

Our Ref: BS10/035/001

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25 June 2003

Review of TCF Assistance
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Sir/Madam,

**Re: PRODUCTIVITY COMMISSION INQUIRY INTO THE TEXTILES CLOTHING
AND FOOTWEAR INDUSTRY**

I write to inform you that the City of Banyule has considered the Productivity Commission's preferred policy option as stated in the Position Paper publicly released on 16 April 2003.

Please be advised that Council at its meeting on 16 June 2003, adopted the following resolution in relation to the preferred policy option:

1. That Council note the report.
2. That Council write to the Productivity Commission in the form of a submission expressing its concerns regarding the commission's preferred policy options as stated in the Position Paper publicly released in April 2003 stating:
 - that all TCF tariffs be reduced progressively to 5 percent by 2015;
 - that the Strategic Investment Program (SIP) be phased out by 2013.
3. That Council as part of its submission insists that the Productivity Commission adopt the comprehensive industry assistance package outlined by the Victorian State Government to ensure ongoing and increased support to the TCF industries.

The implications on Council's community relate to approximately 2915 people that live in the Banyule area and 1255 people that work in Banyule with jobs dependent upon the TCF industries. The industry contributes to Banyule's local economy accounting for 3.4% of the area's gross regional product.

Council has been advised by the Victorian State Government that the Productivity Commission's preferred option of progressively reducing TCF tariffs if adopted would result in an estimated 171 jobs to be lost in Banyule, including 90 direct TCF jobs and the industry's contribution to gross regional product would decline to 3.2% per annum by 2020.

Council has committed to several training and education programs over the years to enhance the competitiveness of local industries providing opportunities to increase skills to develop skills and business plans to become highly competitive exporters.

TCF industries within Banyule range from small to medium size businesses many of, which are family run businesses.

Council shares many of the concerns raised by the Victorian State Government particularly the possibility of job losses both at a state and local level. It is suggested that further ramifications could also pass onto to local suppliers and other local businesses that rely on associated trade. Concerns are also raised in regard to Council's ability to offer services in order to re-skill or re-train retrenched workers and the impacts on the local community should job losses eventuate as a result of the Commission's preferred policy direction.

Council requests that this letter be considered as its submission to the Commission's Position Paper and seeks the support of the Commission in ensuring the necessary assistance packaged as outlined in the Victorian State Government's submission is adopted as it will afford the support necessary for TCF industries.

Yours sincerely

SIMON McMILLAN
Director City Development