

CORONET - FASHION AT WORK

5 March 2003

TCF Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

TCF TARIFF INQUIRY

Thank you for the opportunity to provide a submission to the above inquiry.

Included for your appraisal is:

- a Coronet company profile
- a current production schedule
- our corporate strategy
- our submission

We await the outcome of your inquiry and the subsequent decision.

Yours sincerely,

Jamieson Fashion Group Pty Ltd
T/as Coronet – Fashion at Work

John Jamieson
Managing Director

COMPANY PROFILE

This organisation has been actively involved in the Australian garment industry since 1930 . . . over 72 years. It was established and remains in control of the Jamieson family with current third generation involvement.

Coronet directly employs 40 full time staff and indirectly uses many sub contractors to meet its production requirements.

Coronet is one of Australia's leading suppliers and managers of corporate wardrobes. It has a large customer base across a wide range of industries and is recognized for its "Best Practice" approach.

Our achievements include:

- Quality Endorsed under the ISO: 9001 International Standard
- Australian Quality Award For Progress Towards Business Excellence
- Open Book Management Program. Financial reports are made available and openly discussed with all staff
- Profit share program. All staff share 10% of the net operating profit
- Continuous relationships with educational colleges providing work experience opportunities, curriculum advice and product examination

STRATEGY

The strategic marketing direction of this organisation is split into 4 sectors.

- Hospitality/tourism
- Healthcare
- Franchising
- Corporate

1. Hospitality/tourism

Coronet is the "Brand of Choice" in this industry group. Its customers include most casinos in Australia and New Zealand, Accor Group (150 hotels) Hyatt, Sheraton, Rydges etc.

We also provide uniforms to four major international colleges of hospitality.

2. Healthcare

Public and private hospitals.

3. Franchising

Including Bakers Delight (over 600 stores across Australia and New Zealand)

4. Corporate

Various local councils, finance sector, cosmetic industries, etc.

CURRENT PRODUCTION SCHEDULE

Coronet utilizes 4 different methods of supply.

- In house factory
- Subcontractors
- Off shore production
- Buy-ins (finished goods)

1. **In House Factory**

Currently employs 11 people. Specialises in quick response, small production runs, sampling, made to measure, product development.

2. **Subcontractors**

The majority of our supply needs are met by subcontractors. These are controlled using our Quality Program and we provide weekly ongoing work as the uniform industry is non-seasonal.

2-3 week production turn-arounds are standard requirements.

A healthy base of quality subcontractors is vital to our ongoing viability.

3. **Offshore Production**

Coronet made a conscious decision to nurture and support the garment industry in Fiji by allocating its total offshore program to this source. However this would represent less than 5% of total production.

SUBMISSION

The uniform/corporate wardrobe sector of the Australian TCF Industry varies greatly from the regular fashion sector.

These variances include

- Customers range from small/medium businesses to very large national corporations. We do not sell goods to retailers for onselling to the consumer.
- Uniforms are non seasonal and provide year round work in the garment and textile sectors.
- Uniforms are tax deductible and often compulsory to wear.
- Uniforms are experiencing long term sustained growth and are made more cost effective to the provider/wearer as they are buying direct.
- To ensure long term ongoing supply, preference is shown for Australian made textiles whenever possible.
- Quick response supply is vital, especially for new staff. Often they cannot start work until they are appropriately uniformed.
- Garment construction, raw materials and componentry vary greatly from the fashion industry.

It is very important that we maintain a healthy and reliable local manufacturing component for our business to continue in its current form.

Previous tariff reductions have greatly reduced our supply chain options and we fear that the further lowering of tariffs will make local supply uneconomical. Offshore production is not an alternative due to small production runs and quick response needs.

Due to the apparent ongoing global uncertainty and fear, supply from Indonesia, Vietnam, China, India, etc may cease without warning. As replacements can take years to nurture it could leave Australia unable to meet its needs.

We favour the ongoing assistance and development of Fiji as it understands the Australian market, we are very important to its economy, we are geographically close and can control the supply chain much easier.

Our recommendation for tariffs and assistance for post 2005 is as follows:

IMPORT TARIFFS

No further reduction in tariffs beyond 2005.

ASSISTANCE

SIP assistance at current levels to 2010.