Productivity Commission Position Paper on Textile Clothing and Footwear Industry

Tasmanian Government Response

June 2003

Centre for Research, Industry

and Strategic Planning

Department *of* Economic Development

Tasmania

Executive Summary

The position paper produced by the Productivity Commission is a well considered and well researched document that reflects the general position of the national Textile Clothing and Footwear (TCF) industry.

The Tasmanian Government agrees with the general principle that reduced Commonwealth Government assistance and protection, and the promotion of international free trade, helps create efficient and competitive industries and businesses.

Changes to Australia's tariff regime however, should not be considered in isolation to levels of market protection afforded by our major trading partners.

The Tasmanian Government maintains that current tariff rates should be preserved at current levels until our major trading partners bring their tariff and non-tariff barriers into line with ours.

We must re-emphasise the importance of ongoing industry and market development support at national and state levels of government. The Tasmanian Government believes that locking in tariff changes and not recognising the need to monitor global changes on a regular basis would be a serious flaw in policy.

In response to the Productivity Commission's request to select a preferred option from a range of suggestions, the preferred option for tariff levels identified by the Productivity Commission is supported. This option is:

Maintain all TCF tariffs at 2005 levels until 2010, then reduce to 5 per cent and maintain to 2015. Reduce tariffs on apparel and certain finished textiles to 10 per cent in 2010 and then to 5 per cent in 2015.

The Tasmanian Government strongly supports the proposed extension of the SIP funding and has specific suggestions on how to better position the program to meet the needs of the TCF industry particularly in regional Australia.

The SIP program has been well received by the TCF industry in Tasmania. There are consistent messages from industry on the importance of continuity and consistency in assistance for restructuring the sector. In developing a forward looking SIP replacement strategy, issues of access by industry, relevance of support activities for future competitiveness of the industry and firms, and the impact on vulnerable regional industry, should be key priorities. Tasmania has a strong interest in working with the Commonwealth in this critical design phase.

While the TCF sector in Tasmania is small it is recognised as being at the leading edge and it is far more regionalised and vulnerable than in other states. The TCF sector makes significant contributions to import replacement and export for Tasmania and is a significant contributor to employment in regional areas. The local industry has embraced the restructure agenda and the industry believes that it is or is close to being internationally competitive.

However, the industry has an amplified exposure to global economic conditions and its vulnerability means that employment in already stretched regional areas is at risk. Commonwealth government research clearly states that regional communities of less than 15,000 people are the least resilient to negative economic shocks. Loss of even one key industry player in a regional community would have serious economic consequences.

The Tasmanian Government does not expect the TCF sector to be solely reliant on Commonwealth initiatives for industry restructure. The Tasmanian Government has a structured approach to economic development through its Industry Development Plan (IDP). The manufacturing sector is one of eight specifically targeted in the IDP and the Government is taking a systematic and strategic approach with major infrastructure development, investment attraction and industry development initiatives. These initiatives are aimed at raising the competitiveness of all Tasmanian industry and will increase the employment prospects of workers affected by ongoing restructuring in industries such as TCF.

Options for this transition phase of restructure in the TCF industry will require careful engineering. Transition must be consistent and provide continuity and assurance for investors in the sector or the consequences will be traumatic and expensive in monetary and social terms.

Recommendations for future SIP strategies are that SIP:

- Consider the needs of emerging industry players as well as established old industry players;
  - program to be simplified and the treatment of investment incentives far more timely than at present
  - a scalable hurdle rate dependent on business size or business growth rate
- Recognise the sensitivity and vulnerability of TCF in regional Australia;
  - adjust the entrance requirements based on the regional population base
  - address the underlying competitive issues of market access and skills availability facing regional TCF industry
- Target issues that are relevant to improving international competitiveness;
  - industry to be encouraged to move into zones that provide more sustainable competitive advantage
  - improve access to the R&D element of SIP
  - focus on markets and supply chain relationships
- Reconcile the conflict between short term economic pressures and long term social benefits for the community
  - better arrangements for debt and access to credit from the Australian finance sector
  - transfer the risk of the TCF sector out of government into the commercial sector
  - performance indicators for SIP that recognise the social benefits of the program

