

# **Determination**

Application for revocation of A91354-A91357 and the substitution of authorisation AA1000418

lodged by

Homeworker Code Committee Incorporated

in respect of

the Homeworkers Code of Practice (to be renamed 'Ethical Clothing Australia's Code of Practice incorporating Homeworkers')

Date: 30 August 2018

Authorisation number: AA1000418

Commissioners: Rickard

Keogh

Featherston

# **Summary**

The ACCC has decided to re-authorise the Homeworker Code Committee to give effect to a revised version of the Homeworkers Code of Practice until 21 September 2028.

The ACCC has decided to grant authorisation to the Homeworker Code Committee (the Code Committee) for it, its committee members and current and future accredited businesses to give effect to a revised version of the Homeworkers Code of Practice. The Code Committee sought re-authorisation because the Code may constitute an agreement affecting competition and contains compliance measures, including boycotts of businesses which are not compliant with their legal obligations, that may otherwise breach the Competition and Consumer Act 2010.

The Homeworkers Code of Practice, which is to be renamed 'Ethical Clothing Australia's Code of Practice incorporating Homeworkers' (the **Code**, attached at Annexure A), is a voluntary mechanism within the textile, clothing and footwear (**TCF**) industry designed to assist businesses to ensure that they, and their outsourced supply chains (if any), comply with relevant Awards and workplace laws.

The TCF industry, as noted by the Fair Work Ombudsman in 2015, has the following features:

- pressure on the price of local production, rendering those at the lower levels of the supply chains particularly vulnerable,
- relatively high levels of female workers, including from culturally and linguistically diverse backgrounds who may not be aware of their rights and entitlements, and
- a high contravention rate of industry awards and legal obligations (40%), which may reflect difficulties in navigating supply chain arrangements, which are both varied and fragmented.<sup>1</sup>

The Code is a response to these industry features and provides education of, and auditing against, the legal requirements. Signatories must be able to demonstrate compliance with relevant Australian Awards and workplace laws in relation to all workers directly engaged by them and in any outsourced supply chain, in order to gain accreditation. Accredited businesses with compliant supply chains are permitted to display insignias from the Ethical Certification Trade Mark series to promote their compliance to consumers.

Under the Code, principal businesses that use suppliers who do not comply with their legal obligations may be required to boycott those suppliers in order to retain their accreditation. However, to date, this has not been required as the Code Committee works with businesses to address issues.

Various versions of the Code have been authorised by the ACCC since 2000. A number of revisions to the Code are now proposed which clarify and modernise the Code and streamline the accreditation application and renewal processes. The most substantial of these changes being the removal of several statutory declarations to be completed by principal companies and contractors in the supply chain (if any) confirming whether businesses utilise homeworkers and recording details around their employment. The ACCC previously identified that these statutory declarations were likely to be the most costly of the compliance requirements that the Code imposed on businesses.

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<sup>&</sup>lt;sup>1</sup> Fair Work Ombudsman. Designed to Fit – Insights and outcomes from the Fair Work Ombudsman's education phase of the National Textile, Clothing and Footwear Campaign 2015. <a href="https://www.fairwork.gov.au/ArticleDocuments/557/TCF-campaign-report.docx.aspx">https://www.fairwork.gov.au/ArticleDocuments/557/TCF-campaign-report.docx.aspx</a> page 3.

The information available to the ACCC indicates that the Code has resulted, and is likely to continue to result, in public benefits in the form of increased compliance by businesses with legal obligations relating to workers, efficiencies in the management of supply chains and efficiencies in businesses' signalling their compliance with legal obligations, which provides better information to customers.

The ACCC has considered whether the Code has resulted, or is likely to result, in public detriments including restricting competition between suppliers and increasing costs and administrative burdens for businesses. Since obtaining accreditation under the Code is voluntary, the ACCC considers the operation of the Code is likely to result in little if any public detriment.

Based on the information before it, the ACCC considers that the likely public benefits will outweigh the likely public detriments. Accordingly, the ACCC has decided to reauthorise the Homeworker Code Committee, its committee members, and current and future accredited businesses to give effect to a revised version of the Homeworkers Code of Practice until 21 September 2028.

# **Abbreviations**

ACCC Australian Competition and Consumer Commission

accredited manufacturer a supplier or manufacturer in the textile, clothing and

footwear industry who has gained accreditation under

Part 1 the Code.

CCA the Competition and Consumer Act 2010 (Cth)

Code the Homeworkers Code of Practice (proposed to be

renamed 'Ethical Clothing Australia's Code of Practice incorporating Homeworkers') in the form provided to the

ACCC on 26 April 2018 (Annexure A).

Code Parties The entities listed in paragraph 2 of this determination.

Code Committee the Homeworker Code Committee Incorporated.

ECA 'Ethical Clothing Australia', the Code Committee's trading

name

Ethical CTM series means the series of trademarks described by Certification

Trademark No. 1338510

Fair Work Act the Fair Work Act 2009

outworkers individuals and employees who perform work in the

textile, clothing and footwear industry from home (homeworkers) or at other premises that would not commonly be regarded as business premises.

Proposed Conduct Has the meaning set out in paragraph 3 of this

determination.

retail signatory a retailer in the textile, clothing and footwear industry

which has become a signatory to Part 2 of the Code.

TCF Award the Textile, Clothing, Footwear and Associated Industries

Award 2010. This is the current Federal employment award which covers workers in the textile, clothing and

footwear industry.

TCF Textile, Clothing and Footwear.

the Tribunal the Australian Competition Tribunal

Union Construction, Forestry, Maritime, Mining and Energy

Union of Australia; in particular, the TCF sector.

by a principal, the required details are specified by clause

F.2.2 of Schedule F of the TCF Award.

# 1. The application for authorisation

- 1. On 26 April 2018 the Code Committee lodged with the ACCC an application for the revocation of authorisations A91354-A91357 and the substitution of AA1000418 (re-authorisation).<sup>2</sup>
- 2. The Code Committee seeks re-authorisation on behalf of:
  - a. itself,
  - b. each of the entities that have one or more representatives on its committee now and for any representative on its committee for the period of the authorisation. These currently include: representatives of the NSW Business Chamber, Ai Group, the Union and accredited business representatives.
  - c. current accredited businesses and signatories of the Homeworkers Code of Practice, and
  - d. future accredited businesses and signatories of the Homeworkers Code of Practice

(collectively, the Code Parties).

# **The Proposed Conduct**

- 3. The Code Committee seeks re-authorisation to enable the Code Parties to give effect to the Code Annexure A(the **Proposed Conduct**).<sup>3</sup>
- 4. The Code Committee requested authorisation to engage in the Proposed Conduct for five years and sought re-authorisation because the Code may constitute an agreement affecting competition and contains compliance measures, including boycotts of businesses which are not compliant with their legal obligations, that may otherwise breach the *Competition and Consumer Act* (**CCA**).

# The Applicant

- The Code Committee oversees the operation and management of the Code through a joint employer and Union initiative and receives funding from the Victorian Government Department of Economic Development, Jobs, Transport and Resources.
- 6. The Code Committee trades under its registered business name, 'Ethical Clothing Australia' (**ECA**).

# The Code

- 7. The Code is a mechanism within the textile, clothing and footwear industry which seeks to encourage industry compliance with legal obligations relating to workers' entitlements and working conditions.
- 8. The intention of the Code is to require compliance with existing legal obligations in relevant Awards and legislation, rather than to extend these obligations, with one

Authorisation is a transparent process where the ACCC may grant protection from legal action for conduct that might otherwise breach the Competition and Consumer Act 2010. Applicants seek authorisation where they wish to engage in conduct which is at risk of breaching the CCA but nonetheless consider there is an offsetting public benefit from the conduct. Detailed information about the authorisation process is available in the ACCC's Authorisation Guidelines at www.accc.gov.au/publications/authorisation-guidelines-2013

The revised version of the Code is in Annexure A and Appendix 2 of the application for authorisation AA1000418 which is available on the ACCC's pubic register.

exception. Clause 9.4(d) of Part 1 of the Code extends the liability of some accredited manufacturers to cover unpaid remuneration to outworkers within their outsourced supply chains (see paragraph 20).<sup>4</sup>

- 9. In order to protect vulnerable workers (in particular, outworkers) and assist businesses to ensure that they are compliant with their legal requirements, the Code provides the following measures:
  - a) Yearly compliance auditing of accredited manufacturers and their supply chains by the Construction, Forestry, Maritime, Mining and Energy Union of Australia (the **Union**). This assists businesses to identify and assess the risks associated with sub-contracting practices within their supply chains.
  - Education of businesses as to their legal obligations, as a component of the auditing process and through training programs overseen by the Code Committee.
  - c) The right for accredited businesses to use the Ethical Certification trade mark series (see below) in association with their products, thus signalling their compliance to customers.
  - Education of industry workers and customers regarding the Code and its operations.
- 10. The Code Committee has registered the following series of trademarks as Certification Trademark No. 1338510:



These marks comprise the 'Ethical CTM series' and are available to accredited businesses to use as a means of communicating that they hold accreditation under the Code and observe its requirements.

# Revisions to the Code

- 11. The following changes to the Code, as compared to the version considered by the ACCC in 2013, are proposed to be made or have already come into effect:
  - a) Changing the title from 'Homeworkers Code of Practice' to 'Ethical Clothing Australia's Code of Practice, incorporating Homeworkers' in Part 1 and Part 2 of the Code.
  - b) Removing schedules 1, 2, 4 and 5 (statutory declarations) and schedule 3 (agreement between accredited principal companies and their contractors) from Part 1 of the Code and minor amendments to reflect this change.
  - c) Renaming Schedule 6 (letter to Homeworker) as Appendix A in Part 1 of the Code.
  - d) Updating terminology and titles in Clauses 10 (Licensing and use of Trade Marks) and 12 (Code Funds) of Part 1 of the Code.

Due to differences in the legal requirements that apply to incorporated vs unincorporated businesses and differences between laws applicable in each State and Territory, Australian law does not always impose liability for unpaid remuneration to outworkers on the principal manufacturer.

e) Updating definitions, dispute resolution clauses and further minor amendments in Clauses 1 (definitions), 3 (records), 4 (obligations of each retailer) and 7-10 (dispute resolution, trade marks, fees, termination of agreement) in Part 2 of the Code.

# **Previous authorisations**

- 12. The Code has been authorised by the ACCC in various forms since 2000, generally for periods of five years.
- 13. The most recent re-authorisation of the Code (as it then stood) was granted by the ACCC on 3 October 2013 for five years, expiring on 26 October 2018 (authorisations A91354-A91357).

# 2. Background

# The industry

- 14. The textile, clothing and footwear manufacturing industry covers all stages of production of textile, clothing, footwear and leather products.
- 15. Despite the broad coverage of the Code to include the entire industry, auditing under the Code only applies to accredited manufacturers and their outsourced supply chains.
- 16. Purchasing in the industry is, broadly, conducted via two different models:
  - a) Businesses in the industry buy products or product lines from suppliers on an arms-length basis. These products may either be finished items (e.g. a t-shirt) or they may be intermediate goods (e.g. fabric). The products are then resold or used to manufacture a value added product.
  - b) Businesses in the industry contract for products to be made for them, typically finished products (e.g. a t-shirt), or services to be provided to them (e.g. embroidery on the t-shirt), using materials supplied by them. The contractor they retain may fulfil the contract in-house or may sub-contract some or all of the work to one or more other businesses. This second model is referred to in the industry as 'giving out work'. Any business which contracts or sub-contracts out work is referred to as a 'principal'.
- 17. A business has different legal obligations (some of which are unique to the industry) under existing awards and workplace laws depending upon whether:
  - a) all of its textile, clothing or footwear inputs are bought at arms-length from suppliers and any production is conducted in-house;
  - b) any of its textile, clothing or footwear inputs or products are produced for the business by a contractor. However, that contractor (or its sub-contractors) use in-house workers only, so that no work is performed by an outworker; or
  - c) any of its textile, clothing or footwear inputs or products are produced for the business by a contractor and at least some of the work outsourced to that contractor is ultimately performed by an outworker.

