Australian Customs Notice 2000 10

**CUSTOMS TARIFF AMENDMENT ACT (NO. 1) 1999 TEXTILES, CLOTHING AND FOOTWEAR AMENDMENTS**

*Customs Tariff Amendment Act (No. 1) 1999* received Royal Assent on 23 December 1999 and is numbered Act No. 190 of 1999. It contains amendments which insert post-1 January 2005 textiles, clothing and footwear (TCF) tariff phases and which repeal the TCF Import Credit Scheme from 1 July 2000.

The new phasing rates will apply as follows:

a 17.5% general rate for apparel and certain finishing textiles;

a 10% general rate for footwear, cotton sheeting and woven fabrics; and

a 7.5% general rate for footwear parts and other goods the subject of the TCF Import Credit Scheme which have not been previously mentioned.

This Act also amends item 54 in Part III of Schedule 4 of the *Customs Tariff Act 1995*, under which the TCF Import Credit Scheme is administered, by inserting a 30 June 2000 sunset provision for the operation of the Scheme.

From 1 July 2000, the Textiles Clothing and Footwear Strategic Investment Program (SIP) will supersede the TCF Import Credit Scheme. This non-tariff assistance program will be administered by the Department of Industry, Science and Resources.

The *Textiles, Clothing and Footwear Strategic Investment Program Act 1999*, assented to on 23 December 1999 and numbered Act No. 182 of 1999, underpins the administrative arrangements for the SIP. It complements the Government's decision to pause tariff reductions at year 2000 levels and maintain them at that level until 2005.

Under the SIP, TCF industries will be able to access grants, totalling $700 million, in respect of new TCF plant/building expenditure, TCF research and development expenditure, TCF value added and secondhand plant and ancillary expenditure in TCF-dependent communities.

Customs tariff reprint pages will be released to subscribers over the coming months.

Any queries on the SIP should be directed to the Ausindustry Hotline on 132 846. Tariff queries should be directed to Ray Banvill on (02) 6275 6516.

Phil Burns National Director Commercial

for

Chief Executive Officer 24 February 2000