

Chapter 7:

Purchasing and Distribution



Introduction

We feel that it is currently the case that the uniform shop is 'too difficult' for educators and administrators to contemplate.⁴⁶⁴

If schools choose to adopt a uniform policy that includes specific garments or other items, they are then required to make arrangements for the supply and distribution of those items. Schools have a number of options available to them in purchasing and distributing school uniform items, requiring them to make potentially complex business decisions that may affect all members of their school community. Based on discussion with its members, the Council of Textile and Fashion Industries of Australia Ltd reported that 'considerable problems exist with the current methods of buying and distributing uniforms from the perspective of manufacturers'.⁴⁶⁵ The Committee heard that such issues relate to Australian versus overseas manufacturing; materials and manufacturing processes for school uniform items; school uniform purchasing arrangements; and the management of school uniform shops. This chapter discusses the evidence received in each of these areas throughout the course of this inquiry, and examines the issue of profits on sales of school uniforms in Victorian schools.

Australian Versus Overseas Manufacturing

The Committee notes that industry trends over the last decade have resulted in an increasing number of school uniform products being manufactured overseas. School uniform manufacturer Noone Imagewear argued that increased competition from manufacturers in China, Fiji, Indonesia and Vietnam has benefited Australian consumers by reducing school uniform costs:

The uniform industry has undergone significant restructuring of its manufacturing process in Australia over the last 10 years. This has led to many uniform items being produced overseas. It is common to see products now Made in China/Fiji/Indonesia/Vietnam. This has given school uniforms a new competitive edge, where the prices are significantly cheaper in real terms than ever before.⁴⁶⁶

However, Spartan School Supplies noted that the price competitiveness of off-shore manufacturing has caused a decline in local manufacturing of school uniforms:

Local manufacturing is shrinking as the labour costs associated are unaffordable. Currently the buyer dictates the sell prices in this niche market, and this places pressure upon the manufacturing chain down to the fabric supply. This is where manufacturing has no choice other than to go off-shore.⁴⁶⁷

Beleza Pty Ltd suggested that the decline in local manufacture and supply is the biggest challenge currently facing the school uniform industry:

The most problematic challenge associated with the manufacture and supply of school clothing and associated items is the significant decline in the number of local manufacturers and suppliers. Due to changes in the industry and market dynamics of the supply chain, local competition has been increasingly reduced.⁴⁶⁸

⁴⁶⁴ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.3.

⁴⁶⁵ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, May 2007, p.2.

⁴⁶⁶ Noone Imagewear, Written Submission, May 2007, p.1.

⁴⁶⁷ Spartan School Supplies Pty Ltd, Written Submission, May 2007, pp.3-4.

⁴⁶⁸ Beleza Pty Ltd, Written Submission, July 2007, p.1.

'We believe that wherever possible the uniform should be Australian made to keep money and jobs within the country.'

David Dodemaide, Year 11 Student, Bacchus Marsh College

Inquiry into Dress Codes and School Uniforms in Victorian Schools

PSW Pty Ltd also reported moving some of its manufacturing overseas due to a decline in the local textile industry. The Managing Director, Mr Anthony Sterpin, suggested that the industry is now 'somewhere between 5 per cent and 10 per cent of what it was 15 years ago'.⁴⁶⁹

On the other hand, Mr Ashley Van Krieken, Executive Director, Council of Textile and Fashion Industries of Australia Ltd, reported that the local textile, clothing, footwear and fashion industry remains competitive:

...the Australian textile, clothing, footwear and fashion industry, contrary perhaps to the views of many in the community, is a vibrant, innovative and in many areas a growing sector in Australia, and particularly in Victoria...⁴⁷⁰

In its written submission, the Council of Textile and Fashion Industries of Australia Ltd noted that a growing focus on niche products has made the school uniform market particularly important for the Victorian textile, clothing and footwear industry:

The industry has undergone a significant period of rationalisation and this has produced a range of companies focusing on niche product areas and production processes. As such the production of school wear and associated articles is a strong area of growth for the Victorian TCF industry.⁴⁷¹

The Council reported that there are currently more than 140 companies in Victoria operating in the area of school uniform supply from which schools can choose.⁴⁷²

The Committee heard a number of arguments in favour of school uniform items that are manufactured in Australia. Mr Anthony Sterpin noted that Australian made textiles are required to adhere to high quality assurance standards:

