



## Minister for Education and Minister for Industrial Relations

08 JUN 2018

Mr Darrell Channing  
Director  
Adjudication Branch  
Australian Competition and Consumer Commission  
Homeworker Code Committee  
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Dear Mr Channing

I am pleased to provide comment to the consultation process currently being undertaken by the Australian Competition and Consumer Commission (ACCC) on the re-authorisation of the voluntary Homeworker Code of Conduct (the Voluntary Code).

In Queensland, the textile, clothing and footwear (TCF) industry generally grew until the mid-2000s but has declined over the last decade. It represents 1.3% of manufacturing sales in Queensland.<sup>1</sup> However, despite this relatively small percentage of sales the TCF industry has a relatively high number of employees at approximately 4700.<sup>2</sup> Of this workforce, the average age is 44.4 years.<sup>3</sup> The majority of TCF enterprises in Queensland are micro and small operators employing fewer than 20 people.

ABS data identifies that two thirds of all TCF businesses are located in Victoria and New South Wales, with Queensland and Western Australia the only other states making a significant contribution to the Australian TCF industry.<sup>4</sup>

Various inquiries, such as *2008 Review of the Textile, Clothing and Footwear Industry*, led by Professor Roy Green, have consistently noted the problems associated with the exploitation of outworkers in the textile, clothing and footwear (TCF) industry. These include:

- low rates of pay;
- long hours of work and poor working conditions with limited recourse for many outworkers due to poor English language competence; and
- complex supply chains operating in the industry.

The Voluntary Code has been in operation since 2001, when it was known as the No Sweat Shop Label. For a business to receive accreditation under the Voluntary Code, it must establish that its workers and its suppliers' workers (including outworkers) are receiving their lawful pay and entitlements under the *Textile, Clothing, Footwear and Associated Industries Award 2010* (the TCF Award) and other relevant legislation.

Key protections for clothing outworkers are provided through the *Fair Work Act 2009* (Cth) (FW Act), in which amendments introduced by the Federal Government in 2008 ensure that outworkers receive the same minimum entitlements as other workers in the TCF industry. There are also specific right of entry provisions to investigate suspected contraventions relating to TCF award workers under Part 3-4 of the FW Act. These provisions allow organisation officials (usually union officials who have a right of entry permit) to enter workplaces to carry out audits.

<sup>1</sup> Queensland Productivity Commission, Final Report into Manufacturing, 2017, 6, available at: <https://qpc.blob.core.windows.net/wordpress/2018/04/Manufacturing-Final-Report.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid, 1.

<sup>4</sup> Innovation & Business Skills Australia, IRC Skills Forecast and Proposed Schedule of Work 2017-2021, April 2017, available at: <https://www.ibsa.org.au/wp-content/uploads/2017/05/MST-IRC-Skills-Forecast-2017.pdf>

The TCF Award also provides protections such as the requirement that all workers must be treated as an employee, yearly wage rate updates, and templates for documents such as work records. Federal and state workplace laws, including the *Work Health and Safety Act 2011* (Qld), also provide requirements aimed at securing the health and safety of these workers.

The Voluntary Code is enforced by Ethical Clothing Australia (ECA) with support from the Textile, Clothing and Footwear Union of Australia (TCFUA). ECA work with TCF companies to obtain accreditation under the Code by ensuring supply chains are transparent and compliant with all relevant legal obligations.

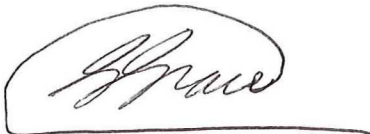
Since commencement, approximately 90 Australian business have signed up to the Voluntary Code, many being well known fashion labels. Many of these labels use their ethical stance on clothing manufacture as a key marketing strategy and competitive advantage reflecting a growing awareness and demand for ethical consumption in the fashion industry. For example, Mr Damien Pierce Grant, Chief Operating Officer of Cue (a leading youth fashion label), has stated that *'Cue is proud of its accreditation with Ethical Clothing Australia (the accrediting body of the Voluntary Code), and believes an ethical local supply chain isn't just about doing the right thing — it's also about supporting an industry and its workers'*.<sup>5</sup>

The primary public benefit of the Voluntary Code is the protection of vulnerable workers and the support it provides to businesses to engage in ethical supply chains. This is achieved through capitalising on industry goodwill and existing government regulatory approaches. The Voluntary Code also supports competitive practices based on raising industry standards and seeks to eliminate competitive pressure arising from poor employment practices.

The Queensland Government has a keen interest in the rights and treatment of Queensland workers, and continues to monitor operations and standards in the TCF industry. I recognise the Voluntary Code as a vital mechanism in protecting vulnerable TCF workers and unreservedly support its re-authorisation.

If the Committee has any further questions, please contact Mr Tony James, Executive Director Industrial Relations, Office of Industrial Relations, on (07) 3406 9871, or by email at [tony.james@oir.qld.gov.au](mailto:tony.james@oir.qld.gov.au).

Yours sincerely



**GRACE GRACE MP**  
**Minister for Education and**  
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Ref: 18/291933, F000005111, R0000047996

cc: The Honourable Anastacia Palaszczuk MP, Premier and Minister for Trade

<sup>5</sup> Damien Pierce-Grant, Cue Chief Operating Officer, available at: <https://ethicalclothingaustralia.org.au/brands/cue/>.