

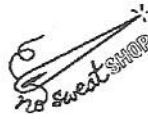
By:

Education, Employment & Workplace
Relations Committee
Supplementary Budget Estimates 08-09
DEEWR

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Quarterly Report Homeworker Code Committee Inc

Year 1 : 1 May 2008 to 30 June 2008

The Homeworkers Code of Practice and the No Sweat Shop label
Commonwealth funding program from 2008 to 2011

Document history

Final Version - 19 September 2008

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About this document

This document is the *Quarterly Report* covering the months of May and June of the 2007/08 financial during which the Homeworker Code Committee Inc became a recipient of a Commonwealth funding program.

Related documents

This document should be viewed in conjunction with the following material:

- Funding Agreement between the Commonwealth of Australia (DEEWR) and Homeworker Code Committee Inc 2008
- Annual Report (2007/08)
- HWCP Business Plan (Commonwealth Funding Program 2008 to 2011)
- The Annual Plan for the financial year of 2007/08 (1 May to 30 June 2008)
- The Annual Plan for the financial year of 2008/09



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Background

The Homeworkers Code of Practice (HWCP) is a joint union-industry initiative aimed at ending exploitation in the Australian clothing and fashion industry by primarily encouraging companies to participate in the 'No Sweat Shop label' Accredited system.

Summary

The HWCP Committee received the first instalment of the Funding Program on 1 May 2008. During the two months that have followed, the Committee and staff have focused on preparing the foundations required for growth, by establishing sub-committees and working groups to develop the required policies and procedures.

During the two months of the last financial year covered by the Funding Program, the HWCP Committee and staff have successfully:

- Continued working to progress/maintain the existing Accreditation and application files (approximately 70)
- Begun working on two new Accreditation applications
- Increased the rate of contacts made with prospective companies through either face-to-face meetings, emails or by telephone (due to increase in staff hours)
- Prepared position descriptions (for the National Program Co-ordinator, Program Officers, Administrative Officer and the Finance Officer positions) for the recruitment process
- Completed an Annual Plan, including the 'Key Performance Indicators'
- Developed internal governance, administrative and accounting policies
- Produced/purchased promotional and educational materials
- Participated in public events
- Liaised with external stakeholders
- Prepared a written submission for the Government's TCF review
- Generated and managed positive media coverage

The HWCP attempted to secure and prepare an appropriate office space during this timeframe, but the task remains a priority objective for the 08/09 Annual plan.

Also, while work has progressed on developing service level agreements with the TCFUA and TFIA, these were not finalized in the 07/08 financial year. As these agreements will form the basis of pivotal working relationships and services, it is important that sufficient time and energy is allocated to this task to ensure an optimal operating model.

Progress report on key objectives of 07-08 Annual Plan

1. Accreditations

During May and June 2008, some form of activity was undertaken on approximately 50 of the existing applications and Accreditation files.

Over the two months, the Re-Accreditation process was completed by the following companies: Qualitops, Tuffa Workwear, Jets Swimwear, Dayoub Clothing, Puma Australia, Surrey Clothing Company, In-Pace Fashions, Collette Dinnigan, Harmony Fashions, Ambassador Clothing, and Totally Corporate.

In June, *Fabri-Cell International's* application for Accreditation was finalized and approved. The Company's Accreditation number is 044/08. In its Australian-based supply chain, *Fabri-Cell* manufactures industrial grade wet-weather gear.

Also in June Schoolwear company, *LW Reid*, and women's fashion label, *Teena Varigos*, were De-Accredited from the HWCP due to changes in their supply chains that resulted in the company no longer being eligible to participate.

2. Compliance

Although lacking the comprehensive approach to compliance activities which will come into effect in the 08-09 financial year with the service level agreement with the TCFUA, various compliance activities were carried out in the months of May and June.

In cases when HWCP staff had concerns relating to an Accredited company's compliance with the Code, the TCFUA followed up on their requests to examine the situation and provided information to the HWCP staff about how the Accredited company could resolve problems in its supply-chain.

For example, when one of the Accredited manufacturers provided the HWCP staff with paperwork about a new supplier, as is required by the HWCP, the HWCP staff believed that the new supplier was more likely to be legally considered as a homeworker - not a sub-contractor as the paperwork claimed, and therefore should be receiving different entitlements. In response to a request from the HWCP staff, the TCFUA visited the manufacturer and confirmed that the supplier was a homeworker and explained to the manufacturer the relevant legal obligations. The manufacturer then worked with HWCP staff to submit the correct paperwork and was successfully re-Accredited.

Similarly, HWCP staff also initiated TCFUA contact with non-Accredited companies that needed assistance with requirements relating to compliance with the Award and/or occupation health and safety standards.

3. Education

The HWCP had 1000 copies of the existing '20 Pieces' DVD about exploitation in the industry replicated, to be primarily used for school-based activities. Copies were distributed to teachers interested in running learning units on the topic of exploitation within the clothing industry and to stakeholder organizations.

