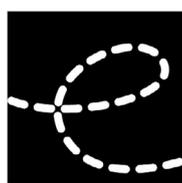


# Ethical Fashion 101:

a business handbook by Ethical Clothing Australia



ethical  
clothing  
AUSTRALIA

AUSTRALIAN  
FASHION  
CHAMBER



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# Introduction

**What is ethical fashion?**

**Why does this term matter more now than ever before?**

Ethical fashion is a term being used increasingly throughout media, marketing, and consumer groups. It is essentially an umbrella term that covers a range of social and environmental issues; all of which need to be addressed throughout the fashion supply chain.

The Australian textile, clothing and footwear (TCF) industry is seeing a strong shift towards businesses understanding the importance of transparent production. Many consumers are also beginning to demand greater traceability and with this brings the need for brands to map their supply chains to ensure all workers are accounted for and safeguarded.

The term ethical fashion, in the context of Ethical Clothing Australia (ECA)'s work, is that which has been made by people receiving the Award rate of pay and legal entitlements, as well as working in safe conditions. Ethical business practices are those which respect workers in the supply chain and allow workers to lead dignified lives.

ECA focuses on supporting Australian businesses so that they can maintain a fully transparent and ethical local supply chain, and has done so for over a decade.

The ethical fashion movement is more than a passing trend—it calls for the development of an industry standard whereby ethical fashion is the expectation not merely a point of difference.

This handbook will explore the ways in which Australian TCF brands can seek to understand their social impact and ensure that ethical standards are adhered to throughout their local production.



# The Benefits of Transparent & Ethical Business Practices

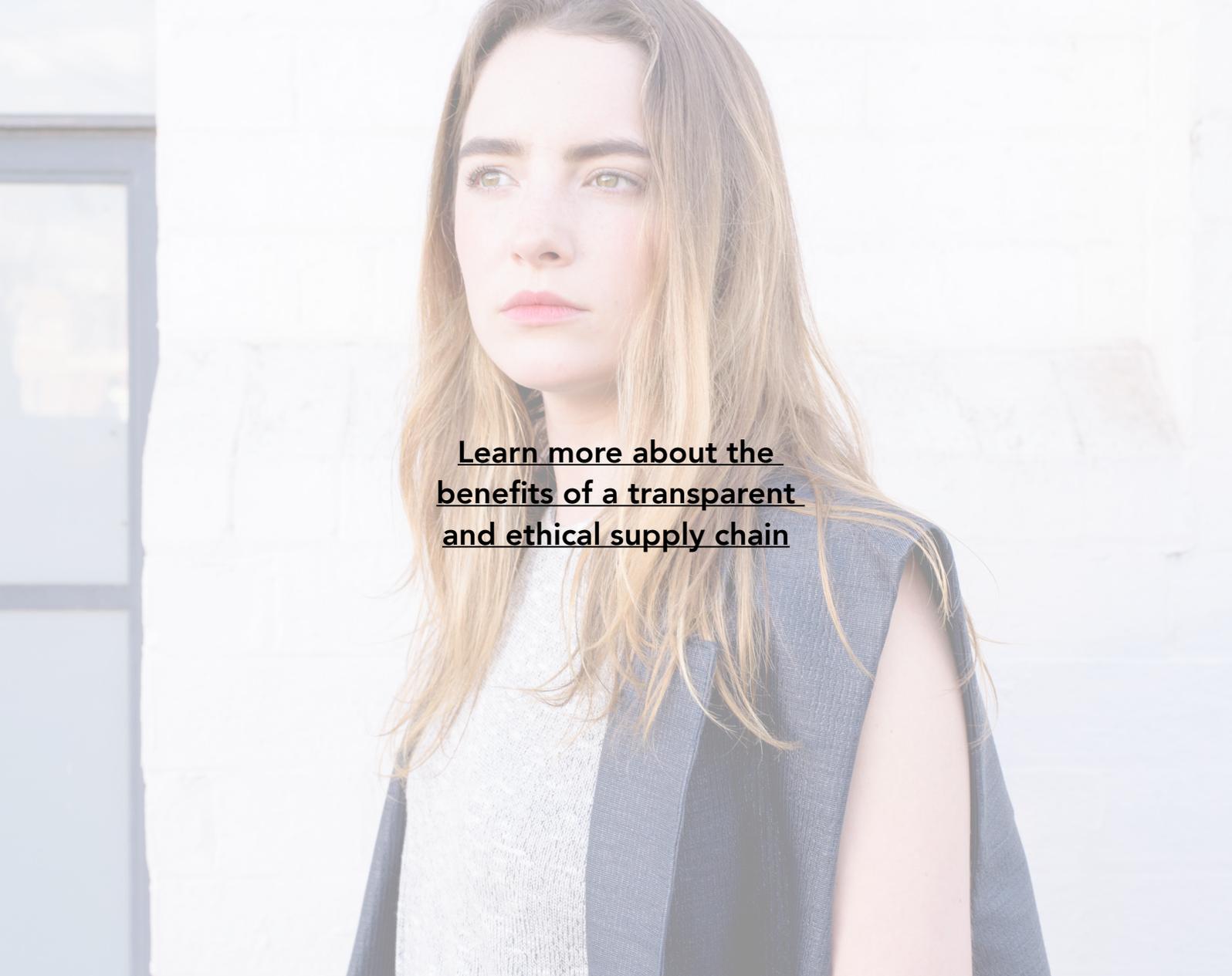
**Other than it being the right thing to do, why should businesses care about their social impact?**

