

The Secretary  
Senate Economics Legislation Committee  
Room SG.64  
Parliament House  
CANBERRA ACT 2600

9/07/2004

**Concerns regarding the Textile, Clothing and Footwear Strategic Investment Program Amendment (Post-2005 scheme) Bill 2004 and the Customs Tariff Amendment (Textile, Clothing and Footwear Post-2005 Arrangements) Bill 2004**

I am concerned about the tariff reduction bill and SIP bill for the Textile Clothing and Footwear industries currently before Parliament.

I have only recently become involved with the Fair Wear Campaign, and have been astonished by the extent of the outworker-exploitation problem in Australia. Fair Wear and other related organisations have been very active in their efforts to improve working conditions for outworkers. If the above Bills are passed in their current form I believe that this will be a large step backwards and a mistake on the part of the Australian Parliament.

Many considerations need to be made in considering these Bills, and I do not believe that all of the relevant considerations have been made thoroughly enough, nor have the long term effects beyond the purported economic benefits of reducing tariff-barriers been regarded sufficiently.

I support the Fair Wear Campaign in their concerns regarding the above Bills and the impact of these Bills upon Australian outworkers. The key concerns that the Fair Wear Campaign wish to voice and have seriously considered and addressed are as follows:-

1. There lack of justification for further reductions in tariffs in the clothing industry. The clothing industry is already heavily exposed to overseas competition through the highly mobile nature of the industry, the value of the Australian dollar and already low tariffs.
2. Outworkers in the clothing industry in Australia are reporting considerable hardship due to reduction of work, loss of work, and threats and ultimatums from employers. Family

responsibilities and lack of proficiency in the English language leave many outworkers with no other viable employment options, certainly in the short term and without considerable assistance.

3. Outworkers comprise 90% of clothing production in Australia and this is not reflected in the proposed assistance package, which leaves out outworkers all together. The package does not address the realities faced by the industry.
4. Industry assistance is clearly needed to assist outworkers, factory workers and companies respond to the many consequences of increased overseas competition they already face.  
Outworkers
5. The apparent ultimatum being forced upon the industry by insistence by the government that both bills must be passed together or not at all.

We therefore ask for the Senate to -

1. Sever the connection between the two bills.
2. Vote down the tariff amendment bill.
3. Pass the SIP Bill with the following amendments -
  - Access to SIP funding should be tied to companies first becoming accredited to the Homeworkers Code of Practice, as per the recommendation of the Review of the Senate Economics Committee Inquiry into Outwork in the Clothing Industry (1997).
  - Smaller businesses must have access to SIP funding in order to facilitate a restructuring of intermediary (subcontractor) levels of the industry towards greater efficiency and Award Compliance.
  - Funding should be allocated to assist outworkers in establishing Co-operative Businesses in conjunction with Fashion Houses which will guarantee outworkers award wages and conditions. This should be coupled with the provision of financial incentives to fashion houses and manufacturers to support outworker cooperative businesses.
  - All those amendments proposed by the Textile Clothing and Footwear Union regarding the SIP legislation.
4. Enact a TCF-LAP bill to create a Labour Adjustment Program which includes the following:
  - 12 months of vocational retraining;
  - an additional 12 months of English language and literacy training for workers who are disadvantaged by their non-English speaking background and/or their poor literacy;

- 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;
- Specifically includes outworkers in the guidelines for those who can access the LAP program (as was the case in the previous 1991-96 LAP), and consider the model developed by the NSW Office for Industrial Relations Behind the Label strategy for delivery of training programs to outworkers.
- Union based liaison officers to help implement the LAP
- Half of the funding can be provided from the proposed \$50M Structural Adjustment Fund and the other half to be new funding.

We urge the Senate to act to protect outworkers and others who will be disadvantaged by these bills in their current form.

Yours sincerely,

Emily Long