

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2011-12
19 October 2011

AGENCY/DEPARTMENT: DEPARTMENT OF INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: ETHICAL CLOTHING AUSTRALIA

REFERENCE: Question on Notice (Hansard, 19 October, pages 46 and 47)

QUESTION No.: SI-32

Senator COLBECK: Is it true that TCF applicants now have to satisfy the department that they are a member of Ethical Clothing Australia before they qualify for funding?

Senator Carr: In general terms, this is an industry that is notorious for sweatshops, notorious for unethical employment practices. As I understand it, this is an industry run accreditation process which is aimed at ensuring that we can prevent unethical employment practices being undertaken—

Senator COLBECK: An industry run accreditation process?

Senator Carr: Industry run. The Commonwealth does not run the association. It is run by the industry. It is a method of ensuring that we have some accreditation process and industry standards. I know some people do not think it is necessary to get accreditation, but what I regard as important is that we try to prevent unethical employment practices in the industry, particularly when people are using government money. We cannot have sweatshops funded by the Commonwealth.

Senator COLBECK: I think we both agree on that, Minister—

Senator Carr: I am sure we do.

Senator COLBECK: but what I am asking is: under what other protocols does the government require a process such as this to qualify for funding?

Senator Carr: I think you will find there are a range of programs across government where ethical employment arrangements are required to be demonstrated.

Senator COLBECK: Yes, but not necessarily belonging to a particular organisation.

Senator COLBECK: But the minister has already said that you have to be a member of ECA to qualify. So you are stipulating that.

Senator Carr: Certifying.

Mr Sexton: If I could step in there, what the eligibility for that scheme proposes is that you must be seeking accreditation or have accreditation.

Senator COLBECK: Under ECA?

Mr Sexton: Correct. It is accreditation for the Homeworkers Code of Practice, which is administered by that organisation. So it is an industry code of practice administered by a body set up by the industry.

Senator COLBECK: So there is no other way that a business will accept that a business is complying with proper employment protocols—not even opening their books up to show that they are complying with awards—unless you are a member of the ECA and certified under this process?

Mr Sexton: I know of no other means by which we program administrators could determine that a company or firm is complying with that code of practice.

Senator Carr: Or any code.

Mr Sexton: I know of no other code.

Senator COLBECK: Has the department sought or received any legal advice about imposing that requirement?

Mr Lawson: I would have to take that on notice. When we set the guidelines, we went through the normal process of reviewing our guidelines and consulting on them. I would have to check with my colleagues as to whether there was a legal part of that process. I cannot remember.

ANSWER

The Department did not seek specific legal advice on the Ethical Clothing Australia requirement.