

Suppliers and Distributors of Accessories to the Clothing and Textile Industry

M. Recht Accessories Pty Ltd ABN: 70 005 949 146

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27th March 2013

ACCC

Re: HWCC application for reauthorization of amended Code – Interested party consultation.

Dr Richard Chadwick

General Manager

Adjudication Branch ACCC

G.P.O Box 3131

Canberra ACT 2601

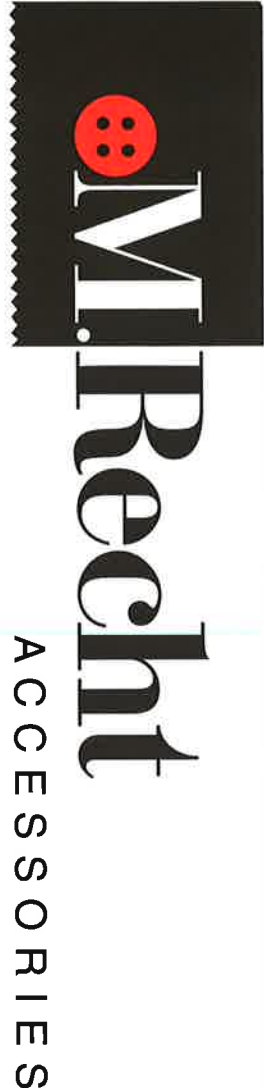
Dear Sir,

Thankyou for the above opportunity to comment on how the above HWCC has affected my business; M.Recht Accessories P/L was founded some 60 years ago by my father (Michael Recht). I took over my father's business (I, being Alan Recht) in 1986 and so have been involved with the TCF industry during my childhood up until now. M.Recht Accessories is in the "supply chain" of the TCF industry, supplying manufacturers their accessories needs, such as sewing threads, zippers, elastic , buttons, should pads, cords, interlinings etc etc. The list goes on. I have seen changes in the industry during my time, and still enjoy the challenges this industry brings to this great country.

However never have I experienced the despair, discrimination, and frustration which has surfaced in the past 2-3years in light of the new HWCC/ECA ruling.

The Ruling has undermined the integrity of businesses within the TCF. It has unfairly assumed that every business exploits home workers employed in the industry. It has unfairly targets only these home workers within the TCF and no other industry.

The accusation of exploitation is questionable. As I said earlier, we have supplied both factories and home workers(outdoor workers) for over 60years.I have personally of course had the please and honour of working closely with homeworkers, the majority



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being immigrants who arrived here with little or no money, only the opportunity to start a new and successful life (as did my parents when they arrived after the Nazi occupation of Europe) I have witnessed the waves of immigration that followed into the TCF industries, the Italians, then the Greeks, then the Vietnamese. It was this industry that gave them life, health, success, happiness and opportunity! They worked hand and hand successfully with factory owners and made a good income in which to educate and feed their families. No doubt there were those who were exploited, but that was and still is, the exception rather than the rule. Working at home gives them independence, flexibility, security, something we would all like with our terms of employment!

But this no longer applies. The new HWCC/ECA ruling that came into effect with little industry consultation has virtually put an end to the viability of a homemaker let alone the survival of a factory in the TCF industry of today. It cannot continue in the same format as was last passed.

I do not need to go into detail of the legislation, suffice to say it has caused pain and disruption to the lives of so many- including myself.

To see these people with whom I have dealt with for years, manufactures, and homeworkers, be so unfairly targeted by the TCFUA, made me often wonder if we still live in a democracy here? Hopefully the ACCC will attest to this and give me hope that is still the case in this country.

Their livelihoods have been turned upside down and their business suffering loss after loss due to large supply companies choosing to go offshore to manufacture rather than deal with the cumbersome and unfair compliance of the HWCC/ECA.

My business has suffered immeasurably also. My sales are down over 30% since 2010 with orders obviously down, turnover down in line with decreased sales, and staff are concerned for their jobs as they see the repercussions of what has transpired due to these changes in the law within the TCF industry. I have recently put off 5 employees entirely due to the downturn in business caused by the limitations caused by the HWCC. I am now clearly struggling to keep my head above water and wake up everyday wondering what will be next... who is going offshore today, or next week? Which factory is closing down? What will be of this industry?

Today I have 1,180 active accounts. However since 2010 almost 550 accounts have been closed, and although not all can be attributed to the legislation more than 65% are a result of changes within the TCF since the legislation took force.



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New accounts have been small operators who, although welcome, can't even come close to making up the sales /turnover my business has suffered. I can provide further details if required.

I am not a sophisticated person, but common sense tells me that in any country we need manufacturing. We need to nurture it, as it is the backbone for employment and makes the economy stay healthy. Also common sense tells me that if a person wishes to work from home and they are happy to do so, then so be it!

They have the democratic right to agree to their own terms and conditions to have that privilege (with obvious protection by law) yet this has been taken away from them. The same applies to the factories! How can a factory guarantee 15-20 or 38hrs work in this industry. The fashion industry is seasonal- always was and always will be. High season, low season!

Homeworkers gave manufactures the flexibility to stay competitive during low season. Everyone was aware of the situation and worked within its' seasonal changes quite happily. Homeworkers helped by giving manufactures quick turnarounds to meet strict delivery deadlines imposed by major retailers. Now both are victims in a loosely thought out change – the law brought about by the TCFUA/ECA.

The irony is that unions are supposed to protect workers, however in this industry they have managed to quickly disseminate the numbers employed in this industry. Where's the reasoning in that? So the government then becomes more reliant to dish out unemployment benefits and all the other benefits that go with an unemployed workforce. This leads to the next generation suffering the consequences of unemployed parents, their own lives similarly affected.

This submission is a plea to listen to everyday small businesses like mine in the TCF industry. We love what we do but we also need common sense to prevail. With 35 employees under my belt, I fear their future and that weighs very very heavily on my conscience. It also destroys the fabric of our society. We need manufacturing to stay alive and well and not to be stymied by poor legislation

Thankyou,

Alan Recht