## **Risk Management & Brand Reputation Protection**

ECA encourages brands to recognise the risks involved in unregulated outsourcing. Not only is there great value in third-party compliance and supply chain management for the welfare of workers, it can also be used to manage brand reputational risk as the public interest in unethical business practices continues to increase.

Consumer trust needs to be nurtured, and brands cannot underestimate how savvy consumers can and should be when it comes to deciding which labels they are willing to support.





Learn more about the  
benefits of a transparent  
and ethical supply chain

## **Business Story & Point of Difference**

In an oversaturated fashion industry, consumers have access to any garment at any price point; they are overwhelmed with choice.

Companies can add value to their business story by sharing and celebrating their relationships with makers, their support for local industry, and their commitment to ethical production. They have the opportunity to differentiate themselves from an increasingly crowded fashion space and appeal to a growing ethical consumer market, providing a real competitive edge.

The ECA accreditation and labelling system also provides consumers and buyers with a way to identify and support ethically made Australian textile, clothing and footwear products.

A woman with long, wavy brown hair is wearing a white suit consisting of a long coat and matching trousers. She is standing outdoors on a paved surface, possibly a parking lot, with a blurred background of a building and a sky. The lighting is soft and natural.

“I am very passionate about maintaining local manufacturing; we develop skills, provide jobs and stay connected with everyone who works with our product.”

**Bianca Spender**

# The Nature of the TCF Industry

**The nature of the TCF industry has evolved significantly over the past few decades. Below is a snapshot outlining some of the ways in which the industry has developed and why.**

## **Tariff Cuts**

Change in Australian policy over the past few decades has influenced local TCF businesses to alter the way they engage their supply chain at a local and international level. Since tariff cuts began in 1992, and particularly since the **tariff cuts** in 2000/1, a significant amount of production has continued to be outsourced to developing countries as a way of employing a cheaper workforce.

Instead of outsourcing to more formal work settings in Australia, many companies still producing onshore are engaging outworkers (also known as homeworkers) throughout their local supply chain. They have embraced outwork as a way of competing with cheaper imports and avoiding the overhead costs involved in factory work.

## Outsourcing & Outwork

Given the outsourcing nature of the TCF industry, it is not uncommon to find issues throughout a supply chain. Many of these occur further down the chain - particularly if outworkers are engaged - and at times principal companies aren't aware that their work has been subcontracted.

Work conducted by outworkers in informal settings, such as garages and homes, can be hidden and difficult to regulate. These workers are often migrant women and can experience various issues, including:

- Not receiving the Award rate of pay and legal entitlements, such as superannuation or sick leave
- Occupational health and safety issues
- Irregular flows of work
- Unrealistic deadlines



## **Rana Plaza**

The 2013 Rana Plaza garment factory collapse in Dhaka, Bangladesh, was not the first (nor the last) of its kind. It was, however, an avoidable tragedy that killed 1,134 garment workers and injured many more—making it the worst of its kind in terms of casualties.

*This cast a dark shadow on the fashion industry and was a stark reminder of the dangers inherent to unregulated outsourcing.*

Since the collapse, there has been increased scrutiny throughout the media and a healthy growth in consumer awareness. More people are wanting to know who made their clothes and under what conditions.



Image: Nico Underwear by David Alexander

## Increased Awareness

This increased awareness is being generated by various initiatives and consumer campaigns, as well as the ongoing work of like-minded bodies and NGOs advocating for a more accountable fashion system.

ECA recognises the important work of international organisations like **Fashion Revolution** who promote greater transparency, traceability and responsibility throughout the fashion supply chain, and encourage consumers to ask brands the simple question,

*#whomademyclothes.*

# Points to Consider

We are fortunate here in Australia to have the legal framework in place that protects vulnerable workers in the TCF industry. These are outlined in the **Textile, Clothing, Footwear and Associated Industries (TCFAI) Award**, the National Employment Standards, and other legislation.

