

Media release



FROM THE MINISTER FOR MANUFACTURING & EXPORT

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FEDERAL GOVERNMENT SELLS OUT VICTORIAN WORKERS

The Bracks Government today slammed a decision by the Federal Minister for Industry, Ian Macfarlane to slash tariffs and cut industry assistance for the Textile, Clothing and Footwear (TCF) industry.

"We can't believe what they have come up with - this decision will destroy up to 19,000 Victorian jobs," the Minister for Manufacturing & Export, Tim Holding said.

"It will also decimate the nation's TCF industry, 47 per cent of which is situated in Victoria," he said.

Mr Holding said despite Macfarlane's claims that the decision represented a freeze on tariff cuts, it was exactly what the Productivity Commission recommended and previous research showed the impact would be devastating.

"Research by National Institute of Economic and Industry Research (NIEIR) found these tariff cuts would result in the loss of 13,000 direct TCF jobs nationally, with 6,300 of those within Victoria.

"We asked for this research to be modelled on the Productivity Commission's recommendations which we thought would be a worst case scenario - and then they come out with this decision which is almost \$100 million less in industry and labour force assistance than even the Commission's original recommendations.

"As well as devastating the workforce, this will have massive ramifications for the industry as it will lose its critical mass and skills which are critical to the industry's future growth."

"I can't believe that on the same day that Trade Minister Mark Vaile is in the United States supposedly trying to get the best possible deal for Australian industries in negotiations on the Free Trade Agreement, the Industry Minister makes an announcement on unilateral tariff cuts for TCF.

"We don't need anyone else to destroy our country's industries, the Federal Government is doing it for us," he said.

Mr Holding said the Federal Government's attempts at helping retrenched workers were woeful.

"The assistance they are providing for retrenched workers applies only to those workers employed in large companies when the majority of TCF firms in Victoria are small to medium enterprises," he said.

"This is incredibly unfair for Victorian workers and families."

Mr Holding said a study conducted by Monash University and commissioned by the Victorian Government, indicated that only 21 per cent of workers made redundant in the TCF industry in 1997 had secured full time work.

"There are enormous barriers to retrenched TCF workers finding new work: a shrinking industry; inexperience in looking for work, limited education and language barriers," he said.

"It seems like things are only going to get worse for these people."

"The TCF underwent massive structural change as a result of previous tariff cuts resulting in a loss of an estimated 25,000 TCF jobs. Tariff cuts were already scheduled for implementation in 2005 and the Federal Government's announcement today comes on top of those cuts.

"The Federal Government has sacrificed this industry and has made it extremely difficult for the industry to grow in the future without a manufacturing base to support it," he said.