18. The Fair Work Ombudsman's 2015 report identified that in 2012 there was a high contravention rate (40%) in the TCF industry and those at the lower levels of the varied and fragmented supply chains present are particularly vulnerable.<sup>5</sup>

# Legal obligations in the industry

- 19. The Code requires compliance with existing legal obligations and is intended to complement those obligations. For example, the auditing of outsourced supply chains is intended to ensure that each business in an accredited supply chain has fulfilled its record keeping and other obligations under existing laws. The Code also relies upon the obligations of businesses to permit entry to the Union, under existing law, in order to implement an effective supply chain audit mechanism.
- 20. The main source of businesses' legal obligations in this context are the Fair Work Act 2009 (the Fair Work Act) and the Textile, Clothing, Footwear and Associated Industries Award 2010 (TCF Award). Since Western Australia does not apply the national workplace relations system to all businesses, those businesses which are not subject to the national workplace relations system are subject to state law and awards. The Code obliges unincorporated businesses in Western Australia to comply with the outworker provisions of the TCF Award, which obligations may differ from those that the businesses would otherwise be required by adhere to. Incorporated Western Australian businesses are subject to the Fair Work Act and the TCF Award in the same way as incorporated businesses in other States. In addition, other more general, workplace laws also apply to and protect textile, clothing and footwear industry workers. These include State and Federal laws relating to: occupational health and safety, anti-discrimination, child labour, public holidays, long-service leave and superannuation.

# 3. Consultation

- 21. The ACCC tests the claims made by an applicant in support of its application for authorisation through an open and transparent public consultation process.
- 22. The ACCC invited submissions from a range of potentially interested parties including accredited and non-accredited businesses, customers of accredited businesses, academics, relevant industry associations or peak bodies, state and federal government and relevant regulatory bodies.<sup>9</sup>
- 23. Prior to the draft determination, the ACCC received 34 submissions in support of the application from accredited businesses, industry associations, government bodies and academics. The ACCC also received one submission opposing the application from a business requesting that their identity be kept confidential.
- 24. On 6 July 2018 the ACCC issued a draft determination proposing to re-authorise the Proposed Conduct for five years. A conference was not requested following the draft determination.

Fair Work Ombudsman. Designed to Fit – Insights and outcomes from the Fair Work Ombudsman's education phase of the National Textile, Clothing and Footwear Campaign 2015. <a href="https://www.fairwork.gov.au/ArticleDocuments/557/TCF-campaign-report.docx.aspx">https://www.fairwork.gov.au/ArticleDocuments/557/TCF-campaign-report.docx.aspx</a> page 3.

In Western Australia sole traders, partnerships, non-trading corporations and other unincorporated entities are not covered by the national system.

<sup>&</sup>lt;sup>7</sup> See https://www.fairwork.gov.au/about-us/legislation/the-fair-work-system.

<sup>8</sup> Clause 9.4 of the Code.

A list of the parties consulted and the public submissions received is available from the ACCC's public register www.accc.gov.au/authorisationsregister.

- 25. A submission was received from the Victorian Department of Economic Development, Jobs, Transport and Resources following the release of the draft determination which supports the continued authorisation and notes that the Victorian Government provides funding to the Code Committee.
- 26. The Code Committee provided two submission responding to the draft determination. The first provides technical clarifications on the TCF Award and operation of the Code. The second responds to the 'Guide to procuring Uniforms and Personal Protective Equipment (PPE)' released by the Victorian Government on 29 July 2018.
- 27. The submissions by the Code Committee and interested parties are considered as part of the ACCC's assessment of the application for re-authorisation and are available on the ACCC's public register.

# 4. ACCC assessment

28. Pursuant to subsections 91C(7), 90(7) and 90(8) of the CCA, the ACCC must not make a determination granting re-authorisation unless it is satisfied in all the circumstances that the Proposed Conduct would result or be likely to result in a benefit to the public and the benefit to the public would outweigh the detriment to the public that would result or be likely to result from the Proposed Conduct.

# Relevant areas of competition

29. The Code applies to businesses in the TCF industry that manufacture products in Australia. Consistent with previous decisions, the ACCC considers that the relevant areas of competition encompass the breadth of the TCF supply chain; through the processing of fibres for textile manufacture, to design, construction and manufacture of garments or footwear, wholesaling of finished products, concluding in retail of those products to the end consumer.

# **Future with and without**

- 30. To assist in its assessment of the Proposed Conduct against the authorisation test, the ACCC compares the benefits and detriments likely to arise in the future with the conduct for which authorisation is sought against those in the future without the conduct the subject of the authorisation.
- 31. The ACCC notes that in the absence of the conduct for which authorisation is sought, TCF businesses would continue to be required to comply with existing State codes, the relevant award, the Fair Work Act, and other applicable legislation.
- 32. The ACCC considers that without authorisation it is unlikely that the Code Committee would fully implement the Code because it includes conduct which is at significant risk of breaching the CCA.
- 33. If it did not have authorisation, the Code Committee could potentially amend the Code to lessen the risk of breaching the CCA, but the ACCC considers that this would constitute a significant dilution of the Code. The effectiveness of the Code in encouraging compliance with legal obligations depends upon those provisions of the Code which potentially raise concerns under the CCA. In particular, the potential trading sanctions which retailers and manufacturers agree to impose on non-compliant suppliers along the production chain is a powerful mechanism to ensure compliance.
- 34. The ACCC therefore considers that the relevant future without the Proposed Conduct is the situation in which the proposed revised Code is not implemented and, potentially, a significantly diluted version of the Code is introduced in its place.

# **Public benefit**

- 35. The CCA does not define what constitutes a public benefit and the ACCC adopts a broad approach. This is consistent with the Australian Competition Tribunal (**the Tribunal**) which has stated that the term should be given its widest possible meaning, and includes:
  - ...anything of value to the community generally, any contribution to the aims pursued by society including as one of its principal elements ... the achievement of the economic goals of efficiency and progress.<sup>10</sup>
- 36. The public benefits claimed by the Code Committee may be summarised as:
  - a) Increased business compliance with legal obligations in relation to textile, clothing and footwear workers.
  - b) Efficiencies for business in the management of their supply chain risks.
  - c) Efficiencies for business and industry in the way they signal their ethical status to interested consumers and for consumers to gain assurance as to the ethical status of accredited products.
- 37. Each of the public benefits are considered in more detail below.

# <u>Increased compliance with legal obligations in relation to workers</u>

# The Code Committee's submissions

- 38. The Code Committee submits that:
  - a) Compliance officers usually observe multiple breaches of the TCF Award, the Fair Work Act and/or other legislation in the supply chains of first time applicants for accreditation under the Code. When audits are carried out for businesses seeking re-accreditation, compliance officers generally observe a narrower range of non-compliance issues.
  - b) Where breaches are identified, the Code Committee aids businesses and supply chain participants in understanding their obligations and allows an opportunity for the breaches to be rectified before requiring the principal to make a decision about continuing to use that supply chain participant.<sup>11</sup>
  - c) The Code Committee has prepared and continues to update resources assisting businesses through the accreditation process which summarise obligations and entitlements applicable in the industry.
  - d) The Code Committee continues to provide a number of education and outreach programs, including:
    - i. advising outworkers about their pay and legal entitlements,
    - ii. supporting events that educate outworkers and allow the sharing of experiences,
    - iii. producing resources for outworkers that raise awareness of the TCF Award and their entitlements, and
    - iv. providing multilingual information.

Queensland Co-operative Milling Association Ltd (1976) ATPR 40-012 at 17,242; cited with approval in Re 7-Eleven Stores (1994) ATPR 41-357 at 42,677.

Accreditation will not be granted unless all supply chain participants become compliant within the Code Committee's specified timeframe.

# **Interested party submissions**

- 39. Submissions received from government representatives and accredited businesses noted that the Code and Code Committee play an important role in informing businesses of their legal obligations.
- 40. Submissions received from Dr Shelley Marshall (RMIT University), Dr Annie Delaney (RMIT University) and Prof. Christina Cregan (University of Melbourne) support the application, noting that the Code plays an important role in improving the conditions of workers in the industry. Dr Marshall states that her research indicates a trend of increased compliance with legal obligations since the study conducted by Professor Cregan in 2001. Dr Marshall's submission states:

In contrast with Cregan's study, in which she found no evidence of workers receiving their legal entitlements, a number of workers that I interviewed were either receiving legal wages and other entitlements or close to them. These interviewees were all working in supply chains that are linked to lead companies that accredited under the Homeworkers Code of Practice through Ethical Clothing Australia. For all the interviewees who were receiving close to their legal entitlements this was a relatively new phenomenon. Only a few months earlier, they have been receiving less favourable conditions close to those described by Cregan.

41. Asian Women at Work praises the Code Committee for providing information to workers in multiple languages to benefit workers from non-English speaking backgrounds, allowing them access to information about their pay and entitlements which was previously difficult to access.

# **ACCC** consideration

42. The ACCC notes that there is evidence that some businesses in the industry have failed to comply with their legal obligations in relation to workers. The Code and initiatives of the Code Committee appear to have improved compliance. The ACCC considers that the Code Committee's activities in managing the Code and providing education and auditing against the legal obligations are likely to result in public benefits from increased compliance by businesses with their legal obligations.

# Efficiencies in the management of supply chain risks

# The Code Committee's submissions

- 43. The Code Committee considers that the Code assists accredited businesses and signatories in:
  - a) Managing legal and reputational risk.
  - b) Understanding legal obligations through the tools and information kits provided by the Code Committee.
  - Demonstrating that their products are Australian Made and manufactured under ethical conditions through the use of the independent Ethical CTM series.
  - d) Increasing their connection to potential customers, including consumers, government and major purchasers, through ECA promotion and advocacy.
  - e) Being part of a wider community, increasing their connection to other local and ethical manufacturers.
- 44. In support of this view, the Code Committee notes that it provides a range of educational materials to businesses as part of the accreditation process, has introduced new end of year audit reports (which provide direct feedback to

businesses audited) and cited findings from a survey it conducted of accredited businesses in 2018 which shows:

- a) 94% of respondents either strongly agreed or agreed that their businesses valued its accreditation under the Code.
- b) 74% either strongly agreed or agreed that the ECA helped manage risks throughout their supply chain.
- c) When asked about the benefits of ECA accreditation, the top three responses given were: being able to demonstrate Australian made, independent certification to show customers, and having support in ensuring the company is compliant with the law.

# **Interested party submissions**

- 45. Interested parties provided submissions supporting the Code Committee's claim that the Code results in efficiencies in the management of supply chain risk. These include a number of accredited businesses, which together provided comments supporting each of the elements identified by the Code Committee in paragraph 43.
- 46. The Union's submission notes that through the accreditation process "[t]ransparency 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." In addition, "[f]or the accredited manufacturers themselves, the Code provides a degree of assurance that workers producing their garments have not been abused or exploited in the process".
- 47. The ACCC received a confidential submission from an interested party opposing the re-authorisation because:
  - a) It is unethical and potentially unlawful for audits to be conducted along the supply chain (and not just limited to signatory businesses). Requiring transparency on the part of supply chain businesses by requiring information to be provided to the Code Committee (and passed on to the union) poses a privacy risk and bypasses legal constraints imposed on the union.
  - b) The Code requires businesses to keep extensive time costing for each job and the obligation to provide a minimum amount of work to casual employees goes beyond what is required for any other casual worker in Australia and has led manufacturers to cease operating in Australia. "The cost to administer the giving of work to the homeworker is huge and outweighs the cost of the homeworker in many cases".
- 48. The Code Committee notes:
  - a) With respect to record keeping and privacy concerns, the Code only seeks to ensure compliance with Australian workplace laws and does not seek any information about individual employees beyond what is required to demonstrate compliance.
  - b) Any obligation to keep records and provide a minimum amount of work to particular workers is based on the relevant award and workplace laws (rather than a requirement stemming from the Code). The Code does not impose obligations on employers beyond what is already required by law.

# **ACCC** consideration

49. The TCF Award and the Fair Work Act impose a range of legal obligations upon businesses which give out work to ensure the payment of workers who perform that

- work. The majority of existing accredited manufacturers are incorporated<sup>12</sup> and thus, to the extent that these businesses give out work (that is, outsource), they are subject to the full range of obligations under the Fair Work Act and the TCF Award.
- 50. The ACCC notes that businesses in this industry are also vulnerable to other supply chain risks as a result of non-transparent outsourced supply chains. In particular, businesses may suffer from quality control issues and delivery delays.
- 51. Transparency and auditing obligations in the Code may assist many participating businesses to manage the risks which arise from outsourcing their supply chains.
- 52. The ACCC considers that the Code is likely to improve business efficiency in managing outsourced supply chain risks, particularly in relation to the risk that a sub-contractor is not compliant with its legal obligations to workers.
- 53. The ACCC also considers that the identification of sub-contracting practices may incidentally help businesses to more efficiently manage supply chain risks arising from quality control and delayed delivery.
- 54. Overall, the ACCC considers that the Code is likely to improve many businesses' efficiency in managing outsourced supply chain risks and that this constitutes a likely public benefit.

