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Wednesday, 16 April 2014

The Secretary  
Senate Finance and Public Administration Legislation Committee  
Parliament House  
CANBERRA ACT 2600

Dear Secretary of the Committee

It is my pleasure to make this submission to the Inquiry into the Flags Amendments Bill 2014.

My company Carroll & Richardson Flagworld is based in Mulgrave Victoria and is a manufacturer and retailer of flags, banner and buntings. We presently employ 25 people directly and a further 10 people provide contract services to us in the form of finishing flags and banners. Our flags include those that are printed as well as fully sewn flags that are made up of many parts.

We have been in operation for over 50 years now and are a proud Australian owned and operated business. We are also members of the Australian Made Campaign and promote the benefits of Australian made when it comes to the procurement of flags and banners to our customers.

All of our flags, fully sewn as well as printed, meet the requirements of the Australian Made Campaign in that they are substantially transformed here in Australian manufacturing plants using to the maximum extent possible locally sourced materials where these are available. The manufacture of flags involves many components not all of which are made in Australia these days. This includes cloth, inks and dyes, chemicals, polyester yarn. We source from other Australian suppliers who may source locally as well as overseas. The significant transformation that takes place in Australia is the transformation of the raw materials through design, printing, washing, sewing and finishing into a finished flag.

In recent times we have seen a shift in purchasing emphasis by the Australian Government that places at risk the ability of companies such as ours the opportunity to compete fairly with overseas sourced flags. Local importers can easily bring in container loads of flags and swamp our market with cheap and inferior products. The manufacturing plants they source these imported products do not have the meet the stringent conditions placed on local companies to meet a host of legislative and regulatory requirements.

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I recall that the Department of Defence has at times purchased flags for use on our navy ships from Europe, the AEC have been known to source offshore flags used at polling booths and have advised us on many occasions that they do not care where the flags come from and they will always buy the cheapest as required under the current procurement procedures. However there are some departments who do support Australian Manufacturers but it appears to be a hit and miss affair.

As indicated above we have seen the most difficult customer to convince of the need to support and buy Australian Made Flags is the Commonwealth Government itself through its departments. The reason offered by public servants is that their hands are tied because of the requirement they have under the present Commonwealth Procurement Procedures and our WTO obligations. I cannot think of any other country in the world that would allow its National Flags to be made in another country and then imported to the detriment of local companies who are willing and capable of making the flag. The USA is also a signatory to the WTO, but I can assure you that the flags that fly at Government Buildings and the Congress in the USA are all made in the USA and that the local flag manufacturers and population would not counter that the USA flag be made anywhere else but in the USA. So why is it that Australia or should I say its representatives and their public servants seem not to care where our National Flags are made?

The idea that Members of Parliament could sit in Parliament House whilst the flag flying overhead comes from overseas is an insult to every Australian. Likewise, the thought of a MP handing me a flag as a patriotic gesture and that flag is made overseas and not in Australia is an insult. Perhaps the worse insult is that flags that are used at the funeral services of returned service men and women could now come from overseas.

My prime concern at the current Commonwealth Procurement Procedures is that all purchases appear to be treated in the same way regardless of category, whether the purchase be for paper products or flags. I think that in the national interest the Government should follow the example set by just about every other Government around the world and source its Australian flags from local companies who make them in Australia (not local companies who import).

Carroll & Richardson Flagworld welcomes the initiative to further strengthen Flag Act and have all flags used by the Commonwealth manufactured in Australia and be Australian Made as suggested by the current Flags Amendment Bill 2014. On a practical point, not all of the materials used in the manufacture of flags are currently made in Australia and some materials have never been made in Australia due to the low volumes involved and the prohibitive cost to do make them here. My suggestion is that the Flags Amendment Bill could have a more practical effect if the requirement was that flags be manufactured in Australia (as already stated) and that the final product meets the standards set by the Australian Made Campaign for Australian Made.

Whilst there is still an Australian flag making industry that is capable of making quality Australian Flags at a reasonable price here in Australia, the Government and its departments should be required to purchase all flags that are made here and that all flag purchases should be exempt from the current Commonwealth Procurement Procedures.

I thank you for the opportunity to make this brief submission to your Committee and would be pleased to add further information or to meet with the Committee if it so wished.

Yours sincerely

Wayne Gregory  
MANAGING DIRECTOR