

CUE CLOTHING Co.

CUE DESIGN PTY LTD ABN 71 000 655 336 / CUE & CO PTY LTD ABN 57 000 725 306 / CUE INTERNATIONAL PTY LTD ABN 22 080 049 798

LEVEL 7, 50 HOLT STREET, SURRY HILLS, NSW 2010, AUSTRALIA
TEL: 61 2 9299 2222 FAX: 61 2 9299 2233
WWW.CUE.CC

22nd 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

I write to you as the Chief Operating Officer of Cue Design Pty Ltd. I speak on behalf of the company and its Directors and confirm that we favourably support the application and authorisation of AA1000418.

We are a fully Australian owned and operated women's fashion manufacturer and retailer, and this year celebrate our 50th year of operation. The Managing Director and founder Rodney Levis, Executive Director Justin Levis, together with their family who are involved in numerous aspects of the business, spanning multiple generations, are all very proud to be the largest local manufacturer of fashion in Australia.

Maintaining a local supply chain has become a challenging task over the last number of years, with high volume low cost international brands entering the local market, the cost of local labour being significantly higher than offshore alternatives, and the local manufacturing skill base ageing and reducing in size with little to no prospect of such specialist labour being replaced. Increasing utility expenses, high rents, and ever rising fuel and logistics costs add to these challenges. International online operators have previously, and still continue to enjoy the benefit of GST free transactions, which alone, drive Australian consumers into offshore channels that provide little to no benefit to the local market or economy.

Despite the above, Cue is steadfastly committed to maintaining a local supply chain and continuing to produce the majority of its garments onshore – thus supporting Australian workers, Australian families, whilst at the same time providing a level of quality, value and modern design that Australian customers have loved and made part of their lives for 50 years.

We value this accreditation program because it assists us in ensuring the workers that have been pivotal to our many years of success are being paid, protected, and treated in a way that will provide them with the confidence and certainty that there is a future for ethical manufacturing in Australia; at least for as long as the skill base still continues to exist. We are a company that wants to demonstrate to the industry and to our customers that we can operate a legally compliant supply chain, whilst at the same time maintain a level of profitability that enables us to continue to operate viably.

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This accreditation program not only supports us in our efforts to maintain an ethical and lawfully compliant supply chain, but it also educates consumers and highlights those brands that are willing to pull back the curtain and invite an independent third party review and assessment of their operation. Accredited brands want to ensure every single factory worker is being paid properly and transparently, and that exploitation is never to be tolerated. If workers have a genuine sense of safety, security, respect and support, this will strengthen the skill base and provide pathways for those who wish to work in an industry that we hope to see continue locally.

This accreditation program sets the standard for ethical production in Australia. With appropriate marketing and education it makes consumers ask why all local manufacturers are not accredited – what standards need to be met – and where the bar is set. It levels the playing field for a brand like Cue and helps us compete with others who may cut the corners that we are not prepared to. It provides us with the confidence to tell our customers that we are reaching that bar. And why shouldn't we? It's complying with the law and our obligations. We are proud of our partnership with the program, and of the security we provide our workers. We hope that other local manufacturers will also participate in the program, and in turn assist in prolonging the life of a highly skilled industry made up of a very proud group of people who have allowed us to be who we are today.

Yours Sincerely,

Damien Peirce-Grant

Damien Peirce-Grant
Chief Operating Officer
Cue Design Pty Ltd