

Response to submissions received from interested parties to the revised Homeworker Code of Practice

3 May 2013

General Comments

The overwhelming support for Homeworker Code of Practice

The majority of submissions in response to the revised Homeworker Code of Practice (HWCP) were supportive by nearly 2 to 1. This included supportive statements from individual accredited businesses as well as employer representatives who are party to the HWCP.

In contrast those submissions opposing the revised HWCP were, with the exception of the Council of Textile and Fashion Industry of Australia (TFIA), from individual businesses that are themselves not accredited or employer representatives that are not party to the HWCP itself, raising the issue of their relevance in terms of the impact on their business.

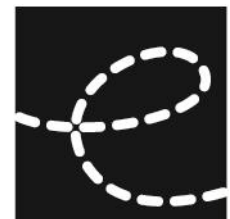
What is pleasing is that the all employers and employer representative bodies, who made public submissions, including the TFIA, acknowledged that the HWCP had reduced the exploitation of homeworkers. Only those employers who themselves weren't actually accredited or employer bodies not party to the HWCP didn't acknowledge the benefits of the HWCP.

Employer representation

The TFIA repeatedly claim to speak exclusively on behalf of the Textile, Clothing and Footwear (TCF) industry. It should be made clear that the TFIA is simply one of many voices from the TCF industry. In summary they speak on behalf of TFIA members and not the TCF industry.

In addition the TFIA claims ignore the other employer associations that make up the Homeworker Code Committee (HWCC) including; the AiG (Australia's peak manufacturing industry body) and the NSW Business Chamber as well as individual major employers that sit on the HWCC such as Cue Clothing, Pacific Brands Workwear and Jets Swimwear. All of whom support the revised HWCP.

The TFIA also claim to be the peak body representing TCF industry however there numerous other TCF representative bodies. Some of these other representative bodies include the Technical Textiles and Nonwoven Association (TTNA), the



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Footwear Manufacturers Association of Australia Incorporated (FMAAI) and the Carpet Institute.

In terms of retailer representatives the National Retailers Association (NRA) oppose the revised HWCP, even though they aren't a party to the Code and nor is it disclosed if any of its members are actual retailer signatories. It's also the case that apart from some minor amendments (i.e. relevant Award) the obligations for retail signatories haven't changed at all so references to the increased administrative burden on retail signatories are without foundation.

Similarly the submissions from Skola and M Recht are from businesses that aren't even accredited yet they claim that the HWCP has negatively impacted on their business. This contrasts with those public submissions from employer representatives and individual TCF businesses which are actually accredited and support the revised HWCP (e.g. So Stella).

The willingness to co-operate with the voluntary HWCP

The accreditation process is one that businesses enter into voluntarily and can withdraw if they chose to do so. While many businesses co-operate there are a vocal minority that chose not to and they often challenge their obligations that they need to fulfil, even though it is often required by law (e.g. Board of Reference requirements). These applicants can become aggressive and also can be less than honest regarding their manufacturing circumstances.

In practice, we find many applicants are either, not compliant with their legal obligations under the Award and related legislation or are simply unaware of them.

However, our general approach is to work with TCF businesses to ensure they are legal compliant as well as comply with the HWCP. This is one of the key functions that ECA accreditation process can provide to TCF businesses and that is not provided by other bodies.

Economic factors effecting Australian manufacturing and retailing

There are various assertions made by critics of the HWCP that the ECA accreditation process and the HWCP are driving TCF businesses out of business or offshore without any supporting evidence. The key factor that has lead to the decline of the TCF sector in Australia is well known and that was the removal of import tariffs some decades ago.

In terms of factors that are negatively impacting on the TCF sector critical factors such as the high Australian dollar, cheap imports, increasing global competition and the failure to adapt to online retailing are virtually ignored.

Ironically it is the NRA, who are one of the strongest critics of the HWCP, who highlight what some these key factors that are impacting on retail sales in Australia including the 'growing exposure of the national retail sector from global competition' and the impact of online retailing on the choices consumers are making.

