

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

TEXTILES, CLOTHING AND FOOTWEAR DEVELOPMENT AUTHORITY

AMENDMENT BILL 1991

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister
for Industry, Technology and Commerce,
Senator the Hon. John N Button)

TEXTILES, CLOTHING AND FOOTWEAR DEVELOPMENT AUTHORITY
AMENDMENT BILL 1991

OUTLINE

The purpose of this Bill is to amend the Textiles, Clothing and Footwear Development Authority Act 1988 to implement the Government's decision, announced as part of its 12 March 1991 "Building a Competitive Australia" statement, that:

- (a) the Textiles, Clothing and Footwear Development Authority's (TCFDA) Industries Development Strategy (the IDS) should comprise four main programs, namely:
 - (i) the Incentives for International Competitiveness Program;
 - (ii) the Infrastructure Support Program;
 - (iii) the Import Credits Scheme; and
 - (iv) the Capitalisation Grants Scheme;
- (b) the eligibility criteria for firms' participation in the IDS be made more flexible to facilitate increased take-up of assistance within the program; and
- (c) the mid-term review be revoked and the Textiles, Clothing and Footwear safeguard mechanism be abolished.

FINANCIAL IMPACT STATEMENT

2. The amendments made by this Bill have no financial impact beyond those already announced as part of the Government's 12 March 1991 statement.

NOTES ON CLAUSESClause 1: Short title etc.

1. This clause provides:

- . for the Act to be cited as the Textiles, Clothing and Footwear Development Authority Amendment Act 1991; and
- . that in the Act a reference to the "Principal Act" means the Textiles, Clothing and Footwear Development Authority Act 1988.

Clause 2: Commencement

2. Subclause 2(1) provides that clauses 1 and 2 of the Bill will commence on the day on which the Act receives Royal Assent.

3. Subclause 2(2) provides that clause 3 of the Bill is to be taken to have commenced on 9 March 1990. Clause 3 amends section 7 of the Principal Act, which replaces reference to 'Industries Commission Act 1973' with reference to 'Industries Commission Act 1989'. 9 March 1990 is the date upon which the Industries Commission Act 1989 came into operation.

4. Subclause 2(3) provides that the remainder of the Bill (clauses 4 to 9) is to be taken to have commenced on 1 July 1991, the date that the Government announced in its 12 March 1991 "Building a Competitive Australia" statement as the commencement date of the TCFDA's new Industries Development Strategy.

Clause 3: Effect on Industries Commission Act

5. Amends section 3 of the Principal Act by deleting reference to the Industries Assistance Commission Act 1973 and substituting reference to the Industries Commission Act 1989.

Clause 4: Functions

6. Amends section 7 of the Principal Act by:

- (a) deleting reference to the now abolished Raw Materials Processing Program and the Plant and Equipment Modernisation Program and Mid-Term Review; and
- (b) simplifying the wording of paragraph 7(d) which deals with the programs of the TCFDA other than the Incentives for International Competitiveness Program.

Clause 5: Repeal - policies review

7. Repeals section 12 of the Principal Act which relates to Policies Review because the Policy Review has been abolished.

Clause 6: Repeal - Divisions 1 and 2 of Part IV

8. Repeals Divisions 1 and 2 of Part IV of the Principal Act which relate to the abolished Raw Materials Processing Program and the Plant and Equipment Modernisation Program.

Clause 7: Applications for financial assistance

9. Amends section 37 of the Principal Act by deleting subsection (2) and inserting a new subsection which makes the eligibility criteria for firms' participation in the International Competitiveness Incentive Program more flexible in order to facilitate increased take-up of assistance within that Program.

Clause 8: Arrangements with other bodies

10. Clause 8 amends section 42 of the Principal Act by adding a new subsection 42(2). Section 42 of the Principal Act enables the TCFDA to enter into arrangements with other bodies, including making payments to such bodies as part of those arrangements, to participate in the implementation of programs designed to improve efficiency and planning, infrastructure support and exports in TCF industries. New subsection 42(2) broadens the scope of such possible arrangements by specifically providing that they may include arrangements under which such another body is to:

- . subscribe for or otherwise acquire shares in, or debentures or other securities of, a company;
- . underwrite issues of shares in, or debentures or other securities of, a company; or
- . lend money, whether on security or otherwise.

Clause 9: Consequential amendments

11. Clause 9 effects a number of minor amendments to the Principal Act which are consequential to the amendments made by the Bill.

