



18 December 2009

Mr John Hawkins
Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

by email: economics.sen@aph.gov.au

H M Ridout
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Dear Mr Hawkins,

Thank you for your letter dated 3 December and the opportunity to make a submission to the Senate's inquiry into the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Bill 2009 ('the Bill').

The Bill amends the Textile, Clothing and Footwear Strategic Investment Program Scheme 1999 ('the Scheme') to provide for a replacement scheme for the 2010–2011 to 2014–2015 programme years.

The Australian Industry Group (Ai Group) supports the Scheme's objective to foster the 'development of a sustainable and internationally competitive manufacturing industry and design industry for clothing and household textiles in Australia'.

Ai Group welcomes Government efforts to identify ways to make the Scheme more effective in its provision of grants to clothing and household textile designers and manufacturers in Australia who invest in innovation.

It is important to acknowledge there are several key principles which will prove essential to deliver the Scheme's objective to develop 'a sustainable and internationally competitive manufacturing industry and design industry for clothing and household textiles in Australia'. These principles include certainty, flexibility and transparency.

Providing industry with a high level of certainty of return for investment in innovation will underpin the Government's policy objective to enable this sensitive sector to better manage the complexities of rising global competition through the commercialisation of innovative products and technologies.

To support industry's ability to respond to the rapidly changing global trade environment, new provisions of the Scheme must allow sufficient flexibility to create a stronger and more sustainable sector through a sensible balance of both innovation and commercialisation to create growth. In this regard, eligibility criteria will need to be carefully developed.

To allow industry to adapt to changes resulting from the new Scheme, it would benefit both Government and the sector to increase transparency and reduce red-tape through streamlined application and decision making processes. This approach would also reduce Scheme administration costs and deliver early decisions which would improve the effectiveness of the Scheme in its ability to deliver the Government's policy objective.

Ai Group encourages the Government to ensure continued consultation with industry, as details of the Scheme are finalised and implementation is commenced.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Heather Ridout', with a stylized flourish at the end.

Heather Ridout
Chief Executive