Removal of TFIA from HWCC

The TFIA refer to the unfair removal of the TFIA from the HWCC. The reality is that the TFIA were removed by the HWCC in accordance with the Rules of Association of the HWCC and following legal advice. The TFIA were given the opportunity prior to the meeting to respond to concerns raised by the HWCC but chose not to do so. The TFIA also claim it was removed for raising concerns about the Code of Practice The concerns raised by the HWCC are confidential but extend beyond those contained in the TFIA submission to the ACCC dated 1 April 2013.

Similarly the claim by the TFIA that they had only first raised concerns regarding the Code in the meeting of February 28, are just simply untrue. The TFIA have been members of the HWCC since the Code Review originally began in 2010 and have always made clear any concerns they have. For example, the TFIA raised concerns about statutory declarations, so the HWCC sought legal advice regarding alternatives. However, statutory declarations were deemed the most effective and efficient solution.

Significantly the TFIA, despite concerns raised about the HWCP have been aware of and endorsed the all decisions made by the HWCC regarding the HWCP in numerous meetings that have occurred since the Code Review began in 2010.

With respect to the questions ACCC asked interested parties to respond to in their consultation letter of 15 March 2013.

Has the HWCP had a positive impact on reducing exploitation in the TCF sector?

As has been highlighted above all those employers who are themselves accredited and employer representatives who are party to the HWCP, have all acknowledged the HWCP has reduced the exploitation of homeworkers. In addition those representative bodies who have worked closely with homeworkers over many years including Asian Women at Work, FairWear, Oxfam and the TCFUA have all highlighted the benefits of the HWCP and the accreditation process in reducing exploitation as well as acknowledging the problem is still ongoing.

What other benefits has the HWCP had in addition to reducing exploitation?

One of the key benefits of the HWCP and the ECA accreditation program is that we can provide advice and assistance to many small businesses to enable them to become legally compliant with the Textile, Clothing, Footwear & Allied Industries (TCFAI) Award and related legislation, which is a major part of the HWCP.

By undertaking a thorough compliance audit and providing support regarding relevant paperwork ECA is able to help businesses to ensure they aren't in breach of the law. In effect the ECA accreditation process is a 'risk management tool' for business to make sure they are legally compliant.

ECA is also an industry endorsed accreditation body that promotes best practice in the TCF industry and assists TCF businesses to become accredited. This has been recognised by the large and growing number of TCF business that are either accredited or retailer signatories.

Being ECA accredited or seeking accreditation means that TCF businesses that are manufacturing in Australia can bid for lucrative TCF contracts with Commonwealth entities such as the Defence Department.

There is also a marketing benefit for participating businesses in that they can promote their ethical credentials to attract new customers. The ECA website lists all those accredited businesses. In addition we have boosted the use of social media and attendance at fashion industry events and festivals to raise awareness of ethically accredited brands.

Do you believe that there are sufficient alternatives to the HWCP that exist to reduce the exploitation of homeworkers and workers such as Fair Work Ombudsman (FMO), Fair Work Australia (FWA) and the TCFUA powers under the TCFAI Award?

The HWCP and the ECA accreditation program are unique in that they provide support specifically for the TCF sector and help to assist TCF businesses to become legally compliant. The FMO and FWA simply don't have the resources and expertise to deal specifically with the TCF industry and the issue of homeworkers. In addition FWA isn't a regulator that is responsible for prosecuting breaches of the Award so it's not clear how they would reduce the exploitation of homeworkers specifically.

The advantage of the accreditation process and the HWCP is that we are able to assist TCF businesses become legally compliant without having to resort to legal prosecution. Indeed even the TFIA acknowledges that the Federal government funding of ECA and as a consequence funding for TCFUA to undertake compliance audits has had the biggest impact in terms of reducing exploitation.

What are the additional compliance costs and paperwork required by the HWCP in addition to that already required under the Award and related legislation?

