



Technical Textiles & Nonwoven Association

ABN 55 899 043 605
Level 15, 10 Queens Road
Melbourne VIC 3004
T: +61 3 9866 6643
F: +61 3 9866 6434
0412 556 698
kerryn@ttna.com.au
www.ttna.com.au

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Mr John Hawkins
Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Australia
Email: economics.sen/aph.gov.au

Dear Mr. Hawkins,

Re: The Textile Clothing & Footwear Investment Program Amendment (Building Innovative Capability) Bill.

The Technical Textiles and Nonwoven Association Inc. (TTNA) is a national independent body, funded by fees paid through voluntary membership. It represents the Australian technical and nonwoven textile industry. This submission provides information that is reflective of the TTNA members' views.

The global textiles industry produces a wide range of products and supplies every major manufacturing industry in the world. The Australian textiles industry has a similar profile with a similar range of manufacturers and end users of products. The technical textiles and nonwovens industry is regarded as the fastest changing sector of the global and Australian textiles industry – it is expanding using high level technology and high value adding manufacturing procedures. A non-exhaustive list of the technical textiles and nonwovens include geotextiles, filtration, textiles for building and construction, aerospace, marine, safety and transport industries, medical textiles, wipes and more. Technical and nonwoven textiles are everywhere!

The Green Report confirmed that the Australian technical textile manufacturers have advanced significantly on an international level over recent years and the importance of the sector within the \$16 billion Australian TCF industry - which has been growing at an unprecedented rate. The TTNA was therefore disappointed that the 2009 Federal Budget failed to adopt the recommendations that were presented to the Federal Minister for Industry, Innovation, Science and Research, the Honourable Kim Carr, in Professor Roy Green's 2008 extensive TCF Review Report 'Building Innovative Capability'. The Green Report recommended that a new program be developed with a budget of \$180 million and this program should *'have as a priority the improvement of R&D performance in Australian TCF firms, especially technical textiles'*.

The TTNA's initial objection is that the assistance measures announced in response to the TCF Review are grossly under-funded. We are doubtful that the re-targeted innovation package from 2009 – 10 to 2015 – 16 is capable of achieving the Government's stated objectives for the TCF sector.

The TTNA's subsequent objection is that the proposed program is limited to "Clothing and Household Textiles." The TTNA maintains its position that the BIC Scheme should also include technical and nonwoven textiles for applications other than for household usage.

The pace of change dictates that a great percentage of the jobs our sons and daughters will make their professions, do not exist today. It is the same scenario with the functionality and applications for textiles. By way of example, the technology that was once used to manufacture babies' shawls in the 1950's made the transition into high-tech automotive applications and outdoor shade structures. For this reason, the BIC Scheme should not be restrictive and should support and fortify the union of innovation, technology and capital investment across a number of textile manufacturing processes. To that end, and in light of the governments quest for innovation, we advise that the definition should include value added processes that

provide functionality to a product such as (but not limited to) coating and lamination (under Chapter 59) and others including nonwovens. With profound usage in Australian homes, machine made carpet (under Chapter 57) could also not intelligently be excluded from the purposes of the BIC Scheme.

Given that on-going investment in technology is integral to innovation, the TTNA advocates that rebates on capital expenditure for this technology intensive sector be a critical element of the BIC Scheme - as it was under the former SIP Scheme.

The TTNA members are resolute in their support for Australian value-added activity. The BIC Program eligibility therefore should be confined to those companies that can demonstrate manufacturing activity in Australia. Members of the TTNA believe that supporting design-related activities would have little or no flow through to manufacturing jobs in Australia and will only serve to place more production off-shore and therefore is of negative value.

The TTNA strongly supports the introduction of the new provisions that streamline administrative procedures.

Thank you for the opportunity to make a submission to the Committee's Inquiry into the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Bill 2009. We highlight that it is disconcerting to assess and to make comment on a program with few specifics. In this instance, the Bill and Explanatory Memorandum provide only an outline of the main features; a definition for the term 'household textiles' is yet to be articulated. We understand that the detailed provisions are being developed by Minister Carr's Department in consultation with the TCF Innovation Council and industry stakeholders, and hope that our recommendations are considered.

Yours sincerely,

A handwritten signature in blue ink, reading "Kerryyn Caulfield". The signature is fluid and cursive, with the first name "Kerryyn" and the last name "Caulfield" clearly distinguishable.

Kerryyn Caulfield
Executive Manager

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