

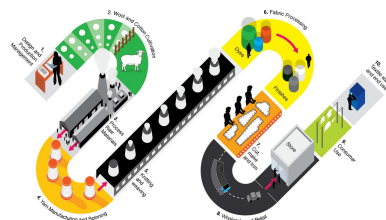


# National Garment Industry Sustainability Roundtable

## Summary Report

29 January 2010

Melbourne, Australia



# National Garment Industry Sustainability Roundtable

Friday 29 January 2010

Venue: Investment Centre Victoria  
 Department of Innovation, Industry and Regional Development  
 Level 46, 55 Collins St, Melbourne VIC 3000

## Attendees

Council of Textiles & Fashion Industry Australia (TFIA)	Jo-Ann Kellock	Executive Director
St James Ethics Centre	Suzanne Granger	Coordinator, Responsible Business Practice Project
St James Ethics Centre	Rosemary Sainty	Head, Responsible Business Practice Project
UK Sustainable Development Commission	Peter Davies	Vice Chair UK Sustainable Development Commission, Commissioner for Wales
Ethical Clothing Australia	Emer Diviney	National Program Coordinator
Oxfam Australia	Serena Lillywhite	Mining Advocacy Coordinator
Fairtrade	Fabia Pryor	Observer - Intern
RMIT	Patricia Brien	Sustainability in Fashion
RMIT	Sue Thomas	Lecturer in Fashion, School of Architecture & Design
RMIT	Keith Cowlishaw	Head of School, Fashion and Textiles
Australian Fashion Partners	Dominic Beirne	Director
Textor Technologies	Phillip Butler	Director
Fashion Technicians Association Australia (FTAA)	Toni Stalls	President
Myer	Daran Ponton	Quality Assurance Manager
Myer	Voula Syrrakos	Compliance Advisor
Target	Jill Moodie	Sustainability Manager

Target	Patrick Didenko	Consultant
Woolworths	Armineh Mardirossian	Sustainability Manager
Department of Innovation, Industry, Science & Research	Gary Davis	Manager, TCF Innovation
Department of Innovation, Industry, Science & Research	Amanda Smith	Enterprise Connect
Department of Innovation, Industry, Science & Research	Evangelos Lambrinos	Enterprise Connect
Department of Innovation, Industry, Science & Research	Cathy Dillon	TCF Advisor
Department of Innovation, Industry, Science & Research (AusIndustry)	Shirley Campbell	Customer Service Manager, Victoria State Office
Country Road	Elizabeth Park	General Manager, Sourcing
Country Road	Sophie Sussman	
CSIRO	Dr Ian Russell	Environmental Consultant
Cotton Australia Limited	Brad Pfeffer	Policy Advisor
Stafford Group	Peter Waddell	Chief Financial Officer
Council of Textiles & Fashion Industry Australia (TFIA)	Paula Rogers	Industry Liaison
Kate Kennedy	Kate Kennedy	
The Merino Company	Claire Drum	
Defence Materiel Organisation	Roy Bird	Colonel, Director Clothing Systems Program Office
Defence Materiel Organisation	Pinakin Chaubal	Manager, Technical Staff
Textile, Clothing & Footwear Union of Australia (TCFUA)	Michelle O'Neill	Victorian Secretary
Lonsdale Institute	Nina Wills	Project Coordinator

## Agenda

<b>10am</b>	Arrival
<b>10:10-10:20am</b>	Welcome and thanks Jo-Ann Kellock, Council of Textile & Fashion Industries of Australia Limited (TFIA)
<b>10:20-10:40am</b>	Introductory remarks and brief introduction from each participant Peter Davies, UK Sustainable Development Commission
<b>10:40-10:45am</b>	Background to the Responsible Business Practice Project at St James Ethics Centre and product road-mapping concept <b>(see pages 6-7)</b> Suzanne Granger, St James Ethics Centre
<b>10:45-11:10am</b>	Report back on key findings and recommendations from the 'Travelling Textiles' Report <b>(see pages 8-10)</b> Emer Diviney, Ethical Clothing Australia
<b>11:10-11:50am</b>	Roundtable discussions <b>(see pages 11-15)</b> Chaired by Peter Davies, UK Sustainable Development Commission
<b>12-12:15pm</b>	Update on UK context and work to date on the Clothing Roadmap and Sustainable Clothing Action Plan by Defra <b>(see pages 16-17)</b> Peter Davies, UK Sustainable Development Commission
<b>12:15-12:45pm</b>	Roundtable discussions – action plan moving forward from this event <b>(see page 18-20)</b> Chaired by Peter Davies, UK Sustainable Development Commission
<b>12:45-1pm</b>	Summary of key points and closing remarks <b>(see page 21-22)</b> Peter Davies, UK Sustainable Development Commission

On Friday 29 January 2010 in Melbourne 32 stakeholders across the garment industry representing business, industry, government and NGOs gathered to discuss the findings and recommendations stemming from the **Travelling textiles: a sustainability roadmap of natural fibre garments** report and garment product roadmap produced by the Brotherhood of St Laurence and the broader sustainability impacts in this industry.