This is the single biggest failure of all public submissions regarding the HWCP, which are critical of the revised HWCP. That is the failure to separate the cost of compliance and paperwork of the HWCP from the existing legal obligations of TCF industry that already exist under the Award and related legislation.

Despite constant assertions regarding compliance costs and paperwork associated with the HWCP the vast majority is that already required by law under the Award and related legislation. This includes record keeping for wages and other basic entitlements, the requirement to maintain a safe and healthy workplace along with other reporting requirements specific to the TCF sector (i.e. Board of Reference notification if giving out work). Many of these are the normal costs associated with running a business.

There is no attempt to quantify the additional costs and paperwork under the HWCP that isn't already required under law.

The TFIA submitted a table outlining compliance costs (see Appendix 1 of TFIA submission) they estimate are associated with the HWCP and the accreditation process. The table is confusing and constantly refers to paperwork and compliance costs associated with the Award and related legislation, as well as exaggerating the costs and time involved (see Specific Comments for more detailed critique).

This contrasts sharply with the supportive submissions from businesses that have been accredited. For example So Stella, a small boutique fashion label, commented how she didn't see the ECA accreditation process as a significant administrative burden for her business. Instead she saw this as being a part of normal business practice such as complying with tax law.

Has the amendments to the original HWCP effected the relative benefits versus detriments, particularly in relation to the scope?

There are claims that have been made that the Code has been significantly expanded to include all workers. It has always been part of the accreditation process that in house factory workers as well as homeworkers is audited as part of the HWCP to ensure their supply chain is legally compliant. Indeed it's a necessary part of the accreditation process to enable ECA to find the homeworkers who are often working for suppliers or at the end of the supply chain effectively 'out of sight'. To argue this hasn't been occurring simply demonstrates a fundamental misunderstanding of how the HWCP and the TCF industry operate in Australia.

There are also references to the inclusion of footwear and textile workers. The decision to include footwear and textile workers was made by the HWCC in 2010. Further, the ability to accredit footwear manufacturers already existing in the current HWCP and we first began accrediting footwear manufacturers in 2011.

Specific allegations

There are constant references to the recent introduction of a new TCF Regime and how this has fundamentally changed the circumstances under which a TCF business can operate.

The various references to the TCF Regime appear to refer to the introduction of the modern TCFAI Award and related legislation. The submissions also attempt to conflate this with the voluntary HWCP. Ignoring the clear emotive and loaded terminology of 'the Regime' there is a clear failure to acknowledge or perhaps even understand the Award. The reality is that the TCFAI Award refers to outworker (homeworker) and related provisions that have existed in the law for over 25 years! They didn't just appear in the modern TCFAI Award in 2010.

The TFIA makes allegation that Code is only voluntary for Principal but not for those participants in the supply chain.

However it is a condition of agreeing to the accreditation process that you will ensure your supply chain is compliant. It is also a requirement of the law that the Principal's supply chain is legally compliant and that this is the responsibility of the Principal.

Of course there is nothing to stop the Principal using an alternative supplier who is willing to be legally compliant.

The TFIA also refer to the HWCP not being voluntary for those who chose to tender for Commonwealth Government contracts.

What the TFIA fail to acknowledge is that the Commonwealth Government has deliberately introduced such a policy regarding the procurement of clothing and footwear, to protect vulnerable workers from exploitation. This in turn has had a positive impact on reducing exploitation and promoting ethical practices throughout the Australian TCF sector, which is to be commended not condemned.

The TFIA refer to the inflexibility of not being able to use contractors has forced businesses to abandon accreditation and local suppliers.

There is no provision in the Code that prevents the use of contractors. As for the claim that this has forced TCF businesses offshore the companies referred to in the TFIA footnote were either already largely already offshore or committed to going offshore prior to applying for accreditation (also see comments in our previous response to critics of our application for 'interim authorisation').

Both the TFIA and NRA refer to the clause 6 of the new Code claiming it includes the addition of new powers and sanctions regarding the TCFUA. The NRA also claims that extends the role of the TCFUA regarding compliance beyond the Code o the Award and related legislation.

