

Post – 2005

Textile, Clothing and
Footwear

Assistance Arrangements

SUBMISSION

TCF RESOURCE CENTRE (WA)

PO Box 370, Cloverdale WA 6985

Manager Carol Hanlon

Phone 08 9479 3777 Fax 08 9479 3888

Email info@tcfwa.com Web www.tcfwa.com

The TCF Resource Centre (WA)

In Western Australia there is no dedicated Industry Association that covers the entire TCF industry and individual sectors. The TCF Resource Centre has been the major organisation in WA able to bring together, through various projects and services, many of these different sectors to achieve mutual benefits. Subsequently it is through experience and relevance that this Submission is being presented.

TCF covers a large number of fairly distinct sectors that have very little in common, in terms of markets, supply, manufacturing, and skill requirements. 21 ANSZIC TCF classifications exist, highlighting the large number of distinct sectors. Being able to comment to this Inquiry with current and relevant issues of importance to the Productivity Commission, requires relevant and up-to-date responses. The TCF Resource Centre can provide the most relevant response, for WA.

The TCF Resource Centre was initiated in 1998, through the Belmont Business Enterprise Centre Inc., due to the vast experience of the Executive Officer in TCF, across Australia. At that time there was no support or range of services available to the WA industry. The type of services now available, reflect those of the Business Enterprise Centres (BEC).

“provides free business counselling and guidance for people wishing to start a new business or for existing businesses to improve & expand. It provides referrals, training and mentoring and arranges specialist advice on business planning, marketing, government regulations, government assistance schemes, trade, legal and accounting information.”

In total 16 training programs are conducted monthly covering topics such as

- Marketing
- Financial management
- E-commerce
- Export introduction
- Pricing and costing
- Customer focus

In the past 5 years WA participation in Fashion Trade Exhibitions/Shows have been coordinated, by The TCF Resource Centre (WA) including

- Mercedes Australian Fashion Week (Sydney)
- Fashion Exposed (Melbourne)
- Singapore Fashion Week
- Hong Kong Fashion Week
- Perth Royal Show (over 120 designers)

All these activities have directly benefited those designers/manufacturers that participated eg new agents/distributors, direct sales, promotion/marketing.

It has been through the experience and networks of the TCF Resource Centre (WA), that direct interventions have benefited the WA industry. Other projects/activities have also been coordinated. A project recently implemented includes “DESIGN EDGE – TCF Australia Uncovered”, which will be conducted during Perth Fashion Festival (September 2003), and involving an incoming buyer program (Australian & from overseas), exhibition space, Industry Awards, and a conference.

INTERPRETATION OF “INQUIRY” ISSUES

Having such a solid understanding of the WA TCF Industry, and it's requirements, the TCF Resource Centre (WA) submits that there are several key areas requiring “assistance arrangements”. These include

- Support for micro / small business
- Facilitation of “sourcing opportunities”
- Provision of mentoring
- Funding for specialist advice/business centres

The Productivity Commission has requested an evaluation of current assistance arrangements as a major component for discussion. None of the requirements above (and explained in more detail shortly), “fit” into current assistance arrangements.

The various generic Government Funding Grants that exist, certainly support the TCF industry eg, EMDG, however various others do not eg, COMET, The Innovation Investment Fund. The major funding opportunity for TCF is the SIP. Having been involved since the 1999 “Strategic Investment Program” discussions, and subsequent policy/program, it is

possible to say that the Program didn't help WA Industry. Throughout those initial discussions many West Australians identified the deficiencies in the Program for WA.

The small businesses in WA could not meet the "requirements" to access funding, and the program wasn't flexible enough to encourage its own objectives ie. technology development/information technology (eg second-hand machines weren't eligible). I am not aware of WA micro/small businesses that accessed funding. Therefore, the Program did not encourage efficiency, productivity, innovation, exports. It could not be considered successful, in assisting the Australian TCF Industry.

2003 – 2005 ISSUES

A major government consultation process, with the Australian TCF industry occurred in 1999/2000. The issues that emanated from that report are much the same as they are today.

Very little has changed, except the GST. Which for most in the TCF Industry was extremely detrimental. As a manufacturing sector it enjoyed the benefit of "sales tax exemption" and many involved with various products (eg children's clothing) benefited from zero wholesale tax. So to suggest that the GST could have benefited these TCF companies, would need a much stronger argument than can be given. The Government needs to consider supporting those few manufacturing sectors that still exist in Australia, or we shall have none, "SIP" did not do that.

The issues summarised from the 1999/2000 discussions that are just as relevant today include

- Encouraging new entrants
- Investment dollars
- Niche/quality approach to markets (+ exports)
- Better strategic planning
- Training and multiskilling
- Need for networks and advice
- Industry/professional associations
- Technology issues
- Supply chain management
- Supporting innovation
- Changing the culture

- Removing barriers
- R&D eg textiles

The issues listed above are exactly the same issues the TCF Resource Centre of WA deals with every day. It resolves many of them through the activities and projects it conducts.

During 2001/2002 the TCF Resource Centre (& Belmont BEC) provided over 10,000 “client assists”. This included referrals, participants in training, new clients (574), fashion shows, telephone inquiries/referrals/visits, visits, and other network or project participants. This represents a significant quantity of support and assistance provided to the WA TCF Industry

It is not possible to mention all the successes that have resulted from those “client assists” but, many clients have received National and International recognition through the assistance provided them, including

- National award winners (women’s, management, export)
- National & International orders/sales
- National & International exposure/acclaim
- National & International networks

These “client assists” have resulted in efficiency, improved productivity, innovation, quality, exports. All are objectives of Government and the Productivity Commission.

