



DELIVERING THE FUTURE



THE POST 2005 TCF STRATEGIC INVESTMENT PROGRAM

The Post 2005 Textiles, Clothing, Footwear (TCF) Strategic Investment program (SIP) is a \$600 million Commonwealth Government assistance program designed to assist local TCF producers improve their international competitiveness whilst undergoing further local tariff reductions. The program will run from 2005 until 2015.

Benefits

Two main types of grants are provided for under SIP.

Type 1: A 40% grant which covers capital investments in new equipment, information technology and environmental upgrades used in the design, production, warehousing and distribution of locally made TCF products. Type 1 grants also include expenditure on brand support of up to \$3m pa and for clothing and finished textile firms expenditure on non production related IT of up to \$2m pa.

Type 2: An 80% grant which covers the salary and material costs of locally based Research and Development (R&D) and Innovative Product Development activities directed at locally made TCF products. Aside from pure R&D, eligible activities include:

- Tests and trials to develop new innovative TCF products.
- Improvements to the production process for existing TCF products.
- Market testing, development and sales promotion (including consumer surveys) that is 'not routine', and has as its main purpose the introduction of new innovative TCF products.
- The securing of new Intellectual Property rights anywhere in the world for new innovative TCF products.

Annual benefits are capped at 5% of locally made TCF sales in the preceding income year, on the basis that an initial \$200,000 expenditure threshold is met. After the first grant payment there is no subsequent threshold for expenditure. To be eligible to claim you must register by the 30th June each year.

Participation from 2005-2010 is open to all TCF&L companies undertaking eligible activities. However, technical textile and leather firms will only be eligible for Type 1 grants. From 2010-2015 only clothing and finished textile firms can participate.

Tariffs will be frozen at the 2005 level until 2010 when the 10% rate (cotton sheets, woven fabrics, footwear and carpets) and the 7.5% rate (sleeping bags, table linen and footwear parts) reduce to 5%. The clothing and finished textile rate of 17.5% will reduce to 10% in 2010 and 5% in 2015.

The TCF Way

TCF Services is a team of TCF industry specialists with over 20 years' successful experience in delivering Commonwealth TCF assistance programs. We are the leading provider of assistance and advice to companies accessing SIP benefits.

Our experience has guided us in the development of an integrated approach to the TCF Strategic Investment Program. This includes the identification of critical activities, expenses and lead times, and the collection and management of supporting information required at each stage of the SIP registration, claim, evaluation and re-registration cycle.

We aim to smooth each claim through this process and deliver you the maximum possible benefit.

We describe this approach as the TCF Way.

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