Network to encourage fresh ideas

Louise Dodson
National affairs writer

The federal government will fund a new network to strengthen collaboration on research and innovation in the traditionally fragmented textile, clothing and footwear (TCF) industry.

As the once highly protected industry braces for further tariff cuts next year, Industry Minister Kim Carr is setting up the textile, clothing and footwear innovation network to encourage the industry to adopt new ideas and practices.

This implements a key recommendation of Professor Roy Green's review of the industry, which reported last year to the government on measures to assist the sector as it braves cuts to tariff protection from 10 per cent to 5 per cent in 2010.

Through the network, the industry, which employs about 49,000 people, will have access to a specialist adviser to co-ordinate access to innovative ideas, the latest product and management research and appropriate business models.

In particular, the government hopes the network will encourage the industry to collaborate with researchers and educational institutions to develop innovative business opportunities.

TCF businesses may also be eligible for free business reviews as well as dollar-for-dollar tailored advisory service grants up to $20,000 to implement recommendations stemming from the reviews.

The network is expected to work with the industry's innovation council, which includes business, government and union representatives and provides advice on issues such as a voluntary ethical quality mark and voluntary national sizing standards for clothing and footwear. "This network will link TCF firms with the best ideas, experience and practice from within and outside the sector," Senator Carr said.

Assistance is at supporting development new product and process

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TCF exports have shrunk over the the decade to 2008 by an annual rate of 5.4 per cent while imports have risen substantially.

The government's strategy has to assist the industry to restruc- for new niche markets by ming more innovative and cost- tive.

overnment assistance is aimed upporting the development of products and processes, especially at the high-tech, high-value end of the market.

While the Green review recommended $250 million in targeted assistance to the industry, the 2009-10 budget allocated just $10 million in new funding in addition to existing programs.

Recovery accelerates push for executive pay rises

Alex Boxsell

The economic recovery and a big rebound in the sharemarket over the past seven months are likely to intensify pressure for executive pay rises after a double-digit decline in total pay packets during 2008-09.

The annual survey of executive salaries by *The Australian Financial Review*, released yesterday, found the average total pay packages for chief executives of the top 300 sharemarket-listed companies was $2.3 million in 2009, down 20 per cent on the previous year. The fall was largely due to the declining values of long-term incentives tied to a savaged sharemarket and restrictions on annual cash bonuses.

Remuneration expert John Egan, of Egan Associates, said concerns were emerging that, given Australia's positive economic position relative to many northern hemisphere trading partners, "companies can't continue for an extended period to not increase pay or address their competitive positioning because there is not an abundance of talent sitting on the bench waiting for work".

ACTU president Sharan Burrow said the high levels of executive pay were evidence that big business was out of step with community concerns about excessive risk and reward.

"With the typical chief executive still earning well over $2 million last year, it's clear that corporate Australia has not taken heed of community anger about executive greed. Even after the downturn, a top-300 CEO is still taking home almost 50 times average weekly earnings," she said.

Mr Egan said the lower bonuses paid in the most recent reporting period reflected an environment of declining company profits.

But there were "some companies that ... over the last 12 months have done quite well and they have responded to that success by paying people well," he said.

The new year should bring a return to "considered pay adjustments", because "most boards and chief executives would be reluctant to pursue a third year of a pay pause".

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Rudd in Afghanistan

Prime Minister Kevin Rudd has paid a Remembrance Day visit to Australian troops in Afghanistan. He made a detour to Tarin Kowt ahead of his planned visit to India which was to begin late yesterday. He and his delegation stayed overnight in the war zone just hours after an Australian digger was wounded by a roadside bomb. **AAP**

Vic backs private deals

Paying the private sector to build and run Victoria's $289 million Biosciences Research Centre would produce a 1.2 per cent saving to taxpayers compared with a publicly run process, a report says. The state government released the public sector comparator for the project yesterday. It also found the centre would be larger than if the state used traditional procurement methods. **Mathew Dunckley**

Hospital investments

Victorian Auditor-General Des Pearson has called for tighter oversight of the $1.2 billion invested by the state's hospitals. In a report released yesterday, he found 31 per cent of hospitals did not provide adequate investment reports to their boards, 83 per cent had not commissioned audits of investment practices and 26 per cent did not have an approved investment policy. **Mathew Dunckley**

Eyes for HR prizes

The Australasian management of eyewear company Luxottica has taken out major categories in the Australian Human Resources Institute national awards. Luxottica, which owns outlets such as OPSM and Sunglass Hut, won the award for HR Impact, and its HR director Rhonda Brighton was named HR leader of the year. Manufacturing manager Michael Fretwell is manager of the year. **Narelle Hooper**