



ethical  
clothing  
AUSTRALIA

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

For further information & assistance contact

**Ethical Clothing Australia**

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## **Ethical Clothing Australia's (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](http://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

Phone

Fax

Email

Website

Signature

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Name

Position

Date

## **Introduction**

Ethical Clothing Australia's Code of Practice, incorporating Homeworkers ('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
- b) Completed Fee and Manufacturing Form, to be provided annually
- c) Payment of Accreditation 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) Example of a work record for each contractor used
- g) Copies of outworker wage records, work arrangements and work records and satisfactory evidence of superannuation and Workcover payments.

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

## PART 1 - MANUFACTURERS AGREEMENT

### **CLAUSE 1 - 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 Industry Group (Ai Group), and

The New South Wales Business Chamber (NSW BC)

### **CLAUSE 2 - PARTIES**

The Union

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 Agreement,
- 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's 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 Code of Practice, incorporating Homeworkers.
- 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 manufactures 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 **“Supplier/Fashion house/wholesaler”** means an entity that agrees to manufacture or arrange to manufacture products and /or components thereof.
- 4.14 **“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).’
- 4.15 **“The Union”** means the Textile, Clothing, Footwear Sector of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union.
- 4.16 **“Worker”** means a person who performs work on, or in relation to products in the textile, clothing and footwear industry.
- 4.17 **“Workers’ compensation”** means the workers’ compensation as prescribed by the relevant state or federal legislation.
- 4.18 **“Work records”** means a ‘work record’ as defined under the TCF Award (formerly known as a garment specification sheet).
- 4.19 **“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 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 reaccreditation 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 trade mark
- 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 UNION**

The Union 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 non - accredited 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 Union regarding compliance checks

The period of time required to become ECA accredited is dependent on the co-operation 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 Union regarding updated compliance checks;
- Ongoing compliance with the TCF Award and related legislation by the business' supply chain

## **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 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 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 WorkCover entitlements, OH&S).

### **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.

### **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.

#### **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 Union. On the request of the Union, the accredited business must provide to the 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); ECA® Code of Practice, incorporating Homeworkers – Manufacturers Agreement Page 12
- 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.

#### **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 Union within 7 days provide the 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 Union within 7 days provide to the 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 Union the accredited business shall ensure that the list is provided to the Union within 7 days.

### 9.5 Breach of Agreement

Where the Union 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 Union 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 trade mark 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 trade marks. The licensing agreement is also supported by application rules for accredited brands. The application rules 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 trade marks, 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).

### Certification Trade Mark



**ethical  
clothing**  
AUSTRALIA



**ethical  
textiles**  
AUSTRALIA



**ethical  
footwear**  
AUSTRALIA

## 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 – CODE FUNDS**

Funding contributions shall be made by the parties to this Agreement on the following basis:

- Contributions in kind by the Union, NSW Business Chamber and Ai Group
- Contributions in kind from accredited manufacturers and retailers which participate as members of the Homeworker Code Committee
- Contributions from retailers and manufacturers, through payment of accreditation and license fees
- Financial assistance from Local, State and Commonwealth Governments

All parties agree that they will make representations to Local, State 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 Union 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

## **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 Union may inspect any records required to be maintained under this Agreement.
- c) The Union 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 Union 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.
- 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 Union  
Ai Group  
NSW BC  
Individual Companies

## **SIGNATORIES**

The individual company that has agreed to be a signatory to this Agreement.

### **SIGNATORIES**

#### **SIGNED BY**

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**[insert signature]  
on behalf of the applicant business**

Name

Position

Company Name

Date

#### **SIGNED BY**

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**[insert signature]  
on behalf of The Textile, Clothing, Footwear Sector of the Manufacturing Division of  
the Construction, Forestry, Maritime, Mining and Energy Union (the Union),**

Name

Position

Date

## **APPENDIX 1**

### **Letter to Homeworker**

Dear Homeworker

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

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

As your employer, I support the Union and you joining the Union 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