

A Linear

1/144 Montague Road
PO Box 3536
South Brisbane QLD 4101
A.C.N. 073190 904
Website: www.alinear.com.au
Email: enquiry@alinear.com.au
Ph: +61 7 3846 2003-03-11
Fax: + 61 7 3844 7793

Dear Ms DiMichiel,

We wish to submit our concerns as a clothing manufacturer to the TCF Productivity Commission.

Our industry has imploded over the past 10 years with closing of businesses and laying off of staff. We have suffered the same fate as many other companies. Our company has changed from employing 30 staff to 7 staff. The reduction has directly come from the explosion of imported gowns on the market, which have been made in countries with low wages.

With the wage levels in Australia, we cannot compete with countries that pay less than 1/5 of our Wages. This has forced us into letting staff go and pushing us into a small niche market but if the tariffs are lower any further, we will not survive.

As a clothing manufacturer we want the tariffs to freeze for the next 5 years. But as an alternative we wish to suggest the following idea.

Wage Equalization Levy

1. A2 countries with wages higher than our national average wage have nil levy, the countries with lower wages than Australia's national wage level have a % added onto the cost of the imported items according to each country's national wage level, this would equalize the wage difference. The % would vary between countries, but would effectively level the playing field.
2. Any country that has a Trade Free Agreement with Australia would be exempt, this would encourage countries to negotiate Trade Free Agreements with us.
3. The percent age could be adjusted every 2.4 years as each country's economy change, either up or down depending on their national wage level.
4. The benefit to Australia would be an increase in employment and training. This would offset any small increase in inflation.

5. Another benefit would be the stabilization of the workforce as the threat of businesses closures and downsizing would no longer be a concern. This in turn would improve our domestic economy.
6. The government would no longer have to commit to grants or rescue packages
7. The concept could be applied to any industry.

We hope that these suggestions can be taken seriously and are forwarded to Peter Castle's Office.

Yours Sincerely

Helen Stanley

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