

FURST FASHIONS PTY. LTD.

Manufacturers & Wholesalers of Knitted Outerwear
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31st January 2003

TCF Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Furst Fashions is a Manufacturer of predominantly Ladies Fashion Knitwear. We produce two major brands of knits to cover the age groups 20-45 and 35-65. We also develop high fashion for various fashion houses, corporate wear, party plan and also make other various products such as blankets + cushions.

The business has now been trading for approx 16 years. During that time many thousands have been spent on technology, plant + equipment.

The business continued to grow and prosper until 3 years ago. Since then the turnover fell from \$1,200,000 to approx \$550,000 this financial year.

Staff levels have dropped from 20 employees to 6.

1 would like to convey the following points.

- A/ The SIP program is of little benefit to employers of my size as it requires substantial investment in plant and equipment during a period when sales are declining and it is difficult to envisage a viable sector in the near future.
- b/ The critical mass supporting the TCF Industry is vanishing. I am now struggling to purchase raw materials, buttons etc. All of my suppliers are reluctant to carry substantial stocks. Most spare parts must be airfreighted from overseas at considerable cost where previously they were held in stock. My specialist programmer is studying architecture and is leaving the industry soon.
- c/ My sales network of agents all over Australia is collapsing. Most smaller commission agents are simply not viable and are closing.
- d/ Competition from the import sector is becoming increasingly talented as manufacturers close and shift their skills to importing.

- e/ I am frustrated trying to deal with a Workcover system which is abused, and despite adopting best practices I am unable to protect myself from ridiculous claims costing me time, money and the enthusiasm required to continue.
- f/ Unfair dismissal laws currently affecting small business are a substantial burden and lead to uncompetitive practices in the workplace.
- g/ The GST has been damaging to TCF industries.

In summary I feel that the TCF inquiry and report to government will be of little relevance as there will be no substantial industry left by 2005. I'm sure my views would be endorsed by nearly all of my competitors in the knitwear sector.

I invite any commissioners who may be interested to see first hand the difficulties of the textile industry to contact me and arrange an information day at my factory.

Yours sincerely

Paul A, Furst
Managing Director