# Efficiencies in signalling compliance with legal obligations

# The Code Committee's submissions

- 55. The Code Committee submits that the Code, in conjunction with the Ethical CTM series, provides a benefit to businesses and signatories by signalling that they are compliant with their legal obligations.
- 56. The Code Committee's licensing agreement permits accredited companies to use the ECA trade mark and Ethical CTM series on swing tags, garment tags, websites, packaging and promotional materials. Significant use of these trade marks has been observed.
- 57. The Code Committee's 2018 survey of accredited businesses found that:
  - a) 83.67% of companies mention ECA accreditation on their websites.
  - b) 69.39% of companies promote ECA accreditation via social media.
  - c) 61.22% of companies communicate their ECA accreditation to customers instore.
  - d) 55.1% of companies mention ECA accreditation when speaking at public events or to the media.
- 58. The survey also found that 63.27% of accredited companies agreed or strongly agreed that customers were asking more questions about labour rights and/or the people who make their clothing.
- 59. A literature review conducted by the Code Committee in 2017 found that the use of accredited labelling schemes (and social media influencers) is effective in communicating the ethical message to potential consumers and possibly converting them to ethical purchasing behaviour.
- 60. The information conveyed by the Ethical CTM series is supported and developed through public events, education and training instigated by the Code Committee where the purpose and remit of the Code is explained.

<sup>&</sup>lt;sup>12</sup> Appendix 4 to the Application for Authorisation.

# **Interested party submissions**

- 61. A number of accredited businesses advise that they value the Ethical CTM series as a means of conveying to customers that their products are ethically produced or Australian made. Business such as Thinksideways, Bluegum and Fraser and Hughes identified that they used the Ethical CTM series in social media, on swingtags, websites, and promotional materials and knew that the accreditation was important to their customers. To Barwyn and Back also states that the ECA accreditation program "assists my brand in creating a truly ethical product, guides my brand to find other brands to work with ...and gives my brand exposure".
- 62. Thinksideways states: "[t]oo many businesses in this industry make claims without any evidence or validation as pure marketing ploy. Despite being in a busy space where the term 'Ethical' is used along with many others, it's good to have a certified trade mark that differentiates our businesses that have actually taken real steps to be audited and accredited."
- 63. Dr Shelley Marshall from RMIT University considers that one of the most important aspects of the Code is the way that it allows brands to demonstrate that their products are manufactured under ethical conditions through the use of the independent, third-party ECA trade mark, stating that "the ECA trade mark is the most credible of its type".

# **ACCC** consideration

- 64. The ACCC accepts that the Code provides a method by which businesses can effectively signal to customers that Australian manufactured TCF products have been produced in compliance with the TCF Award and workplace laws.
- 65. The use of the Ethical CTM series by businesses allows these businesses to differentiate their products from those of competitors, who may not observe the same standards, and communicates this information to consumers. The ACCC considers that the Ethical CTM series facilitates the communication of manufacturing practices to consumers, improving transparency in the TCF industry.
- 66. The ACCC considers that this signalling provides more information to customers and results in a public benefit by enabling them to make better informed purchasing decisions.

# **Public detriment**

- 67. The CCA does not define what constitutes a public detriment and the ACCC adopts a broad approach. This is consistent with the Tribunal which has defined it as:
  - ...any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency. <sup>13</sup>
- 68. The ACCC has considered the following potential public detriments:
  - Restriction of competition between suppliers and the ambit of the Code.
  - Increased business costs and administrative burdens imposed by the Code.
  - Adverse consequences resulting from the Union acting as auditor under the Code.
- 69. The ACCC's assessment of the likely public detriments from the Proposed Conduct follows.

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<sup>&</sup>lt;sup>13</sup> Re 7-Eleven Stores (1994) ATPR 41-357 at 42,683.

# Restriction of competition between suppliers and the ambit of the Code

# The Code Committee's submissions

- 70. The Code Committee submits that:
  - a) There is no evidence that the operation of the Code has had any adverse effect on competition to date and the Code is unlikely to do so in the future.
  - b) Participation in the Code is voluntary.
  - c) The Code seeks to ensure that existing legal obligations are being complied with. It does not impose new obligations on suppliers.
  - d) It is reasonable for businesses seeking accreditation to wish to ensure that their suppliers are also compliant with existing workplace laws (particularly having regard to their existing legal obligations).
  - e) It is critical that the Code Committee has the ability to act on breaches within the supply chain in order to maintain integrity, efficacy and effectiveness of the Code.
- 71. The Code Committee submits that in practice, when a breach is identified, compliance officers bring the breach to the attention of the principal and allow them the opportunity to take steps to rectify the breach identified without needing to rely on the formal processes set out in the Code. This leads to rectification of the issue/s in the majority of cases. The formal processes set out in clause 9.5 of Part 1 and 6.1 of Part 2 are used where inadequate progress is made by the principal in getting their supplier/manufacturer to comply.
- 72. The Code Committee submits that there have been instances of principals choosing to discontinue trading with non-compliant suppliers, however in these instances recourse has not been had to the mechanism in the Code.
- 73. On 3 August 2018, following the draft determination, the Code Committee lodged a further submission addressing the 'Guide to procuring Uniforms and Personal Protective Equipment (**PPE**)' (**the Guide**) released by the Victorian Government Purchasing Board on 29 July 2018. The Guide introduces ethical considerations to uniform and PPE tenders made to the Victorian Government and requires Australian manufacturers of TCF goods to hold or be seeking accreditation under the Code which must be maintained throughout the term of their contracts with the Victorian Government.
- 74. The Code Committee submits that requiring accreditation under the Code in the Guide demonstrates the Victorian Government's support for the TCF industry and that ethical production is important in the sector, but does not change the fact that the Code remains voluntary and does not limit the ability for companies to compete for contracts.
- 75. The Code Committee notes that the issue of Code accreditation as a government tender requirement was considered in Authorisations A91354-A91357. The Code Committee considers that the comments made by the Union at that time remain relevant:
  - a) If a business considers the obligations imposed by government in its tender and grant process are excessively onerous and/or the business will not be adequately compensated for participating in government tenders or grant programs, then the business can choose not to participate.

- In practice, the accreditation requirement imposed by government is just one
  of a large number of requirements and obligations imposed on government
  suppliers.
- 76. The Code Committee also submits that the Guide is State based and its impacts are likely to have less reach than the Commonwealth Government procurement rules considered by the ACCC in Authorisations A91354-A91357.

# Interested party submissions

- 77. A number of interested parties, including Dr Annie Delaney (RMIT University), Minister Grace Grace (Queensland Minster for Education and Industrial Relations), Oxfam Australia, Asian Women at Work, and some accredited businesses do not consider that the Code has resulted in any public detriment.
- 78. The interested party that opposes the re-authorisation submits:
  - a) The revisions to the Code are more than just a name change and extend the reach of the Code beyond just homeworkers.
  - b) The amended Code extends the audits performed by the Applicant to businesses which do not employ homeworkers and outworkers, not just to signatories to the Code.
- 79. In response to the confidential submission, the Code Committee submits:
  - a) The changes being made do not widen the reach of the Code.
  - b) The Code has covered TCF workers whether they are employed directly on premises or as homeworkers since its inception. The strength and integrity of the accreditation program comes from ensuring compliance throughout the supply chain.

# ACCC consideration

- 80. As part of the consideration of the previous Code, the ACCC strongly recommended that the Code Committee amend the name of the Code to clarify that it covers all workers in the industry and not just homeworkers. This has been done as part of the revisions to the Code.
- 81. The ACCC considers that the proposed revisions to the Code do not extend the ambit of the Code. The ACCC accepts that the effectiveness of the accreditation program is strongly tied to its whole-of-supply-chain reach.
- 82. The ACCC acknowledges that the Code imposes restrictions on accredited manufacturers' and retail signatories' dealings with other businesses in order to provide an effective mechanism for businesses to ensure compliance with legal obligations.
- 83. The ACCC notes that, since the draft determination, accreditation under the Code has become a requirement for certain Victorian Government tenders. For some businesses who might otherwise have chosen to tender to supply the Victorian Government, this may now mean that they must either apply for (or continue to maintain) accreditation under the Code or seek another buyer for their products.
- 84. However, the ACCC notes that the requirement to hold or be seeking accreditation under the Code is limited to contracts relating to uniforms and PPE in Victoria and the compliance obligations imposed by the Code are not particularly onerous (requiring businesses to provide conditions that, in most cases, they still would have been required to provide under legislation). The Victorian Government

 $<sup>^{14}</sup>$  ACCC final determination authorisation A91354-91357 at paragraph 290.

is a relatively smaller buyer of TCF goods. The ACCC remains of the view set out in Authorisations A91354-A91357 in relation to this issue that businesses seeking accreditation in order to qualify for a tender or contract will do so on the basis that they expect it to be commercially beneficial to the business.

- 85. Overall, the ACCC considers that any anticompetitive detriment arising from the Proposed Conduct is likely to be limited because:
  - a) The Code is voluntary.
  - Only businesses which are noncompliant with their legal obligations are potentially subject to boycott (which the Code Committee has not implemented to date).
  - c) There are safeguards against misuse of the Code, such as clearly defined roles for the Code Committee and the Union, and the inclusion of a dispute resolution mechanism in the Code.

# Increased costs and administrative burdens imposed by the Code

# The Code Committee's submissions

- 86. The Code Committee submits that, in relation to any costs imposed by the Code:
  - a) The operation of the Code and of the Code Committee, its compliance work and its staff is supported by government funding.
  - b) The Code Committee has sought to keep accreditation fees as low as possible.
  - c) The Code Committee represents good value to businesses seeking accreditation, given the assistance provided in the accreditation process and reduced risk of legal non-compliance.
  - d) The Code Committee has sought to reduce the administrative burden on businesses by proposing the removal of schedules 1 to 5 (statutory declarations) from Part 1 of the Code.
  - e) The majority of the records accessed under the Code for audit purposes are records which businesses are required to keep in any event.

# Interested party submissions

- 87. The Australian Fashion Council welcomes the proposed removal of the statutory declarations at schedules 1-5 of the Code as these changes will make the application and renewal processes less intrusive and costly for businesses, making accreditation more accessible.
- 88. The interested party opposing the re-authorisation submits that:
  - a) The cost to administer the giving of work to homeworkers is huge and outweighs the cost of the homeworkers in many cases.
  - b) The obligations to keep extensive records in time-costing each job and having to provide a minimum amount of work to casual workers, far in excess of any other casual worker in Australia, have led manufacturers to cease their operations in Australia.
  - c) Manufacturers who would have ordinarily operated in Australia but do not want to be a party to the Code for a range of reasons (including reasons unrelated to homeworker pay requirements) do not appear when quantifying the damage caused by the Code as they are likely to have established

themselves outside Australia and no longer have reason to provide feedback in Australia.

- 89. In response, the Code Committee notes:
  - a) The Code only seeks to ensure compliance with existing laws.
  - b) Any obligations to keep records and to provide a minimum amount of work is based on the relevant award and workplace laws.
  - c) The Code Committee rejects that the existence of the Code, which is voluntary, has somehow impacted on the number of businesses which have moved their manufacturing offshore.
  - d) Changes in the size and scale of the TCF industry in Australia are the result of shifts in tariffs and changes to trade-policies that have resulted in increased imports and off-shoring.

# **ACCC** consideration

- 90. In its 2013 determination, the ACCC identified that the requirement to obtain multiple statutory declarations was likely to be the most costly of the obligations that businesses would have to comply with in the accreditation process. The removal of schedules 1-5 of the Code is a significant step by the Code Committee in reducing the burden imposed by its accreditation process.
- 91. The ACCC acknowledges that the completion of work records and remuneration calculations imposes a cost on businesses. However, the legal obligation (and therefore any additional costs to business) is imposed by Schedule F of the TCF Award rather than the Code. To the extent that businesses have complied with Schedule F, the only cost imposed by the Code in relation to work records and remuneration calculations is the cost of providing a physical copy of the work record and remuneration records to Ethical Clothing Australia and the Union.
- 92. The ACCC recognises the Code imposes a number of different costs upon businesses from increased paperwork, compliance auditing and fees. However, the ACCC notes that accreditation under the Code is not a requirement under the Commonwealth Procurement Rules (when previously it was). Accordingly, the ACCC considers accreditation under the Code to be a voluntary process and that it is a matter for each business to assess the costs and benefits of becoming accredited or a retail signatory or supplying such a business.

