

Textile sector in a bind

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June 12, 2008

VICTORIA'S \$1.2 billion textile and fibre sector shrank by nearly 25% in the four years to 2006 while estimated employment fell by nearly 15%, a report shows.

The Deloitte report shows the Victorian textile and fibre industry, the largest in Australia, is suffering from intense competition from Asia. But, surprisingly, the outlook for profits is upbeat.

In areas such as fabric formation, fabric finishing and wholesaling and retailing, more than 80% of producers surveyed expect earnings to grow over the next five years.

The report found there were opportunities to export technology rather than just products and there was likely to be demand for textiles and fibres from domestic industries such as construction and medicine.

Despite that, nearly two-thirds of respondents expect jobs to shrink or stay the same over the five years.

International Fibre Centre chairman Peter Loney said there was a future for the emerging and existing sectors. "We've always talked about this declining industry," he said. "This report shows that while there are segments that have declined, there are segments that are in quite good growth."

The IFC, set up by the Kennett government, provides funding to develop skills in the industry. It commissioned the Deloitte report. Skills and Workforce Participation Minister Jacinta Allan said the Government would provide easier access to \$8 million in funding for companies through the IFC.

She said the industry's future was in developing skills and moving into emerging technology and niche areas.