

Australian Dyeing Company

Dear Sirs,

Thank you for the opportunity to put our company's position yesterday.

However I do feel that I need to follow up and clarify some very important points especially in light of your questions.

I feel there should be a fixed time for assistance. I feel that the length of time for adjustment assistance needs to be as long as possible -to mirror the reduction in tariff protection. I believe the Government must give time and financial support to the TCFL employees to adjust to the change in tariffs and the flow on effects of increased imports and fewer jobs and less job security in the TCFL sector going forward.

However if the Government was willing to actively facilitate the restructure of the sector by offering funding for restructure/merger/removal/closure etc from and within the industry so that the time for rationalisation is reduced then I believe the time can be also reduced for assistance.

But the proviso is real and meaningful restructure!!! The "process" is available under type 4 and 5 but I do believe that the % funding and second hand values need to be increased to assist the restructure. I emphasise again that the restructure/rationalisation should occur first.

The second matter also needs further clarification. I did say that the Government must look carefully at the ways and means it delivers funding so that it can be sure it delivers the best possible outcomes to the sector as a whole.

I do not believe the SIP funding is simply stalling the inevitable. SIP has funded new capital investment and innovation and R&D. What frustrates and disappoints me is that there have been other Government hand outs and expenditures to the tcf ..eg

The Forum...several Audits...MAD.. funding that has not been effective because it has not been delivered to the industry directly to help the adjustment process.

Finally I do believe adjustment assistance should cease at a particular > point in time Or after a set sum of funds has been finally expended to ensure the adjustment is completed.

All I am suggesting is that ALL industries(not just TCFL) that compete with cheap labour developing countries that need to update equipment or do R&D may in the future require Government assistance to make the expensive long term capital investment. This would not be just for TCFL.The example I gave was the accelerated depreciation allowance. There may be other better assistance programs that would facilitate industry investment in capital, restructure, or R&D.

I hope this has clarified my submission and your queries.

I know Phillip tried to bate me but I do hope I explained that point.

Thanks again for the opportunity and good luck in coming to an outcome and recommendation that I hope will ensure a viable and sustainable but most importantly a strong, meaningful and secure industry that can grow and offer long term employment with career paths to in Australian manufacturing sector.

Feel free to come and visit us.

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Yours sincerely,

> Ian Fayman  
> Co-Managing Director