

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

Submission to the Senate Committee Inquiry into the provisions of 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.

This submission has been prepared for the South West Trades and Labour Council.

As a provincial Trades Hall our members are aware of limited employment opportunities in regional areas, however, a sewing machine can be set up anywhere. The very issue that makes the clothing and textile industry vulnerable to relocation overseas also makes it a suitable industry for regional and rural areas.

Twenty years ago the South West of Victoria had two thousand workers employed directly in the clothing industry. These were permanent, full time jobs. Substantial training and modern equipment was provided resulting in a highly skilled workforce with secure employment. The entire community benefited from this. Reductions in tariffs have resulted in that workforce being reduced to the remaining ten workers. Our region will never regain the equipment or expertise to rebuild this industry but it serves as an example of the permanent and devastating effect that tariff reductions in this industry have on individuals and their families.

Tariffs in this industry have been consistently reduced and we believe that there is no justification for further reductions. Ninety percent of all clothing manufactured in Australia is produced by outworkers, the majority of whom are restricted in their employment opportunities by family responsibilities and limited skills in English. Despite this fact the assistance package does not apply to outworkers. The Governments insistence that both bills are presented together has forced those in the industry to accept tariff cuts or forgo financial assistance.

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 that 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.

Our contact details are – South West Trades & Labour Council
31 Percy St.
Portland, 3305
Phone – 03) 55 234 272
Fax – 03) 55 233 358
Email – swtlc@datafast.net.au
Contact person – Margaret Brabender