# Adverse consequences resulting from the Union as acting as auditor under the Code

# The Code Committee's submissions

- 93. The Code Committee submits that:
  - a) The choice of the Union as the auditor under the Code is due to the Code's reliance upon the existing powers and operations of the Union under workplace laws. In particular, the Fair Work Act and the TCF Award grants the Union wide powers to enter workplaces and inspect and copy documents.
  - b) Prior records from initial audits indicate a business's outsourced supply chain will rarely be compliant with the Award and relevant legislation.
  - c) Poor occupational health and safety is also very common in factories as well as amongst outworkers.
  - d) In relation to outworker specific requirements, it is common for suppliers not to be registered with the relevant Fair Work Commission Board of Reference

- and not record the details of their outsourcing contracts. The prescribed minimum safety net of terms and conditions for outworkers are almost uniformly not adhered to.
- 94. The Code Committee submits that the auditing undertaken by the Union does not just involve checking compliance but involves education and training of principal businesses and their supply chains of their obligations under the TCF Award and relevant legislation. This element of compliance auditing under the Code is critical in ensuring systems and structures are in place to ensure ongoing compliance.
- 95. In particular, the Code Committee considers that an alternative commercial auditor would be unable to effectively replace the Union because:
  - a) Audits would be significantly more costly because the Union currently subsidises audits, a new auditor would require costly training and may not operate as efficiently as the Union.
  - b) Audits may not be as effective or fast due to a replacement auditor's likely lack of familiarity with the TCF industry and a lack of an existing relationship of trust between the auditor and businesses being audited, which in turn may lead to less forthcoming interviews.
  - c) Legal issues are likely to arise from the use of a private auditor as the Union relies on its existing legal powers in order to access workplaces in order to conduct audits.
  - d) Credibility and national consistency issues may arise if a commercial auditor (or auditors) are used, which in turn may require the Code Committee to audit the commercial auditors, adding complexity and expense.
- 96. The Code Committee submits that since the ACCC granted reauthorisation in 2013, it has not received any complaints (formal or informal) about the Union acting as auditor, or in relation to the accreditation process. Nor has the dispute resolution process been utilised since its introduction.

# **Interested party submissions**

- 97. The interested party opposing re-authorisation submits that auditing should be kept separate from administration of the Code and should be undertaken by an independent body. By performing audits, the Code Committee is effectively subsidising the unions.
- 98. In reply, the Code Committee submits that the auditing and compliance process is kept separate from the administration of the Code. The administration of the Code is undertaken by staff employed by the Code Committee who carry out their work and duties under the Code independently from the compliance and auditing work undertaken by the Union. The staff employed by the Code Committee are not privy to a range of information that is ascertained during the independent compliance process.

# **ACCC** consideration

99. The ACCC considers that competition between auditors of various ethical assurance schemes can promote efficiencies in the delivery of such schemes, which may potentially lead to reduced costs and higher quality service. The use of the Union as the sole auditor under the Code removes the potential for such competition. However, the ACCC notes that the majority of the auditing costs are subsidised through government grants and that the business being audited does not pay auditing fees. The cost of engaging the auditor in this instance is effectively paid by government grants, through the Code Committee.

100. The ACCC also notes that complaints regarding the auditing process may be submitted to the Code Committee for resolution in accordance with the dispute resolution provisions of the Code. The ACCC notes that the Code Committee has not received any complaints since 2013 about the Union's involvement as auditor.

# Balance of public benefit and detriment

- 101. Broadly, the ACCC may not re-authorise the Proposed Conduct unless it is satisfied in all the circumstances that the Proposed Conduct is likely to result in a benefit to the public and the benefit would outweigh the detriment to the public that would be likely to result from the Proposed Conduct.
- 102. The information available to the ACCC indicates that the Code has resulted in public benefits in the form of increased compliance by businesses with legal obligations relating to workers; efficiencies in the management of supply chains; and efficiencies in businesses' signalling their compliance with legal obligations which provides better information to customers. The ACCC considers that the Code is likely to continue to result in these public benefits during the next ten years.
- 103. The ACCC notes that accreditation under the Code is a voluntary process, and therefore businesses will only go through the process if they consider the costs are worthwhile. The ACCC does not consider that there are any significant competitive detriments from the operation of the Code.
- 104. For the reasons outlined in this determination, the ACCC is satisfied that the Proposed Conduct is likely result in a public benefit that would outweigh any likely public detriment from the Proposed Conduct. Accordingly, the ACCC has decided to grant authorisation.

# Length of authorisation

- 105. The CCA allows the ACCC to grant authorisation for a limited period of time. 
  This enables the ACCC to be in a position to be satisfied that the likely public benefits will outweigh the detriment for the period of authorisation. It also enables the ACCC to review the authorisation, and the public benefits and detriments that have resulted, after an appropriate period.
- 106. In this instance, the Code Committee seeks authorisation for five years.
- 107. There were no interested party submissions on the appropriate length of authorisation.
- 108. In light of the assessment of public benefits and detriments set out above, the ACCC has decided to re-authorise the Proposed Conduct for ten years, until 21 September 2028.

# 5. Determination

# The application

- 109. On 26 April 2018, the Code Committee lodged an application under section 91C(1) of the CCA to revoke authorisations A91354-A91357 and substitute them with authorisation AA1000418 (re-authorisation).
- 110. The Code Committee seeks re-authorisation for the Code Parties to give effect to a revised version of the Homeworkers Code of Practice, which is to be renamed

**Determination AA1000418** 

<sup>&</sup>lt;sup>15</sup> Subsection 91(1) of the CCA.

'Ethical Clothing Australia's Code of Practice incorporating Homeworkers', (attached at Annexure A) (defined as the Proposed Conduct in paragraph 3).

# The net public benefit test

111. For the reasons outlined in this determination, the ACCC is satisfied, pursuant to subsections 91C(7), 90(7) and 90(8) of the CCA, that in all the circumstances the Proposed Conduct for which authorisation is sought would result or be likely to result in a benefit to the public and the benefit to the public would outweigh the detriment to the public that would result or be likely to result from the Proposed Conduct.

# Conduct which the ACCC has decided to authorise

- 112. The ACCC has decided to grant authorisation to the Code Committee for the Code Parties to give effect to the Proposed Conduct described at paragraph 110, which may substantially lessen competition within the meaning of section 45 of the CCA, hinder or prevent the supply or acquisition of goods or services by a third person within the meaning of sections 45D, 45DA, or 45DB of the CCA or constitute a cartel provision within the meaning of Division 1 of Part IV of the CCA.
- 113. Any changes to the Code during the term of the proposed authorisation would not be covered by the authorisation.
- 114. The ACCC has decided to grant authorisation AA1000418 until 21 September 2028.

# Date authorisation comes into effect

115. This determination is made on 30 August 2018 If no application for review of the determination is made to the Australian Competition Tribunal it will come into force on 21 September 2018.

# **Annexure A: The Code**



# Ethical Clothing Australia's Code of Practice, incorporating Homeworkers Homeworkers Code of Practice

# **Application for Accreditation**

# Part 1

(Manufacturers)

For further information & assistance contact

# **Ethical Clothing Australia**

Postal address: PO Box 2087, Fitzroy VIC 3065
Phone: 03 9419 0222 / Fax: 03 8415 0818
Email: info@ethicalclothingaustralia.org.au
www.ethicalclothingaustralia.org.au

# Ethical Clothing Australia's Code of Practice, incorporating Homeworkers HOMEWORKERS CODE OF PRACTICE

Ethical Clothing Australia (ECA®) Privacy Policy

We collect, use and disclose information according to the ECA Privacy Policy which can be found at our website: www.ethicalclothingaustralia.org.au/privacy-policy. By signing this application, you acknowledge and agree that you have read and understood our Privacy Policy, and agree to your information being handled in accordance with it. Amendments to the Privacy Policy will come into effect immediately when posted on our website. Because of this, you should access the Website and read the latest Privacy Policy prior to disclosing personal information to us. Important Note: If you do not consent to the ECA Privacy Policy please be aware that ECA will be unable to process your application for accreditation or any subsequent re-accreditations.

Company Name	
ABN	
Address	
Addiess	
Phone	
Fax	
Email	
Website	
Signature	
Name	
Position	
Date	

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Ethical Clothing Australia's Code of Practice, incorporating Homeworkers The Homeworkers Code of Practice ('the Code of Practice') is a voluntary Code established to ensure textile, clothing and footwear workers and homeworkers receive appropriate legal award entitlements and legislative protection.

Accreditation is only available to businesses who manufacture textile, clothing and footwear products in Australia.

A business is complying with the Code of Practice when its workers and its suppliers' workers (including outworkers) are receiving their lawful pay and entitlements under the TCF Award 2010 and relevant legislation.

#### [Insert Company Name]

Acknowledges that compliance with the requirements below is necessary to become accredited and maintain accreditation under the Code of Practice

- a) Copy of the signed Code of Practice agreement (Part 2 Signatories)
- b) Completed fees formAccreditation Application and Renewal Form, to be provided annually
- c) Payment of the Accreditation Application fees and ongoing annual fees
- d) Ongoing cooperation regarding compliance checks and the facilitation of legal compliance, internally and regarding applicant company's suppliers
- e) Provision of documentation for initial accreditation, annually and whenever a supply chain changes
- f) Statutory declaration/s of company seeking accreditation (Schedule 1-5 depending on manufacturing circumstances)
- g) Contractors list (Schedule 2 Attachment 1) or homeworkers list (Schedule 4, Attachment 1)
- h) Completed Schedule/s with each contractor listed in Schedule 2, Attachment 1
- <u>+f)</u> Example of a work record for each contractor used
- i) Statutory declarations from all contractors ) (Schedules 3, 4 or 5)
- k)g) Copies of outworker wage records, work arrangements and work records and satisfactory evidence of superannuation and Workcover payments.

# HOMEWORKERS CODE OF PRACTICE Ethical Clothing Australia's Code of Practice, incorporating Homeworkers.

PART 1 - MANUFACTURER'S AGREEMENT

# CLAUSE 1 - AGREEMENT

#### between

The Textile, Clothing, and Footwear Sector of the Manufacturing Division of the Construction. Forestry, Maritime, Mining and Energy Union (the Union) Union of Australia (TCFUA), and

The Australian Industry Group (Ai\_Group), and

The New South Wales Business Chamber (NSW BC)

# **CLAUSE 2 - PARTIES**

The UnionTCFUA

The Ai\_Group

The NSW BC

Individual companies who are signatories to this Agreement

#### **CLAUSE 3 - OBJECTIVES**

The objectives of this Agreement include:

- To end exploitation of workers and homeworkers in the textile, clothing and footwear industry
- To enable workers and homeworkers to clearly understand their employment entitlements
- To ensure workers and homeworkers receive their appropriate award entitlements and legislative protection
- To establish a system of accreditation for Manufacturers who comply with this
- To educate workers, manufacturers, contractors, fashion labels and the wider community about the purposes and operation of this Agreement
- To assist homeworkers by supporting, consistent with this Agreement, community and industry education securing compliance with this Agreement and promoting its purpose.
- To facilitate for an accredited business, a transparent, ethical and more sustainable supply chain
- To provide a mechanism to an accredited business to achieve, and ensure ongoing compliance with the TCF Award and relevant legislation
- To provide opportunities to accredited business, to promote their products as ethically produced, Australian products and enabling them through a licence agreement to use Ethical Clothing Australia trade marks.

#### **CLAUSE 4 - DEFINITIONS**

- 4.1 **"Accreditation"** means a system of accreditation whereby a Manufacturer may indicate that it complies with the terms of this Agreement.
- 4.2 "Accreditation Register" means the register of accredited manufacturers held and maintained by Ethical Clothing Australia.
- 4.3 "Code of Practice" or "Agreement" means Ethical Clothing Australia's Code of Practice, incorporating Homeworkersthe Homeworkers Code of Practice.
- 4.4 **"Committee"** means the management committee of the Homeworkers Code of Practice.
- 4.5 **"Contractor"** means a business engaged to produce or arrange the manufacture of products in the textile, clothing and footwear industry.
- 4.6 **"ECA"** or **"Ethical Clothing Australia"** means the organisation responsible for the accreditation of manufacturers and the administration and promotion of the Code of Practice.
- 4.7 "Manufacturer" means a business that manufacturers or arranges the manufacture of TCF products in Australia (including the value adding onto Australian made product), and may include a supplier, fashion house or wholesaler.
- 4.8 **"Outworker"** or **"homeworker"** means a person who performs work on, or in relation to, products in the textile, clothing and footwear industry, at residential premises or at other premises that would not conventionally be regarded as business premises.

4.9 "Products" means the whole, or part of:

any garment; or any article of wearing apparel; or any article of footwear; or any textile product.

