

Dr Sarah Bachelard
Committee Secretary
Senate Economics Legislation Committee
Room SG.64
Parliament House
CANBERRA ACT 2600

09 July 2004

Dear Dr Bachelard

Re: Inquiry into Textile, Clothing And Footwear Strategic Investment Program Amendment (Post-2005) Bill 2004 and the Customs Tariff Amendment (Textile, Clothing And Footwear Post-2005 Arrangements) Bill 2004

Thank you for notification of the Senate inquiry into these two bills. The City has been highly active during the recent debate over future assistance arrangements for the textiles, clothing, footwear and leather (TCFL) industry, due to the importance of TCFL to the economic and social wellbeing of Geelong.

Geelong has a long and noted history in the TCFL sector. Our region is a leading centre for TCFL related industry, research and education. There are over sixty TCFL companies in Geelong and around 5,100 people that live in the region with jobs dependent upon the industry. The TCFL industry has an important role to play in Geelong's manufacturing capability as it comprises 14.2% of the local manufacturing workforce and contributes in excess of \$70 million to the local economy each year.

Attached is a copy of the City's original submission to the Productivity Commission. This submission articulates the impact of proposed changes to tariff arrangements and the Strategic Investment Program on export market access, employment, regional development and research and development as requested in your letter. The submission was prepared in conjunction with local industry, the Geelong Chamber of Commerce, the Geelong Manufacturing Council, the Geelong Textile Network and the Geelong & Region Trades & Labour Council.

The submission states that if tariff levels are reduced and other assistance measures discontinued that firm closures and significant long-term job losses will result. The critical mass of TCFL companies required for the survival of the industry in Geelong will then be threatened.

Additionally, it is argued that many of Australia's key trading partners and potential trading partners are showing little tangible evidence that they are reducing tariffs and removing non-tariff barriers to the same extent or rate as Australia. Trade liberalisation is not a one sided proposition. Australian workers are being asked to bear the brunt of reduced industry protection while other countries use tariffs and non-tariff measures to protect their industries.

Social issues are also considered in the submission. A large percentage of TCFL workers are women from non-English speaking backgrounds. Research clearly shows that these people have difficulty gaining alternative meaningful equivalent employment, as their skills are not readily transferable to other industries.

It is for these reasons that Council on 25 February 2003 adopted the following position:

- Tariff levels in the TCFL industry must stay at their current levels until at least 2010 and any further reduction after this time be subject to a review process in 2008
- The Strategic Investment Program (SIP) and the Expanded Overseas Assembly Provision (EOAP) scheme must be continued at least at current levels;
- The SIP must be modified to allow greater access to it across the TCFL industry and the procedure for applying for funding simplified.

In July 2003, the Productivity Commission's *Inquiry Report* was released and the Government's policy position announced soon after. The City on behalf of the Geelong region forwarded another submission to Parliament House addressed to Minister Macfarlane. This submission, which is attached, responded to the Government's policy position.

The City in conjunction with key stakeholders has facilitated a programmed series of lobbying activities over the past year. The more notable activities included requesting the Productivity Commission to schedule a Public Hearing in Geelong which was approved and the success of two delegations to Canberra aimed at highlighting to key parliamentarians issues relevant to Geelong's TCFL industry.

The documents attached will provide the Committee with the information it is looking for specific to Geelong. There is a view by some local stakeholders that the Government is seeking to force the industry to accept tariff reductions as the price for further industry assistance.

In closing, I would like to thank you for the opportunity to make a submission to the Senate Economics Legislation Committee. If further information is required please contact Mr Tony Mayer, Council's Manager Economic Development, on (03 5227 0888) or e mail amayer@geelongcity.vic.gov.au.

Yours sincerely

**CR ED COPPE
MAYOR**

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