There are Australian standards for textiles on how a product should perform: things like colour fastness to washing, peeling; colour fastness to light; consistency of colour to the master; and other key performance factors.⁴⁷³

Similarly, Mr Van Krieken expressed concern that the growing number of imported products is causing a decline in quality in the school uniform industry:

Some of our members have noted that an increasing number of imported products are probably below the standard of Australian-made products... we are certainly concerned that in itself that is tinging the uniform sector as a whole...⁴⁷⁴

Ms Gwen Harrison, Victorian Schoolwear Manager, Lowes, noted that it is more difficult to control quality when manufacturing clothing offshore:

It is hard to control the quality from overseas. Some companies have factories overseas and I guess they can have someone over there for quality control but I know that, in dealings the company I work for has had with imports, what comes in this year may be a bit different next year, so unless you have really tight controls overseas, it is very hard to stay on top of imports.⁴⁷⁵

However, Mr Sterpin argued that overseas manufacturing plants may be set up to Australian quality assurance standards, although this will be reflected in final in product costs:

⁴⁶⁹ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.8.

⁴⁷⁰ Mr A. Van Krieken, Executive Director, Council of Textile and Fashion Industries of Australia Ltd, Transcript of Evidence, Melbourne, 4 June 2007, p.10.

⁴⁷¹ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, May 2007, p.1.

⁴⁷² Mr A. Van Krieken, Executive Director, Council of Textile and Fashion Industries of Australia Ltd, Transcript of Evidence, Public Hearing, Melbourne, 4 June 2007, p.10.

⁴⁷³ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.3.

⁴⁷⁴ Mr A. Van Krieken, Executive Director, Council of Textile and Fashion Industries of Australia Ltd, Transcript of Evidence, Melbourne, 4 June 2007, p.10.

⁴⁷⁵ Ms G. Harrison, Victorian Schoolwear Manager, Lowes, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, pp.20-21.

If you do not want to put any systems in place and you want to buy a cheap product, you will get it. If you put your systems in place as though you have a manufacturing plant locally, then you will get that as well...⁴⁷⁶

Mr Sterpin further noted that a decline in quality may similarly be caused by 'cowboys' in the local school uniform industry, and called for stronger requirements relating to the quality of school uniforms in general.⁴⁷⁷

Industry representatives also argued that Australian manufacturers may be better able to respond to schools' needs in terms of availability and timely delivery of school uniform items. Mr Stephen Stewart, Sales and Marketing Manager, Apparel/Yarns, Macquarie Textiles, observed that distances and delivery times make it easier for schools to source their school uniform items from Australian suppliers:

The other issue that comes into play there is the lead times. We can make fabrics in Australia in five to six weeks, as opposed to China where you are looking at, say, 60 or 70 days to make it and another 30 days to get it here. Therefore, these schools have got to be well regulated or discipline themselves to have those uniforms ready on time.⁴⁷⁸

Furthermore, Mr David Powers, Managing Director, Powers Textiles, noted that Australian manufacturers are the only ones able to respond to the small quantities of specific fabrics involved in school uniform manufacturing.⁴⁷⁹

In its written submission, the Council of Textile and Fashion Industries of Australia Ltd suggested that by choosing Australian manufacturing, schools are supporting the current diversity and distinctiveness in Victorian school uniforms:

... there is considerable risk that more and more Australian school wear producers will give in to the pressure of cheaper imports thus robbing parents and students of the variety of choice they currently have. It should be remembered that for many, if not all, schools a uniform reflects the school's culture, values and history. For many schools, the cut, colour, look and feel of the uniform is critical and an increasing move to more imported products – as evidenced in other markets – could see this ability for variation disappear as only a few large multinational companies begin producing standardised uniforms for sale into Australia.⁴⁸⁰

The Council's written and oral submissions argued that the Victorian Government should do more to encourage Victorian schools to purchase Australian made school uniforms. In particular, it recommended that action be taken to make Australian materials and manufacturing easier to recognise.⁴⁸¹ The Council also suggested that schools should perhaps be financially rewarded for prioritising school uniform products that have high levels of Australian content.⁴⁸² The Textile, Clothing and Footwear Union of Australia (Victorian Branch), the FairWear Campaign and the HomeWorkers Code of Practice Committee also recommended that Victorian school uniforms be made exclusively by Australian workers, as part of broader recommendations related to ethical manufacturing, as discussed in the following section.⁴⁸³

The Committee found that many Victorian schools would like to prioritise Australian made manufacturing. According to the Committee's survey, 17.5 per cent of Victorian schools currently set explicit standards relating to Australian made school uniform items in their uniform purchasing. The proportion of schools adopting such

⁴⁷⁶ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.5.

