

EMAIL:

SUBMISSION TO: Minister the Hon. Bill Shorten MP

21/12/11

Dear Minister,

I operate a small clothing manufacturing business, specialising in the fashion sector. I have previously written to Senator Chris Evans and have attached a copy of past correspondence.

I am writing to you on behalf of my employees, contractors and my own concerns about the future of our Industry, which looks to have no future under the recently amended legislation to the Fair Works Act, which is being ruthlessly enforced by the TCFUA.

We are being forced to treat our contractors as homeworkers. This is not something the contractors we deal with want and many have refused work on that basis. Assumptions have been made that migrant workers are vulnerable as far as their workplace rights are concerned. I suggest this claim to be unfair & prejudice. These are people who demonstrate clear understanding of their rights in our nation by running their own business; paying GST and complying with all the relevant requirements.

Independent contractors need to work from home to reduce their overheads & look after their children. They will not be able to retain full time employment as no factory will give them that flexibility. Is it ethical to leave sick children at home alone?

In Senator Chris Evans response, he claims that "there is significant evidence" that home workers are being exploited. The TCFUA have made claims stating that homeworkers are paid a wage in the area of \$4 an hour. Ours are not - and talk amongst the community seems to suggest that people who would accept such a low rate are most likely already receiving Centerlink payments.

In preparation for a possible and likely local fashion manufacturing industry shutdown by the Union, one of my clients has reduced the orders to my company by 35% and are now importing more stock. If the issues are not resolved in the current review it will be too late. Does the TCFUA care?

I ask for you to insist the TCFUA provide detailed & well researched evidence to support their claims, which seem to go unchallenged. Also understand that they are a funded organisation to gather this evidence, we on the other hand are just people trying to make a living and cannot possibly provide as much evidence to counter their claims – but we will do whatever we can as our livelihoods depend on it.

I am stating these facts because I will be 67 years old next month, I can go on the old age pension if I am forced to retire but there will be 5 in house employees, 12 contractors (25 workers), that is 30 people who will line up at Centrelink. Many are currently concerned that they are unable to get married or purchase a new house or car due to the uncertainty of their jobs which is a direct result of the Unions current attitude and the new legislation.

*I am one, but there are hundreds like me.* Because many cannot express themselves easily, it does not mean they are stupid (as the TCFUA claim). I have found them to be loyal fair and ethical.

Yours Faithfully,

Arthur Thomas  
(Director) Gouda P/L  
21/12/2011



**Office of Senator Chris Evans**  
**Leader of the Government in the Senate**  
**Minister for Tertiary Education, Skills, Jobs and Workplace Relations**

Mr Arthur Thomas  
Director  
Gouda Pty Ltd  
25-27 Hocking Street  
NORTH COBURG VIC 3058

21 NOV 2011

Dear Mr Thomas

Thank you for your letter of 11 October 2011 to Senator Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, concerning the ongoing viability of the engagement of outworkers in the textile, clothing and footwear (TCF) manufacturing industry. The Minister has asked me to reply on his behalf.

The Australian Government is committed to maintaining a national workplace relations system that balances the needs of both industry and workers to ensure Australia is competitive and prosperous while not compromising workplace rights or standards.

While there are undoubtedly outworkers in the TCF industry who are in a position to make a genuine choice about their working arrangements as you suggest, there is significant evidence that many workers in the sector are in a uniquely vulnerable position as far as their workplace rights are concerned. This is recognised not only in the *Fair Work Act 2009*, but also by legislation in most States.

The Government acknowledges that the manufacturing industry is currently facing challenges and is working hard to support Australian manufacturers in their response to these pressures. The manufacturing sector has a vital part to play in achieving the Government's economic growth, employment and productivity goals. Providing fair workplace protection is not inconsistent with these goals.

Please don't hesitate to contact Gabrielle Lewis on (02) 6240 5028 if you have any further enquiries.

Thank you for bringing your concerns to the Minister's attention.

