

22 May 2018

Darrell Channing
Director
Adjudication Branch
Australian Competition and Consumer Commission

By email: adjudication@acc.gov.au

Dear Mr Channing

Re: Homeworker Code Committee's application for authorisation [AA1000418] – interested party consultation

We write in support of the application by the Homeworker Code Committee Incorporated (HWCC) to the ACCC for revocation and substitution of authorisations A91354-91357 lodged on 26 April 2018.

The Textile, Clothing and Footwear Union of Australia (TCFUA) was a founding member of the Homeworker's Code of Practice ('Code'). In March 2018, the TCFUA amalgamated with the Manufacturing Division of the CFMEU. We continue to actively represent the industrial interests of workers in the TCF industry. We remain committed to ensuring that all workers in the sector (wherever they may be in a TCF supply chain) receive their lawful wages and conditions and work under safe and healthy systems of work.

The Code was initiated in the mid to late 1990's as a unique joint union and industry initiative motivated by the express objective of addressing systemic exploitation of workers in the TCF industry, with a particular focus on the position of home based outworkers. Production in the TCF industry has historically, and continues to be typically founded on long and complex contracting changes with multiple levels, from fashion house at the top to outworker/s at the other end.

The HWCC was founded on the premise of equal representation from the union and employer organisations and principals undertaking manufacturing in the TCF industry. This cooperative model has underpinned the ongoing success of the HWCC and the Code in improving wages and conditions in the TCF industry. The union has remained a member of the HWCC since its first inception and actively supports the Code, through both its compliance activities and the in-kind involvement of its HWCC members.



Public Benefits

Initiatives which prevent or reduce worker exploitation, including systemic sham contracting, wage theft and non-payment of other entitlements are a clear public benefit to a society. Such practices are obviously deleterious to the affected workers themselves, their families and communities. Systemic exploitation operates to entrench poverty, increase social exclusion and typically results in poor physical and mental health outcomes for workers.

Additionally, worker exploitation is also bad for the Australian economy as it compounds low wage growth and reduces consumer demand more broadly. It is also essentially anti-competitive as it undermines the creation of a level playing field for TCF manufacturers in Australia. Price or competitive advantage based on worker exploitation provides a distinctly unfair gain for unscrupulous players in the sector.

The Code, administered by Ethical Clothing Australia (ECA) since 2009, is a voluntary system of accreditation whereby manufacturers commit to full transparency of their TCF supply chains and a process of reaching full compliance with all minimum award and legal obligations applicable to the TCF industry.

Critically, the Code is underpinned by a thorough and rigorous compliance process undertaken for ECA by the union. The union works co-operatively with the company seeking accreditation, to effectively and accurately map their supply chain and to identify at each level where the work is being undertaken, by whom and under what conditions. Depending on the complexity of the particular supply chain, this can involve a significant amount of time and resources, including multiple visits to makers, contractors, sub-contractors and outworkers.

In the union's experience, a company seeking accreditation will sometimes have an inaccurate picture of their own supply chain, including the number of workers involved in the manufacture of their products and the wages and the conditions they are receiving.

The public benefits of the Code accreditation process are manifest. Transparency in TCF supply chains is greatly enhanced. Workers undertaking TCF work can be found and wages and conditions, and health and safety audited. Where contraventions of the award and other laws are identified, steps can then be implemented to remedy the breaches.

Importantly, the system of ECA accreditation is not a 'set and forget' model. To maintain accreditation, companies are required to seek renewal on an annual basis involving an updated process of compliance auditing and checking.

The union is in no doubt that the Code and the work of the HWCC and ECA means that exploitation has been reduced and a much greater number of workers in the TCF industry now receive their lawful wages and conditions. These benefits flow on to worker's children

and families, and the community more generally.

For the accredited manufacturer's themselves, the Code provides a degree of assurance that workers producing their garments and goods have not been abused or exploited in the process. In addition, the process of accreditation allows them to access ECA's labelling and licensing system and the promotion of their goods with the ECA logo. The cascading benefit is that consumers, members of the public can be confident that the goods they wish to purchase have been manufactured under an ethical system of production.

Public detriments

In the union's view there are no public detriments arising from the existence and operation of the Code. For the reasons outlined above, we do not consider that the Code is anti-competitive, but on the contrary, greatly assists in the development of a fair and ethical TCF industry in Australia.

In conclusion we strongly support the reauthorisation of the Code by the ACCC and the continuing work of the HWCC and ECA in reducing exploitation in the TCF sector.

Yours Sincerely



Michele O'Neil
TCF National Secretary
TCF Sector, Manufacturing Division
Construction Forestry Maritime Mining and Energy Union