



**26 King William Street
Broadmeadows Victoria 3047
Australia
Tel: (03) 9279 1599
Fax: (03) 9279 1526**

YAKKA WELCOMES MINISTER'S TCF PACKAGE

Yakka Pty Ltd, Australia's largest manufacturer and marketer of industrial workwear and corporate clothing, welcomed the announcement by Industry Minister Ian Macfarlane that it will commit \$747 million in direct assistance to the TCF industry over the period 2005-2015.

This package, which continues the Strategic Investment Program (SIP) already in place (2000-2005) will enable Yakka to continue reshaping its business and move it further to achieving the objective of international competitiveness.

The proposed scheme will embrace a broader approach to supporting investment in brands and will also assist in the challenging areas of information technology and logistics management.

The package goes a long way to achieving the twin objectives set by the industry of the need for certainty and fairness.

Yakka welcomes the proposals as a framework within which it will be able to plan its future business development and looks forward to working with the Government over the next few months.

CONTACT: Andrew Edgar, Managing Director, Yakka Pty Ltd
Telephone: (03) 9279 1599
Mobile: 0418 516 808



AUSTRALIA'S LARGEST CARPET MANUFACTURER ENCOURAGED BY TCF PACKAGE

Mr John Garrett, Director of Godfrey Hirst, today welcomed the Government's announcement of ongoing direct support for the TCF sector.

Godfrey Hirst is Australia's largest carpet manufacturer and employs around 1000 people mainly in Geelong and in other regional locations in Victoria.

Godfrey Hirst has participated in the current SIP scheme and this support has given the company the confidence to undertake significant investments throughout its manufacturing supply chain.

This investment has provided a base to continue with the company's export push. The company currently exports to 20 countries including the tough US market, the UK and Asia.

Mr Garrett said the further continuation of the Strategic Investment Program (SIP) from 2005 to 2010 provided greater certainty for the company, enabling it to plan for the future.

"There are many challenges and opportunities that the TCF industry face, the \$747m package of direct assistance announced by the Industry Minister, will enable us to continue our investment in process and product innovation," Mr Garrett said.

The combination of a further tariff pause and direct assistance will continue to provide a sound basis for future strategic planning.

"I would like to acknowledge the combined efforts of the industry and Government, especially the Industry Minister in achieving this outcome" said Mr Garrett.

Godfrey Hirst looks forward to working the Government to finalise the finer details of the package.

Contact: John Garrett, Director Godfrey Hirst Australia Pty Ltd
Telephone: (03) 52250222



**COUNCIL OF TEXTILE AND FASHION
INDUSTRIES OF AUSTRALIA LIMITED**

TFIA WELCOMES ANNOUNCEMENT ON FUTURE ASSISTANCE ARRANGEMENTS FOR THE TCF INDUSTRY

The President of the Council of Textile and Fashion Industries of Australia, Mr Paul Cohen, today welcomed the Howard Government's \$747 million assistance package for the period 2005 to 2015.

Mr Cohen said the Government's policy of gradual tariff reform coupled with direct financial assistance through the Strategic Investment Program (SIP) has helped the TCF make the transition to a lower tariff environment.

Mr Cohen said "There is no doubt that there will be a need for further reconfiguration to strengthen the overall industry as we go forward, and the Government's assistance measures provide support for this transition. The industry acknowledges this final tranche of special assistance and will work hard to capitalise on the opportunity it presents. We expect that the combination of measures including the tariff pause for a further five years will place us well to be internationally competitive."

Under the Government's measures the TCF industries will continue to have access to SIP until 2010 and until 2015 for clothing and household textiles. SIP supports new capital investment and innovation.

Importantly the ongoing assistance through SIP will be accompanied by a tariff phase out which will see minimal tariffs for textiles and carpets by 2010 and clothing by 2015.

Mr Cohen also praised the other elements of the TCF package: "The Import Credits Scheme may well provide the incentive for Australian companies to internationalise their operations while developing the Australian production strengths. The Structural Adjustment Fund will be of great help in those cases where companies are not able to make the transition."

The Council of Textile and Fashion Industries is the peak employer body representing textile and clothing industry manufacturers.

For further inquiries:

Paul Cohen, President TFIA, 03 98668962