Participants at the National Garment Industry Sustainability Roundtable 29 January 2010



From left Suzanne Granger, St James Ethics Centre, Peter Davies, UK Sustainable Development Commission, Jo-Ann Kellock, Council of Textiles & Fashion Industry Australia (TFIA) and Emer Diviney, Ethical Clothing Australia

## Background to the Responsible Business Practice Project at St James Ethics Centre and product road-mapping concept

Suzanne Granger, St James Ethics Centre

St James Ethics Centre is a fully independent, not-for-profit organisation which provides a non-judgemental forum for the promotion and exploration of ethics. In 2007 the Australian Federal Government, through Treasury commissioned St James Ethics Centre to undertake a three year project to expand responsible business practice nationally.

The two high-level goals of the project are:

- To expand the number of Australian companies that are actively engaged in identifying and adopting more responsible business practices.
- To consider options to improve, and where necessary refine, the tools that are available to promote responsible business practices across all levels of corporate management.

Using the funding the Centre now houses a number of key international sustainability initiatives including the: UN Global Compact (UNGC), Global Reporting Initiative (GRI) and the Corporate Responsibility Index (CR Index)

The Treasury funding agreement also asked the Centre to consider small to medium sized businesses and sustainability and therefore over the last 18 months we have created series of national resources accessible for small to medium business for use in the supply-chain, sector and place (location). Based on previous work undertaken by Defra (the UK government department responsible for policy and regulations on the environment, food and rural affairs) and advice from Peter Davies, who is a consultant to the Centre's National Responsible Business Practice Project, the Centre chose product road-mapping methodology to explore sustainability for SMEs in their sector.

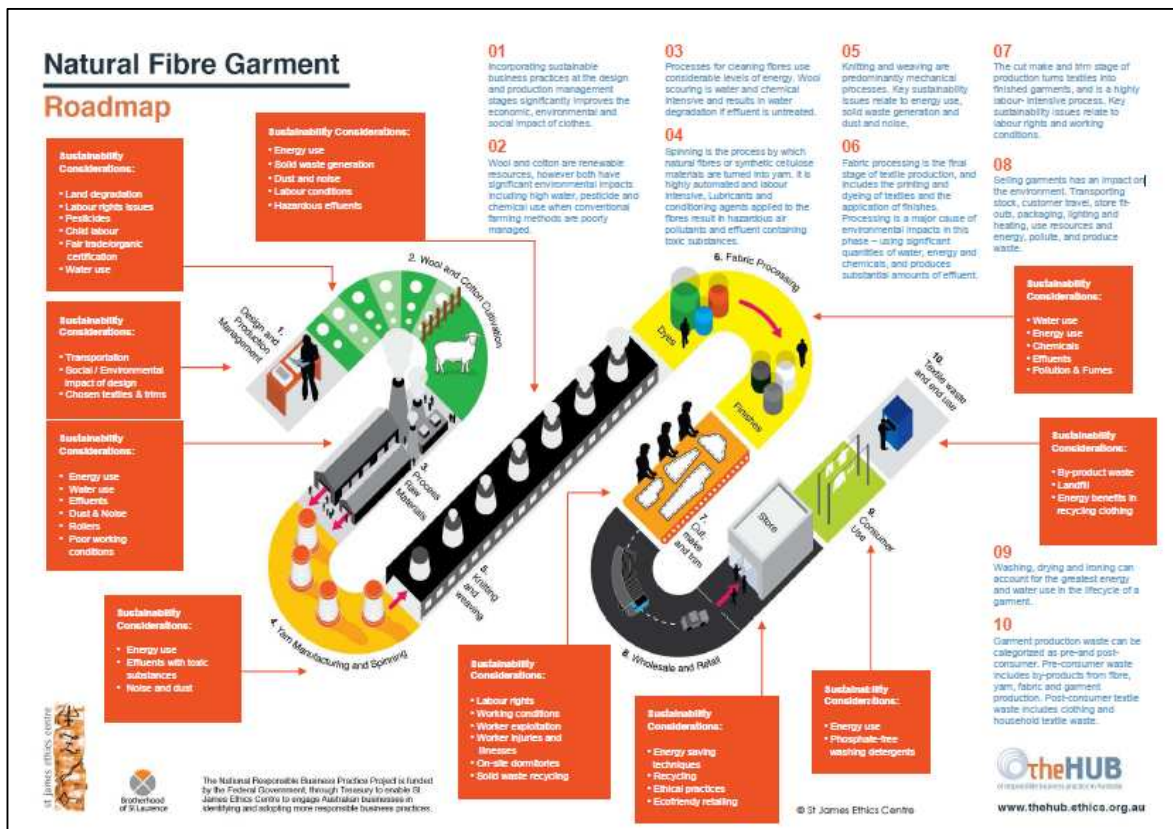
Product roadmaps identify the social and environmental impacts of a specific sector/product throughout the supply chain and then identify areas for improvement, cross-participant opportunities, government responses and tools that can assist to increase responsible business practices. In a society impacted by green-wash and confusion about the true impact of the products and services we consume, the roadmaps provide an important tool. The product road mapping concept provides a common ground for participants along a supply chain to engage in meaningful dialogue about broader social and environmental issues that are typically harder to address in their entirety.