- Monitors international market parity
  - closely monitor relative market position of the industry and the international industry support environment
  - initiate mechanisms for adjustment of support to account for excessive market protection turbulence

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Overview / Introduction

The Productivity Commission Position Paper on the Review of TCF Assistance is acknowledged as a well considered and well researched document that reflects the general position of the national Textile Clothing and Footwear (TCF) industry. The Productivity Commission has attempted the difficult task of balancing the desires of industry with the industry policy pressures of government.

The Tasmanian Government agrees with the general principle that reduced Commonwealth Government assistance and protection, and the promotion of international free trade, helps create efficient and competitive industries and businesses. However, we must re-emphasise the importance of ongoing industry and market development support at national and state levels of government. The Tasmanian Government believes that locking in tariff changes and not recognising the need to monitor global changes would be a serious flaw in policy.

It is observed that the preferred option is the most advantageous for industry as more important than the tariff debate is the future of the SIP program.

The Tasmanian Government strongly supports the proposed extension of the SIP funding and has specific suggestions on how to better position the program to meet the needs of the TCF industry in regional Australia.

SIP funding provides a mechanism to influence the development of the industry and the achievement of sustainable international competitive advantage by individual firms in the TCF sector.

In bringing this submission together the Department of Economic Development has consulted with key players in the TCF industry, particularly those players in regional areas of Tasmanian like Devonport.

This submission focuses on the extension of the SIP program and emphasises:

- the current success of the SIP program;
- the structure of the TCF industry in Tasmania;
- the vulnerability of regional areas such as Devonport to economic shock;
- the level of commitment to change in industry and government in Tasmania; and
- the options for moving SIP and the TCF industry forward to sustainable international competitive advantage.

TCF Industry in Tasmania

The Tasmanian Manufacturers Capability Register lists 46 businesses in the TCF sector in Tasmania (see Appendix 1). These businesses have a spread across the state, are diverse in their market niches and demonstrate a high level of innovation in their competitive market advantage. Most are micro businesses but many are considered leading edge businesses nonetheless.

One third of these businesses are actively exporting and over half are marketing product interstate.

The industry is characterised by being market focussed, innovative and working in areas where a competitive advantage can be maintained.

This means that there is a high level of exposure in the industry to international markets and to the protection policies – tariff and non-tariff – endemic in this global market.

Importantly, significant players in the industry are located in key regional areas in Tasmania, most notably Devonport on the north west coast.

The industry in Tasmania can be segmented according to size and maturity. Broadly these can be described as the emerging growth businesses, the long established mature major manufacturers; and the mature domestic focussed businesses.

Emerging growth businesses

There are many emerging businesses that are in growth phase or in phase change leading to growth. These businesses are carving out niches for themselves in national and international markets largely based on innovation. This innovation includes product design and process innovations such as supply chain management initiatives. Examples of these would be Anchor Wetsuits targeting highly specialised clothing for recreational fisherman, building on Tasmania's reputation for excellent fly fishing; Stormy Australia creating innovative safety products for sea farers under the Stormy Seas label; and Casaveen who have established a boutique knitted garment business in rural Tasmania based on supply chain management and fashion design for its competitive advantage. Businesses such as Life Raft Systems sit on the edge of the TCF sector and use creative design and advanced industrial fabrics to produce world class and globally competitive marine safety and evacuation products.

These businesses are exposed to international markets and are vulnerable in part because they are in a growth phase. In this way they are no different in their needs to other growth industries and businesses that are in early stages of export market development. Support for initial export activities, support for business management skills development, business structure development, quality assurance, access to development capital, investment readiness, research and development support and business mentoring provide these businesses with the greatest value.