⁴⁷⁷ *ibid.*, p.3.

⁴⁷⁸ Mr S. Stewart, Sales and Marketing Manager, Apparel/Yarns, Macquarie Textiles, Transcript of Evidence, Public Hearing, Melbourne, 4 June 2007, p.11.

⁴⁷⁹ Mr D. Powers, Managing Director, Powers Textiles, Transcript of Evidence, Public Hearing, Melbourne, 4 June 2007, p.11.

⁴⁸⁰ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, June 2007, p.3.

⁴⁸¹ *ibid.*, p.1.

⁴⁸² *ibid.*

⁴⁸³ Textile, Clothing & Footwear Union of Australia (Victorian Branch), Written Submission, June 2007, p.2; FairWear Victoria, Written Submission, June 2007, p.1; Homeworkers Code of Practice Committee Inc, Written Submission, June 2007, p.1.

standards are similar in each sector, although Catholic schools are slightly more likely to prioritise Australian manufacturing (17.3%), compared to schools in the government (13.9%) or independent (14.9%) sectors.⁴⁸⁴

Other schools interpret local manufacturing at a narrower level. The Committee's survey found that 1.2 per cent of schools prioritise manufacturers in their local area when purchasing their school uniform items.⁴⁸⁵ This finding was supported by some schools' written submissions. Hawkesdale P-12 College, for example, described how elements of its uniform had been chosen to reflect local industry:

Hawkesdale is a rural community set in the Western District with wool as the major agricultural industry. The wool jumpers the school has selected are made locally and sell at the school at \$60-\$80. They are washable and long lasting.⁴⁸⁶

One member of the Victorian Association of State Secondary Principals located in a small country town noted that the school's choice to move the supply of some uniform items outside the town caused concern in the school community.⁴⁸⁷ The Committee therefore notes that for some schools, sourcing the uniform from a local supplier is an important part of the school's engagement with its local community.

On the other hand, the Committee heard concerns about the likely impact of local manufacturing on the price of school uniforms. Spartan School Supplies reported that Australian made manufacturing 'comes at a high cost',⁴⁸⁸ while Mr Anthony Sterpin, Managing Director, PSW Pty Ltd, noted that the quality standards adhered to by Australian manufacturers can increase product costs.⁴⁸⁹ Mr Johnny Hamilton, Year 10 Student, Werribee Secondary College, argued that schools and families have a right to choose the cheapest alternative:

...why worsen the already significant financial burden on families when the global market offers us a diverse range of cheaper alternatives?...While uniforms persist in being a compulsory accessory to students' education, we believe families are entitled to access cheaper alternatives from foreign suppliers.⁴⁹⁰

The Committee acknowledges the importance of local or Australian materials and manufacturing to many schools and school uniform suppliers. At the same time, the Committee notes that for other schools, the cost of school uniform items will necessarily take priority over any additional purchasing standards. The Committee therefore believes that the decision whether to choose Australian made school uniforms should remain at a school community level. It nevertheless supports the Council of Textile and Fashion Industries of Australia Ltd in recommending that information be made readily available about the origin of the materials used in school uniform garments and the location of their manufacturing, to assist those schools that wish to consider these issues in their purchasing arrangements.

Ethical and Sustainable School Uniform Products

In addition to local or Australian manufacturing, the Committee heard suggestions for further standards that schools may adopt relating to their school uniform materials or manufacturing processes. The Council of Textile and Fashion Industries of Australia Ltd suggested that information should potentially be provided to schools regarding the 'ethical and sustainable' nature of school uniform products.⁴⁹¹ Figure 7.1 shows that a number of schools in all sectors do currently

⁴⁸⁴ Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁴⁸⁵ *ibid.*

⁴⁸⁶ Hawkesdale P-12 College School Council, Written Submission, May 2007, p.2.

⁴⁸⁷ Principal, Victorian Association of State Secondary Principals, Written Submission, April 2007, p.3.

⁴⁸⁸ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.3.

⁴⁸⁹ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.3.