Copies of pro-forma letters for participants in supply-chains with a principal company that is applying to become Accredited (explaining the Accreditation process) were translated into Chinese and Vietnamese.

4. Promotion

During the first two months of funding, the HWCP's promotional activities have centred around the purchase and distribution of promotional garments featuring the 'No Sweat Shop' label trademark. Accredited clothing garments are an extremely appropriate medium for the HWCP to advertise through. The garments were given to stakeholder organizations and used for strategic give-aways aimed at generating publicity, including as prizes for radio station competitions and to musicians with prominent public profiles.

Printed brochures providing an overview of the Code have continued to be distributed to manufacturers and designers that are eligible to sign up to the HWCP. Copies of the colour brochure were also included in a mail out from Worksafe SA to 400 South Australian retailers. (The HWCP brochure was complimentary information included in the mail-out in relation to legislative changes regarding outworker protection provisions in South Australia.)

A 'No Sweat Shop' label stall was held at the Going Green Expo 2008 in the 'fair trade' section of the event held at the Melbourne Exhibition Centre and a stall has been booked for the Fashion Exposed event in Melbourne.

Progress report on other activities

1. Media

In the two months following the announcement about the Government funding, the No Sweat Shop label had positive coverage in a small collection of media publications including:

- A feature interview on *102.7FM RRR* about the aims and objectives of the HWCP and the label
- An online article on the industry magazine *Ragtrader's* website about the funding
- A print article in *Ragtrader* about the HWCP's submission to the Government's TCF review
- An online article on *Ragtrader's* website about the HWCP's plan to hold a stall at Fashion Exposed for the first time
- A print article in *The Age* about the 'Fashion Fights Fair' Fairtrade fashion show
- A print article in the Uniting Church's newsletter for Victoria and Tasmania, *Crosslight*, about school procurement
- Discussion also filtered through church and community blogs such as *Trapeza*

2. Liaison with external stakeholders

The HWCP staff have worked to strengthen and streamline working relationships with a number of key partners.

Following the Fairtrade Association's Fashion Fight Fair event in May, for which HWCP staff were required to provide assistance with the vetting of participating Australian manufacturers, work has commenced on developing a set of guidelines and policies for future collaborations aimed at raising public profile and understanding of the issues. There is a significant overlap in the two organisation's target audience of conscientious consumers, but also a lot of common ground in the need to educate companies that are interested in ethical business practices. An example of a policy of the Fairtrade Association that is beneficial to the HWCP, is the requirement for clothing companies wanting to import Fairtrade Certified cotton into Australia to be Accredited to the No Sweat Shop label.

HWCP staff have continued to liaise with the Fairwear campaign in relation to school education activities and Fairwear's 'Designer Co-op' concept as well as the promotion of Accredited companies and the No Sweat Shop label.

Oxfam Australia have liaised with HWCP staff in regards to an ethical fashion project and also regarding ongoing publicity for Accredited manufacturers through the 'ethical company of the month' feature in Oxfam e-newsletters.

HWCP staff have liaised with representatives of the TCFUA in regards to current compliance matters as well began working together to develop processes and systems for increased compliance activities.

Given its extensive experience of working with home-based clothing workers, Asian Women At Work were also contacted for input regarding the HWCP's potential strategies for fostering and accessing networks of home-based workers.

3. Submission to the Federal Government's TCF Review

As well as participating in the public consultation event held by Professor Roy Green as part of the Federal Government's review of the TCF industry, the HWCP Committee made a written submission to the review.

The submission presented arguments that:

- The Australian TCF industry needs to eliminate exploitation and embrace high labour standard so Australian-made products have a local and global reputation of being quality ethical products allowing the industry to capture the growing global 'ethical market',
- A more focused and collaborative effort is required to synchronise the requirements of design and fashion houses with the technical skills of local manufacturers,
- Australian governments should support local job growth by favouring local and ethical manufacturing with TCF procurement policies.

4. Industry events

HWCP staff networked at the Melbourne Fashion Incubator's launch of fashion label, *Kelly's*, winter range. This resulted in an agreement to give a 'No Sweat Shop' label presentation in the next financial year to the designers based at the Incubator.

In addition to providing assistance to the organisers of the *Fashion Fights Fair* fashion show at Federation Square in Melbourne, attending the event offered HWCP staff with good networking opportunities with both consumers and fashion companies developing marketing strategies centred around 'ethical' profiles.

5. Procurement

A substantial procurement plan did not eventuate in the first two months of the funding program. (See below for details of expenditure/funding allocation.) In addition to a busy schedule resulting in the activities listed above, and the development planning, the HWCP was unable to secure and prepare an office space due to unsuccessful negotiations about the costs and details of an appropriate lease. In the absence of an office space, the bulk of the early procurement centring on office equipment and computers etc did not take place. This task will remain a priority for the beginning of the 08-09 financial year.