These businesses are vulnerable to inequities in global tariff barriers. However, this vulnerability is not as great as the vulnerability of the next group, the long established mature major manufacturers. The emerging growth businesses are less constrained in their markets and can and must seek specific niches where a price premium can be extracted. Restructuring is not an issue for these businesses and they are probably not the target of the existing SIP program. However, this group is very important for the future competitiveness of the sector and the emergence of new growth.

Long established mature major manufacturers

This group would appear to be the prime target group of the existing SIP program. The remaining businesses in Tasmania are Waverley Woollen Mills in Launceston, Australian Weaving Mills (AWM) and Tascot Templeton Carpets in Devonport, and Blundstone in Moonah.

These are long established businesses employing between 100 and 500 employees each. They are all in export or import replacement markets and are heavily exposed to international trade imperfections.

Significantly, all of these businesses have made excellent progress along the path to international competitiveness and are moving with the changes in the operating environment.

Blundstone is recognised as an Australian icon ("The Great Australian Boot Company since 1870") and its boots have reached into the fashion markets of Europe and North America.

Tascot Templeton has invested heavily in new carpet manufacturing technology and has secured high profile customers such as the Changi Airport in Singapore.

Waverley Woollen Mills has invested heavily in new technology and report strong productivity growth. Parallel with the investment in modern technology and a strategy of maintaining a close to leading edge position, Waverley is investing in innovation with new products to meet emerging market needs.

Australian Weaving Mills is well into a program of redevelopment and has developed ground breaking systems in Vendor Controlled Inventory that is viewed as a role model for all manufacturing industry by establishing non-price generated competitive market advantage. AWM has also invested in computer controlled manufacturing that reduces wastage and minimises environmental damage from effluent. Significantly, AWM is also investing in development of the skills of its workforce and is establishing novel and highly effective training systems that will again be iconic for regional and metropolitan human capital development programs. Coordinated with the capital investment program, multi-skilling of the workforce is providing obvious benefits to employees with greater options for employment and obvious benefits for the employer with greater flexibility to adjust production to meet consumer needs.

However, while each of the players is making significant progress into international competitiveness, the short term viability of investment in the sector is heavily dependent on a favourable government policy environment.

Tascot Templeton provides a strong message for the ongoing investment by major players in TCF in Australia that is worth repeating:

> Ulster Carpets [parent company for Tascot Templeton] in the UK have developed world leading technology in woven carpet production, but would not consider significant implementation into the Australian operation unless an environment of reasonable predicability and certainty existed.

Waverley reports that while it can be considered internationally competitive its markets are threatened by tariff inequities and its leading edge technology strategy requires significant ongoing investment with short windows of opportunity for reaching break-even on investments.

Each of these businesses has invested heavily in technology to improve its production efficiency and quality. However, all report a need for ongoing investment in updating technology, adding pressure to the need for some degree of certainty on the tariff issue for them to justify major investment for single digit productivity improvement.

Each of these businesses has received significant offers to relocate operations, some of these interestingly from other state governments, and hovering in the background is the temptation to take production offshore to take advantage of various incentives offered by foreign investment attraction agencies.

Each of these businesses is highly vulnerable and their loss would have serious consequences for regional communities.

Mature domestic focussed businesses

These businesses are most likely to be outside the scope of the SIP funding initiative. The businesses operate in a geographical niche with limited market growth potential and little exposure to international competition. Raw materials are usually imported and value added for a very localised market.

While these businesses can benefit from business development initiatives that target business efficiency, their needs are generally met through other pathways. For example, the Tasmanian Chamber of Commerce and Industry (TCCI) provides training and development activities targeting business development and the twelve Business Enterprise Centres (BECs) in Tasmania are a valuable source of information on establishing and operating profitable enterprises in the communities they serve, providing free information, support and referral services to business intenders and micro-business owners and operators in those communities, and help existing enterprises identify and analyse new business opportunities.

Success of SIP Program

The SIP program has been particularly successful in facilitating change in the TCF industry in Tasmania.

Waverley Woollen Mills in Launceston and Australian Weaving Mills (AWM) in Devonport are two leading examples of investment in modern technology delivering productivity gains and improving the international competitiveness of the businesses.