NEW ASSISTANCE ARRANGEMENTS 2003 +

1. Support for Small Business

The statistics on the number of WA companies that constitute “small business” encompasses approximately 80-90%. The support and assistance required by these enterprises is the type provided by the TCF Resource Centre (WA), direct intervention/advice. The needs are based on information, advice, training, mentoring, and networks eg supply chain, markets, partnerships.

Small business time is valuable therefore, owners/managers are very selective about what will assist their business, and what they invest their time in. The successes of the TCF Resource Centre of WA demonstrate real industry and company investment.

RECOMMENDATION :

That financial assistance is provided to TCF Resource Centres to implement the model, developed in WA.

That the SIP seeks to incorporate small business requirements

In Melbourne in 2002, the TCF Group Forum, through their “10 Year Textile Clothing and Footwear Industry Strategy Report” clearly supports the WA TCF Resource Centre model

“The TCF Resource Centre is a potential model for the creation of a centre in each State which will develop closer cooperation between industry associations and Governments. Individual firms and State Industry Associations would use these Support Centres for networking/information sharing and supply chain integration Activities, such as those associated with manufacturing strategies.”

2. Facilitation of sourcing opportunities

In an effort to improve efficiency and productivity many companies, regardless of size, have a requirement to continually source new

- Suppliers
- Fabrics/textiles
- Assembly components
- Skilled consultants (for this industry)
- Contractors/employees/CMT
- Agents/distributors
- Technology
- Import/export opportunities
- Markets
- Manufacturing systems

The time component of sourcing effort is substantial for manufacturing businesses. Normally each company conducts it's own sourcing. The better the network and networking skills of the business, the better the information received. Many databases exist but, none specifically for TCF that are also utilised within a TCF Resource Centre support network, that provide knowledge and dissemination of information to specific market sectors and that identifies opportunities and provides the mentoring, business support skills and training necessary for small businesses to grow and develop.

RECOMMENDATION

That State based databases be established, including all relevant industry Stakeholders, that can be linked nationally [funded and initiated by the TCF Resource Centres]

3. Provision of Mentoring

In the process of identifying a client's potential skill requirements, potential for success, potential growth opportunities, it has been identified by the TCF Resource Centre (WA) that it cannot provide sufficient time to adequately address all issues. The major role is to provide information and advice, and to facilitate this through the provision of training and skills development (or self learning). For many companies their requirements for assistance are quite large eg start-ups, young designers, and even those extremely proficient at business but, new to the TCF industry (these people with skills and investment dollars should be encouraged in this industry).

It has been identified that mentoring/coaching is a particularly useful way of identifying an individual's or company's needs. The time to adequately understand a client's business takes time. Due to limited funding the TCF Resource (WA) cannot dedicate the time it sometimes needs to understand a person's business.

Through experience, and case studies with our current mentor, the need is for at least 2 hours of consultation, to be most effective with the identification of needs. Many multicultural participants exist in the WA TCF industry, and supply chain. Additional time with this client base is required.

Through experience it is possible to identify the major items of discussion between mentor and client. These include the better management of

- Financials/budgets
- Business plans/growth plans
- Cashflow management & growth funding
- Marketing/ accessing new markets
- Supply chain opportunities

The linkage between direct one-on-one mentoring and the skills development workshops already conducted by the TCF Resource Centre (WA), is immediate as the "loop" between identification of need and

support exists within the one organisation. Direct knowledge of the training programs available facilitates direct intervention in improving the skills base of small business in Western Australia. The fact that most of the training is TCF specific, or presented by TCF industry people is a further major benefit.

RECOMMENDATION

That a Program be developed which allows access to specialist “mentors” to provide a once-off 2 hour consultation with approved TCF companies, to facilitate efficiency, innovation, and productivity (this program to be administered by the TCF Resource Centres, and funded).

4. Funding for Specialist Advice/Business Centres

It has been identified throughout this report that the TCF Resource Centre (WA) model works, and works extremely well (letters of support will be provided at “interview”, which I have requested with the Productivity Commission as part of the consultation process for the Inquiry). Much more information about the formulas and methodologies of the TCF Resource Centre (WA) could be presented here but, that would be redundant if the inquiry were not earnest in it’s attempts to improve efficiency, innovation, productivity, and exports.

Currently Business Enterprise Centres (BEC’s) are funded through various Funding Programs within each state sector. In WA there are 37 BEC’s and in total some 120 BEC’s exist Australia wide. Is it not possible to create a few more that would become industry specific? If that is too much temptation for all Industries to call for such Centres, and Government funding, then alternative arrangements could be determined.

SIP has it’s advantages for some of Australia’s TCF industry. It does not provide advantages for most of the Australian TCF industry. The TCF Resource Centre (WA) model does provide direct benefits to all Western Australian TCF companies. Similar models across Australia (or at least in those States that can constitute such an organisation) would benefit the entire Australian TCF industry.

RECOMMENDATION

As suggested by the 2002 TCF Forum Group, the TCF Resource Centre (WA) should become the model for, the creation of like organisations facilitating advice, assistance, information sharing, networking, and supply chain integration activities, which can also facilitate young designers/new entrants to increase the total TCF industry. These organisations should attract sufficient Government funds to meet their objectives.

SUMMARY

Much information about the challenges facing the Australian TCF industry, has been gathered over the years, by Government. The subsequent policies and funding programs have benefited some but, not most. Certainly not those in Western Australia.

The TCF Resource Centre has participated in all those discussions, and in most instances the high quality, and active participation by the WA industry, is due to the TCF Resource Centre's participation and energetic dissemination of Government Policy documents, and consultation dates, (and encouragement to attend).

The Recommendations presented in this Submission are real options for improving the opportunities of the Australian TCF Industry. I hope they provide a basis for discussion.

Carol Hanlon
Manager
TCF Resource Centre (WA)
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