- 4.10 "Rate per product" means the rate calculated in accordance with the TCF Award (outworker provisions). This is determined by reference to the skill level classification, and the 'Time Standards and payment' outworker provisions in the TCF Award.
- 4.11 **"Relevant award"** or **"TCF Award"** or **"award"** means the Textile, Clothing Footwear and Associated Industries Award 2010, and as amended from time to time to provide increases in wages and/or conditions as determined by the Fair Work Commission (or any successor body).
- 4.12 **"Relevant superannuation fund"** means in relation to a worker or homeworker, a superannuation fund into which superannuation contributions are to be paid on behalf of the worker or homeworker in accordance with the TCF Award and federal superannuation legislation.
- 4.13—"Standard Statutory Declaration" means a statutory declaration as set out in Schedules 1,2, 4 and 5, of this Agreement. Completion of relevant standard statutory declarations is necessary for an applicant business to acquire accreditation.
- 4.144.13 "Supplier/Fashion house/wholesaler" means an entity that agrees to manufacture or arrange to manufacture products and /or components thereof.
- 4.154.14 "Supply Chain" in relation to a manufacturer (whether accredited or seeking accreditation under this Code), means one or more arrangements entered into by the manufacturer, with any legal or natural person, to have work performed for them (directly or indirectly) as the principal.

Workers in a manufacturer's supply chain include workers directly engaged by the manufacturer (including homeworkers) and/or those workers engaged by any of their suppliers or contractors (including homeworkers).'

- 4.164.15 "The UnionCFUA" means the Textile, Clothing, and Footwear Sector of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union of Australia.
- 4.174.16 "Worker" means a person who performs work on, or in relation to products in the textile, clothing and footwear industry.
- 4.184.17 "Workers compensation" means workers' compensation as prescribed by the relevant state or federal legislation.
- 4.194.18 "Work records" means a 'work record' as defined under the TCF Award (formerly known as a garment specification sheet).
- 4.204.19 "Work agreement" means a 'work agreement' as defined under the TCF Award (outworker provisions) applicable to homeworkers and all contractors (regardless of whether that contractor employs homeworkers)

#### **CLAUSE 5 - COMMITTEE**

The Committee is responsible for the overall administration, implementation and promotion of the Code of Practice.

The Committee comprises an equal number of representatives from the TCFUA-Union and a combined group of employer parties to the Agreement, and has a minimum of six members. Decisions of the Committee are made by a majority vote.

The duties of the Committee shall be to take whatever steps may be necessary to ensure promotion of, and compliance with this Agreement, including:

- Accreditation of applicant businesses and re-accreditation of accredited businesses
- Withdrawing a manufacturer's accreditation
- Holding and maintaining the accreditation register of accredited manufacturers
- Licensing Accredited Manufacturers and Registered Manufacturers to use the Accreditation Marks
- Allocating monies from the education, publicity and compliance fund
- Settling any disputes that may arise in relation to the operation of this
  agreement, which may include the participation of an independent mediator,
  where agreed (where the committee cannot resolve a dispute the matter will be
  referred to the agreed independent mediator for resolution) and
- Establishing processes and procedures to rapidly and efficiently deal with issues which come before it, in particular those which require mediation.

#### **CLAUSE 6 - ROLE OF THE TCFUAUNION**

The <u>UnionTCFUA</u> will have the responsibility for enforcing compliance with the labour standards under this Agreement. Compliance activities, consistent with this Agreement, shall include:

- Undertaking compliance audits as part of the accreditation process;
- Identifying incidents of non\_compliance with the TCF Award and relevant legislation and/or this Agreement;
- Securing compliance through the promotion of this Agreement;
- Ensuring compliance with the TCF Award and relevant legislation by nonaccredited businesses;
- Ensuring ongoing compliance with this Agreement by accredited businesses.

### CLAUSE 7 - ROLE OF ETHICAL CLOTHING AUSTRALIA

Ethical Clothing Australia (ECA) is established by the Committee to promote ethical behaviour in the textile, clothing and footwear industry, administer the Code of Practice and assist applicant and accredited businesses.

# **CLAUSE 8 - ACCREDITATION**

#### 8.1 Accreditation

The Committee shall confer accreditation on a manufacturer which establishes it is in compliance with all obligations under this Agreement, including:

- Timely completion of required documentation and payment of a new accreditation fee to Ethical Clothing Australia (ECA)
- Ensuring all workers and homeworkers (if any) in its supply chain involved in the performance of work in relation to its products, are receiving wages and conditions as provided for in the TCF Award and under all relevant legislation;
- Co-operating with the TCFUA Union regarding compliance checks; and
- By the provision of standard statutory declarations and other required documentation to ECA as required under the Agreement.

The period of time required to become ECA accredited is dependent on the cooperation of the applicant business and the fulfilment of obligations by the applicant and its supply chain. In addition, the specific nature of the applicant's manufacturing circumstances will impact on the time for accreditation; for example, whether the company gives work out or does all of its work in-house, and the number of participants in the supply chain.

Where accreditation is conferred on a manufacturer, that manufacturer will be entitled to be known as an Accredited Manufacturer and licensed accordingly. In addition all Accredited Manufacturers will be provided with an 'Accreditation Certificate' renewed annually.

An Accredited Manufacturer shall be entitled to attach to its products a label indicating (in a form of words decided by the Committee), that they have been made by an Accredited Manufacturer.

#### 8.2 Re-accreditation

Re-accreditation for an accredited business is required annually and does not occur automatically.

To be re-accredited, a business is required to fulfil a number of obligations under this Agreement. These obligations include, for example:

- Timely completion of required ECA documentation and payment of an annual accreditation fee to Ethical Clothing Australia;
- Co-operation with the TCFUA-Union regarding updated compliance checks;
- Ongoing compliance with the TCF Award and related legislation by the business' supply chain; and
- the provision of accurate statutory declarations and other required documentation to Ethical Clothing Australia as required under this Agreement.

# 8.3 **De-accreditation**

De-accreditation can occur if:

- the accredited business or its supply chain becomes non-compliant with the requirements of this Agreement; and/or
- the manufacturing circumstances of the accredited business change (for example, the business ceases to be eligible under the Code of Practice because it stops manufacturing in Australia; or the business ceases trading and/or becomes insolvent).

If the Committee considers that an Accredited Manufacturer has failed to comply with this Agreement, it may give the Accredited Manufacturer notice stating:

- the grounds on which it considers that the Accredited Manufacturer has failed to comply with this Agreement; and
- that the Committee may cancel the accreditation of the Accredited Manufacturer unless the Accredited Manufacturer provides, within twenty-eight (28) days of delivery of the notice, material which satisfies the Committee- that the Accredited Manufacturer has complied with this Agreement.

#### **CLAUSE 9 - OBLIGATIONS OF ACCREDITED MANUFACTURERS**

A manufacturer is entitled to accreditation only if it complies with this Agreement.

# 9.1 General obligations of an applicant or accredited business

The responsibilities of an applicant or accredited business include:

- Advising ECA within 7 days of any changes to its manufacturing circumstances, including for example, the removal or addition of suppliers from their supply chain; taking manufacturing off shore; moving location, changing contact or entity details; corporate restructure which impacts on the accreditation of individual brands within the accredited business.
- Co-operating with the TCFUA Union regarding ongoing legal compliance and auditing. This includes responding to requests in a timely manner and facilitating the cooperation of all contractors and sub contractors within their supply chain.
- Co-operating and providing ECA with requested schedules and other documentation and the payment of fees within the requested timeframe.
- Keeping and maintaining the following records in connection to arrangements made with other contractors or homeworkers:
  - Work Agreements
  - Work Records
  - Wages Records
  - Superannuation fund and payments
  - Workers compensation fund and payments.

# 9.2 Obligations regarding in-house workers

The applicant, or accredited business must ensure that their in-house manufacturing workers are receiving, at a minimum, the legal wages and conditions as provided for under the TCF Award and relevant legislation (for example, National Employment Standards under the Fair Work Act 2009, superannuation and Work Cover entitlements, OH&S).

Once legally compliant as confirmed by the TCFUA, the applicant or accredited business is required to provide to ECA, a signed statutory declaration (Schedule 1 and Schedule 2), attesting they are and will remain compliant with this Agreement.

# 9.3 Obligations in relation to supply chain

The applicant or accredited business must ensure that their entire supply chain is compliant with the obligations of the TCF Award and relevant legislation. This includes registration with the Board of Reference of the Fair Work Commission if giving work out. Compliance extends from first and second tier suppliers through to all subsequent tiers

Once legally compliant as confirmed by the TCFUA, the applicant or accredited business is required to provide to the ECA, a signed statutory declaration (Schedule 2), and a Schedule 3, attesting they are and will remain compliant with this Agreement.

#### 9.4 Obligations to homeworkers

If an accredited business or any of its supply chain is giving work out to be performed by homeworkers, they must comply with the (Outworker and related provisions) of the TCF Award and requirements under this Agreement. Many of these obligations are cascading, and as such, apply to each business within a supply chain that gives work out to homeworkers.

Once legally compliant as confirmed by the TCFUA, the applicant or accredited business is required to provide to the ECA, a signed statutory declaration (Schedule 4 or Schedule 5), attesting they are and will remain compliant with this Agreement.

#### a) Requirements to be registered and provided lists

An accredited business and any of its supply chain must, prior to arranging for homeworkers to perform work on its behalf, be registered with the Board of Reference of the Fair Work Commission ('BOR'). They must also provide a quarterly list containing the details of each homeworker they have engaged to both the BOR and to the TCFUAUnion. On the request of the UnionTCFUA, the accredited business must provide to the TCFUA-Union within 7 days, details of the name and address of any homeworker which the accredited business is using in the manufacture of its products.

#### b) Requirements to provide written agreement and work records

Each accredited business and any of its supply chain who arranges for a homeworker to perform work must first make and retain both a Written Agreement with the homeworker and a Work Record in relation to the work, which is the subject of the arrangement. The TCF Award (outworker and related provisions) sets out the details of the information which must be included in the Work Agreement and the Work Record.

### c) Minimum conditions for outworkers

Each accredited business and each entity within its supply chain who arranges for a homeworker to perform work must ensure that the homeworker is receiving the following conditions:

- The appropriate time standard rate for work performed by the homeworker based on the TCF Award hourly rate (minimum skill level 3);
- At least the minimum number of hours per fortnight—as defined by Schedule F of the TCF Award and a maximum workload per fortnight (76 hours);
- The homeworker is not being required to work on a Saturday, Sunday or public holidays, or beyond 7.6 hours in one day, unless they agree to do so and the homeworker receives the appropriate rate of pay under the TCF Award:
- Appropriate workers compensation protection as per the relevant state or federal legislation;
- Appropriate notice and redundancy entitlements as per the TCF Award;

- Appropriate superannuation contributions are being made on the homeworker's behalf in accordance with the TCF Award and federal legislation;
- Appropriate pay slip records containing specified information as per the Fair Work legislation; and
- The standard letter as provided for in Appendix 1 in Schedule 6.

#### d) Non payment of money to outworkers

If it is shown to the reasonable satisfaction of the accredited business that a homeworker has not been paid by a contractor in accordance with this Agreement, the accredited business must pay the homeworker the amount due, and deduct the payment otherwise due to the contractor, where such payment to the contractor is still outstanding.

#### e) Records

Each accredited business which arranges for a homeworker to perform work on products must satisfy itself that all required records are maintained and are capable of being provided as required by Ethical Clothing Australia.

An– accredited business– shall, on the request of the TCFUA–Union within 7 days provide the TCFUA–Union all details of the name and address of any homeworker which the accredited manufacturer is using in manufacturing the products.

Where an accredited business uses a contractor to make products the accredited business shall, on the request of the TCFUA Union within 7 days provide to the TCFUA Union all details of the name and address of any contractor which the accredited business is using in manufacturing the products.

An accredited business shall, within 7 days of engaging a contractor to arrange for the making of products, ensure that the contractor compiles a list of names and addresses of all homeworkers that the contractor proposes to engage in the making of the products. Upon receiving a request from the TCFUA\_Union\_the accredited business shall ensure that the list is provided to the UnionTCFUA within 7 days.

# 9.5 Breach of Agreement

Where the <u>UnionTCFUA</u> gives notice to an accredited business that a contractor is in breach of this Agreement, the accredited business shall, within 14 days of the notification, investigate the alleged breach and report its findings to the <u>UnionTCFUA</u> and the Committee.

If the accredited business's report confirms a breach of this Agreement by a contractor, the accredited business shall cease further commercial dealings with that contractor unless and until the contractor has remedied its breach of the Agreement within 14 days.