In 2008 the Centre commissioned three organisations - [Brotherhood of St Laurence](#), [Net Balance Foundation](#) and the [Total Environment Centre](#) - to create a generic product roadmap highlighting opportunities to enhance responsible business practice in a typical sector and then each to address a specific sector through the creation of a sector-specific roadmap. The Total Environment Centre researched the building industry; Net Balance Foundation looked at Fresh Food – specifically the potato and Brotherhood of St Laurence focused on the garment industry. The broad project objective for Brotherhood of St Laurence was to assess how SMEs in the TCF industry could be assisted to improve their capacity and address sustainability issues using product roadmap methodology.

The findings and recommendations outlined in the report "Travelling textiles: a sustainability roadmap of natural fibre garments" co-authored by Emer Diviney and Serena Lilywhite at Brotherhood of St Laurence formed the basis of discussions at the National Garment Industry Sustainability Roundtable. This report and garment roadmap is free to download at [the HUB website: http://thehub.ethics.org.au/sme/sector\\_product\\_roadmaps](http://thehub.ethics.org.au/sme/sector_product_roadmaps)

## Garment Product Roadmap

The Garment Product Roadmap was created to identify the social and environmental impacts of a specific sector/product throughout the supply chain.



## Report back on key findings and recommendations from the 'Travelling Textiles' Report

Emer Diviney, Ethical Clothing Australia (formerly of Brotherhood of St Laurence)

Ethical Clothing Australia, formerly the Homeworkers code of practice and No Sweat Shop label assists local clothing businesses to ensure that Australian workers making their products receive fair wages and decent conditions. It does this through an accreditation and labelling system that provides consumers and buyers with a way to identify and support Australian clothing made in an ethical fashion. It is funded by the Department of Education, Employment and Workplace Relations.

### Current and future sustainability challenges

**Travelling Textiles Report prepared by Emer Diviney and Serena Lillywhite at the Brotherhood of St Laurence. May 2009**

For the garment industry to achieve more responsible business practices, the key sustainability challenges include:

**Costs of sustainable production** – Current limited production volumes for SMEs do not support affordable sustainable fashion.

**Managing relationships** – Increased outsourcing, subcontracting and use of intermediaries make it harder to uphold responsible business practices throughout the supply chain.

**Consumer and fashion trends** – The increasing number of fashion items (on-trend and low-cost) that are purchased and soon discarded add to the industry's environmental impact.

**Working conditions** – Poor working conditions exist throughout the supply chain, in fibre cultivation, outwork in Australia and overseas, and factories in low-wage countries. Workers' health and livelihoods may be at risk.

**Energy and water consumption** – The production of raw materials, yarn, textiles, and garments are water and energy intensive.

**Chemical and pesticide use** – Intensive use of chemicals in the growing of cotton and wool and the production and processing of yarn and textiles impacts on the health of workers and consumers.

**Environmental degradation** – The environment may be damaged by land clearing, over-grazing, and poor farming practices in fibre cultivation; and contaminated by pest and disease controls used in farming and by untreated effluents and air pollution from the textile production processes.

**Animal welfare** – Animals may be subject to inhumane treatment in farming practices such as mulesing.

**Washing and care** – Care of garments requires considerable energy and water, and may release washing detergent phosphates into local waterways, or may involve toxic chemicals such as those used in dry-cleaning.

**End of life management and textile waste** –Clothing and textile waste (including packaging) may end up in landfill or be dumped in developing economies.

**Greenhouse gases** – Methane and other gases are emitted by animal flatulence, production and agricultural processes, transport, and textile decomposition in landfill.

**Regulatory frameworks, standards and industry certification** – Regulations and voluntary initiatives are often poorly monitored, but will become increasingly important to accessing markets and demonstrating responsible production to discerning consumers.

