

**NSW PARLIAMENT
MODERN SLAVERY COMMITTEE**

**INQUIRY INTO THE ETHICAL CLOTHING EXTENDED RESPONSIBILITIES SCHEME
2005 (NSW)**

**Responses by the CFMEU-Manufacturing Division
to questions on notice arising from the hearing held 7 June 2024**

BACKGROUND

1. On 7 June 2024, the CFMEU-Manufacturing Division (**CFMEU-MD**) appeared before the Modern Slavery Committee (Committee) at the Inquiry Into the Ethical Clothing Extended Responsibilities Scheme 2025 (NSW) (**NSW Scheme**).
2. The CFMEU-MD took the following question on notice from a member of the Committee, Ms Jenny Leong (Deputy Chair). The following relevant part of the Transcript ¹is reproduced below:

***MS JENNY LEONG:** It's good to get that on the record. I appreciate it. The final question I have, because it does intersect a lot with people finding themselves in exploitative or high-risk workplace settings, is in relation to pressures around housing and visa risks. I am happy for you to take this on notice. Do you have any thoughts about what the State Government might be able to do in relation to other reforms or changes that would make it more reassuring to people who are outworkers to speak up about their conditions? We've heard evidence in the context of the Modern Slavery Act review that a lot of people don't want to speak out on their situation because they fear risking visa breaches, or the reason they got into it in the first place is because of insecure housing or housing needs.*

Given we have the ability to look at the State Government's role beyond just industrial relations, what is that we could be doing in other areas, in other departments, in other parts of legislation to look at strengthening offers to people in insecure work to allow them the space to be able to come forward? I'm happy for you to comment now or to take on notice any other changes. Maybe you could speak with the outreach officers around what assurances might help them to be able to day, for example, "Look, if we did this, then you have access to temporary accommodation" or "If we do this, then you have access to this, that or the other that may assist", using the other resources of the State rather than in the industrial context. [emphasis added]

¹ Hearing (7 June 2024) Transcript at page 29

VIVIENNE WILES: *It's a really good question. I will probably take most of that on notice. But one of the things that the union was part of some years ago was-when working with outworkers, one of the things that was expressed a lot was the issue around training and moving into more secure work or higher paying work. And so-I think this is in Victoria-the union collaborated with RMIT to basically encourage outworkers, for example, to be trained as pattern makers and designers. A group of outworkers did go through that process, which meant that with that skill they could get better paying work, because there was such a need for patternmakers, for example. That was done in a culturally sensitive way and there were interpreters involved et cetera. So I think training is critical.*

I think a number of the submissions have really pointed to the facet that many outworkers don't know what's available to them. They don't know how to access training and support and, obviously, anything that's proposed needs to be in a culturally sensitive way and something that they feel like they can take up. Some outworkers want to continue working at home, but some don't; they would prefer to have alternative work, either within the industry or in another industry.

Response to question on notice

3. The CFMEU-MD's response to the question on notice is informed by discussion with its outwork outreach team staff members and it's decades long work generally with TCF outwork communities.
4. We submit the NSW Government could give serious consideration to a range of other programs and assistance for TCF industry outworkers. Fundamental to any program/assistance for TCF outworkers is the need such program/s to be designed, developed and delivered in a culturally sensitive and linguistically appropriate way.
5. In summary, such programs would ideally be directed to aims including:
 - the enhancement of English language and literacy skills for TCF outworkers;
 - the enhancement of financial knowledge and literacy for TCF outworkers;
 - assisting outworkers to understand and enforce their legal, industrial and employment rights, with the help of the union;
 - to actively encourage social inclusion and participation in dignified, well paid and safe work; and
 - to provide practical pathways for training, skills development and further education.

6. Such programs would, in combination, militate against the real risks of exploitation and abuse of TCF outworkers and reduce the potential of outworkers being subjected to modern slavery type conditions.