⁴⁹⁰ Mr J. Hamilton, Year 10 Student, Werribee Secondary College, Transcript of Evidence, Public Hearing, Legislative Assembly Chamber, Melbourne, 6 September 2007, p.28.

⁴⁹¹ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, June 2007, p.1.

set standards for the procurement of their school uniform items relating to FairWear (ethical manufacturing) and sustainable or environmentally friendly manufacturing.

The Committee found that schools in the Catholic sector are most likely to have standards relating to ethical (11.1%) or sustainable (8.2%) manufacturing for their school uniform items. Schools in the government sector are the least likely to have standards, for either ethical (4.5%) or sustainable (4.2%) manufacturing. In all sectors, standards relating to ethical manufacturing are more common than those relating to materials or manufacturing that is environmentally friendly.⁴⁹²

The Committee received evidence from three organisations suggesting that standards relating to ethical manufacturing may be especially relevant to school uniforms. The Textile, Clothing, and Footwear Union of Australia (Victorian Branch) reported that many manufacturers in the industry currently breach their legal and ethical obligations to provide workers with fair pay and conditions. The Union noted that this especially applies to the large number of home-based outworkers in the industry:

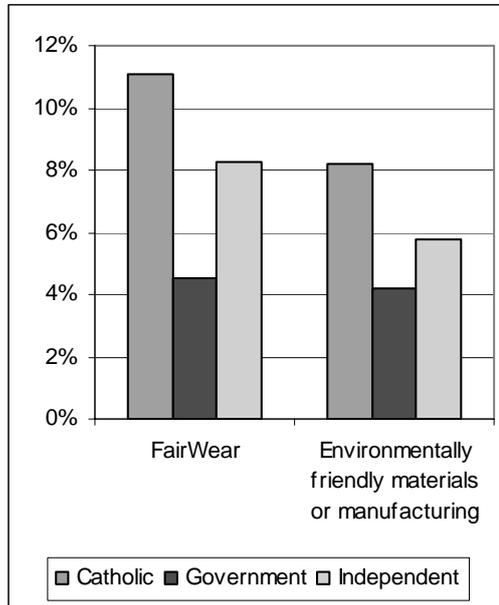
Hundreds of Victorian workers are involved in the production of materials and clothing items relating to school uniforms. Some of this work is done in reputable factories. However, much of the work is carried out through sub contracting supply chains which engage home-based outworkers who sew and construct garments from home. These workers are particularly vulnerable to exploitation and it has been well documented that employer obligations in relation to their pay and conditions are routinely breached.⁴⁹³

The same issue was raised by FairWear Victoria and the Homeworkers Code of Practice Committee, which are both organisations established to protect the rights of workers in the textile, clothing and footwear industry.

The above organisations called for the Victorian Government to make further provisions to promote ethical manufacturing in the textile, clothing and footwear industry. The Government currently requires all Victorian government agencies (including government schools) to adhere to the Ethical Purchasing Policy. The Policy requires that companies found to be in breach of particular industrial laws be excluded from tendering for government work for a period of time. In 2006, the Government also established a mandatory safety net for a number of industries in Victoria, including the textile, clothing and footwear industry, requiring companies tendering for government work to show that their workers receive fair pay and conditions.⁴⁹⁴

However, the Union, FairWear Victoria and the Homeworkers Code of Practice Committee suggested that the Victorian Government's current policies do not go

Figure 7.1: Victorian schools with standards for 'FairWear' and environmentally friendly school uniform manufacturing, by sector (%) (2007)



Source: Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁴⁹² Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁴⁹³ Textile Clothing & Footwear Union of Australia (Victorian Branch), Written Submission, June 2007, p.3.

⁴⁹⁴ *ibid.*

'Schools that opt for ready made uniforms should also be advised to be aware of the Fairwear campaign, and ensure that they are manufactured by companies that do not exploit workers.'

Collingwood English Language School

Inquiry into Dress Codes and School Uniforms in Victorian Schools

far enough in addressing the specific issues faced by the textile, clothing and footwear industry. Ms Michele O'Neil, State Secretary, Textile, Clothing and Footwear Union, noted that Queensland's *Code of Practice on employment and outwork obligations: textile clothing and footwear suppliers*, includes detailed, specific requirements for all companies in the industry tendering for government contracts.⁴⁹⁵ The three organisations suggested that the Victorian Government should adopt a similar standard, to address the specific concerns of the industry.

