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**PRIME MINISTER, THE HON JOHN HOWARD, MP  
MINISTER FOR INDUSTRY, THE HON JOHN MOORE, MP**

**JOINT PRESS RELEASE**

**THE TEXTILE, CLOTHING AND FOOTWEAR INDUSTRIES**

The Federal Government has confirmed its commitment to promote job security, with a sensible and practical new package for the TCF industries.

The package will help to develop sustainable, internationally competitive textiles, clothing, leather and footwear (TCF) industries in Australia.

It is designed to assist in securing jobs in the TCF industries by encouraging additional investment and promoting the development of an internationally competitive TCF sector in the lead-up to the free trade environment beyond 2010.

The Government's new TCF package provides a practical transition, designed to promote investment and innovation in the TCF industries and encourage the development of long-term, sustainable, real jobs.

The key features of the package are:

- The current schedule for TCF tariff phasing will continue through to 2000.
  - ⇒ TCF tariffs will be maintained at the same level from 1 July 2000 until 1 January 2005.
- The Government will introduce legislation in the current session to implement a reduction in TCF tariffs on 1 January 2005 (see attachment).
- Develop forward looking action agendas with industry for wool, cotton, leather and fashion to identify what can be done to make more use of Australia's natural advantages in these areas.
- Establish a TCF Investment Programme designed to build globally competitive capacity in the industry.
- Establish a \$10 million TCF Technology Development Fund and provide \$10 million for a national centre of excellence for TCF training.
- Establish a new Market Development Programme with funding of \$2.5 million per year to develop and implement firm based strategies to increase export capabilities.
- An expanded Overseas Assembly Programme to enable increased use of Australian textiles.
- Examine removal of anomalies in TCF by-laws and tariff concessions.
- There will be a review of TCF tariffs in 2005 which will take account of our APEC commitments and progress on market access.

The period of consolidation between 2000 and 2005 will enable Australian TCF firms to strengthen their competitive position after a period of significant change.

The Government is committed to ensuring Australia will meet its APEC commitment to free trade by 2010. The TCF industries have indicated their agreement to this objective.

Entry to the new TCF Investment Programme will be competitive, based on a commitment to high value-added activities of significance to Australia.

The TCF industries, as a result of the Government's plan, expect to see \$400 million per year in new investment.

The Government's plan will encourage more value added activity in natural materials processing, design, research and development, marketing, and product assembly. It will encourage strategic alliances, joint ventures, and effective value chain management, as well as investment in skills development.

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## TCF PACKAGE: KEY ELEMENTS

### Tariffs

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Clothing & finished textiles	34	31	28	25	25	25	25	25	17.5
Cotton sheeting & fabrics	22	19	17	15	15	15	15	15	10
Sleeping bags, table linen	13	12	11	10	10	10	10	10	7.5
Carpet	21	19	17	15	15	15	15	15	10
Footwear	24	21	18	15	15	15	15	15	10
Footwear parts	17	14	12	10	10	10	10	10	7.5
Other (eg. yarns, leather)	5	5	5	5	5	5	5	5	5

Note: Tariff reductions occur on 1 July annually. Reductions in 2005 will apply from 1 January.

Import Credit Scheme to terminate, as scheduled, on 30 June 2000.

### Action Agendas

Develop forward looking action agendas with industry for wool, cotton, leather, and fashion to identify what can be done to make more use of Australia's natural advantages and skills in these areas.

These agendas will identify specific measures that can be taken to promote stronger investment and innovation and to improve our access to international markets.

### Investment

A new TCF Investment Programme designed to encourage TCF companies to become more internationally competitive and better exploit Australia's natural advantage in raw materials such as wool and cotton.

### Innovation

Establish a \$10 million TCF Technology Development Fund to promote the development of new technology related to the use of Australian materials.

Provide up to \$10 million for the establishment of a national centre of excellence for TCF training.

### Market Development

Establish a TCF Market Development Programme with funding of \$2.5 million per year to develop and implement firm based strategies to increase export capabilities.

**Overseas Assembly Programme**

Continue the Overseas Assembly Programme and extend to provide improved access by including:

- conversion offshore of cut or uncut fabrics and leather into finished goods; and
- some post assembly operations to be undertaken overseas.

**TCF Policy By-Laws**

Provision for duty free importation to continue, but anomalies with existing TCF by-law and tariff concessions to be examined.

**Adjustment Assistance**

Use existing programmes for regional adjustment and other appropriate programmes to provide assistance for displaced TCF workers.

**Review**

There will be a review in 2005 which will take account of our APEC commitments and progress on market access.