English language skills and literacy

7. It has been consistently documented that the great majority of outworkers in the TCF are women from migrant and CALD backgrounds (including refugee women) and for whom English is not their first language. This factor, combined with the nature of TCF outwork itself (work undertaken in isolation in private homes or other non-business premises) increases the vulnerability of outworkers to systemic sham contracting, very low rates of pay, excessive working hours, unreasonable demands and unsafe working conditions.
8. Without a reasonable level of English language proficiency and literacy, outworkers face major barriers in firstly, being aware of their legal and industrial rights (including the right to be a union member); and secondly, to practically enforce those rights (including with the help of the union or regulators). It is obvious that because outworkers work from home, they do not have the benefit of social interaction with other workers and are not exposed on a daily level to the use of English and information at the workplace level.
9. Funded English language classes for outworkers can actively work against such social and work isolation, at the same time as introducing information about wages and conditions, health and safety and where help and assistance may be sought.
10. For approximately 10 years, the former TCF Union² was funded to run English language classes for TCF outworkers in Victoria. The union developed the program in consultation with outworkers to determine the course content, course length (18 weeks), where the classes should be held, the timing of classes and generally what measures could be put in place to support outworkers attending and maximising outworker participation as fully as possible.
11. The classes were intentionally designed to operate out of community centres (or similar) in areas with significant outwork communities (for example, the western and south-eastern suburbs of Melbourne). The idea here was to encourage women to leave their homes for a few hours a week to undertake the language classes with other outworkers but in a venue within a relatively short distance from where they lived. Locality and accessibility were critical given the union's experience that many outworkers did not have a driver's licence or otherwise did

² Formerly the Textile, Clothing and Footwear Union of Australia (TCFUA) which amalgamated with the CFMEU-Manufacturing Division in March 2018.

not have access to their own car. The necessity to leave home to attend the classes was directed at reducing social isolation, a factor which compounds vulnerability to exploitation and abuse.

12. Part of the English language course for outworkers included important information about occupational, health and safety, including the safe operation of sewing machines, the dangers of excessive work hours, how to minimise the risk of workplace injury and where to get advice and assistance if injuries did occur. There was also subject matter about award safety net, wages, leave and conditions and legal rights as an outworker and general financial literacy education (further discussed below).
13. English literacy is essential for TCF outworkers so that they can understand sewing and specification instructions (required to be provided in a work record, commonly known as a specification sheet) provided by the person or entity who is giving them the work. Disputes involving whether the principal's specifications have been clearly communicated to outworkers is common in the industry.

Money and financial literacy education

14. The union is also aware, from its decade long experience of working with outworkers, that many struggle with money/loan issues, dealing with banks/lenders and general financial literacy. Typically, these difficulties include outworkers knowing where to access information about their legal and consumer rights and accessing timely financial counselling and legal support. These circumstances are compounded by social isolation, lack of English language fluency and the general low rates of pay received by outworkers. As with the general female population, a proportion of outworkers are also sole parents trying to work and raise children on the minimum award wage (assuming this is paid to them).
15. The relationship between TCF outwork and financial precarity is unfortunately very common. Early and timely access to financial information, support, legal assistance and advocacy (as required) is critical to ensure that outworkers can attain and maintain a level of financial understanding security in their lives.
16. By way of a case study to illustrate this issue, the union assisted a TCF outworker (who we will call Thuy to protect her identity) who joined the union. Thuy was a single parent with 2 young children both of whom had disabilities and who continued to live with her after the breakdown of her marriage. After her husband left, Thuy remained in the modest family home, and continued working as an outworker. Thuy would work up to 6-7 days per week making

school uniforms and was both underpaid for the work she did (according to the award) and often paid late, leaving Thuy desperately short of money to pay the mortgage and other non-discretionary expenses. To bridge the gap, Thuy took out a credit card with a financial lender (with a relatively low limit of \$5,000). Despite working excessive hours each week, Thuy could not meet the payments of the mortgage and the new debt of the credit card. The credit provider subsequently sought that Thuy pay the full credit card debt back in full and threatened to take legal steps to sell the family home to recover the debt. Thuy had received a number of letters from the credit provider but could not fully understand them due to lack of English language literacy and proficiency.

17. Through the union's outreach program, the union became aware of Thuy's situation at a very late stage in the credit provider's process of seeking to recover the outstanding debt. The union's legal officers made contact with a community consumer legal service, and successfully advocated for the CLC to take on Thuy's case. The end result was that Thuy's debt to the credit provider was waived, and all action to sell Thuy's home stopped. In addition, the union took steps to address the other industrial issues affecting Thuy, including ensuring she received her correct award wages and entitlements.
18. The case-study above demonstrates the importance of enhancing financial knowledge and literacy for TCF outworkers at the earliest possible stage, so that financial issues do not get out of control and supporting outworkers to be as financially independent as possible.
19. In terms of practical support, we propose that such education could be integrated into the course content of English language literacy classes (as discussed above) or alternatively be delivered as a stand-alone program tailored to meet the language and cultural needs of outworkers.
20. Finally, we understand that the NSW government is committed to the establishment and funding of a Working Women's Centre in NSW. We support this commitment and would hope that the work of a WWC could include advice, support and assistance for outworkers.

Submitted on behalf of:
CFMEU-Manufacturing Division
(6 July 2024)