



Media Release

TCF Associations Welcome Industry Review & Seek Further Transformation Incentives

Thursday September 4, 2008. In the AFR article published on Friday August 29 Professor Roy Green advised that he had submitted his Industry Review report to the Federal Government, and although they have not seen the report, the industry's principal associations, the Carpet Institute of Australia Ltd (CIAL), the Technical Textiles and Nonwoven Association (TTNA), the Council of Textile and Fashion Industries of Australia (TFIA), and the Footwear Manufacturers Association of Australia (FMAA) have confirmed that while deeply concerned about further unilateral tariff cuts, welcomed the news that these will be offset by an "industry assistance package".

Whilst many in the industry were disappointed with the recommendation to continue tariff cuts, the associations congratulated Professor Green for recommending ongoing industry assistance for all of TCF post 2010 and encourage the Federal Government to continue its investment into the industry as it contributes significantly to Australia's overall economic wellbeing.

The Australian Textile, Clothing and Footwear (TCF) industry is facing significant global competition with further tariff cuts in 2010 and has been undergoing a fundamental structural adjustment.

Many local manufacturers have moved to manufacturing specialised high value added and niche market goods whilst others have and are developing new and unique processes to make the everyday apparel required by all consumers.

The previous government provided a Strategic Investment Program (SIP) that assisted many Australian TCF manufacturers to transform their businesses through investment in R & D, machinery, technology, etc. – however for many in the industry this ends at the same time that further tariff cuts are going to be made. For companies competing with low cost imports, the transition is not yet over and continued assistance is crucial for the industry's long term success.

It is widely believed that an investment and development program strategically and directly targeted at the sector is necessary to give the industry confidence in undertaking new capital expenditures and innovative processes despite the magnified risks facing the industry over the next few years. The industry looks forward to working with AusIndustry in further developing the program for its future.

The industry associations have been encouraged by the Federal Minister for Industry, Innovation, Science and Research the Hon Kim Carr acknowledging that the industry is critical to Australian employment, exports and innovation. It expects the Review findings and recommendations to provide renewed energy and enthusiasm across TCF industries. Providing the means to take advantage of new technologies and research and implement strategies to effectively compete in the global marketplace is an important role for government policy.

The \$16 billion sector employs over 48,000 people and contributes \$2.8 billion of added value to the economy each year, and it exports \$1.6 billion worth of goods annually.

Professor Green has confirmed that today's Australian TCF sector is a high-tech creative industry and through a commitment to innovation, Australian manufacturers are reducing production costs, investing in technology and implementing the organizational changes required to respond quickly to customers' demands and requirements.

The CIAL, FMAA, TFIA and TTNA are confident that with an appropriate industry policy from the government that some firms in the industry will be amongst the leading global players committed to capitalising on their international reputation with ongoing and substantial investment in infrastructure and innovation. Others will continue to be significant suppliers to specific Australian, regional and international markets with high quality merchandise manufactured in Australia by skilled workers and designers.

The Australian TCF industry is at a crucial stage in its evolution and it is hoped that the Federal Government carefully considers the implications of

further tariff cuts and continues to enhance the programs that will drive and assist Australian manufacturers to realize future trade and growth potential.

Issued by the Carpet Institute of Australia Ltd (CIAL), the Footwear Manufacturers Association of Australia (FMAA) and the Council of Textile and Fashion Industries of Australia (TFIA) and the Technical Textiles and Nonwoven Association (TTNA),

Contact details:

CIAL: Mr Allan Firth - (03) 9804-5559

FMAA: Mr Peter Eames – (03) 9894 4033

TFIA: Ms Jo-Ann Kellock - (03) 8680-9402

TTNA: Ms Kerryn Caulfield – (03) 9866 5442