



Tradex

Tradex helps Turner Bros furnish world's hotels

AusIndustry's *Tradex* scheme is helping Sydney business *Turner Bros* compete to supply soft furnishings to hotels around the world.

The family business began in 1906 as a general store in Kogarah, selling household items like mops, brooms and buckets.

The business evolved into a department store specialising in soft furnishings. Now great-grandsons Scott and Murray Turner are at the company helm, and are steering the company towards designing and installing automated blind systems for new generation commercial buildings.

They employ about 60 staff, and manufacture and design their products from their Marrickville headquarters.

Managing Director Scott Turner says the company has been specialising in supplying soft furnishings such as curtains, blinds and bedspreads, to the hospitality industry for the past 30 years.

"During the past 15-20 years we have progressively increased the export side of our business, and exports have grown from 15-20% of our business to 40-60% today."

Over this time, the company has built a solid reputation with Australian hospitality procurement companies.

During the past three years *Turner Bros* has exported to North America, the Caribbean, Mauritius, the Maldives, Indonesia, Malaysia, Hong Kong, Macau and Germany.

Turner Bros is eligible for *Tradex* because the finished products are exported. Being registered for *Tradex* means *Turner Bros* does not pay customs duty or GST on the materials it imports to make soft furnishings for export.



Turner Bros supplies soft furnishings, such as curtains, blinds and bedspreads, to hotels around the world.

Turner Bros is registered for Tradex.

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Being exempt from upfront customs duty and GST is important for the company’s cash flow, as it frees up money for other uses.

“Tradex is invaluable in providing us with an even playing field,” Scott said.

“For instance, our competitors in Macau manufacture in China and Hong Kong, and the textiles they import from the United States go into Hong Kong duty free.

“The Tradex scheme allows us to import our textile raw materials without the 10% duty, as well as being GST free. The lower Australian dollar has also been a big help.”

Tradex allows the company to compete on an equal footing with other Western suppliers, and even low-cost countries like China.

The textiles are imported because they are not available in Australia, but the furnishings are manufactured in Sydney.

“It would almost certainly be uneconomical to do business without this assistance from Tradex. Otherwise we would be at a 20% disadvantage against suppliers in Hong Kong and China,” Scott said.

The other side of *Turner Bros*’ business is designing, manufacturing and installing automatic internal and external shading systems for commercial buildings.

“New generation buildings have a double-skinned façade, similar to double glazing, but with a one metre space between the two sheets of glass,” Scott said. “Our blinds sit in this gap, and because they are enclosed, the whole system is computer-controlled.”

Turner Bros design and install the entire product, including the automated control systems.

The Tradex scheme is used to import the blade material used in the venetian blinds.

Export sales for the soft furnishings side of the business are \$7-10 million a year, while exports of the automated shading systems are less than \$1 million.

“We expect the value of exports from our automated shades to grow to \$2-3 million a year,” Scott said.



Turner Bros has specialised in supplying soft furnishings to hotels around the world for the past 30 years.



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Tradex provides financial relief to import/export businesses through an up-front exemption from customs duty and GST.

The exemption is on imported goods which are to be exported or to be used as inputs to exports.

Businesses must apply for this program before importing their goods. Once granted, a Tradex order remains in place until revoked.

The program aims to help Australian companies strengthen their international competitiveness. Because the exemption is provided up front, Tradex can provide significant cash flow benefits.

AusIndustry is the Australian Government’s principal business program delivery division in the Department of Innovation, Industry, Science and Research.

AusIndustry delivers more than 30 products, worth about \$2 billion a year, to more than 10,000 large and small businesses and 80,000 individuals.

AusIndustry products include innovation grants, tax and duty concessions, support for industry competitiveness, venture capital, and small business skills development programs.

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