Stephen Koci

3rd July 2003

Submission to the Productivity Commission: Post 2005 Textile, Clothing and footwear Assistance Arrangements Enquiry.

I write as a voter, an individual, a customer and a very concerned Australian and I stand for what I believe in and I believe in the Australian Textile and Clothing and Footwear industry. Firstly I would like to say that you are not just dealing with an industry and economic policy, you are dealing with peoples lives and jobs for there children. What is done today will impact on further generations.

You are also dealing with factories in country locations and the effects on the local communities if they lose large employers. These towns and people are real and they need extra assistance not less if this can keep them in jobs.

l would be ashamed as a Australian if thousands of jobs were lost just so l could buy an Chinese Made Shirt for \$1 dollar less, l don't care about goods that are marginally cheaper, l want jobs not just saved but for our textile industry to grow.

Figures can be used to push any case, but the important thing is the people that work in these factories, where will they work? What future do we offer them and their children?

In all calculations of costs to governments of assistance figures should be used if these workers lose their jobs; like what these workers pay in tax and the employer also pays, same of these workers will not be able to get jobs as their textile skills will not be in demand so the cost to the government in the form of welfare over their working life (Could be up to 35 years) should be used. Also there would be costs to retrain these workers for government agencies. Also there would be political fallout as these workers look at who is to blame for them losing their jobs. Also I believe it is very misleading to mention costs that flow directly to the government. Eg. Tariffs. Also in country locations it may be even harder to find **real full time employment**.

When all these issues are taken into account in any calculations, all of a sudden the figures start to look better.

Another area that should always be included in any discussion about these industries is what is going to replace these industries, not just replace them but replace them in the country and city locations where they will be lost, if we have no answers then I would ask why drop tariffs?

I have really been saddened over a number of years as The textile industry is being destroyed and it's really sad to see, policy makers who probably have not even visited these factories are condemning them.

l for one are proud to wear Australian made clothes and shoes.

Also jobs in these industries are long term jobs with allot of these employees working in these factories for many years, these jobs are very different to boom/bust industries like the Housing sector that is booming now, when the housing bust comes these jobs will disappear.

Also what about other areas of protection and government expenditure in areas like the \$200 million dollars that it will spend to sell the privatisation of Telstra and the millions spent to keep people in private health insurance. When compared to other areas, the textile industry get's very little.

<u>Changes in Labelling laws to help local manufactures</u> These laws should be reviewed and tightened so Australian consumers are not confused when they want to buy Australian made products. Companies should be stopped from using terms like "Designed in Australia", what does this mean? One designer in an office? "Assembled in Australia". There should have strict rules and maybe rules like 90% of the product should be made in Australia to be able to use the term, the industry would be able to guide the government is this area.

Thinking outside the box in how to assist the industry

The government and the industry should look at other ideas to help the industry like giving tax benefits to retailers that sell Australian made textiles, clothes and footwear. The industry bodies with help from government should also look at how other countries locally made goods are sold in their markets.

What has been achieved by Australia being Free trade champions?

Also what about our trading partners, can we ship textiles to china, I doubt it so why should we let them ship to us? We can stand up as champions of free trade but at what cost to Australians?

What has been achieved by reducing tariffs and by our free trade stance, in real terms what has Australia achieved? we send expensive groups to these meetings but our partners do nothing to reduce barriers to their markets, it's a joke. Throw Economic theory out the window and set about keeping Australians in jobs.

The Union movement working with Employers to save jobs

Another area that will affect the industry is industrial actions and the union movement pushing for wage increases at the cost of jobs for their members. The industry operates in a very competitive world market and this affects employees as much as employers. When I read stories like Geelong Wool Combing locking out workers and Unions that only seem concerned about what payouts they will get for their employees that have lost their jobs, I'm upset. I would call on the industry bodies and employers and the Unions to meet informal regularly and work together to keep the industry viable.

<u>l look forward to wearing Australian Made cloths and shoes for many years to come. This is a very important time, do we care or do we destroy?</u>