TEXTILE, CLOTHING AND FOOTWEAR POST-2005 STRATEGIC INVESTMENT PROGRAM SCHEME AMENDMENT 2010

General Outline

The Textile, Clothing and Footwear Post-2005 Strategic Investment Program Scheme 2005 (TCF Post-2005 (SIP) Scheme) provides for the making of grants in connection with, or incidental to:

- the manufacture in Australia of eligible TCF products; and
- the design in Australia, for manufacture in Australia, of eligible TCF products some or all of which are intended to be sold in Australia.

This amendment will:

- amend the TCF Post-2005 (SIP) Scheme consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010;
- improve the operation of the transfer of registration provisions of TCF Post-2005 (SIP) Scheme (paragraphs 4.5(3)(a) and (b));
- prescribe when an advance on account of a grant may be requested (subsection 5.9(1));
- put beyond doubt the Secretary’s ability to decide an amount of an advance on account of a grant (subsections 5.18(3) and (4));
- remove two redundant provisions (subsection 4.5(4) and section 5.12); and
- make a technical amendment (subsection 5.5(3)).

Legislative Authority

The legislative basis for variations of the TCF Post-2005 (SIP) Scheme is section 37ZF of the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999.

Financial Implications

The total amount of funding allocated under the TCF Post-2005 (SIP) Scheme is reduced from $575 million to $487.5 million as a consequence of the Clothing and Household Textile (BIC) scheme replacing the TCF Post-2005 (SIP) Scheme for the 2010–2011 to 2014–2015 program years.

Consultations

These amendments resulted from consultations with:
• the Department of Innovation, Industry, Science and Research's program delivery arm, AusIndustry, which is responsible for the day-to-day administration of the TCF Post-2005 (SIP) Scheme;
• the Department's Legal Section;
• Legislative Counsel; and
• the Australian TCF industry, including the peak industry bodies:
  ○ the Council of Textile & Fashion Industries of Australia Limited; and
  ○ the Technical Textiles and Nonwovens Association;
as part of the extensive consultation process that led to the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

NOTES ON SECTIONS

Section 1 — Name of instrument
This prescribes the name of the instrument as the Textile, Clothing and Footwear Post-2005 Strategic Investment Program Scheme Amendment 2010.

Section 2 — Commencement
Section 2 provides for the instrument to commence on the day after it is registered (in accordance with the Legislative Instruments Act 2003).

Section 3 — Amendment of Textile, Clothing and Footwear Post-2005 Strategic Investment Program Scheme 2005
This is the formal provision that provides for the amendment of the TCF Post-2005 (SIP) Scheme as outlined in Schedule 1.

Schedule 1 Amendments

Items 1–3. Section 1.4 — definitions of program period, relevant financial year and relevant program year
Subsection 1.4 is amended consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Items 4 & 5 Section 1.7 — Meaning of program year
Subsections 1.7(1) and (3) are amended consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Item 6 Section 4.5 — Effect of transfer of registration
Paragraphs 4.5(3)(a) and (b) are amended to the effect that any eligible TCF activity or expenditure incurred by the transferor entity before the transfer of the business in the
program year is taken to have been carried on, or incurred, respectively, by the transferee entity in the program year and in the immediately preceding program year. This puts beyond doubt that grant eligibility is effectively transferred from the transferor entity to the transferee entity.

**Item 7**  **Section 4.5 — Effect of transfer of registration**
Redundant subsection 4.5(4) is omitted.

**Item 8**  **Section 5.5 — Requests for advances of grants**
Paragraphs 5.5(2)(c) and (d) are amended to take account of new section 46 of the *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999* substituted by the *Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010*. This enables, in effect, scheme debts to be set off against an advance on account of a grant.

**Item 9**  **Section 5.5 — Requests for advances of grants**
This is a technical amendment of subsection 5.5(3).

**Item 10**  **Section 5.9 — When requests for advances of grants must be made**
Subsection 5.9(1) is amended such that a request for an advance for a program year must be made in the relevant financial year and on or before the first working day in January of the relevant financial year.

**Item 11**  **Section 5.12 — Provision of strategic business plans etc**
The reference in section 5.12 to “variations of strategic business plans” is omitted because it is redundant.

**Item 12**  **Section 5.18 — Resolution of requests for advances of grant**
New subsections 5.18(3) and (4) put beyond doubt the Secretary’s ability to decide an amount of an advance on account of a grant.

**Item 13**  **Section 6.7 — Effect of extension of time**
Subsection 6.7(4) is amended consequential on the changes to the *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999* effected by the *Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010*.

**Item 14**  **Section 6.20 — Modulation of grants**
A new definition of “PA” is substituted consequential on the changes to the *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999* effected by the *Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010*. 
Item 15  Section 6.21 — Deferred grant eligibility amount

The note to subsection 6.21(1) is amended consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Item 16  Section 6.29 — Determination and payment of grants

Subsection 6.29(10) is amended consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Item 17  Section 6.31 — Annual limit on payments

Section 6.31 is amended consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Item 18  Section 6.32 — Expenditure limit on Scheme

New section 6.32 is substituted consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010.

Item 19  Section 7.7 — Condition — disposal of plant and equipment — Type 1 grant

New subsection 7.7(1) is substituted consequential on the changes to the Textile, Clothing and Footwear Investment and Innovation Programs Act 1999 effected by the Textile, Clothing and Footwear Strategic Investment Program Amendment (Building Innovative Capability) Act 2010. This will, in effect, preserve the 2014/2015 financial year disposal threshold for clothing/finished textile entities.