



TEXTILE CLOTHING & FOOTWEAR UNION OF AUSTRALIA

National Secretary
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Executive Officer
Victorian Economic, Education, Jobs and Skills Committee
Parliament House
Spring Street
East Melbourne VIC 3002

By email: eejsc@parliament.vic.gov.au

Dear Committee Members,

Re: Inquiry into Portability of Long Service Leave Entitlements ('LSL Inquiry')

The Textile Clothing and Footwear Union of Australia (TCFUA) is an affiliate of the Victorian Trades Hall Council (VTHC).

The TCFUA strongly supports and adopts the submission (7 August 2015) provided by the VTHC to the LSL Inquiry. In addition, the TCFUA makes the following comments with particular regard to the nature of the textile, clothing and footwear ('TCF') industry.

Nature of the TCF Industry

The TCF Industry in Australia has experienced consistent and significant contraction and restructuring for at least three decades since the first major government decision to lower tariffs on imported TCF goods. This has facilitated the large scale movement of offshore production for low cost, TCF items. For domestic production, the shift from traditional formal factory production to the home based/outwork TCF sector has accelerated.

This sustained restructuring has led to widespread factory closures, company collapses and redundancies within the industry. As a result, income and job security is a significant issue for workers in the TCF industry. In addition to be made redundant, significant numbers of TCF workers have also lost their accrued and contingent entitlements (including long service leave) when their employer has become insolvent. This loss of benefit (both financially and in terms of the benefit of leave itself) is disproportionately borne by the worker, despite the fact of insolvency and/or redundancy being completely out of their control.

The TCF industry is highly award dependent and many of its workers are low paid. Compared to many other sectors, the TCF industry has a relatively low level of enterprise bargaining reflective of the minimal bargaining power of many of these workers. It is also an industry which continues to be characterized by widespread and persistent non-compliance with minimum award wages and conditions. The TCF is unique in that it is structured around both traditional factory manufacturing and a significant outwork sector. It also has a growing sweatshop sector.

The demographic profile of many workers in the TCF industry illustrates that a significant percentage come from a non-English speaking background, are women and are more likely to be older workers. Generally speaking, the level of formal education is low and only a small percentage of award dependent TCF workers have tertiary education qualifications. Many have particular skills sets which, without significant retraining, are not easily transferable to other work roles and industries.

The importance of long service leave

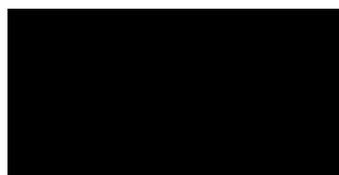
The nature and characteristics of the TCF industry, and its economic history in Australia over the last 30 years highlights the importance of long service leave to low paid workers in the sector. In the TCFUA's experience, it is not uncommon for TCF workers to have spent 15, 20, 30 years in the TCF industry (even some for their entire working lives) and not have the practical benefit of long service leave. There are a number of reasons for this, but typically these workers experience serial redundancies and/or insolvencies together with periods of casual and precarious work. Workers' previous service is not often recognised or the break between being made redundant from one job and taking up another is too great to establish continuity of service. Further, women often have interrupted employment service due to taking time out from work to bear, and raise their children.

The impact of the non-recognition of long service leave entitlements in the TCF industry is typically (although not exclusively) born by older, migrant women who have little, or no capacity to recover that lost financial benefit by other means. Such disadvantage is compounded in context of women almost universally having lower levels of superannuation entitlements. For many workers, the lack of recognised LSL and superannuation entitlements means that they are essentially entrenched in working poverty or solely reliant on social security benefits.

The importance of LSL portability schemes

The TCFUA strongly supports the development of a Victorian state LSL portability scheme applicable to the TCF industry. Such a scheme would assist in mitigating the systemic loss of LSL entitlements experienced by large numbers of TCF workers through no fault of their own. In the TCFUA's submission, such a program is well over due. For the reasons outlined above, we urge the Victorian Government to progress the introduction and development of state LSL portability schemes as soon as feasibly possible. The TCFUA indicates its preparedness to be involved in any further consultations regarding such a scheme for the TCF industry.

Yours Sincerely



Michele O'Neil
TCFUA National Secretary, and
State Secretary, TCFUA Victorian Queensland Western Australia