## Recommendations

**Travelling Textiles Report prepared by Emer Diviney and Serena Lillywhite at the Brotherhood of St Laurence. May 2009**

Gorman, an Australian fashion retailer and wholesaler with a reputation for being sustainable, agreed to participate in the research project and open up their supply chain for product road mapping purposes. Twelve in-depth interviews were conducted with key representatives of companies in the Gorman supply chain (including Gorman itself), as well as relevant industry associations, and garment sustainability experts.

The Gorman product roadmap identified significant opportunities for the Australian government to design innovative policy initiatives to strengthen the Australian garment sector's capacity to operate in a sustainable and responsible manner. The report recommends the Australian Government:

1. Establish a national corporate responsibility agency. The agency would have responsibility for implementing mandatory sustainable business regulations and reporting, strengthening voluntary mechanisms, developing and disseminating tools and resources, sustainable procurement policy and practice, and influencing the development of sustainable business subsidies and incentives.
2. Develop resources, tools and technical assistance on existing and emerging sustainable fibres, production processes and certification programs. This would include their potential use in the clothing sector, and an assessment of their environmental and social sustainability impacts.
3. Facilitate public sector investment in flexibly delivered training packages and educational resources to build skills and technical capacity to improve sustainable design and manufacturing in the garment sector.
4. Introduce subsidies and incentives to encourage sustainable business practice. For example, 'tax breaks' for enterprises that develop organic garment collections, grants to defray the costs of factory audits and attaining certification, and subsidies for enterprises interested in retro-fitting existing stores, and sustainable building options for new stores.
5. Create 'green-jobs' through retail retro-fitting initiatives and access to environmental consultants with expertise in SME manufacturing and retail.

6. Introduce measures like the EU REACH legislation to regulate the use of chemicals, including in imported clothes.
7. Review programs such as the Textiles, Clothing and Footwear (TCF) Assistance Packages, Austrade administered Export Market Development Grants (EMDG) and AusIndustry Enterprise Connect, to ensure funding eligibility criteria is based on responsible business principles.
8. Implement the 2008 Australian TCF Review recommendation to establish a TCF Innovation Council ensuring the Council's terms of reference include social and environmental sustainability, and Council membership includes individuals and organisations with experience in this area.
9. Implement the TCF Review recommendation to establish an Ethical Quality Mark for the Australian garment industry ensuring that the mark encompasses both Australian and International sourcing, and includes information on country of origin.

## Roundtable discussions (morning session) – key findings and recommendations

Chaired by Peter Davies, UK Sustainable Development Commission

This document is intended to record the dialogue that took place at the National Garment Roundtable (Friday 29 January 2010 in Melbourne, Australia). The following section has been divided into a series of themes to identify the key discussion points. Specific discussion points from the day are highlighted in **bold** and then supplemented by the research from the “*Travelling Textiles*” report and the presentation given by Emer Diviney on the day. Break-out boxes have been included to provide definitions and general context.

### Complexity

- **One of the biggest barriers to understanding is the complexity of the issues being faced by the industry, with one example being the confusion around the variety of codes and certification schemes by consumers, manufacturers and companies.** Companies interviewed by the co-author of the “*Travelling Textiles*” report often assumed that the accreditation processes were addressing issues that were not in fact addressed, for example the Eco-Tex standard accreditation that measures whether there are toxic chemicals in textiles that might be harmful to human health. Many companies surveyed thought that the accreditation process was an environmental certification program addressing water and energy issues in that supply chain.
- Where social or environmental certifications existed in companies it was much more straight-forward for the report writer to find out more information such as published documentation on the policies and procedures relating to the processes and materials. There was a high degree of unsubstantiated claims. For example businesses making claims about having particular certifications which when checked on certification websites were not listed.
- **A suggestion was made to separate the issues being faced by the industry to make it more manageable, for example global versus local or environmental versus social issues.**
- **There is a need to provide tools for business to assist them in approaching the hugely complex issue of sustainability in as simple a way as possible. For example cutting up our geography to identify areas to address, for example social issues such as rates of pay, unionism or environmental impacts.** Action plans and timeframes often differ between issues identified in the supply chain. This is supported by the recommendations outlined in the “*Travelling textiles*” report by the Brotherhood of St Laurence.
- Supply chain or product road mapping is a complex process: twenty suppliers can become two hundred. Sustainability product road mapping is recognised as being important and requires an industry approach to ensure that the Australian TCF industry remains competitive. SMEs, businesses, mentoring opportunities for large companies to small companies, effective government policy, voluntary initiatives and collaboration are all important elements that will make the industry viable and

sustainable into the future. This is supported by the recommendations outlined in the "Travelling textiles" report by the Brotherhood of St Laurence.

