

RC/SC
19 June, 2003

TCF Inquiry,
Productivity Commission,
PO Box 80,
BELCONNEN. ACT. 2616.

Dear Sirs,

**Response to Productivity Commission Position Paper
Review of TCF Assistance**

1. Post 2005 Tariff Options.

- Support Productivity Commission preference for Option 4 noted in the Draft Report.
- Recommend that carpet be considered as a finished textile, not grouped with intermediate textiles, and therefore receive the benefit of a 10% tariff level until 2015.

2. Pre 2005 SIP Options.

- Consider increasing the sales cap to allow businesses to more quickly restructure their businesses to a competitive level.

3. Post 2005 SIP Options.

- Continue SIP to 2015 at current notional annual funding levels.

In addition to Option A modifications –

- Consider targeting assistance to regional centres dependent on TCF industries through application of regional weighting.

Concern has been expressed that the component of SIP that assists with the assimilation from one area of the country to another, is not achieving desired outcomes as the requirements are too stringent.

Yours faithfully,

RICHARD COLBECK,
Liberal Senator for Tasmania.