All three organisations also called for school uniforms to be procured through local suppliers accredited to the Homeworkers Code of Practice.⁴⁹⁶ The Code is a joint union and industry initiative established to provide companies with a means of demonstrating that their garments are ethically manufactured. To become accredited, companies must show that contracts at all points in their supply chain comply at least with legal requirements, and minimum standards set out in industry awards. Companies are charged an annual flat fee of \$2,200 for accreditation, which finances the administration of the Code. As at July 2007, 35 Australian companies had successfully applied for accreditation, including two school uniform manufacturers, Poppets Schoolwear and Surrey Clothing. A third school uniform manufacturer was in the process of becoming accredited.⁴⁹⁷

The Committee heard that many schools have demonstrated an interest in ethical manufacturing, through the FairWear campaign. FairWear Victoria is an organisation dedicated to promoting ethical manufacturing standards in the textile and fashion industry, coordinated by a coalition of various community organisations, and funded through grants from church and charity groups. It has also received some state government funding for specific projects, such as the Fair School Wear coordinator, employed specifically to speak to school communities about school uniform procurement.⁴⁹⁸ Ms Liz Thompson, Campaign Coordinator, FairWear Victoria, told the Committee that hundreds of schools from across Australia have submitted statements of commitment to FairWear Victoria's ethical manufacturing principles, predominantly from the secondary sector.⁴⁹⁹ Ms Thompson told the Committee that interest is often strongest from schools in low socioeconomic areas, which are most likely to have students whose parents are outworkers in the clothing, textile and footwear industry.⁵⁰⁰

While this indicates there is significant interest among schools in ethical clothing manufacture, FairWear Victoria suggested that fewer schools translate their commitment into standards for their uniform manufacturers. Ms Thompson indicated that this is because many schools are not confident in discussing issues such as workers' pay and conditions with their suppliers:

...the process of having school councils interrogating their uniform suppliers about their supply chain was something that turned out to be incredibly difficult for school communities, despite the high level of commitment...There would be phone calls they would have with their suppliers, who would say, 'Of course we pay all our workers properly'. They would say, 'Oh, okay'. That was where the conversation ended...⁵⁰¹

Ms Thompson suggested that while the Homeworkers Code of Practice is an appropriate 'interim measure', a code of practice similar to the Queensland model would assist schools to more readily assess the practices of their uniform

⁴⁹⁵ Ms M. O'Neil, State Secretary, Textile, Clothing & Footwear Union of Australia (Victorian Branch), Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.12.

⁴⁹⁶ Textile, Clothing & Footwear Union of Australia (Victorian Branch), Written Submission, June 2007, p.1; FairWear Victoria, Written Submission, June 2007, p.1; Homeworkers Code of Practice Committee Inc, Written Submission, June 2007, p.1.

⁴⁹⁷ Mr T. Clarke, Project Officer, Homeworkers Code of Practice Committee Inc, Correspondence to the Education and Training Committee, 13 July 2007.

⁴⁹⁸ Ms L. Thompson, Campaign Coordinator, FairWear Victoria, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.34.

⁴⁹⁹ *ibid.*, p.35.

⁵⁰⁰ *ibid.*

⁵⁰¹ *ibid.*, p.34.

manufacturers.⁵⁰² FairWear Victoria's written submission also noted that the transition to ethically-manufactured uniforms is likely to incur some costs for schools, and suggested that the Victorian Government support schools with subsidies and transitional funding.⁵⁰³

The Committee notes that the exploitative practices described by the above organisations are prohibited by Australian labour laws and therefore believes that further recommendations in this area are not currently required. However, the Committee notes the submissions received on this issue, and recognises that ethical manufacturing may be an important consideration for some schools in the procurement of their uniforms. The Committee recommends that schools with an interest in such matters may benefit from accessing the information resources provided for schools by the Fair School Wear Campaign, to assist them in addressing ethical uniform manufacturing with their communities and school uniform suppliers.⁵⁰⁴

Purchasing Arrangements

In addition to standards relating to the origin and construction of their school uniform items, the Committee notes that schools must give consideration to a wide range of complex business issues when making arrangements for school uniform procurement. Some of the most complex decisions that schools will need to consider include specifications for the quality of garments; reliability and continuity of supply; the ability of manufacturers to meet the required delivery schedules; and various customer service aspects, such as the level of information provided by manufacturers and suppliers, and returns policies for faulty stock.

