed. \*01/12/2017 – 16/10/2018

These were the errors I found in Woolworths calculations:

- Woolworths said my clients would be deemed to have taken leave without pay for their days off. This is despite the fact that my clients should have been permanent part time employees who would have been entitled to fully paid leave. I successfully argued this point and it equated to \$1,240.19 for client X. This shows that the wage legislation is being misinterpreted and misapplied by Woolworths internal audit team.
- Woolworths have only calculated up to 16 October 2018 even though they know my clients were improperly engaged as contractors up until 24 October 2018. I have pointed this out twice and have not received a direct response.
- Woolworths was not going to calculate transferrable personal leave until I pushed the issue. They have now calculated that there are 35 hours of transferrable personal leave which has a value of over \$800

- Woolworths has not actually calculated the abovementioned personal leave correctly as 2 subcontractors were involved, and transferrable personal leave has only been calculated from one subcontractor. I pointed this out to them today and am awaiting a response. Both points about transferrable sick leave indicate that the internal audit team is not adequately knowledgeable in this area.

I think this information is so incredibly important because it's very likely that anyone who had been "repaid" has not been repaid properly.

In my opinion Woolworths has shown that their two qualified internal auditors do not possess the necessary skills, knowledge or experience to carry out the important job they have been tasked with.

To see calculation differences of up to \$5,800 for one individual is incredibly concerning. I think it's necessary for all settled underpayments to be audited by someone independent from both Woolworths and the head contractor.

Kindest Regards

Ashleigh Wallace

Accountant