Waverley reports huge productivity gains through investment in technology. In 1994 Waverley employed 93 people in the yarn making division and produced around 4 tonnes per week. Following an aggressive investment program it now employ seven people in this area and produces four times the amount.

AWM is well recognised by the Commonwealth as a business that is demonstrating best practice to the TCF sector and indeed to businesses in other sectors. AusIndustry uses AWM as a case study for training systems to achieve best practice. AWM has developed Vendor Controlled Inventory systems that are providing a market edge and Commonwealth agencies are enthusiastic about the prospect of transferring this technology broader and deeper in the supply chain.

None of this would have been possible without the SIP funding support.

AWM report an excellent return on investment for the Commonwealth on SIP funds accessed. AWM has received $1.8m pa of support for capex and this has been critical for securing the viability of the company. The annual wage cost for AWM is in the order of $10m with 90% of employees located in the regional community of Devonport. Applying standard employment multipliers and adding local goods and services purchases this company alone adds in the order of $21m to the local economy.

Tascot Templeton in Devonport reports that the SIP funding has been “vital in assisting the investment in new technology and the development of new products and processes”. They readily acknowledge the benefits of the program and that the program has enabled them to reposition themselves from “a position of inevitable decline to one of the most progressive manufacturers in the Australian textile industry”. Clearly SIP has been successful in offering real protection for employment in the industry and lifting the competitiveness of the sector.

SIP will continue to secure productive investment, should it continue. Tascot Templeton points to significant inward direct investment should there be continuity and genuine government interest in maintaining international competitiveness for the sector.

AWM is part way through a forward investment program that has benefited from participation in the SIP program. There is also an opportunity for SIP to be a significant cornerstone of further development of supply chain management innovation, extending the benefits to include relationships with smaller retail ventures and back along the supply chain into raw material production – expanding the reach and depth of competitive advantage to further anchor the future of the industry.

Waverley also reports an ongoing commitment to technology and R&D investment.

Impact of Radical Change for Regional Australia

> "Regional communities with populations of under 15,000 are the least resilient to negative economic shocks." Houghton, K (1997) *Jobs in our Regions: Building on the Small Business Base* Council of Small Business Organisation of Australia Ltd and Department of Transport and Regional Development. Canberra ACT.

The regional communities in Tasmania that are reliant on major TCF industry players for employment are exceptionally vulnerable to shifts in the global TCF environment. Of particular importance is the community of Devonport, but there are grave concerns for the potential social impact in each of the communities where these industries are located.

Not only is there an economic impact but there would be a severe social impact should there be a loss of only one of these significant employers.

Researchers in social capital clearly recognise that employment and the relationships and self worth that come from employment are significant contributors to social capital (for example, Onyx and Bullen). Research by the nationally recognised Centre for Research and Learning in Regional Australia (CRLRA) identifies social capital as a key element of job creation in regional Australia. Obviously we have a positive feedback cycle that amplifies the impact of job loss (or gain) in regional Australia.

Regional Tasmanian TCF businesses report a high percentage of employees being on pro-rata long service leave arrangements - they have been employed with the same company for in excess of 10 years. This means that the workforce is very stable but it also means that the workforce has a particular skill set that suits the TCF industry and that is not transferable into other industries. Management of regional TCF businesses were unanimous in their concern that should the business close down or relocate, the current employees would have little or no prospect of achieving alternative employment. The economic and social impact of this, even in larger regional centres such as Launceston but particularly in Devonport, would be extremely serious.

The burden for this would transfer from SIP to the social welfare system, creating a far larger burden on tax payers.

Employees and labour are not as mobile as capital. Discussions with employees in the industry indicate that family and community connections would prevent most from relocating to other centres and the consensus was to move on to the social welfare queue.

The regional communities of Tasmania have similar age profiles to other regions of Australia. The populations are significantly older than average, the highest level of education attained is well below the national median and the propensity to participate in formal education is lower than the national median. Employability of these people is lower than average.

