NEW ERA AWAITS TEXTILE AND FASHION INDUSTRY

- Textile and fashion industry essential to daily life and must be sustainable
- CEO calls for a newly elected government to rethink policy and funding

The Council of Textile and Fashion Industries of Australia (TFIA) Chief Executive, Richard Evans, says that a new era for the textile and fashion industry awaits it after this week of intense politics and economic news. Evans suggests with political certainty, low interest rates and an economy showing signs of recovery then consumers will re-enter the market.

“This week will be a fascinating period for the industry,” Evans said. “Retail trade figures are out, the Reserve Bank meets to discuss interest rates, job figures are due, and we have a federal election. This all means we may have a positive market intervention and consumers will begin to come back before Christmas.”

“We believe consumers will welcome the end to political uncertainty this weekend and begin to re-enter the market,” Evans said. “Our expectation is the August interest rate cut will begin to impact consumers from October, and coupled with the end of uncertainty from a minority government, consumers will begin to loosen their spending habits.”

“No matter the result on Saturday, there is one thing of which we can be certain... there will be no minority government and that is the result the industry wants,” Evans said. “We don’t expect retail sales to have changed significantly in July because consumers have closed their wallets and purses; and whilst we may see an increase in unemployment in some markets, we don’t expect the Reserve Bank to cut rates further from record lows. But, with a clear result on Saturday, we expect consumers to be reassured and keen to come back to the market.”

“Consumers need security; they want secure jobs and they want a secure government; and they want an end to the constant news of doom and gloom and this overly long election campaign.” Evans said.

The Textile and Fashion industry will be keen for early talks with an elected Rudd or Abbott government about the sustainability of the sector. Textiles and fashion have an impact on virtually everything we touch in our daily lives and we must begin to acknowledge its importance to, not only the economy, but society. Both Parties have released policies that are at the core of the Textile and Fashion industry needs.

“The Rudd Government has foreshadowed changes to the over-regulated labour market and we will be keen to talk to them about reducing the current burden within our industry, specifically for small businesses,” Evans said. “Mr Rudd has also indicated tax incentives for our small businesses and these will be welcomed.”

“Mr Abbott has offered Strategic Growth Action Agendas which hits our industry’s policy buttons because we need a cultural change in policy development from the federal government,” Evans said. “So no matter who is successful on Saturday we see a new era for the Textile and Fashion industry.”

“Consumers drive the market and once they have political certainty, low interest rates and good economic news we expect them back in the market in November allowing much needed cash to flow through the supply chain over the next six months.” Evans said.

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