

Not another review of the textile, clothing and footwear industry!

| [Alan Moran](#)



crikey.com.au 27th September, 2007

The most courageous, enduring and beneficial change that the Hawke ascendancy brought 25 years ago was in industry protection. Before then the Coalition government had proven unable to reduce tariffs that were consigning Australian manufacturing to the level seen only in autarkic and Communist countries.

This all changed with the Hawke/Button introduction of tariff reductions, without which Australia could not have achieved the economic growth enjoyed over the past dozen years. The present program followed a review by the Productivity Commission in 2003 and still has eight years to run. Tariffs range up to 17.5% but are to decline to 10% by 2010 and 5% by 2015.

Now, aspiring industry Minister Kim Carr wants to retard the industry's shift into the global economy by halting the planned tariff reduction regime. This is notwithstanding the fact that the present "transition arrangements" already involve generous support for the industry through a \$747 million assistance package.

Cries of anguish and forecasts of disappearing jobs preceded all past developments in reform. Yet there remain some 60,000 people employed in the industry. Though this is down from the level of 125,000 in its heyday, those were highly underproductive souls dependent on levels of assistance of up to 100%.

Once tariff reductions started, the industry adapted. Much of the talk about the "clever country" was hype but it remains clear that in a world where trade takes place, Australian employment has better opportunities than standing toe-to-toe with industries dominated by unskilled labour where costs are one tenth of those found in this country.

The industry has survived and many firms have prospered. Firms like Cotton On (the founders of which have just joined BRW's Under 40s Rich List) and Billabong are highly successful as designers. Like US high tech IT businesses, the development is undertaken at home but the manufacture is mainly outsourced. Some areas of manufacturing have become world competitive as sources of product.

The Productivity Commission highlighted successful niche areas of manufacturing - like high tech bullet proof vests for the military, shade cloth and Yakka with its total service concept to firms' uniforms.

The intense political lobbying for tariff protection was a paper burden drain on a process that when assistance was granted was negative sum. Government nurturing infant industries through tariff assistance is a long discredited notion normally now disparagingly referred to as "winner picking".

Hopefully having a left wing activist as an industry Minister in a Rudd Government will not see this disinterred.

[Back to news page](#)



[Become a member of IPA today](#)



Archived news

[2014](#)

- > [August](#)
- > [July](#)
- > [June](#)
- > [May](#)
- > [April](#)
- > [March](#)
- > [February](#)
- > [January](#)

[2013](#)

- > [December](#)
- > [November](#)
- > [October](#)
- > [September](#)
- > [August](#)
- > [July](#)
- > [June](#)
- > [May](#)
- > [April](#)
- > [March](#)
- > [February](#)
- > [January](#)

[2012](#)

- > [December](#)
- > [November](#)
- > [October](#)
- > [September](#)
- > [August](#)
- > [July](#)
- > [June](#)
- > [May](#)
- > [April](#)
- > [March](#)
- > [February](#)
- > [January](#)

[2011](#)

[2010](#)

[2009](#)

[2008](#)

[2007](#)

[2006](#)

[2005](#)

[2004](#)

[2003](#)

[2002](#)

[2001](#)

[2000](#)

[1999](#)

[1998](#)

[1997](#)

[1996](#)

- [Home](#)
- [About](#)
- [Key Sectors](#)
- [News](#)
- [Events](#)
- [Publications](#)
- [IPA People](#)
- [Contact us](#)
- [Site Help](#)
- [Payment](#)

[News](#)

Useful links

- [Top of page](#):: [Site help](#)
- :: [Site map](#)
- :: [Privacy](#)
- :: [Copyright](#)
- :: [Subscribe to IPA email updates](#)
- :: [Unsubscribe](#)