Regional Tasmania has a higher than average reliance on the TCF industry for employment. As noted in previous submissions the electorate of Braddon (the north west of Tasmania including Burnie and Devonport) has 1.26% of total employment in the TCF industry, compared to a national average of 0.78%. This is a heavy reliance on TCF and the majority of this is in Devonport. Over 5% of employment in

Devonport is reliant on the TCF industry. Combining this statistic with the total population being close to the 15,000 threshold for resilience to economic shock, Devonport must be considered particularly vulnerable. This means that any economic and social shock from changes to the TCF industry operating environment will be most evident in regional Tasmania and in particular in Devonport.

ABS statistics indicate that employment participation rates in the Mersey-Lyell statistical region are amongst the lowest in Australia (three other statistical regions in Australia are lower) and the unemployment rates are amongst the highest (five other regions have a higher unemployment level).

Tasmanian Commitment to Development

Tasmanian Government performance

The Tasmanian Government has a strong commitment for attracting investment and creating employment within Tasmania and is clearly making headway. Key priorities of this Government are to increase the proportion of the Tasmanian population in the workforce and to reduce the extent of under-employment. Industry growth and economic development are key pathways to these objectives and are reflected in the strategies of the Government's Industry Development Plan that places emphasis on:

- Encouraging Exports and Developing Markets;
- Building on Infrastructure;
- Promoting Investment Opportunities;
- Stimulating Innovation;
- Developing the Tasmanian Brand;
- Enhancing Industry Training and Skills; and
- Improving Access to Capital and Finance.

The Tasmanian Government is now able to report success in stimulating economic growth.

Tasmania Together states that confidence in the Tasmanian economy is at record levels. Business confidence is at an all-time high, job opportunities are surging, unemployment is on the way down and the Government's target of 4,000 extra jobs in the 2002-03 financial year has been surpassed.

Natural gas, wind power and Basslink are spearheading a $1.25 billion investment program, providing the foundation for further economic growth for many years to come. Natural gas has been brought to the State for the first time; stage 1 of Hydro's Woolnorth wind farm project, a truly magnificent feat of engineering and strategic planning, is now a reality in the North-West; and the construction phase of Basslink has commenced.

The State's two new ships, Spirit of Tasmania I and II, have resulted in increased visitor numbers, giving the overall economy a strong boost.

In addition, the Water Development Plan will help farmers increase the contribution that primary industries make to the State economy.

The benefits of these achievements will be with us for a very long time because our economy will be based around a more innovative, confident and entrepreneurial business culture than we have seen in the past.

This is no accident. Underpinned by the Government's Industry Plan, our economic development programs are:

- Providing assistance to start-up and innovative businesses;
- Helping established businesses expand and gain access to new markets; and
- Ensuring skills development is linked to industry growth.

The results have been remarkable.

Tasmania's population is growing again. Total net migration levels are positive for the first time in 12 years, with a significant increase in the number of interstate arrivals and a marked decline in the number of people moving to other states.

The Government will continue to assist in attracting and retaining new settlers through a range of programs and strategies, including the Business Migration and International Business Relocation Program and the Regional Sponsored Migration Scheme.

Creating more jobs and reducing the number of unemployed Tasmanians remains the Government's number one commitment.

To assist in this we are helping the most disadvantaged in their search for employment. Key activities include:

- Partnership to Jobs: a new and innovative partnership with community sectors to create jobs suitable for disadvantaged job seekers; and
- Encouragement for small businesses through the job network division of Business Enterprise Centres to employ people under the Intensive Assistance Unemployment Program.

This clearly demonstrates that the Tasmanian Government is committed to developing the economic and social capital of the state.

Industry commitment

The TCF industry has also made significant investment in the future in good faith. There is still passion and loyalty expressed for the industry and a firm vision that it can reach, and continue to be, internationally competitive.

Industry players are investing in R&D which is inherently risky. There are significant risks of failure and there are significant risks that the business investing in R&D will be unable to capture all the benefits from that investment. Yet R&D continues to feature, and innovation is clearly one element of the challenge of maintaining international competitiveness.