Communications

In order to maintain sound management and good governance, the HWCP Committee has continued to meet every two months during this period of intense planning and development. As well as various sub-committee meetings during May and June, the full Committee meet on 24 June at the NSW Business Chamber in Sydney and also communicated between meetings via email.

Staffing, KPIs, and finances

During May, the 'development' and 'finance' sub-committees (the sub-committee consist of members of the HWCP committee and are assisted by HWCP staff) were tasked with:

- Establishing policies for financial expenditure
- Creating the HWCP position descriptions
- Developing the framework for and evaluation of the KPIs for the next annual plan
- Preparing contracts of employment

This has laid the foundations to enable the HWCP Committee to commence the recruitment of additional staff in the new financial year. The HWCP positions of: Program Officer (x2); Finance Officer; and Administrative Officer, will be advertised in Melbourne and Sydney in the second half of July with interviews to take place in August 2008. A position description was also finalised for the National Program Co-ordinator.

With increased staff numbers and resources, the 2008/09 financial year is set to be the HWCP Committee's most productive to date.

Financials

PROFIT AND LOSS STATEMENT 01 May 2008 - 30 June 2008

REVENUE	
DEEWR Grant Income	21,080.91*
Interest Received on Bank Account	12,155.97
TOTAL REVENUE	33,236.88
EXPENSES	
HWCP Project Worker wages & oncosts	25,002.30
HWCP promotional women's T-shirts	3,035.00
Educational '20 Pieces' DVDs	1,300.00
Stand at 'Fashion Exposed'	1,262.00
Legal Fees for lease of 335 Exhibition St	713.86
Promotional roll up display units	600.00
Display booth at 'AEE - Going Green 2008'	570.00
Airfares: Local	268.18
Translation services	224.00
Printing of HWCP certificates	89.08
Accounting fees	75.00
Stationery	28.23
Domain registration of nosweatshop.org.au	26.36
Couriers & Freight	36.37
Bank Charges	6.50
TOTAL EXPENSES	33,236.88
PROFIT	\$0.00

* NOTE - unspent income transferred to 'DEEWR Grant Income in Advance' - liability account - refer to Balance Sheet

EXPENDITURE STATEMENT
01 May 2008 - 30 June 2008

EXPENSES

HWCP Project Worker wages & oncosts	25,002.30
HWCP promotional women's T-shirts	3,035.00
Educational '20 Pieces' DVDs	1,300.00
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Printing of HWCP certificates	89.08
Accounting fees	75.00
Stationery	28.23
Domain registration of nosweatshop.org.au	26.36
Couriers & Freight	36.37
Bank Charges	6.50
TOTAL EXPENSES	33,236.88

BALANCE SHEET
As at 30 June 2008

ASSETS	
Current Assets	
Westpac Business account	1,103,966.33
Total Current Assets	1,103,966.33
TOTAL ASSETS	1,103,966.33
LIABILITIES	
Current Liabilities	
GST Liabilities	
GST Collected	100,000.00
GST Paid	-822.81
Trade Creditors	867.75
Accruals	25,002.30
DEEWR Grant Income Received In Advance	978,919.09
Total Current Liabilities	1,103,966.33
TOTAL LIABILITIES	1,103,966.33
NET ASSETS	0.00

OTHER CONTRIBUTIONS REPORT
01 May 2008 - 30 June 2008

HWCP ACCREDITATION FEES	
Fabri-Cell International Pty Ltd	2,000.00
Bettina Liano Pty Ltd	2,000.00
Qualitops Pty Ltd	2,000.00
Perri Cutten Australia Pty Ltd	2,000.00
Tuffa Workwear Pty Ltd	1,000.00
Jets Swimwear Pty Ltd	2,000.00
Dayoub Clothing Pty Ltd	2,000.00
Puma Australia Pty Ltd	2,000.00
Surrey Clothing Company Pty Ltd	1,000.00
SATCH	2,000.00
In-Pace Fashions	2,000.00
Collette Dinnigan Pty Ltd	2,000.00
Harmony Fashions Pty Ltd	500.00
Ambassador Clothing Co Pty Ltd	2,000.00
Totally Corporate	2,000.00
Dangleberries	-500.00
TOTAL	26,000.00

CASH FLOW STATEMENT
01 May 2008 - 30 June 2008

CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	0.00
GST Collected	100,000.00
GST Paid	-822.81
Trade Creditors	867.75
Accruals	25,002.30
DEEWR Grant Income in Advance	978,919.09
Net Cash Flows from Operating Activities	1,103,966.33
Cash Flow from Investing Activities	
Net Cash Flows from Investing Activities	0.00
Cash Flow from Financing Activities	
Net Cash Flows from Financing Activities	0.00
Net Increase/Decrease for the period	1,103,966.33
Cash at the Beginning of the period	0.00
Cash at the End of the period	1,103,966.33

Date of purchase or lease
Term of lease

Asset Register

Asset number	Description of asset	Purchase price or total lease cost	Date of purchase or lease	Term of lease
NIL	NIL	NIL	NIL	NIL