



FOOTWEAR MANUFACTURERS' ASSOCIATION OF AUSTRALIA

Incorporated
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21st July 2004

Dr Sarah Bachelard
Committee Secretary
Senate Economics Legislation Committee
Room SG.64
Parliament House
Canberra ACT 2600

Dear Dr Bachelard,

The Footwear Manufacturers Association of Australia (FMAA) is the peak employer industry body and thanks the Committee for the opportunity to put forward its views on the *Textile, Clothing And Footwear Strategic Investment Program Amendment (Post-2005 Scheme) Bill 2004* and the *Customs Tariff Amendment (Textile, Clothing And Footwear Post-2005 Arrangements) Bill 2004*.

The FMAA has represented the industry at the most recent review and had some involvement in the subsequent decision made by the Government. The SIP package is viewed as very important to the industry's future development and growth.

The FMAA believes it is in the industry's best interests to have this legislation passed without delay. The package provides some certainty for the industry to continue operating and restructuring itself in the face of changing international conditions. While the final package agreed is not fully in line with our original preferences it has our strong support due to the need for the industry to have certainty regarding tariffs and assistance levels.

It is the concern of industry that any delay in this legislation will create uncertainty and this will lead to knee jerk reactions which may include the closure of more factories with that production moving off shore. It should be noted the tariff reduction being queried is not due until 2010 and as such it is hard to know truly what effect it will have on the local industry.

Specific Terms of Reference for the Committee

Effect on export markets

Employment

Regional development

Research & development

Any change in the tariff rate for footwear in 2010 is unlikely to have a major effect on any of the above issues in the short term, if an impact is shown to be occurring a revision may be still made before 2010.

We have been told that the Senate supports the concept of transitional assistance for the TCF sector and as such we request that the Committee in the interests of providing certainty to the industry recommend the legislation be passed. The industry notes and accepts that subsequent Federal Governments may wish to amend the legislation to modify the tariff cuts but the footwear industry needs some certainty now.

We look forward to the Committee considering the bills.

Yours sincerely

Peter Eames
Executive Officer