This is simply untrue. There aren't any new sanctions or powers that have been given to the TCFUA that don't already exist under the current TCFAI Award and the Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill 2012. The TCFUA ability to enforce compliance with the Code already exists under the current Code (refer to section 10.1).

With respect to the expansion of TCFUA powers to include the Award and related legislation. The TCFUA have always checked that the relevant TCF business and their supply chain is compliant with the Award and related legislation (e.g. Occupational Health & Safety) otherwise they maybe operating illegally. Put simply we cannot accredit a TCF business if that business is operating illegally.

The TFIA assert that there are comparable schemes to ECA accreditation from overseas that don't require exemption from ACCC, such as Oekotex and WRAP, which could be used as an alternative for local businesses.

The ECA accreditation scheme has been adopted by the Australian TCF industry to address our particular needs, in particular the exploitation of homeworkers in the TCF sector. None of these schemes outlined by the TFIA specifically deals with this issue.

Further the schemes above do not have the same rigorous independent compliance audits as required by ECA. In contrast our compliance audits are carried out by trade union compliance officers, who are themselves ex garment workers or officials that are familiar with the TCF industry and more likely to be trusted by the workers.

The Oekotex scheme referred to by the TFIA isn't relevant as it refers a certification scheme for harmful chemicals used in textile manufacture. See specific comments on WRAP scheme later.

Use of emotive language and allegations of aggressive and heavy-handed behaviour

Throughout the TFIA submission there is the constant use of emotive language about the nature of the accreditation process and compliance audits. This includes reference to the 'aggressive' behaviour of compliance officers and the

'burdensome and heavy handed' accreditation process. There are also references to the 'TCF Regime' rather than the Award and relevant legislation.

The reference to the 'aggressive behaviour' of compliance officers is hypocritical as often it's the behaviour and lack of co-operation of applicants that is the primary cause of delays in completing accreditation. With respect to the accreditation process it needs to be thorough to ensure buyers, including government agencies as well as consumers, can be confident in the accreditation process. To refer to it as burdensome and heavy handed is completely misleading as most of the paperwork required relates to existing requirements under the law including proof of wages, super, Board of Reference (BoR) registration etc.

TFIA suggest change in focus to more customer service model that is driven by competition to improve efficiencies as well as need to change behaviour of staff to match this new focus.

We reject suggestions that ECA accreditation staff need to undergo some sort of 'behavioural change'. The ECA team are very focussed on providing support and assistance to any TCF business wanting to be accredited as that is one of our primary roles.

The real problem in terms of conduct and behaviour is that of a minority of TCF businesses prefer to manipulate the accreditation process by not co-operating and then seek to blame the ECA for the lack of progress with their application. In addition those businesses also tend to be the ones who are most aggressive toward our staff.

The TFIA suggestion of the need to operate commercially ignores the reality of how ECA operates and how it is funded. If ECA were to operate on the basis of recovering the full cost of undertaking accreditation and promoting the different brands then our accreditation fees would need to increase substantially. This would make accreditation expensive and prohibitive for many businesses, especially those many small businesses who are accredited.

As it is the ECA program had its annual funding effectively cut by 25% when funded was renewed in 2011 which has required us to make significant cuts and find efficiencies in our annual budget.

None of the alternative schemes proposed by the TFIA actually meet the criterion that is required for accreditation or would be able to provide a similar service for such low accreditation fees.

The TFIA claim that statistics on breaches are not reported and therefore it's difficult to determine where breaches occur. It then however goes based on their anecdotal evidence to suggest what these changes are mainly to do with work health & safety and disagreement over relevant skill levels.

Firstly the TFIA are not responsible for the accreditation program or compliance audits so their comments regarding the nature of breaches are based largely on assertion rather than fact. Secondly TCFUA compliance officers go through the breaches of the Award and related legislation with the respective business so they are fully aware of what breaches have occurred and how it can be rectified.