Industry players have invested in technology that may have a working life of 50 years but may be superseded within 5 years, the time it takes for technological advances to render the equipment inefficient and uncompetitive. This has required a strong faith in the future viability of the industry.

Industry players are investing in their people. Career paths for employees and on-the-job training and development are strong features of the human capital development strategies of TCF industry participants.

Industry players are investing in market development and relationship capital in the supply chain. This is a challenging area to develop competitive advantage and requires a commitment to the longer term to be effective.

Future SIP Strategies

The Department of Economic Development has discussed the previous performance of the SIP program and future needs with key industry players in Tasmania. Reference has also been made with the industry policy development and economic development program delivery areas within Government with the purpose of exploring preferred policy options for the SIP program moving forward.

Emerging Industry Needs

The current SIP program does not take into account the needs of emerging new firms in TCF.

The scope of the SIP program should be expanded to accelerate the development of emerging new businesses in the TCF sector. These businesses are particularly vulnerable to market inequities and are the likely source of growth in employment from the TCF sector.

The objective of the program is stated as:

> TCF SIP is a Commonwealth funded Scheme designed to foster the development of sustainable, competitive TCF industries in Australia during the transition to a freer trade environment post 2005.

This clearly does not exclude emerging innovative firms yet the program guidelines clearly place a barrier of $200,000 capital investment before a business is eligible to participate in the program. One approach to the need for a hurdle investment would be to have a scalable hurdle rate dependent on business size or business growth rate.

Another barrier placed before industry is the complexity of the process and the extended time frames for reimbursement of funds. The impact on cash flow and lines of credit is critical for these businesses.

To resolve this impediment the processes for access to the program will need to be simplified and the treatment of investment incentives far more timely than at present.

Vulnerability of TCF in Regional Australia

The current SIP program does not acknowledge the differences between regional and metropolitan TCF businesses.

Building in recognition of the vulnerability of TCF in regional Australia is highly desirable for the SIP program.

The options for achieving this are to adjust the entrance requirements based on the regional population base and/or to address the underlying competitive issues of market access and skills availability facing regional TCF industry.

Adjusting the entrance requirements for regional industry would provide more immediate access to support funding and reduce the impact of cash flow and credit limits on these businesses.

Initiatives targeted at improving market access (national and international) could be used to shift the balance of support to regional industry such as that in Devonport. Activities such as vendor controlled inventory system development and customer intimacy based value disciplines are examples of non-price competitive advantage development initiatives that will benefit all TCF businesses and will erode the barrier of distance to market.

Greater emphasis on skills development will have benefits on two fronts. It will improve the productivity in the work place, increasing the international competitiveness of the business, and it will increase the employability of staff who are encouraged to change employment as the industry continues to adjust. Recognition of on-the-job training and development programs should be a clear focus of the program and leaves a legacy of improved social capital in the local regional communities.

Improving International Competitiveness

Current SIP support has a serious mismatch with the drive for international competitiveness in the TCF sector.

There are three internationally recognised strategy streams for positioning a business and creating competitive advantage. These are known as product excellence, customer intimacy and product innovation value disciplines.

A major emphasis of the SIP funding to date has been an efficiency drive characterised by a heavy technology investment program. This strategy is a product excellence strategy that is generally based on price/quality and commodity marketing. This has been necessary to bring the industry up to the international competitiveness line but alone is unlikely to provide a sustainable competitive advantage to the industry. Use of technology to facilitate greater supply chain coordination is one example of a customer intimacy strategy and R&D is a key element of product innovation strategies.

The industry must be encouraged to move into more sustainable competitive advantage zones. The current SIP program does provide for R&D activities (product innovation) but it does not obviously provide for activities targeting the intermediate step of a customer intimacy strategy.

Comments from industry indicate that access to the R&D element of the program is difficult which impairs the effectiveness of the program.

