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26 March 2003

Presiding Commissioner Inquiry into Post-2005 Textile, Clothing and Footwear Assistance Arrangements **Productivity Commission** PO Box 80 **BELCONNEN ACT 2616**

Dear Commissioner

The Australian Council of Trade Unions (ACTU) supports the submission to this Inquiry made by its affiliate the Textile Clothing and Footwear Union of Australia.

The ACTU is available to meet with the Commission in the course of its program of consultations and visits for this Inquiry.

Further, the ACTU will put a submission to the Inquiry following release of the Commission's Position Paper and wishes to participate in the public hearings phase of the Inquiry during May 2003.

This letter outlines our position at this stage of the Inquiry.

It is our strong view that the TCF sector of the Australian manufacturing industry is at a critical juncture. Widespread company closures and associated job losses over the past two decades have left the sector a fraction of its former size. Continuation of this trend would undermine the industry's critical mass, with further job losses threatening permanent loss of skills and the continued viability of the sector in any form.

The ACTU believes the TCF sector has a viable future in Australian manufacturing and is of continuing importance to rural and regional Australia. To secure this future it is vital that tariffs be paused at present levels until further Review in 2012 or such time as tariffs and non-tariff market access barriers in other countries are significantly reduced.

In supporting fair trade we strongly oppose the use of child labour and forced labour in other countries, and production practices which seek cost advantages at the expense of environmental degradation. 'Free trade' precepts should not provide a cover for countries to support their exploitative practices through exports of goods produced in these ways.



Restructuring assistance including retraining programs is a critical component of a continuing TCF restructuring package in Australia. Fair competition in the industry requires that effective minimum standards apply in home-based outwork as in factory employment.

The ACTU believes that fraudulent management practices have cost some workers their accrued entitlements when firms in this sector have closed and that this is a matter of relevance to this Inquiry.

Should you have any queries in relation to this initial submission, please contact Grant Belchamber of this office on 03 9664 7344 or on grantb@actu.asn.au

Yours sincerely

Sharan Burrow ACTU President