Having said that it's not true to say that the statistics on breaches are not reported as the ECA is required to report regularly to our funders on compliance audits and homeworker contacts. This includes case studies outlining the type of breaches that have occurred and how they may have been resolved. In addition whilst the reporting regarding breaches maybe aggregated and include representative examples we do have more detailed information on individual companies on our individual company files.

What is of more concern is that breaches continue to occur and that many of these appear to be from TCF businesses that are TFIA members. Indeed we have more issues of non-compliance and aggressive behaviour towards the accreditation staff and compliance officers from TFIA members than any other employer representative group.

The TFIA make reference to their role in educating TCF businesses and advising of their obligations in complying with the law to help reduce exploitation.

The TFIA were provided with funding to undertake education activities and provide training for TCF businesses regarding their obligations to homeworkers. However much of this funding to the TFIA has been used to conduct industry outreach at TCF events (e.g. fashion shows etc.) and provide industry training.

With respect to industry education this occurs on almost a daily basis with ECA accreditation advisors and TCFUA compliance officers regularly providing advice and assistance to those businesses seeking accreditation. A significant amount of time of the accreditation team is spent on advising and providing support to TCF businesses regarding their legal obligations and responsibilities under the HWCP.

At ECA we also attend and speak regularly at industry and government events (e.g. DMO Industry Forums) to educate the TCF industry about their obligations under the Code and the accreditation process. In addition we have produced a number of educational tools and material (e.g. Award Guide) to assist business regarding their obligations and to enable them to comply with the law.

The TFIA refutes the claim made in our application to the ACCC that there is no evidence that the Code has had an adverse effect on competition in the market and point to the TFIA roundtable that was attended by the National Manager on February 27 2013.

The ECA National Manager was present a TFIA roundtable on February 27 2013 that was attended by approximately 20 TCF businesses. It was not clear how many of these businesses had participated in the accreditation program itself and how many was just TFIA members are who were just attending.

During the roundtable a small number of businesses made reference to how their own businesses had been suffering from a reduction in work over the previous 12 months. However, no one articulated how this was linked to the accreditation program. Instead there were references made to concerns about their legal obligations and how this was affecting their business. This is consistent with the overall conflation of TCF industry, and in particular TFIA members, of their legal obligations and those of the HWCP.

There was no mention of how external factors such as high Australian dollar, cheap imports, online retailing and the increased competition from overseas brands might have impacted on their revenue and sales. Rather the voluntary HWCP and their legal obligations under the Award were blamed almost exclusively.

The TFIA refer to the access and protection given to the TFCU under the Code.

It's not clear but this appears to be referring to access of TCFUA compliance officers to a TCF workplace to be able to undertake compliance audits. This is completely misleading as the TCFUA are able to enter TCF workplace already under the current TCFAI Award and under amendments to the Fairwork Act. The TCFUA don't require a business to be accredited or seeking accreditation to access a workplace to verify if a TCF business is compliant with the Award.

The TFIA reject the need to broaden the Code and state they believe the request to extend the Code for 5 years is politically motivated.

The TFIA were members of the Homeworker Code Committee who endorsed the expansion of the Code to cover both footwear and textile workers in 2010.

The reason for seeking to extend the Code for 5 years is to give certainty to employers and workers.

There is a suggestion from the NRA how the details regarding accreditation fees are now not included in the Code and they should be reinstated.

The details regarding accreditation fees (i.e. fees form) are still readily available to any business that applies. The reason for moving them from the HWCP was to give the HWCC the flexibility to amend the fees in future (see *fees form* attached).

It should be pointed out that the current fee structure is based on a sliding scale depending on the number of employees and annual turnover and include discounts for businesses that are just starting up.

A key point is that the accreditation fees charged are merely a fraction of the cost required to complete an application and are heavily subsidised by the ECA. This is to enable the many small businesses and sole traders who apply to be able to be accredited.

The TFIA complain that the funds required for marketing and promotion are not sufficient and while use of social media is alleviating the problem but not soon enough.