Redeveloping the SIP program to account for customer intimacy and product innovation strategies will better anchor the international competitiveness of all players in the industry. However, these elements in SIP must be far more accessible than they currently are.

Monetary and Social Capital

Re-engineering the SIP program presents an opportunity to adjust the risk exposure of government and investors to the TCF industry. It is time for the finance sector to apportion an appropriate risk profile to the new TCF sector in Australia.

A consistent call is for there to be better arrangements for debt and access to credit from the Australian finance sector. Traditional banking sector risk models place heavy imposts on the TCF industry in Australia with risk premiums and very short lease periods for what should be long term investment in the sector. Internationally lease terms for investments are more in line with the life of the equipment – periods of 20 plus years are cited. Regional industry in Tasmania report demands for 4 year payback periods and lease terms for investments which places a far higher hurdle in front of the industry than is placed in front of international competitors.

The benefits of the SIP program are not being recognised by the finance industry.

The industry has progressed significantly under the guidance of the SIP program – it is time for the finance industry to recognise this and there is a role for government to promote this position.

There is an ongoing need for investment in the industry – Tasmanian businesses report that they are still only part way through their capex investment programs. Addressing this market failure will effectively transfer the risk of the TCF sector out of government into the commercial sector where there are appropriate mechanisms for managing that risk.

While it is important that ultimately the risk is transferred away from government to the commercial sector, it is important that this transition is gradual, not abrupt, and provides time for businesses to adapt to new conditions. Economic shock is to be avoided!

Monitoring the international market parity

The Tasmanian Government believes that locking in tariff changes and not recognising the need to monitor global changes would be a serious flaw in policy.

Level of support and time frame for support should be contingent on global parity and pace of change within the industry, and it is critical that the Commonwealth is alert to changes in the trading environment.

The Tasmanian Government and the Tasmanian TCF industry strongly recommends the relative market position of the industry and the international industry support environment is closely monitored, and that mechanisms for adjustment of support are put in place to account for this turbulence.

Appendix 1

Businesses listed in the Tasmanian Manufacturers Capability Register located on the Department of Economic Development web site : (http://bashir.dsd.tas.gov.au/dsd/mardir.nsf/all+forms+by+cat?OpenForm&Cat=Textile,+Clothing,+Footwear+and+Leather)

Anchor Wetsuits
Australian Weaving Mills
B.A. Leslie & Son Pty Ltd
Baby Paws Australia Pty Ltd
Badger Makes Badges
Blinds Direct
Blockmack Pty Ltd (trading as Waverley Woollen Mills)
Blundstone Pty Ltd
Casaveen Knitwear Pty Ltd
D.R. Marine Enterprises
Dennis Green Advertising - Illustration & Design
Dios Design & Manufacturing
Eroleed Pty Ltd
Featherstone Interiors
Hood Sails (Tas)
International Foot & Shoe Clinic
James Nelson (Tasmania) Pty Ltd
Kuver Designs Pty Ltd (trading as Eenee Designs)
Liferaft Systems Australia Pty Ltd
Mailhouse Tasmania and Oak Sewing Service
Max Coombes & Son Pty Ltd
McPhersons Auto & Marine Trimmers
Monart Pty Ltd
Neale Edwards (Trading) Pty Ltd
Netcraft Pty Ltd
Peter Johnston Pty Ltd
Pickers Canvas & Plastics Pty Ltd
Southern Cross Country
Steve Walker Sails Pty Ltd

Stewart Canvas
Stormy Australia
Streets G.R. & V.P.
Sunsifter Blinds
T.V.U. Industrial
Tasfoam & Upholstery Supplies
Tasmanian Clothing Company
Tasmanian Uniform Specialists Pty Ltd
Tastex Knitwear Inc
Taz-Hatz
The Leather Connection
The Sewing Room
Toby Muir Wilson & J. Binoth Partnership (trading as Toby Muir Wilson)
Trash Monsters
Uniform City Pty Ltd
Universal Nets Pty Ltd
Walu P/L (trading as Wayne Davis Furniture Design)