### Small to medium enterprise (SMEs)

- **SMEs are often resource and time poor and therefore access to information, resources, assistance and training needs to be made available to companies to assist them in this area.** Therefore the use of generic roadmaps may prove quite useful for this industry. SMEs require assistance in developing processes and systems that allow them to embed sustainability principles into their supply chain. The industry needs to work towards social and environmental compliance being core to business and not just an add-on.
- **For smaller companies there is not a standard that allows them to compete internationally, nor to protect them from being dumped on in a home market by bigger companies.** Small designers - representing some 80-90% of the garment industry - are in fact the businesses going out to the global markets. These businesses require a standard of performance that needs to meet that is going to enable them to compete internationally yet at the same time ensure products are not being dumped into their local market and taking away market share that is required for a viable business to export.

### Transparency

- **Transparency is key to a more sustainable industry.** In the interview process the co-author of the *Travelling Textiles* report was often told to 'take their word' that their supply chain or process was 'okay', however they were often not providing any evidence to make those assessments. In cases where the production process was verified by a legislative process, a certification scheme or code of practice then it was often easier to assess. The schemes with the greatest credibility were either legally binding or had a multi-stakeholder approach.

### Supplier relationships

- **Long-term, established, stable relationships with suppliers are critical as this can often build trust and open the lines of communication.** A key factor in making the industry more sustainable and viable is the recognition of the value of long-term, trusted, stable and direct supplier relationships. This will result in the greatest opportunity for discussions and engagement.

### Role of government

- **Supportive policies for the industry, including incentives, are required from government.** For example building sustainability principles into the Enterprise Connect Industry Assistance model or selection criteria for Austrade Grants and Government procurement policies that preference companies that act responsibly and demonstrate sustainable practices. The announcement in 2009 that Australian

procurement policy that now requires TCF companies be accredited by Ethical Clothing Australia is a positive step forward.

- **Government needs to invest resources into areas that the industry has identified as critical.**
- **There is a need for robust and enforceable regulation.** Currently no Australian regulation exists to prevent imported products from containing chemicals that are harmful to human health. Australia could potentially become a dumping ground for toxic products as there are no markets for them anywhere else. Conversely companies could face issues with access to markets because they do not have the appropriate criteria in place for their products.
- **Industry may be averse to regulation and legislation; however often the threat of impending legislation or news that legislation has been enacted elsewhere is often a good driver for voluntary action.**

#### **EU REACH Legislation**

The EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) legislation was raised as an example – it has seen the listing of hundreds of harmful chemicals that are now progressively being banned.

Background: EU REACH aims to improve the protection of human health and the environment while maintaining the competitiveness and enhancing the innovative capability of the EU chemicals industry.

- **Integrating the environmental and social issues raised in the “Travelling Textiles” report and discussed in the roundtable into the work of the TCF Industries Innovation Council is an important next step.** Each of the key points outlined within the ‘Role of Government’ theme are supported by the recommendations outlined in the “Travelling textiles” report by the Brotherhood of St Laurence.

#### **The TCF Industries Innovation Council**

The TCF Industries Innovation Council will provide strategic advice on innovation priorities to the Minister of the Department of Innovation, Industry, Science & Research, champion innovation in the TCF industries and build connections with other organisations, including the Enterprise Connect network.

There are currently approximately 50,000 people involved in the TCF industry in Australia – the council has the task in 5 to 10 years of ensuring its ongoing sustainability and vitality when it is expected to grow to 100-150,000 people

- **The Supplier Advocate Program was highlighted as an example of where the Government is making steps to support the industry.** A Supplier Advocate has been appointed to the TCF industry to help to promote capabilities and complaints and to help procurement arrangements.

#### **Supplier Advocate Program**

Background: The Australian Government will invest \$8.2 million over four years to establish and support a new Supplier Advocate program. Supplier Advocates will be respected industry figures chosen for their ability to provide leadership in a specific sector.

Each Supplier Advocate will:

- promote Australian industry capabilities in the government market place;
- create industry capability teams to pursue opportunities;
- identify supply chain strengths and weaknesses and promote supply chain development;
- encourage the use of programs such as [Enterprise Connect](#) and the [ICN](#);
- develop and publish demand forecasts;
- prepare technology roadmaps to identify innovation requirements; and
- facilitate the harmonisation of technical and testing standards across jurisdictions.

#### **Role of big business, brands**

- **Big brands are often driven by consumer awareness. These brands are often seen as responsible for a lot of the issues within the industry but in fact these brands can be a big a part of the solution.** Big brands playing in global markets are often driven forward by the policies and actions taken by the biggest of industry leaders such as Wal-Mart and Tesco.
- **Many multinationals use certifications and auditors to assess their supply chains.** For these larger organisations there are important reputational issues intrinsic to sustainable supply chain management.
- **The Non-branded sector in this industry is often missed in the sustainability debate. It can often be the part of the industry where the bigger issues lie.** Focusing attention on the actions of the big brands often misses the bigger problem of the non-branded marketplace. Big brands risk reputation if they do not act responsibly; therefore this generally results in these companies leading the way.

