

Only 5% of Australian fashion firms know origin of raw materials, says report

Only 5% of Australian fashion companies know the origin of the raw materials used to manufacture their products and just 16% have fully traced their input supply chain, according to a new report.

The report, released by Baptist World Aid Australia on Thursday, three days before the three-year anniversary of the Rana Plaza factory collapse that killed 1,137 garment workers in Bangladesh, assessed 87 companies on their manufacturing, supply, and workers' rights policies.

It found that of the 87 companies, which represent more than 300 clothing brands, 78% had started tracing their input suppliers, a third could prove they were paying "significantly above" minimum wage to a portion of workers in their final stage of production, and two-thirds were working to actively improve their relationships with suppliers.

Gershon Nimbalker, one of the authors of the report and advocacy manager for Baptist World Aid, said the results showed Australian companies had improved significantly since the non-profit's first annual report in 2013 but that the industry still had a long way to go.

"We watched girl after girl after girl that were working in horrible conditions," he said. "Many of them were in forced labour or bonded labour¹. Some of them had been working since they were 13 years old. Many of them were being paid below minimum wage."

At the garment factory level, he said, international scrutiny since the Rana Plaza collapse had seen the minimum wage in Bangladesh increase by 87%, from just US\$38 a month to US\$71 a month.

"Companies are certainly concerned about their brand and their reputation and I think that is a big motivator," he said.

"It's not happening as fast as we would like it to happen but we are seeing some significant improvements now."

Adapted from www.theguardian.com, April 20, 2016

1. *bonded labor: travail forcé*