#### 9.6 Precedence of Federal Award

With the exception of clause 9.4(d) of Part 1 of the Code, the Code is intended to reflect requirements of the Award and relevant workplace laws. A party who complies with the Award or workplace law will also have complied with a provision of the Code that is intended to reflect the relevant requirement of the Award or workplace law as in force from time to time.

#### CLAUSE 10 - LICENSING AND USE OF TRADE MARKS

An accredited business is able to display and use the ECA trademark subject to strict licensing conditions. All successful accredited manufacturers wishing to use the ECA trade\_mark\_\_license\_mark\_or\_certification\_marks\_ are required to sign a Licensing Agreement that covers the use and promotion of Ethical Clothing Australia, Ethical Footwear Australia and Ethical Textiles Australia trade\_marks. The licensing agreement is also supported by Trademark Usage Guidelines for accredited brands. The guidelines cover both the products the Ethical Clothing Australia trade\_mark can be used on, and how the trade\_mark can be displayed.

The Committee shall register and maintain whatever trademarks, logos-license marks, or other identification items ("Accreditation Marks or Certification Marks") it deems appropriate to promote compliance with the Award and this Agreement (see examples below).

#### Trade Mark







ethical textiles



ethical footwear

#### **CLAUSE 11 - ACCREDITATION FEES**

A business seeking accreditation or re-accreditation under this Agreement is required to pay an annual accreditation fee as determined by the Committee.

# CLAUSE 12 - CODEEDUCATION, PUBLICITY AND COMPLIANCE FUNDS

<u>Funding Cc</u>ontributions shall be made to this Fund by the parties to this Agreement on the following basis:

- Contributions in kind by the <u>UnionTCFUA</u>, NSW Business Chamber <u>& and Ai GroupAIG</u>
- Contributions in kind from accredited manufacturers and retailers which participate as members of the Homeworker Code Committee
- Contributions from retailers and manufacturers, through payment for of accreditation and license fees
- Financial assistance from Local, State and Commonwealth Governments

All parties agree that they will make representations to  $\underline{\text{Local.}}$  State  $\underline{\text{and}}$  Federal Government for funds to be provided to assist in activities associated with this Agreement.

Any direct funds shall be allocated on the following priority basis:

• To the UnionTCFUA for compliance activities;

- Towards education and publicity activities (education and publicity activities for the purposes of this involves educating homeworkers, contractors, manufacturers, retailers and the wider community about the operation and purposes of the Agreement);
- Towards the development of accreditation tools and resources; and
- other Homeworker Code Committee Inc. costs

Education and Publicity activities supported by this Fund will be for the purposes of educating homeworkers, contractors, manufacturers, retailers and the wider community about the operation and purposes of this Agreement.

#### CLAUSE 13 - RECORDS TO BE KEPT

- a) Any records required to be kept under this Agreement shall be preserved, by accredited manufacturers and their contractors, for a period of 6 years.
- b) The <u>UnionTCFUA</u> may inspect any records required to be maintained under this Agreement.
- c) The <u>UnionTCFUA</u> shall be given copies, if requested, of any records required to be kept under this Agreement.
- d) ECA retains all records required to be kept under this Agreement

#### **CLAUSE 14 - DISPUTE RESOLUTION**

- 14.1 It is the intention of the parties to co-operate in good faith to resolve any grievance in relation to a matter arising under this Code of Practice. However, this dispute resolution procedure does not include any matter or grievance relating to the statutory interpretation of the TCF Award or relevant legislation.
- 14.2 As a demonstration of good faith, it is a requirement of raising a grievance in accordance with this clause that the complainant party is complying with the Code and its processes.
- 14.3 In the first instance, a complainant party should first raise and attempt to resolve the grievance directly with the other party.
- 14.4 If the grievance cannot be resolved directly between the parties in dispute pursuant to 14.3, within 3 months, the complainant party may write to the ECA National Manager specifically outlining their concerns. The National Manager will acknowledge receipt of the correspondence and will attempt to resolve the matter with the parties in dispute as soon as reasonably practicable.
- 14.5 If the ECA National Manager considers it appropriate, the National Manager may establish a sub- committee of the Committee ('Dispute Resolution subcommittee) as required to assist in the resolution of the matter. The Dispute Resolution subcommittee will comprise of the National Manager, one UnionTCFUA and one employer representative.
- 14.6 At the conclusion of the process pursuant to 14.4 or 14.5, the National Manager will communicate the outcome in writing to the complainant party.

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- 14.7 If the complainant party is dissatisfied with the outcome they may write to the ECA National Manager requesting that the matter be considered by the Committee, including the grounds as to why they are seeking such a referral.
- 14.8 If the matter is referred to the Committee pursuant to 14.7, the Committee will consider the grounds detailed by the complainant party as soon as is practicable, including at its discretion, convening a special meeting of the Committee for such a purpose.
- 14.9 The Committee, after reviewing the matter, will communicate to the complainant party in writing as to the outcome of its consideration.
- 14.10 If the matter still remains unresolved, the matter may be referred to mediation to be conducted by an independent mediator as agreed between the parties.
- 14.11 Where the parties have entered into mediation pursuant to 14.10, the parties agree that:
  - (a) they must each pay half the costs of the mediation;
  - (b) they will participate in the mediation process in good faith and in a timely manner:
  - (c) they agree to be bound to any agreement reached arising from the mediation process.
- 14.12 If the parties can't agree then the Committee will appoint an independent mediator

# **CLAUSE 15 - AMENDMENT**

This Agreement may be amended by agreement of all the parties to it.

SIGNATORIES

The UnionTCFUA
Ai\_Group
NSW BC
Individual Companies

Signed by  on behalf of the Textile, Clothing and Feetwear Union of Australiaapplicant business  Name  Position  Company Name  Date  Signed by  on behalf of the Textile, Clothing and Footwear Union of Australia  Name  Position  Signed by  Signed by  Signed by	atory to this Agre
Signed by  on behalf of the Textile, Clothing and Footwear Union of Australiaapplicant business  Name  Position  Company Name  Date  Signed by  on behalf of the Textile, Clothing and Footwear Union of Australia  Name  Position  Date	
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Company Name  Date  Signed by  on behalf of the Textile, Clothing and Footwear Union of Australia  Name  Position  Date	
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on behalf of the Textile, Clothing and Footwear Union of Australia  Name  Position  Date	
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Date	
Signed by	
Signed by	
Name Company Name	

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# ANNEXURE A

	Homeworkers Code of Practice Part 1
Position	
Date	

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# **SCHEDULES**

Schedules attached to Part 1 of the Code of Practice include the statutory declarations, contract between accredited businesses and contractors and letter to homeworkers as all requirements to be fulfilled by signatories as part of becoming accredited to the Code of Practice. The schedules are integral to the content and workings of Part 1 of the Code of Practice.

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# **SCHEDULE 1**

Statutory Declaration for Manufacturers Who Do Not Give Out Work to Contractors or Homeworkers

## STATUTORY DECLARATION

ļ			
	[full name]		
of			
	[address]		
<del>do solem</del>	nly and sincerely declare as follows	÷	
<del>Lam the</del>		<del>of</del>	
	<del>[position]</del>		[name of company or business]
	[address of company or business]		
	[ABN of company or business]		[ACN of company or business,
			if applicable]

I do not give any work outside my premises to contractors and or homeworkers. This company exclusively engages employees based at our factory premises to perform work or arrange the performance of work

Should I begin to contract any work out to contractors or homeworkers:

- I will complete the Statutory Declaration as set out in Schedule 2 and/or Schedule 4 from the Code of Practice and notify Ethical Clothing Australia of this change within 7 days.
- I will require the Statutory Declaration forms provided to me to be completed by each contractor and notify Ethical Clothing Australia of this change within 7 days.
- I will co-sign the Schedule 3 Contract between Accredited Business and Contractor of the Code of Practice.
- I will make the Statutory Declaration completed by each contractor available for inspection on written request by the TCFUA.

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- All new contractors from this day on will be supplied with and asked to fill in a relevant Statutory Declaration (Schedule 1, 2; or Schedule 5), and co-sign the Schedule 3 Contract between Accredited Business and Contractor. Copies of these will be forwarded to Ethical Clothing Australia and made available for inspection on written request by the TCFUA.
- I will have Work Agreements and Work Records completed and co-signed with each Contractor and Homeworker

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959 (Cth) and subject to the penalties provided by that Act for making of false statements in Statutory Declarations, conscientiously believing the statements made in this declaration to be true in every particular.

Declared at			in the State of	
	Ename of city or to	<del>[nwc</del>		
on this		day of		in the year 20
	<del>[numeric date]</del>		<del>[month]</del>	
Before me				
			Esignature of	Witness]
			[Name of Wite	ness]

# **SCHEDULE 2**

Statutory Declaration for Manufacturers Who Give Work Out to Contractors

## STATUTORY DECLARATION

+			
	[full name]		
<del>of</del>			
	<del>[address]</del>		
<del>do solem</del>	nly and sincerely declare as follows	÷	
l am the		of	
	<del>[position]</del>		[name of company or business]
	[address of company or business]	]	
	[ABN of company or business]		[ACN of company or business, if applicable]

Have put in place with every contractor this company engages either to perform work or arrange the performance of work, a Work Agreement and Work Record, and have co-signed the Schedule 3 Contract between Accredited Business and Contractor.

Each of the contractors who supply our company with goods has completed a relevant Statutory Declaration (Schedule 1, Schedule 2 or Schedule 5) of the Code of Practice

The Statutory Declaration completed by each contractor has been provided to me and are available for inspection on written request by the TCFUA within 7 days.

All new contractors from this day on will be supplied with and asked to fill in a relevant Statutory Declaration (*Schedule 1, Schedule 2* or *Schedule 5*) of the Code of Practice and a copy will be forwarded to Ethical Clothing Australia and made available for inspection on written request by the TCFUA.

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959 (Cth) and subject to the penalties provided by that Act for making of false statements

	f person making the	Declaration	<del>- ]</del>
Declared at	Ename of city or to	<del>)wn]</del>	_ in the State of
on this	[numeric date]	<del>day of</del>	in the year 20
Before me			[Signature of Witness]
			[Name of Witness]
			[Title of Witness]

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<del>Name</del>	Address	Date of Contract	Contact Person	Phone Numb

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# **SCHEDULE 3**

# Contract Between an Accredited Business and Contractor

sert	name of applicant business on dotted line throughout Contract)
•	It is a term of this Contract that any contractor must act in accordance with, observe and do nothing to undermine the Code of Practice Agreement between the TCFUA, and
•	It is a term of this Contract that any textile, clothing and footwear workers employed to perform work referred to in this Agreement shall be covered by the provisions of the agreement between the TCFUA and
•	The Contractor must, in addition to their obligations under the Agreement, make and retain for not less than 6 years and make available for inspection by the TCFUA and/or
	at times reasonably required by the TCFUA and/or a person authorised by
	the records specified in the Attachment of the Agreement.
•	-If a Contractor breaches any provisions of the Agreement, .
	shall cease further commercial dealings with the Contractor unless and until the Contractor has fully remedied the breach of the Agreement within 14 days.
•	If it is shown to the reasonable satisfaction of .
	that a worker has not been paid in accordance with this Contract,

Contractor is still outstanding.

must pay that worker the amount due and deduct that amount from the payment otherwise due to the Contractor where such payment to the

	Homeworke	rs Code of Practice F	Part 1
	relevant provisions of rele		ct, the Contractor must obse federal legislation and the T
Name		Name	
Company		Company	
	[Accredited Business]		[Contractor]
Signature		Signature	
Data		Date	

# SCHEDULE 4

Statutory Declaration for Accredited Business Who Give Work Directly to Homeworkers

# **STATUTORY DECLARATION**

1			
Ť	[full name]		
<del>of</del>			
	[address]		
<del>do solem</del>	anly and sincerely declare as folk	<del>OWS:</del>	
I am the		of	
	[position]		[name of company or business]
	Eaddress of company or busin	ess]	
	FABN of company or business		EACN of company or business
	LABIN OF COMpany or business	<del>-  </del>	[ACN of company or business, if applicable]
Leunnhu	work directly to homeworkers.		
113	,	tants of	the "Code of Practice" Agreem
	the Textile Clothing and Footw		9
			<del>dated</del>
I have c	· · · · · · · · · · · · · · · · · · ·	ork Agre	eement and Work Record with ea
	nd provided their legal entitleme		ne work referred to above) their le ording to the TCF Award and relev
registatio	111		

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I have ensured that each of these homeworkers is fully insured for workers compensation insurance in accordance with the requirements of the relevant Workers Compensation Act.