## Global versus Local

- **There are two agendas at play here within the garment industry – global and local.** In turn, there is a need to ensure a viable local industry whilst also allowing businesses to compete in global markets competitively.
- **The most logical approach recognizes and learns from the global experience, adapting best practice to the local market in order to allow the industry to grow and thrive – ethically and sustainably.** For example reviewing European legislation such as REACH and understanding how we can apply this to the local market. The industry can't be expected to run before it can walk but will require serious and real direction to ensure ongoing sustainability and viability.

## Consumer behaviour

- **A key barrier to sustainability is the trend towards 'fast fashion' and consumer reticence to pay a premium for an ethical product.** LOHAS research showed that consumers are generally not prepared to pay more than 10% on a sustainable product.
- The garment roadmap confirmed that there was no quick fix to producing a sustainable garment however there were issues that could be addressed at each step of the supply chain, for example ensuring that the wool sourcing facility is treating its effluent.
- **Embedding sustainability principles at the design and production stage of the roadmap can make significant gains, as this is the stage where a lot of the significant decisions are made.** For example research around which countries are most likely to have factories that have union membership, or ensuring that production lead times allow for the ethical production of garments. Research outlined in the "Travelling Textiles" report concludes that short lead times can result in excessive overtime or a decision to preference air freight over sea freight.

## Update on UK context and work to date on the Clothing Roadmap and Sustainable Clothing Action Plan by Defra

Peter Davies, UK Sustainable Development Commission

Peter Davies is the Vice-Chair of the UK Sustainable Development Commission and Commissioner for Wales. In 2008 he commenced the role of project consultant to St James Ethics Centre's three-year Treasury-funded National Responsible Business Practice Project.

### Key statistics and trends – UK

- 90% of clothing is imported.
- 80% of purchases after 6 months are discarded.
- A fifth of the market represents the 'fast fashion' element also known as the "Primark Effect"
- The 'greening' of the market occurring is occurring, examples include fair-trade, labelling etc – but more prevalent in the food sector than the garment sector.
- Identity is currently the most important element in a purchasing decision "If your product could talk what could it tell you?"
- There is a significant difference in age gaps and fast fashion is much more prevalent in younger age groups.
- Care and use of clothing is resulting in changes in washing of clothing, for example the 30 degrees campaign.
- Gender issue – evidence shows that production, marketing, care and disposal are more orientated towards women

The product road mapping process, as it applies to the UK, is focused on engagement; with key stakeholders across the sector, facilitated by government. It incorporates areas like energy use and greenhouse gases, concern over resource depletion (oil), water use, fertilizer, disposal and effluents.

EU REACH legislation is an important initiative in terms of how it is being applied across Europe, as are initiatives such as the 'Look Behind the Label' campaign. In 2006 the *Look Behind the Label* marketing campaign was introduced. The aim of this campaign was to highlight to customers, the various ethical and environmentally friendly aspects, of the production and sourcing methods engaged in by M&S including: Fairtrade products, sustainable fishing and environmentally friendly textile dyes.

### Sustainable Clothing Roadmap

The Sustainable Clothing Roadmap, which began in 2007, is a voluntary clothing industry initiative co-ordinated by Defra, involving nearly 300 stakeholder organisations, to improve the environmental and ethical performance of clothing. The aim is to work with industry stakeholders to fast track best practice through

- Establishing sound evidence on key impacts and where action will be most effective

- Agree actions (short to long term) in priority areas (individual organisations and industry wide)
- Providing a platform to disseminate industry best practice as case studies to catalyse change throughout the sector

The Sustainable Clothing Action Plan sets out agreed stakeholder actions from the clothing/fashion industry and support organisations to improve the sustainability of clothing in the following priority areas:-

1. Improving Environmental Performance across the supply chain
2. Consumption trends and behaviour
3. Awareness, media, education & networks
4. Creating market drivers
5. Traceability across the supply chain (ethics, trade & environment)

The Action Plan is available to download on the [Defra website](http://www.defra.gov.uk/environment/business/products/roadmaps/clothing/action-plan.htm):  
<http://www.defra.gov.uk/environment/business/products/roadmaps/clothing/action-plan.htm>

The role of Government in the UK has been that of enabler; providing resources and funding for research into issues identified by the industry as being critical. There are lessons to be learnt from the UK experience and some points within the product road mapping process that may add value to the Australian experience.

#### **What's next?**

The action plan from the Clothing Roadmap links back to London Fashion Week  
The Annual Conference is being held on 23 February 2010.