We agree that we would like to spend more on marketing however as the TFIA is aware the main focus of the first few years of ECA has been to establish an accreditation body and an effective accreditation process. We also spent a significant amount of money on a consumer campaign featuring a number of accredited brands in Sydney in 2011.

Since our funding was renewed in 2011 we have had to manage the accreditation program with a 25% cut in funding. One area that was cut was marketing and promotion to preserve the integrity of the accreditation program. This approach was endorsed by the HWCC. In terms of social media we boosted our focus on using it to help facilitate our promotion of our accredited brands and targeted high profile fashion events and festivals to help raise awareness as well.

The key point though is that ECA is funded primarily to undertake and manage the accreditation program. The promotion and marketing of the accredited brands is not the primary function of ECA.

The TFIA claim the biggest cost to their business regarding compliance with the accreditation process is the provision of evidence and the frequency of providing it. The NRA makes similar allegations regarding increased paperwork compliance costs.

The need to provide evidence to support the accreditation application is essentially not directly related to the accreditation process but rather it is a basic requirement of any business operating in Australia, that is the provision of wage records, superannuation payments etc. These are basic costs associated with running any businesses and not unique to the TCF sector. Providing proof shouldn't be a significant burden as they should already exist.

In addition ECA provides online forms and assistance to those businesses to help them comply with the law.

The NRA claim that the reference in the Code to the 'supply chain' is new and means the Code has been significantly expanded increasing compliance costs. This shows an ignorance of how the Code and indeed the TCF industry work. The accreditation process has always checked the supply chain of applicants otherwise how could it verify if the applicant was legally compliant.

In addition you need to work your way down the supply chain to find the homeworkers who are often at the end of the chain, and at times even the principal applicant is unaware of them. This has been a primary objective of the Code to map the supply chain and make transparent the previously hidden world of the homeworker.

The TFIA claim that the views of industry are ignored when TFIA raise them at the HWCC level and that the HWCC itself is unbalanced.

The TFIA views along with all employer representatives are considered by the HWCC. The TFIA is only one of a number of employer representative bodies as well as TCF companies that sit on the HWCC. In terms of the balance of the HWCC it is made up of equal numbers of employer representatives and individual employers as well as TCFUA union representatives. This applies for all subcommittees as well, including the finance sub-committee.

The TFIA claim there are no retailer representatives on the Committee.

Both Jets Swimwear and Cue Clothing are both retailers and manufacturers and sit on the Homeworker Code Committee.

The TFIA claim that contractors are unable to work from home.

This is a false claim that has been repeated continuously by TFIA representatives and TFIA members. There are no provisions in the HWCP or in the TCFAI Award that prevent contractors working from home.

The TFIA make reference to an Appendix 1 where they outline what they believe are the average costs to a small business in establishing and maintaining ECA accreditation.

An overall observation is that the table exaggerates the costs of compliance and is confusing and difficult to follow.

The fundamental problem with the table is that it fails to separate out the legal obligation of employers to comply with the Award and related legislation and any additional requirements under the HWCP. Indeed most of the costs that are referred to appear associated with complying with the law (e.g. provision of wage records, Board of Reference registration etc.) rather than the HWCP.

For example it's claimed that it takes on average 76 hours and 3-5 staff at a cost of \$75 an hour to make an application for accreditation, speak to accreditation staff to understand their obligations and complete a Board of Reference. This is a form which simply lists all the suppliers the business gives out work to. The labour costs of \$75/hour seems excessive, even for a principal, and it's not clear if this refers to the TCF principal alone or includes individual makers. In terms of the time quoted of 76 hours this appears a gross exaggeration.

The example doesn't acknowledge the assistance given to businesses by the ECA accreditation team what is essentially to comply with the law. In addition TCFUA compliance officers will try and arrange to meet with all the makers collectively to outline their obligations under the Award and related legislation. The time quoted here would be for exceptional circumstances. For example when there has been a lack of co-operation from the principal or their suppliers.