I have paid to the relevant superannuation fund superannuation contributions on behalf of each of these homeworkers with the requirements of the TCF Award and federal superannuation legislation.

I have kept the following (in regard to each of these outworkers) records in accordance with the TCF Award and the "Code of Practice": Work records, Work Agreements, Wages records, Workers Compensation and Superannuation fund evidence. I will provide these records to the TCFUA in accordance with Clause 9 of the "TCF Code of Practice."

I have only terminated the services of any of these homeworkers after providing to them the appropriate written notice upon termination in accordance with the requirements of the TCF Award and the Fairwork Act (2009).

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959 (Cth) and subject to the penalties provided by that Act for the making of false statements in Statutory Declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

[Signature of	person making the I	Declaration	<del>. ]</del>	
Declared at	Ename of city or to	<del>wn]</del>	_ in the State of	
on this		<del>day of</del>		in the year 20
	[numeric date]		<del>[month]</del>	
<del>Before me</del>			[Signature of \	Witness]
			EName of Witr	ness]
				[22
			[	201

Name	<del>Address</del>	Date of Contract	Contact Person	Phone 1
<del></del>				
				-

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Ethical Clothing Australia's Code of Practice, incorporating Homeworkers - Homeworkers - Code of Practice Part 1

# **SCHEDULE 5**

Statutory Declaration for Contractors Who Receive Work from another Business and then Supplies Work to Homeworkers

# **STATUTORY DECLARATION**

+			
	[full name]		
- £			
<del>of</del>	[address]		
<del>do solem</del>	nly and sincerely declare as follows:		
<del>Lam the</del>		of	
	[position]		[name of company or business]
	[address of company or business]		
	[ABN of company or business]		[ACN of company or business, if applicable]
I have red	seived work from		
	Einsert accredited	<del>d bus</del>	inesses name]
These Or	ders will be given to homeworkers to	<del>o cor</del>	<del>nplete.</del>
	ad and examined the contents of th e Clothing and Footwear Union of A		
			dated

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# Ethical Clothing Australia's Code of Practice, incorporating Homeworkers - Homeworkers Code of Practice Part 1

I will hereafter provide to each of these homeworkers, (referred to above) the minimum fortnightly workload defined in Clause 9 of the 'Code of Practice' and in the TCF Award.

I will hereafter ensure that each of these homeworkers is fully insured for workers compensation insurance in accordance with the requirements of the relevant workers compensation legislation.

I will hereafter pay to the relevant superannuation fund superannuation contributions on behalf of each of these homeworkers with the requirements of the TCF Award and federal superannuation legislation.

I will hereafter keep (in regard to each of these homeworkers) records in accordance with the TCF Award and Clause 9 of the "Code of Practice": Work Records, Work Agreements, Wages Records, Workers Compensation and Superannuation fund evidence. I will provide these records to the TCFUA when requested.

I have only terminated the services of any of these homeworkers after providing to them the appropriate written notice upon termination in accordance with the requirements of the TCF Award, or appropriate award.

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959 (Cth) and subject to the penalties provided by that Act for the making of false statements in Statutory Declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

		in the State of	
<del>iame of city or to</del>	<del>wn]</del>		
	day of		in the year 20
i <del>umeric date]</del>		<del>[month]</del>	
		Esignature of Wi	tness]
		[Name of Witnes	<del>SS]</del>
	name of city or to		day of [month]  [Signature of Wi

# Ethical Clothing Australia's Code of Practice, incorporating Homeworkers - Homeworkers Code of Practice Part 1

# SCHEDULE 5 / Attachment 1 (List all of the homeworkers that your business gives work out to) <del>Address</del> Date of Contract Contact Person Phone Number Name (If there is insufficient space to list all makers please photocopy this sheet)

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Ethical Clothing Australia's Code of Practice, incorporating Homeworkers - Homeworkers Code of Practice Part 1

# APPENDIX ASCHEDULE 6

# Letter to Homeworker

Dear Homeworker

A landmark Agreement has been reached between the Textile, Clothing and, Footwear Sector of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union of Australia (TCFUA) (the Union) and your employer that is designed to eliminate the exploitation of homeworkers in the fashion industry.

This Agreement was achieved through your employer working cooperatively with the union to develop a framework that will ensure you receive your appropriate award entitlements and enjoy the legislative protection of workers compensation coverage and superannuation contributions.

Your employer considers that the Agreement is an important initiative and welcomes the Union's positive approach in working towards a lasting solution to end exploitation.

The <u>Textile</u>, <u>Clothing</u>, <u>Footwear Sector of the Manufacturing Division of the Construction</u>, <u>Forestry</u>, <u>Maritime</u>, <u>Mining and Energy UnionTextile Clothing and Footwear Union of Australia (TCFUA)</u> is the union which represents homeworkers in this industry.

Should you wish to join the TCFUAUnion, an application form for membership is attached for your convenience.

As your employer, I support the TCFUAUnion and you joining theat Uunion and you will not be discriminated against if you do so.

The Agreement is presently being implemented. You will soon receive information on how its operation will benefit you.

Yours sincerely



# Ethical Clothing Australia's Code of Practice incorporating Homeworkers

# Part 2

(Retailers)

# **AGREEMENT** between

The Textile, Clothing, Footwear Sector of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union (the Union), and The Australian Chamber of Manufacturers Industry Group (Ai Group), and

The New South Wales Business Chamber, and The Australian Retailers Association (ARA)

# **PARTIES**

The Union

The Ai Group

The NSW Business Chamber

The ARA

Individual companies who are signatories to this Agreement

For further information & assistance contact

# **Ethical Clothing Australia**

Postal address: PO Box 2087, Fitzroy VIC 3065

Phone: 03 9419 0222 / Fax: 03 8415 0818 Email: info@ethicalclothingaustralia.org.au

www.ethicalclothingaustralia.org.au

# Ethical Clothing Australia's Code of Practice, incorporating Homeworkers

# PART 2 - RETAILERS

# **AGREEMENT**

Between TEXTILE, CLOTHING, FOOTWEAR SECTOR OF THE

MANUFACTURING DIVISION OF THE CONSTRUCTION, FORESTRY,

MARITIME, MINING AND ENERGY UNION

("the Union")

and THE AUSTRALIAN RETAILERS ASSOCIATION

("the ARA")

# RETAILER SIGNEE

#### **RECITALS**

- A. For the benefit of its members and other workers in the textile, clothing & footwear industry, the Union wishes to ensure that employees and contractors to Suppliers are engaged upon terms and conditions no less favourable than those contained in either the Federal Award or the relevant State Award.
- B. The ARA endorses the objective of the Union set out in Recital A and has agreed to assist the Union to achieve this objective by undertaking the obligations contained in this Agreement.
- C. The Union has agreed to assist the ARA by providing it regularly with information and advice relating to the Federal Award and the relevant State Award and their operation.
- D. The Union has agreed to publicly acknowledge that while the ARA observes the conditions of this Agreement it will be acknowledged by the Union as an Outwork Best Practice Organisation.

# **AGREEMENT**

# **CLAUSE 1 - DEFINITIONS**

In this Agreement including the Recitals:

"Contract" means a contract between the Retailer and a Supplier as defined under this Clause.

"Code of Practice" or "Agreement" means the Ethical Clothing Australia's Code of Practice, incorporating Homeworkers - Part 2 (Retailers).

"Legal breach" occurs where a Supplier breaches the Federal Award or State Award or an award of an industrial tribunal or legislation in respect of the engagement of its employees and/or contractors, and such breach involves either a failure by the Supplier to comply with award obligations binding upon the Supplier to register or provide lists for notification of contracts or keep records or else (in relation to any

other type of breach by the Supplier) such breach is, in all the circumstances, detrimental to those employees and contractors.

"Federal Award" means the Textile, Clothing, Footwear and Associated Industries Award 2010 as amended from time to time, or any award replacing that Award.

"Goods" means the whole, or part of:

any garment; or any article of wearing apparel; or any article of footwear; or any textile product.

"Records" means the documents referred to in clause 3.1.

"Retailer" means a business which is:

- a) carrying on a retail business in Australia (including an online business); and is
- b) lawfully entitled to do so; and which has
- c) at least one Supplier (as defined in this agreement) which is accredited under the Homeworkers Code of Practice Part 1 (Manufacturers) and
- d) in the instance where the retailer is also a manufacturer, as defined under the Code Part 1, the business must be an accredited manufacturer under the Code.
- **"State Award"** means the relevant state industrial instrument eg. Clothing Trades (State) Consolidated Award (New South Wales) or equivalent in a state jurisdiction.
- "Supplier" means a person, company or organisation which agrees with the Retailer to supply or manufacture or arrange the manufacture within Australia of Goods or part of Goods for resale by the Retailer under a Contract. This includes, but is not limited to any sublease, concessional, instore or online display or like, contractual arrangements.
- **"Ethical Clothing Australia** or ECA" means the organisation responsible for the accreditation of manufacturers and the administration and promotion of the Code of Practice.

# **CLAUSE 2 - TERM**

This agreement shall operate from the date of the Agreement and continue until terminated under clause 9.

# **CLAUSE 3 - RECORDS**

- 3.1 a) Each Retailer must retain for not less than 12 months full details of all Contracts entered into with Suppliers.
  - b) Each Retailer must make available to the Union for up to six years after they were created, those records which the Retailer is required to keep pursuant to legislation such as taxation law and corporations law and which pertain to the manufacture or supply of Goods to the Retailer by a Supplier.

- c) In order to ensure that employees and contractors involved in the supply or manufacture of Goods are engaged upon terms and conditions no less favourable than those contained in either the Federal Award or the relevant State Award:
  - i) the Union may reasonably request each Retailer to obtain any of the records or other information held by each Supplier of that Retailer in accordance with subclauses 4.3(c) or 4.3(d) of this Agreement, and
  - ii) within seven (7) days of such request, the Retailer will require the Supplier to make available to the Retailer such records and other information which have been requested by the Union, and
  - iii) the Retailer will make available to the Union any such records and other information as soon as they have been provided by the supplier to the Retailer.
- 3.2 The Records required to be kept under Clause 3.1(a) must contain the following:
  - a) the name of the Supplier
  - b) the address of the Supplier
  - c) the date of the Contract
  - d) the date for the delivery of the goods to be made under the Contract
  - e) the number of Goods to be made
  - f) the relevant standard product specification for that garment contained in sub-clauses (f) (i), (ii) and (iii) of this clause:
    - (i) the wholesale price or cost paid by the Retailer for each item of Goods to be made, and
    - (ii) the total wholesale price or cost paid by the Retailer for the Goods under the Contract, and
    - (iii) a description, including size, style, image or sketch drawing and any other relevant information in order to identify the Goods to be made.

# 3.3 Each Retailer must:

- a) make the Records immediately available to a person properly authorised in writing by the Union, after that person has given reasonable notice to the Retailer of a request for access to the Records, and
- b) allow the Union to make appropriate copies of the Records as reasonably required by the Union.