Yours sincerely

Dr Michael Boyle  
Chief of Staff

SUBMISSION TO: Senator the Hon. Christopher Evans

11/10/11

Dear Senator,

I operate a small clothing manufacturing business, specialising in the fashion sector. This sector is unique in as much, that it is seasonal. Our industry has survived the removal of tariff quota. We understand that our country needs the freedom to export and therefore allows the cheaper import of clothing to enter in our country.

That is the core of the problem, the government and the union are unable to come to terms with – the combination of a seasonal industry with highly competitive imports.

We also would like to acknowledge the good work the TCFUA has done to remove some bad apples in our industry. However, we are now under constant threat of legal action implying that we are not abiding with the current legislation. And yet, we are operating the same way for at least the last 20 years.

Your quote from The Governor of the Reserve bank, Glen Stevens which states that “we have to make the hours more effective”. We have done that. We have shared the responsibility with our suppliers and with our contractors. We have survived without any handouts. We all put in longer hours when in season and use the quiet times for recreation.

TCFUA has fought for Outworkers to be treated as employees, rather than contractors & to receive benefits as such. The TCFUA is now threatening to take legal action against Labels & manufacturers that continue to treat Outworkers as contractors, regardless of the Outworkers wishes. Some outworkers prefer the freedom of being self-employed contractors; this is a freedom that has been taken from them. These Outworkers run their own business, pay their own GST & in some cases, occasionally hire an employee. In addition they are able to claim benefits such tax deductions for working from home. These practices, which are widely accepted in all other fields of business in Australia have been taken away from Outworkers – they have not been given a Choice.

The TCFUA, in saying they are representing the ‘Outworker’ are set to do more harm than good. If they want to really help the under- privileged migrant workers, why not offer to provide them with more choices – rather than taking choice away from them. In this way I feel the TCFUA are exploiting the migrant workers for their own agenda.

Because we are not permitted to use contractors, we are unable to make any long term plans for modernisation and capital expenditure. The additional cost of administration will force most of the manufactures to become insolvent.

Fashion is a seasonal industry, it often has large breaks between the winter & summer manufacturing seasons (unlike manufacturing items such as uniforms or jeans). If ‘Outworkers’ are to be treated as employees rather than contactors they must then be paid a minimum of 18 hrs per week during these quite periods. Usually the other times of the year are profitable enough to sustain these periods, as with many other industries. However, if manufactures are to comply, a complete restructure of the industry would be required, which is a much more complicated and costly exercise for a fashion label as opposed to turning to importing or shutting down.

No one in the Industry supports sweatshops or unethical practices. They force the manufacturing price down for the rest of the industry by undercutting the prices paid. However, in taking away the freedoms of the 'Outworker' & denying them rights the rest of the country have is not going to fix the problem.

It will lead to very few local manufacturing, whilst the bigger labels importing all their stock from overseas (where there is no TCFUA to monitor ethical standards). This leaves the smaller labels forced to shut down due to lack of a thriving local manufacturing industry. The up & coming fashion designers will have no one to manufacture their clothes & will not be able to import clothes in an economically viable way, forcing them to relocate overseas or give up their dream – Again, Choices being taken away.

In the end the consumer will also have choices taken away, with no small local Manufacturers, retail stock will consist of imported goods, from few very large labels whose current turnover is large enough to make importing profitable.

Outworkers, factories, accessory suppliers (ie. zips, belts, trims, etc.), fashion labels – both retail & wholesale, Fashion Designers & the consumer are all effected in a negative way such as loss of jobs, sales and higher retail prices due to the simple action of the TCFUA denying choice to the 'Outworker'. Give the Outworker the choice to run their own business and function as a Contractor if they desire, as most do.

Data collected by Dun & Bradstreet shows new start-ups in manufacturing has significantly dropped from an average of about 700 each year over the past three years, to just 14 in the first six months of 2011.

Destroying the industry by denying this Choice is not the only way to stop 'Outworkers' being exploited...

**THIS IS A BRIEF TIME IN HISTORY THAT WE CAN SAVE THE MANUFACTURING INDUSTRY, WE MUST GRAB IT OR WE WILL GO THE SAME WAY AS THE FOOTWEAR INDUSTRY.**

Yours Faithfully,

Arthur Thomas

(Director) Gouda P/L

11/10/2011