Companies need to understand that even if they outsource their work, they are still ultimately responsible for all workers in their supply chain. It is important to have an open dialogue with suppliers and gauge how willing they are to be transparent. This will help navigate any red flags that may arise when certain questions are asked.

There are a few questions businesses need to ask themselves in order to gauge potential 'warning signs' in their local supply chain:

- Have you thought about the time it takes to make each garment and how much you are paying your maker? Is this enough to cover all their costs?
- Are you comfortable with the conditions the people making your clothing/footwear are working in and do you know whether they are receiving the correct wages/entitlements? Is there paperwork to prove this?
- Do you know whether the factory you work with has Workers Compensation Insurance? Is the factory Workplace Health and Safety compliant?
- When visiting your factory, consider the volume of clothing in your order and whether or not the number of workers on-site is enough to accommodate this order. If you're unsure, consider the possibility that some of your work is being outsourced further. You may discover that your supply chain is in fact more complex.

**Below are three key things you need to ensure you are doing if you are manufacturing in Australia:**

- Businesses giving work out need to register with Fair Work Australia's Board of Reference (BOR); this acts as a mechanism for the industry to be open about supply chains from the top level down. You can find information relating to the BOR **on the ECA website.**
- You must maintain and keep records of any work that is given out and to whom. Keeping this information is not only the law but good business practice. Crucially, make sure the amount paid per garment is enough to cover costs involved. **Find template work records here.**
- Ensure an agreement/contract is in place with **every** supplier.



A man with glasses and a white sweater is working in a denim factory. He is holding a pair of yellow-handled scissors and is focused on a piece of denim. The background shows a large industrial space with stacks of denim and various equipment.

“Through a transparent supply chain and manufacturing items closer to their end destination, Nobody Denim has reduced logistic costs, environmental impact and increased productivity.”

**Nobody Denim**



# Ethical Clothing Australia (ECA)

ECA is an accreditation body that works collaboratively with local TCF companies manufacturing in Australia. The ECA voluntary accreditation program offers practical assistance to businesses, and ensures that their Australian supply chains are fully transparent and legally compliant.

The ECA program maps a company's Australian supply chain throughout the entire cut, make, trim and value adding process. By encouraging companies to view supply chain management as an integral part of business, ECA protects the rights of both local factory-based workers and outworkers (also known as homeworkers).

ECA is a joint industry and union initiative that embraces collaboration and a multi-stakeholder approach. It works alongside brands, manufacturers, educational institutes, industry bodies and government in the hope that Australian TCF industry will reach a more sustainable model—one that respects and values the skilled workforce it is made up of.

**[Learn more about ECA.](#)**

A woman with long, wavy brown hair and blue eyes stands in a desert landscape. She is wearing a white, long-sleeved, knee-length coat over a white, textured, long-sleeved top and white, slim-fit trousers. The background consists of a white wall and a large, light-colored sand dune. The text is overlaid on the image.

“Being accredited with Ethical Clothing Australia helps us in maintaining transparency and guides us through implementing changes within our industry.”

**Viktoria & Woods**

# ECA Accredited Brands

ECA accredited companies value transparency, their relationships with local makers, and view supply chain management as good business practice. There are currently approximately 90 brands accredited for their Australian made TCF products, some of which are also **members of the Australian Fashion Chamber:**

- **Bianca Spender**
- **Carla Zampatti**
- **Cue**
- **Ginger & Smart**
- **Manning Cartell**
- **Scanlan Theodore**

A full list of accredited brands and manufacturers can be **found on the ECA website.**





"I am committed to a sustainable, ethical business practice and being accredited with Ethical Clothing Australia is pivotal to this.

Every single Bianca Spender garment is made in Sydney. I meet with my design and production team daily and we work together to look at how we can achieve the best result. I love how I learn from them and they learn from me, it is constant exchange of knowledge. My studio is above the cutting room and my time is split between the design studio and production.

I am very passionate about maintaining local manufacturing; we develop skills, provide jobs and stay connected with everyone who works with our product. All of this is central to maintaining the best quality."

**Bianca Spender**

“By being predominantly Australian made, and with all designs and samples originating from our head office in Sydney, Cue has been able to deliver of-the-minute designs weekly for almost 50 years.

100% Australian operated and family owned, Cue is proud of its accreditation with Ethical Clothing Australia. An ethical local supply chain isn't just about doing the right thing - it's also about supporting an industry and its workers so that Cue can remain onshore for many years to come.