## Roundtable discussions (afternoon session) - action plan moving forward

Chaired by Peter Davies, UK Sustainable Development Commission

### Suggested ways forward

- **Formalizing a national sustainability roundtable for the industry in a way that supports the industry to become more sustainable.** Sub-committees could be created to address the key areas identified by the industry that require research and investment. For example environmental compliance by suppliers, raw material production, labour standards etc. A series of multi-stakeholder sub-committees would be an appropriate model, co-managed by this national committee. The roundtable could provide the tools and resources that companies need to become more sustainable, particularly smaller ones, such as case studies, mentoring, information and expertise that businesses can access quickly and easily.
- **Most businesses want to do the right thing but are unsure where to start or are limited by time or money. Therefore there is a need for a centralised body to manage and communicate this.** This is supported by the recommendations outlined in the "Travelling textiles" report by the Brotherhood of St Laurence.

### Discussion Points

- **The industry has a significant opportunity to explore each of the issues that have been detailed in the "Travelling Textiles" report and discussed during this roundtable. The industry has the opportunity to re-brand as an ethical industry that builds our export capability and brand both locally and globally.** This ties in well with the strength of the Australian brand in the global market – as a trusted and responsible place to do business, and requires a collaborative approach from the industry to succeed.
- **It is important to learn from international knowledge, best practice and experience to develop what currently exists in the local market here in Australia to create something unique.** Ethical Clothing Australia is a significant example of an Initiative that demonstrates the industry can work collaboratively and is already heading in the right direction. Although the industry has a lot of work ahead to become sustainable, examples like Ethical Clothing Australia and research around labour standards show the commitment of the industry to move forward and rebrand itself globally – this is one area to focus on as a differentiator for the local market.

#### Azo dyes Legislation

Case Study: The Azo dyes legislation was raised as an example from the UK and Europe. It has been recognised that some azo colouring agents may form amines (breakdown products), which have carcinogenic and mutagenic properties. Therefore the EU has restricted the use of certain azo dyes. The UK and Europe have developed this legislation over the last 10-15 years and it is now seen as the cornerstone for changing the thinking of supply chains. Australia could potentially look at Azo dyes legislation as an example for the industry to consider implementing soon.

- **Market differentiation can lead to sustainable outcomes and growth of this industry.** If the customer is prepared to pay for ethical manufacturing then there must be a product differentiation in the way this is promoted to the customer, so that this differential can be justified. The Ethical Quality Mark was raised as a possible example of differentiation that may allow Australian products to demand a better price in the market. This is supported by the recommendations outlined in the "Travelling textiles" report by the Brotherhood of St Laurence.

#### **Background to the Ethical Quality Mark**

#### **Department of Innovation, Industry, Science and Research - Textile Clothing and Footwear Innovation Package May 2009**

Recommendation 9: A new Australian Ethical Quality Mark should be devised, with a budget allocation of \$8 million, to reflect the incorporation of defined ethical standards relating to labour conditions, animal welfare and environmental sustainability in TCF production and supply chains. This will enhance consumer choice and confer competitive advantage on firms that achieve certification.

Agreement in principle. The TCF Industries Innovation Council will be tasked with examining the feasibility and appropriateness of establishing a voluntary Australian TCF Ethical Quality Mark given the wide range of existing environmental and other standards. The examination of the Mark should take into account the Homeworkers Code of Practice and 'No Sweat Shop' label (now Ethical Clothing Australia) and the various State and Territory schemes already in operation. The Mark should complement rather than add complexity to the arrangements currently in place.

- **Sustainability is a journey and the process of making the industry sustainable and viable will not happen overnight.** The National Packaging Covenant was raised as an example of an industry beginning on a journey towards sustainability and as potential model the garment industry could consider. Although concern was expressed that the National Packaging Covenant was underwhelming in its reach it was agreed that the multi-stakeholder structure was useful and the industry could improve upon or customize this model for the garment industry.

*"The important thing is to have the compass set in the right direction, with expectations set right; sustainability for the industry will not be achieved instantly."*

*"Compass versus machete? As an industry we are probably going to need both".*

### **The National Packaging Covenant**

The National Packaging Covenant was raised as an example of a model the industry could consider. The National Packaging Covenant is a collaborative agreement between Governments and Industry based on the principles of product stewardship. It is designed to minimise the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials. The Covenant is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. It is an agreement based on the principles of shared responsibility through product stewardship, between key stakeholders in the packaging supply chain and all spheres of government — Australian, State, Territory and Local.