# **CLAUSE 4 - OBLIGATIONS OF EACH RETAILER**

4.1 Each Retailer must send to Ethical Clothing Australia and a copy to the Union (National Office) the name and address of each Supplier contained in the Records as follows -

- (a) a full list of the Retailer's current Suppliers within 14 days of the signing of this Agreement, as per Attachment A of this agreement.
- (b) The Retailer must advise ECA within 7 days of any changes to suppliers such as the removal or addition of suppliers, and/or any changes to the Retailers contact details, as per Attachment A of this agreement,
- 4.2 Each Retailer agrees to inform all its Suppliers of the existence of this Agreement by taking the following action:
  - (a) The Retailer will provide a copy of this Agreement to all its existing Suppliers immediately following signing, and commit to working with its direct suppliers to promote and encourage accreditation under Part 1 of the Homeworker's Code of Practice: Manufacturers, and
  - (b) The Retailer will provide a copy of this Agreement to any new Suppliers with whom it contracts following the signing of this Agreement, and commit to working with its direct suppliers to promote and encourage accreditation under Part 1 of the Homeworker's Code of Practice: Manufacturers, and
  - c) The Retailer will provide six monthly written updates (from date of execution of this agreement) to the Committee detailing of the status of accredited and non-accredited suppliers and outlining how it has promoted and encouraged accreditation to its direct suppliers, as per Attachment B of this agreement.
  - (d) The Retailer agrees to advise all Suppliers that, as part of the implementation of this Agreement, the Union will be making regular visits to those establishments operated by the Supplier.
- 4.3 The Retailer agrees to use its best endeavours to amend the standard terms and conditions of trading entered into with its Suppliers so that each Contract already entered into with a Supplier prior to the signing of this Agreement contains the further following obligations on the Supplier:
  - (a) the Supplier must undertake to comply with all applicable laws and regulations relating to the manufacture of the Goods, and
  - (b) the Supplier must warrant that it is registered pursuant to the Federal Award and the State Award for the purposes of sub-contracting out any work associated with the manufacture of the Goods, and
  - (c) the Supplier undertakes to keep appropriate records of where and with whom the Supplier has further contracted the work to be performed under the Contract between the Retailer and the Supplier, and
  - (d) the Supplier must retain for at least 12 months after the Contract is entered into the Supplier's product specification for each garment supplied or manufactured by the Supplier for the Retailer pursuant to that Contract, and
  - (e) the Supplier must make available to the Retailer those records and product specifications referred to in subclauses (c) and (d) above, within five days of such a request being made by the Retailer, and

- (f) the Supplier must acknowledge the existence of this Agreement and further acknowledge that the Retailer has entered into this Agreement which provides that the Retailer may either terminate a Contract with that Supplier (where legally possible) or refuse to enter into any future Contract with that Supplier in the event that a legal breach has been proved to exist during the course of the supply or manufacture of the Goods by that Supplier.
- 4.4 Each Retailer agrees to amend the standard terms and conditions of trading entered into with its Suppliers so that each future contract entered into with a Supplier on or after the date of the signing of this Agreement contains each of the obligations listed above in Clause 4.3(a) to (f) inclusive of this Agreement.
- 4.5 Each Retailer agrees to appoint a liaison officer for the purpose of handling all enquiries or allegations validly raised by the Union for the purposes of this Agreement.
- 4.6 The name of the liaison officer (or officers if more than one) appointed by each Retailer must be provided by the Retailer to the Union on the signing of this Agreement. Any changes to the liaison officer must be advised to the Union by the Retailer.
- 4.7 If any Retailer becomes aware that a Supplier has been or may be, or is using the services of sub-suppliers or contractors or sub-contractors who have or may have committed a legal breach, then the Retailer agrees to immediately inform the Union of this fact.
- 4.8 Each Retailer will enter into a separate Deed of Agreement with the Union whereby the provisions of that separate Deed of Agreement will mirror the obligations upon each Retailer contained in Clause 1 to Clause 10.2 of this agreement.

# **CLAUSE 5 - OBLIGATIONS OF THE UNION**

The Union must:

- a) provide reasonable assistance to each Retailer in interpreting the provisions of the Federal Award or the relevant State Award, and
- b) promptly inform each Retailer in writing of any legal breach or suspected breaches of which the Union becomes aware and provide the Retailer with any material it has which supports the allegation, and
- c) upon request promptly meet with the Retailer concerned to consider any matter arising out of this Agreement, and
- d) keep confidential the copy Records made available to it by any Retailer and not disclose their contents to any other person, company or organisation except to the Supplier specified in the Records or as required by law or in enforcement proceedings in a court or in industrial dispute resolution proceedings in an industrial tribunal without the written consent of the Retailer.

# CLAUSE 6 - CONDUCT IN THE EVENT OF AN ALLEGED LEGAL BREACH

- 6.1 If the Union has notified any Retailer that it believes a Supplier to that Retailer has committed a legal breach then the Retailer agrees to immediately investigate the claims made by the Union and further agrees that it will within 14 days (or such other period of time as is mutually agreed) of receipt of the notice either advise the Union as follows:
  - (a) that the Retailer believes that a legal breach has occurred, or
  - (b) that the Retailer believes that a legal breach has not occurred, or
  - (c) that the Retailer has not been provided with sufficient information to formulate a belief as to whether or not either a legal breach has occurred, and in such event, the Retailer must request such further evidence as is reasonable from the Union to enable a belief to be formulated.
- 6.2 If any Retailer believes that a legal breach has occurred, the Retailer agrees that it will take all action reasonably required by the Union to remedy the legal breach or achieve such other outcome acceptable to both parties ("Agreed Outcome") within not more than 14 days (or such other period of time as is mutually agreed) of that requirement by the Union.
- 6.3 If a Supplier fails to comply with a requirement of any Retailer to remedy the legal breach or submit to an Agreed Outcome, the Retailer must:
  - (a) in relation to any Contract already entered into before the signing of this Agreement, if legally possible and without the Retailer incurring any legal liability, terminate the relevant Contract consistent with its terms and conditions, and
  - (b) in relation to any future Contract entered into on or after the date of the signing of this Agreement, terminate the relevant Contract consistent with its terms and conditions (if reasonably required by the Union), and
  - (c) not enter into any further Contract with that Supplier until the Retailer and the Union agree that the legal breach has been remedied.
- 6.4 If any Retailer advises the Union that it does not believe that a legal breach by a Supplier has occurred and the Union continues to assert that a legal breach has in fact occurred, then this issue must be mediated pursuant to clause 7 of this Agreement.

# **CLAUSE 7 - DISPUTE RESOLUTION**

- 7.1. It is the intention of the parties that they should co-operate with the other in good faith to resolve any differences arising under this Agreement. However, this dispute resolution procedure does not include any matter or grievance relating to the statutory interpretation of the TCF Award or relevant legislation. In order to achieve this objective the dispute settlement procedure under this clause 7 is agreed to.
- 7.2 The parties must meet to consider any issue if:

- (i) either party considers the obligations of the other party under this Agreement are not being performed, and the other party disagrees,
- (ii) the Union considers that a legal breach is occurring and any Retailer disagrees, or
- the Union believes that any Retailer has not acted reasonably in continuing to contract with the Supplier pursuant to Clause 6.3(b) of this Agreement.
- 7.3 In the first instance, a complainant party should first raise and attempt to resolve the grievance directly with the other party.
- 7.4 If the grievance cannot be resolved directly between the parties in dispute pursuant to 7.2, within 3 months, the complainant party may write to the ECA National Manager specifically outlining their concerns. The National Manager will acknowledge receipt of the correspondence and will attempt to resolve the matter with the parties in dispute as soon as reasonably practicable.
- 7.5 If the ECA National Manager considers it appropriate, the National Manager may establish a sub-committee of the Committee ('Dispute Resolution subcommittee) as required to assist in the resolution of the matter. The Dispute Resolution subcommittee will comprise of the National Manager, one Union and one employer representative.
- 7.6 At the conclusion of the process, the National Manager will communicate the outcome in writing to the complainant party.
- 7.7 If the complainant party is dissatisfied with the outcome they may write to the ECA National Manager requesting that the matter be considered by the Committee, including the grounds as to why they are seeking such a referral.
- 7.8 If the matter is referred to the Committee pursuant to 7.7, the Committee will consider the grounds detailed by the complainant party as soon as is practicable, including at its discretion, convening a special meeting of the Committee for such a purpose.
- 7.9 The Committee, after reviewing the matter, will communicate to the complainant party in writing as to the outcome of its consideration.
- 7.10 If the matter still remains unresolved, the matter may be referred to mediation to be conducted by an independent mediator as agreed between the parties.
- 7.11 Where the parties have entered into mediation pursuant to 7.10, the parties agree that:
  - (a) they must each pay half the costs of the mediation;
  - (b) they will participate in the mediation process in good faith and in a timely manner;
  - (c) they agree to be bound to any agreement reached arising from the mediation process.
- 7.12 If the parties can't agree then the Committee will appoint an independent mediator

# **CLAUSE 8 - TRADE MARKS AND LICENSING**

The Committee registers and maintains trade marks, license marks, certification marks, and other labels, to promote compliance. A licensing agreement must be signed before any marks can be used. The licensing agreement is also supported by Trade Mark Usage Guidelines. The guidelines cover both the products the marks can be used on, and how the marks can be displayed.

Where any Goods have been provided to any Retailer pursuant to a Contract between the Retailer and a Supplier, the Retailer will not discourage that Supplier from attaching a label or a swing ticket to those Goods which incorporates any of the license marks, trade marks, certification marks or other labels.

### **CLAUSE 9 - RETAILER FEES**

Retailers who are signatory under this agreement are required to pay an annual fee as determined by the Committee.

# **CLAUSE 10 - TERMINATION**

- 10.1 Either party may terminate this Agreement:
  - (a) upon no less than 3 months written notice to the other, or
  - (b) upon the giving of 28 days notice where the other party has committed a breach of this Agreement and that breach has not been rectified within the 28 day notice period as detailed in clauses 3 and 4. and 6.
  - (c) immediately if the other party refuses to mediate in good faith as detailed in Clause 7, or
  - (d) upon giving of 28 days notice where the Retailer has failed to meet the requirements under the definition of a Retailer.

# **CLAUSE 11 - ENTIRE AGREEMENT / FUTURE VARIATION**

- 11.1 This represents the entire agreement between the parties on the matters referred to in the Recitals.
- 11.2 The parties agree that should this Agreement prove incapable of achieving its objective, then the parties will negotiate in good faith to effect an appropriate variation to its terms.
- 11.3 Within twelve (12) months of the signing of this Agreement, the parties will review the operation of this Agreement.

Signed for and on behalf of the Union By an authorised officer in the Presence of	) ) )	
	,	Signature of authorised officer

Signature of witness		Name of authorised officer		
Name of witness (print)	<del></del>	Office held		
Signed for and on behalf of the	)			
Australian Retailers Association	)			
By an authorised officer in the	)			
Presence of	)	C: 1		
		Signature of authorised officer		
Signature of witness		Name of authorised officer		
Name of witness (print)		Office held		
Signed for and on behalf of	)			
The Retailer By an authorised officer in the	)			
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Signature of witness		Name of authorised officer		
Name of witness (print)		Office held		
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# Attachment A

# LIST OF SUPPLIERS TO BE COMPLETED BY RETAIL SIGNATORIES TO THE ETHICAL CLOTHING AUSTRALIA'S CODE OF PRACTICE, INCORPORATING HOMEWOKERS- PART 2 RETAILERS

The Retailer must send to Ethical Clothing Australia and the Union a full list of the Retailer's current Suppliers within 14 days of the signing of this Agreement. The Retailer must advise ECA within 7 days of any changes to suppliers such as the removal or addition of suppliers and/or changes in the Retailer's contact details.

Name of Retail Signa	me of Retail Signatory					
Name of person who completed this form Position/title within company						
Addresss						
ABN or ACN	Pho	one	Email			
Name of Supplier	Address	Contact person/s	Phone and email address		Is the supplier accredited with ECA? (Y/N)	Does the supplier have a pending accreditation with ECA? (Y/N)

(If there is insufficient space to list all makers please photocopy this sheet)

Email completed list to Ethical Clothing Australia info@ethicalclothingaustralia.org.au

# Attachment B

# PROGRESS REPORT TO BE COMPLETED BY RETAIL SIGNATORIES TO THE ETHICAL CLOTHING AUSTRALIA'S CODE OF PRACTICE, INCORPORATING HOMEWOKERS- PART 2 RETAILERS

The Retailer will provide six monthly written updates (from date of execution of this agreement) to the Committee detailing the status of accredited and non-accredited suppliers and outlining how it has promoted and encouraged accreditation to its direct suppliers. The Retailer must advise ECA within 7 days of any changes to suppliers such as the removal or addition of suppliers, and/or changes in the Retailer's contact details.

Name of Retail Signatory and ABN or ACN			Date					
Name of person who	completed this form		Position/title wit	hin company				
Address		Phone	Email					
·								
Name of Supplier	Address	Contact person/s	Phone and email address	Is the supplier accredited with ECA? (Y/N)	Does the supplier have a pending accreditation with ECA? (Y/N)			

(If there is insufficient space to list all makers please photocopy this sheet)

# Attachment B (cont.)

# PROGRESS REPORT TO BE COMPLETED BY RETAIL SIGNATORIES TO THE ETHICAL CLOTHING AUSTRALIA'S CODE OF PRACTICE, INCORPORATING HOMEWOKERS- PART 2 RETAILERS

Please provide details of activities the Retailer has undertaken to promote and encourage suppliers to become ECA accredited in the previous six months: E.g.

Has the retailer provided ECA promotional materials to non-accredited suppliers  Has the retailer provided non-accredited suppliers with the contact details of ECA's accreditation advisors  Has the retailer undertaken any educational/promotional activities promoting ECA accreditation to its suppliers (please provide more info below)  Has the retailer encouraged suppliers to attend ECA workshops/events (please provide more info below)  How has the retailer amended the standard terms and conditions of trading with its Suppliers as per the agreement (please provide copies of any relevant documents)  Other (please provide more info below

Email completed form to **Ethical Clothing** <u>Australia</u> info@ethicalclothingaustralia.org.au