Shorter lead times, smaller runs, maintaining a very high standard of quality and the ability to react quickly to fashion trends are just some of the benefits of manufacturing locally. The ongoing growth and expansion of our brand is proof that a trade-off between ethical production and profitability need not exist.”

**Cue Clothing Co.**





“Manning Cartell is proud to be accredited by Ethical Clothing Australia, formalising our commitment to ethical manufacturing with a focus on Australian made.

We’re finding that the Manning Cartell customer is excited to hear that our clothes are being manufactured locally as this connects with their sense of social responsibility. They appreciate the quality and care that goes into each garment, and as a business it is rewarding to create beautiful pieces with an ethical foundation.”

**Manning Cartell**

“Nobody Denim is proud of its commitment to local manufacturing and the conditions in which its clothing is made. Since 2008, we have been a member of Ethical Clothing Australia who helps us to monitor and improve labour conditions at our Thornbury factory, which employs over 40 skilled workers.

Through a transparent supply chain and manufacturing items closer to their end destination, Nobody Denim has reduced logistic costs, environmental impact and increased productivity.”

## **Nobody Denim**





“Since the brand’s inception we have produced the greater part of Viktoria and Woods collections in Melbourne.

By working closely with our local manufacturers, patternmakers and graders for the past ten years we have been able to learn from their wealth of knowledge, which has been invaluable. This ability to work together closely and quickly has helped enable us to grow and, more importantly, continue to develop creatively.

We are focused on supporting our local industry and continually improving our business practices - being accredited with Ethical Clothing Australia helps us in maintaining transparency and guides us through implementing changes within our industry.”

**Viktoria & Woods**

# Steps to Accreditation

ECA helps businesses to operate locally in an ethical and legally compliant manner. There are a number of legal obligations that need to be met under the **Textile, Clothing, Footwear & Associated Industries (TCFAI) Award 2010** and other current legislation. The ECA accreditation process assists businesses to understand these legal obligations and maps their entire local supply chain to ensure full transparency.

When a business contacts ECA, an accreditation advisor will walk them through the initial application process. Once a formal application has been lodged, an audit of the applicant company's factories and suppliers will be undertaken by the **Textile, Clothing and Footwear Union of Australia (TCFUA)**. ECA has a service level agreement with the TCFUA who complete all compliance audits for accreditation. The TCFUA works collaboratively with applicant businesses and those throughout their local supply chains to make sure that all workers' pay and entitlements are correct and that they comply with the Award.

Audits are carried out annually to ensure ethical standards are maintained; however, if a brand's supply chain changes throughout the year they must notify ECA so all changes can be reviewed.

**[View steps to accreditation.](#)**



"The ongoing growth and expansion of our brand is proof that a trade-off between ethical production and profitability need not exist."

**Cue Clothing Co.**



# The Future of Fashion

ECA views the inevitable future of the Australian TCF industry as one that embraces transparency and ethical business practices.

The call for greater accountability throughout the fashion supply chain will only continue to strengthen, and therefore companies must take responsibility for those who make their products.

ECA promotes the kind of systemic change that sees supply chain management and third-party compliance as the industry standard.

This, alongside a commitment to producing innovative, quality fashion, will see local industry celebrated on a global stage.

People will begin to recognise Australian TCF businesses as leading the way in this space and setting a benchmark for others to follow.

A woman with long brown hair is standing against a textured stone wall. She is wearing a long, off-the-shoulder dress with a bold, geometric pattern in white, orange, dark blue, and red. She is also wearing large, circular earrings with a rectangular pendant. The background is a blurred outdoor setting with a stone wall and a bright light source on the right.

“As a business it is rewarding to create beautiful pieces with an ethical foundation.”

**Manning Cartell**

# Resources

For those interested in learning more about ethical production and social responsibility, visit [ECA's Industry Training Hub](#). Here you will find training slides, downloadable resources and valuable tools to assist your business in understanding its legal obligations.

# Contact

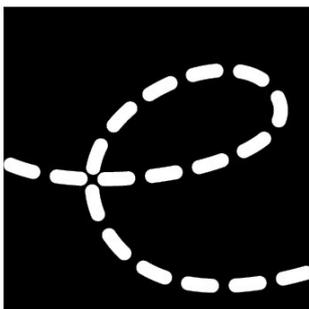
ECA is a valuable resource for local TCF businesses, and is more than happy to share knowledge and insight. If you are already producing locally, or looking for onshore manufacturing opportunities and a transparent and ethical supply chain, please get in touch.

Instagram: [@ethicalclothingaustralia](#)

Twitter: [@ethicalclothing](#)

Facebook: [/ethicalclothingaustralia](#)

[www.ethicalclothingaustralia.org.au](http://www.ethicalclothingaustralia.org.au)



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