

03 5333 5602

***BALLARAT REGIONAL
TRADES & LABOUR
COUNCIL***



Submission by the Ballarat Regional Trades and Labour Council into the Senate Committee Inquiry into the provisions of the TCF Strategic Investment Program Amendment (post-2005 scheme) Bill 2004 and the Customs Amendment (Textile, Clothing and Footwear Post -2005 Arrangements) Bill 2004.

July 2004.

03 5333 5602

Summary

The Ballarat Regional Trades and Labour Council maintains its opposition to further tariff cuts in the TCF industries in Australia. Ballarat historically has had a very large TCF industry employing a significant number of people. As a result of continuing reductions in the level of tariff protection the industry in Ballarat has been reduced however is still a vital employer of workers in this region.

Currently in the Ballarat region some 450-500 workers are employed in the TCF industries. Along with the TCF union the Ballarat Regional Trades and Labour Council is supportive of assistance to industry in the circumstances, however we believe that the assistance package should be changed to ensure that there is a fairer outcome for all industry participants. It is our committed view that the Federal government is not acting in the best interests of the industry by attempting to force the industry to accept tariff reductions that will further destroy this industry that is already reeling from the effects of previous tariff reductions.

There is no justifiable reason to tie the two bills together.

As previously mentioned we support industry assistance but believe that the following is essential

1. That the connections between the two bills should be severed
2. That the tariff amendment should be voted down
3. That the sip Bill be amended to include
 - a lower threshold for eligible expenditure companies
 - An employment impact statement as part of the strategic business plan reporting and accountability requirements
 - Tightened eligibility to ensure that only genuine Australian manufacturing companies have access to the scheme.
4. A TCF-LAP bill should be enacted to create a LAP which includes the following.
 - 12 months of vocational training
 - a substantial increase in assistance with the English language and literacy training for workers disadvantaged by their non English speaking backgrounds
 - a non means tested TCF special allowance for the duration of retraining.
 - A wage subsidy paid to employers who hire eligible workers for vacant jobs.
 - A relocation allowance.

03 5333 5602

The new TCF-LAP bill should ensure that there should be union based liaison officers from the industry employed to ensure that the provisions are implemented and to assist as advocates in addition to providing information about LAP in factories also at Centrelink and community agencies.

Funding for LAP should be \$100 M over five years of which half can be provided from the \$50M Structural Adjustment Fund and the remainder from new funding.

5. The establishment of a tri- partite Australian TCT industry Council with funding to allow appropriate work to be undertaken to maintain employment levels by focussing on high value added exports.

Tariff should not be tied to SIPS.

There is no real or logical reason to tie SIPS legislation for post 2005 assistance with tariff reduction legislation which does not come into effect until 2010. It is our view that the Federal government is seeking to force the industry to accept tariff reductions as the price for further industry assistance.

CHANGES TO SIP

Currently the SIPS scheme favours particular industry sectors and is in fact biased toward larger TCF companies.

The Ballarat Regional Trades and Labour Council believes that the scheme should be expanded to include a broader range of companies which could be done by reducing the eligible expenditure threshold from \$200,000. Approximately 400 of the 4950 TCF companies receive sips yet all 4950 companies absorb the cost of tariff reductions, by lowering the expenditure threshold a greater number of companies would receive assistance.

The Ballarat Regional Trades and Labour Council supports the TCFUA call that companies that receive Government funding should be required to include an employment impact statement as part of their Strategic Business Plan reporting and accountability requirements.

The government must be responsible in the allocation of taxpayers money to assist the TCFUA industry and must ensure that funds are used to promote greater opportunities for employment within the Australian TCF industry Therefore the guidelines for SIPS funding should not only be transparent but tightly drawn .

03 5333 5602

Displaced TCF workers need special assistance.

The victims of tariff reductions are the workers who lose their jobs. Most are lifelong employees in the industry and when retrenched they have no readily transferable skills.

They need special assistance. A glaring omission from the Federal Governments TCF package is any assistance for workers. It is a false and totally unfair to promote a view that these workers do not need targeted assistance as part of the TCF package.

As outlined in the TCFUA submission the figures identify the need for the plight of displaced workers to be urgently and adequately addressed.

An Australian TCF Industry Council.

The Ballarat Regional Trades and Labour Council believes it is not only common sense but would be of enormous benefit to the TCF industry if a tripartite industry council (**Australian TCF Industry Council**) was established to explore every opportunity be it investment, exports, innovation etc that will assist in promoting the Australian TCF industry and provide much need employment in this industry within the shores of Australia.

Closing

As mentioned in this submission approx 500 workers and their families in the Ballarat area are dependant on the TCF Industry. Further losses of jobs will naturally impact adversely on this communities economy. We cannot allow a government to politicise this most important issue to the disadvantage of the industry and its employees. We urge you to consider the contents of this submission and make your decisions in the best interest of the industries future in Australia.