The second row refers to the principal having to complete new forms for each order on average of 28 times per week doesn't make no sense, as no principal based on the example given in the table would be making 28 new orders a week. Secondly we

only ask for a representative work record for each supplier and not every new order.

The total number of hours spent on compliance of 11 hours per week and 578 hours per year appear to be based largely what most businesses do anyway like preparing wage slips, being aware of the law and processing orders for their business. Trying to include this all as part of the annual compliance audit related to accreditation is simply grossly misleading.

Put simply the table fails to address the ACCC request to outline those costs associated with the HWCP beyond what is already required by law.

The TFIA propose the ACCC consider alternatives to the ECA accreditation scheme and in particular the WRAP scheme.

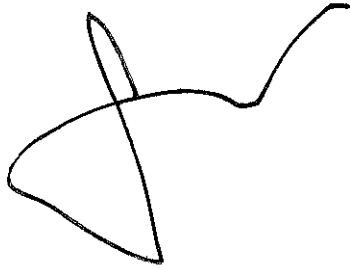
The Worldwide Responsible Accreditation Production (WRAP) scheme is industry certification scheme. The WRAP program itself doesn't specifically deal with the situation of homeworkers and nor is it clear how the fees would be any cheaper than the ECA accreditation program for many businesses, particularly sole traders or small businesses.

The WRAP scheme itself has been heavily criticised by labour rights organisations and trade unions who work with workers in the garment industry. The US International Labour Rights Fund called WRAP an 'industry dominated project (set up) to avoid outside, legitimate monitoring'. While the US Lawyers for Human Rights described WRAP as a 'closed door' system because of its lack of transparency and independence.

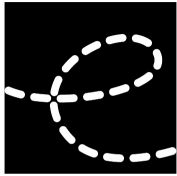
The WRAP monitoring system doesn't include any independent labour rights NGOs or trade unions unlike the ECA accreditation process. The WRAP Principles also contain provisions (e.g. child labour, maximum working hours) which don't even meet International Labour Organisation Convention standards. Rather they rely heavily on compliance with local laws and regulations.

The TFIA claim that the WRAP scheme can undertake a compliance audit of a factory of 500-1200 workers in 2 days which says more about the inadequacies of the scheme than its efficiency. Put simply it would be not be possible to undertake a proper and thorough compliance audit (i.e. verifying the wages & entitlements, ensuring safe and healthy working conditions etc.), of such a large factory and its supply chain (if subcontracting) within 48 hours.

This hardly seems a valid argument for abandoning the HWCP and a rigorous compliance audit program for a less rigorous and transparent scheme.

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Simon McRae
National Manager
Ethical Clothing Australia



**ethical
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Fees and Discounts Explained

Ethical Clothing Australia

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Fees range from a minimum of \$330 for sole traders, through to a maximum of \$6,600 for larger businesses out-sourcing \$10M or more of their production.

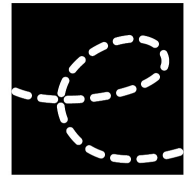
Use the chart below to work out your fees in 4 easy steps.

1. Identify what kind of business you are	2. Identify the fees that apply to your business	3. Identify and subtract the discounts that apply from your fee	4. Add GST
A business that has been going less than 3 years (please note that this discount does not apply to restructured businesses applying under a new name or to established businesses under new ownership)	\$300	None - you have already received a special discount	+ 10% GST
A sole trader that does all of its 'cut, make and trim' manufacturing in-house	\$300	None - you have already received a special discount	+ 10% GST
A sole trader that does value adding to finished products in-house (e.g. laundry, dyeing, screenprinting)	\$300	None - you have already received a special discount	+ 10% GST
A business that does all of its 'cut, make and trim' manufacturing in-house (exclusively on-premise), apart from value-add services (e.g. screenprinting)	Your fees are based on how many full time equivalent textile, clothing or footwear production staff your business employees a) 4 or less = \$400 b) 5-15 = \$600 c) 16-40 = \$1,000 d) 41+ = \$2,000	10% discount if your business is accredited and has used the Ethical Clothing Australia labels for the previous 12 months	+ 10% GST
A business that outsources part or all of its 'cut, make and trim' manufacturing	Your fees are based on the annual value of your out-sourced work a) up to \$1,000,000 = \$2,000 b) \$1,000,001 - \$5,000,000 = \$3,000 c) \$5,000,001 - \$9,999,999 = \$4,000 d) \$10,000,000+ = \$6,000	10% discount if your business is accredited and has used the Ethical Clothing Australia labels for the previous 12 months + 20% discount if your business uses accredited suppliers + \$1,000 discount if the value of your out-sourced 'cut, make and trim' manufacturing is less than \$200,000 per year and your business employs 3 or less full time equivalent textile, clothing or footwear production staff	+ 10% GST

