



393 Swanston St
Melbourne
Victoria 3000 Australia

TELEPHONE
ISD (613) 9663 5266
STD (03) 9663 5266

FACSIMILE
(03) 9663 4051
(03) 9663 8220

WEB
www.actu.asn.au

PRESIDENT
Sharan Burrow

SECRETARY
Greg Combet

14 July 2004

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

Dear Secretary

Re: **Inquiry into provisions of the TCF Strategic Investment Program Amendment (Post-2005 scheme) Bill 2004 and the Customs Tariff Amendment (TCF Post-2005 Arrangements) Bill 2004**

Please accept this letter as the ACTU Submission to the above Inquiry conducted by the Senate Economics Legislation Committee.

The ACTU endorses and adopts the submission to this Senate Inquiry made by the Textile Clothing and Footwear Union of Australia [TCFUA].

In our submission:

- The Senate should separately consider the TCF SIP Amendment Bill and the Customs Tariff Amendment Bill. The former Bill deals with investment assistance measures to apply during the period 2005 to 2010, whereas the latter provides for rates of tariff to apply after 2010. The connection between the two bills is forced, inappropriate and should be severed.
- It is premature and precipitate to enact the Tariff Amendment Bill at this time. It should be reconsidered closer to the time of its practical operation, in 2008 or 2009.
- The SIP bill should be amended as suggested by the TCFUA, to extend its operation to small and medium enterprises in the sector, ensure only genuine Australian manufacturers access the scheme, and include an employment impact statement as part of the reporting and accountability requirements.
- A TCF Labour Adjustment Program similar to that which operated between 1991 and 1996 should be reinstated to provide assistance to workers in the industry affected by structural adjustment. The ACTU supports funding for the TCF-LAP of \$100 million over 5 years as proposed by TCFUA.

- A tri-partite Australian TCF Industry Council should be established to promote employment in a high value-added export led future for the Australian industry.

The ACTU believes the program of tariff reductions slated to apply post-2010 is driven by ideological pursuit of theoretical abstractions. There is no model-based evidence to hand showing clear benefits to Australia deriving from further unilateral reductions in TCF tariffs. There is, however, irrefutable evidence showing the distress visited on TCF workers by the restructuring of the industry sector driven by the program of tariff reductions over the past twenty years.

Yours sincerely



Sharan Burrow
PRESIDENT