- **Manufacturers raised the point that environmental and social compliance does not necessarily come at a higher cost, in most cases it can lead to greater efficiencies within the industry.**
- The roundtable witnessed a high standard of debate and commitment of the industry as a whole to explore and resolve the issues identified in the “*Travelling Textiles*” report - this puts the industry in a good position moving forward. The roundtable concluded with a sense of optimism for the future of the industry.

## Summary of key points and closing remarks

Peter Davies, UK Sustainable Development Commission

- **Linking directly into a recommendation from the “Travelling Textiles” report there is a need for a focal point moving forward which draws in international best practice, therefore making it accessible to business.** The Global Reporting Initiative, United Nations Global Compact and other key development tools (such as those from the Global Social Compliance Committee for example) need to be promoted and made accessible to Australian businesses.

Roundtable participants are encouraged to visit the HUB of Responsible Business Practice website developed by St James Ethics Centre which is also developing the Good Business Register. The Good Business Register has been designed to allow an SME to register and develop a profile of their responsible and sustainable business practices; producing a simple report or “sustainability passport” for use in the supply chain or to communicate to customers, staff, investors and other key stakeholder.

the HUB of Responsible Business Practice website: <http://thehub.ethics.org.au/>

the Good Business Register website: <http://goodbusinessregister.com.au/>

- **Leadership from Government is vital in this agenda.** In the form of supportive policies including incentives; rewarding companies that demonstrate responsible and sustainable business practices; investment into areas identified as critical by the industry and; robust and enforceable regulation.

### Sector specific

- **Vehicles to drive the sustainability agenda forward already exist and need to be built on, such as the TCF Industries Innovation Council and the work of bodies such as Ethical Clothing Australia. It is important to incorporate this work fully within these bodies.**
- **The TCF Industries Innovation Council are the appropriate body to drive the sustainability agenda and the debate needs to be central to the Council's work.**
- **Product differentiation may come in the form of the Ethical Quality Mark.** This Mark should be further researched and developed – this supports the recommendations of the *Travelling Textiles*” report.
- **Big brands play an important role in this agenda – they have a role to play in leading by example, setting best practice and mentoring smaller businesses in their supply chain.** Big brands should be recognized participating in the roundtable, as it is sometimes a difficult area for these businesses to expose themselves. It is important to note the size of the domestic market – in the global market the influence of these

big brands is quite limited and Australian big brands often follow actions by Tesco and Wal-Mart.

- **A single solution is not going to be reached by simply convening this roundtable. On-going engagement by all stakeholders within the industry is critical and has been made possible today via the product road mapping methodology.** This methodology identifies stakeholders and sustainability issues for a particular sector and provides a forum for discussion and collaboration. Cooperation between Government and the sector is a critical learning point; with legislation always in the background. The TFIA also has a critical role in taking this agenda forward by providing leadership on behalf of the sector. Trade Union involvement and commitment to addressing these issues should also be acknowledged. Ethical Clothing Australia is a leading example of a business Initiative that demonstrates the industry can and is working collaboratively.

## Conclusion

Funding from the Federal Government (Treasury) for the National Responsible Business Practice Project has provided a unique opportunity for St James Ethics Centre to explore issues pertaining to SMEs and sustainability in Australia. A core segment of this work has been to commission the Brotherhood of St Laurence to produce the "Travelling Textiles" report and garment product roadmap. The report and roadmap now exist as accessible tools for public use and are freely available to view and download from the HUB of Responsible Business Practice website: [http://thehub.ethics.org.au/sme/sector\\_product\\_roadmaps](http://thehub.ethics.org.au/sme/sector_product_roadmaps)

To discuss the findings and recommendations stemming from the "Travelling Textiles" report St James Ethics Centre took the initiative to convene a roundtable. With the support of the Council of Textiles and Fashion Industry of Australia (TFIA), the roundtable provided the opportunity to draw together key stakeholders across the garment industry representing business, Government, NGOs and industry associations.

The key outcomes from the roundtable discussion (29 January 2010) have been presented in the above report. St James Ethics Centre offers these findings to each of the attendees, and in particular the TCF Industries Innovation Council, to own and drive forward the outcomes to support the ongoing sustainability and prosperity of the garment industry.

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St James Ethics Centre would like to acknowledge the important contribution Lisa Gorman and the Gorman company made to the "Travelling textiles: a sustainability roadmap of natural fibre garments" report by the Brotherhood of St Laurence. Gorman's willingness to open up their supply chain for this report has allowed a valuable insight into life in a small, but highly sustainable, innovative and inspiring garment business.

**St James Ethics Centre**

GPO Box 3599 Sydney NSW 2001 Australia

9 Rangers Road Neutral Bay Australia

Tel: +61 (0)2 9299 9566

Fax: +61 (0)2 9299 9477

ABN 83 637 740 533 ARBN 094 609 015

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<http://thehub.ethics.org.au>