Fees and Discounts Form

Please complete this form as accurately as possible and return to Ethical Clothing Australia.

Fax : 03 8415 0818 Email : info@ethicalclothingaustralia.org.au Post : PO Box 2087 Fitzroy VIC 3065



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IMPORTANT NOTE: All questions relate to your business's Australian 'cut, make and trim' manufacturing, and value adding work only.

1. Is your business already accredited?

- Yes *go to 2*
 No *go to 3*

2. If your business has used the Ethical Clothing Australia sewn-in labels for the last 12 months your business will qualify for a 10% discount on its fees.

Has your business used these labels in its garments for the last 12 months?

- Yes
 No

3. If your business has been going for less than 3 years your annual fee will be \$300 + gst.

How long has your business been going?

- less than 3 years *go to 11*
 between 3 and 5 years *go to 4*
 5 years or more *go to 4*

4. If you are a sole trader, and either complete all of your cut, make and trim manufacturing in-house or value-add to products in-house, your annual fee will be \$300 + gst.

Are you a sole trader that matches this profile?

- Yes *go to 11*
 No *go to 5*

5. Does your business complete all of its textile, clothing and footwear 'cut, make and trim' manufacturing in-house (i.e. exclusively on-premise)?

- Yes *go to 6*
 No *go to 7*

6. How many full time equivalent textile clothing and foot-wear production employees do you employ in Australia?

- 4 or less
(Your annual fee is \$400 + gst*) *go to 9*
 5-15
(Your annual fee is \$600 + gst*) *go to 9*
 16-40
(Your annual fee is \$1,000 + gst*) *go to 9*
 41 or more
(Your annual fee is \$2000 + gst*) *go to 9*

7. What is the annual value of 'cut, make and trim' manufacturing that your business outsources to other suppliers (i.e. away from your premises)?

- Up to \$1,000,000
(Your annual fee is \$2000 + gst*) *go to 8*
 \$1,000,001 - \$5,000,000
(Your annual fee is \$3000 + gst*) *go to 9*
 \$5,000,001 - \$10,000,000
(Your annual fee is \$4,000 + gst*) *go to 9*
 \$10,000,001+
(Your annual fee is \$6,000 + gst*) *go to 9*

8. If the annual value of 'cut, make and trim' manufacturing is \$200,000 or less and your business has 3 or less full time equivalent employees, your business will qualify for a \$1,000 discount on fees.

Does your business match this profile?

- Yes
 No

9. Does your business outsource any work to screen printers, embroiderers, dye houses, laundries or other value-adders?

- Yes *go to 10*
 No *go to 11*

10. If your business is an exclusive user of accredited suppliers it will qualify for a 20% discount on fees.

Is your business an exclusive user of accredited suppliers?

- Yes
 No

11. Declaration and signature

I declare that this form has been completed accurately.

- I understand that Ethical Clothing Australia will use my answers to work out which category and fee structure our business falls into, and whether it qualifies for any discounts or exemptions.
- I acknowledge that any errors or omissions made by me may result in the charging of incorrect fees. If this occurs I accept that penalties may apply.

SIGNATURE

.....
YOUR
NAME

.....
YOUR
POSITION

.....
BUSINESS
NAME

.....
DATE
.....