However, evidence to this inquiry suggests that many schools are not skilled in making such decisions. Spartan School Supplies noted that the parents, volunteers or school staff responsible for school uniform supply arrangements may not have adequate knowledge of the clothing industry to select the best quality options:

The down side...is that it is common that the choices made are down to an individual whose knowledge as to what really is a quality garment is lacking. The school is therefore on a constant roller coaster of supply as the staff changes and decisions alter...⁵⁰⁵

Dr Graham Barrington, Director, C E Wise Pty Ltd, agreed that some school uniform procurement arrangements are made by staff who do not have the necessary skills to make sound business decisions:

If school councils are going to be given a direct role in deciding about supply arrangements, then they really need to be skilled and appropriately trained in how to manage those types of business relationships and be guided in the way in which tenders are run and be guided in terms of the changes that are made to uniforms—how that is done and what consultation is necessary to see that that is done in a fair way.⁵⁰⁶

Dr Barrington explained that suppliers can experience significant losses where schools do not consider their decisions carefully:

What occurs, and what we have been exposed to, are changes which are made by schools where maybe a council or a school uniform operator makes a decision without consultation with the supplier to change the uniform or change the supplier, from one supplier to another, and one can potentially be left with 500 metres of material relevant to that school only, and there are significant losses associated with that.⁵⁰⁷

⁵⁰² *ibid.*, p.35.

⁵⁰³ FairWear Victoria, Written Submission, June 2007 p.1.

⁵⁰⁴ More information is available on the FairWear Campaign website, <<http://www.fairwear.org.au/engine.php>>.

⁵⁰⁵ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

⁵⁰⁶ Dr G. Barrington, Director, C.E. Wise Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.24.

⁵⁰⁷ *ibid.*, p.25.

As outlined in the Council of Textile and Fashion Industries of Australia Ltd's written submission, current school uniform purchasing arrangements are also of broader concern throughout the industry.⁵⁰⁸

The Committee notes that government schools are required to adhere to certain standards in their purchasing arrangements for school uniform items. The Department of Education and Early Childhood Development's guidelines advise schools to ensure that their arrangements with school uniform suppliers are compliant with the Commonwealth *Trade Practices Act 1974* and the Victorian *Fair Trading Act 1999*. The Department notes that the requirements made under these Acts impose certain obligations upon schools in their commercial arrangements; for example, giving manufacturers an accurate representation of the number of students in the school, or entering into licensing agreements with their uniform suppliers.⁵⁰⁹

According to the Department, one of the ways in which schools should minimise the risk of breaching relevant legislation is to source their uniforms from multiple suppliers:

Exclusive agreements can breach the *Trade Practices Act 1974* and it is therefore wiser for school councils to have a panel of suppliers from which students/parents/guardians may choose freely rather than a particular supplier only.⁵¹⁰

Despite this advice, a number of schools indicated in written submissions that they source their uniform items from a single supplier. Such schools argue that an exclusive arrangement provides an opportunity to establish effective relationships with local suppliers, and to negotiate favourable terms and prices.⁵¹¹ PSW Pty Ltd indicated that a sole supplier arrangement reduces costs through economies of scale, with larger orders giving schools greater leverage in price negotiations:

Where school councils have contracted with multiple suppliers, the reduction in scale (ie number of potential for sales) has led to a lower product quality (through compromising of technical specifications) and upward pressure on prices. In this case, the concept of increased competition doesn't provide the consumer and end-user (parents, students) with an advantage.⁵¹²

PSW Pty Ltd, a major school uniform supplier for Victorian schools, reported that it would rarely enter into an agreement with a school where it is not the sole supplier.⁵¹³

However, the use of sole suppliers attracted criticism from other contributors to the inquiry. School uniform manufacturer Beleza Pty Ltd argued that the use of a sole supplier eliminates competition and increases costs to students and their families:

Under standard practice, many schools appoint a sole official school uniform supplier. This exclusive licensing arrangement has devastating ramifications on the pricing structure for students and parents. Effectively, their consumer right to seek alternate competition for their purchase is removed.⁵¹⁴

Beleza Pty Ltd called for an end to exclusive school uniform supply arrangements in the interests of Victorian families, particularly those in lower socioeconomic communities:

I would recommend that families are not denied this important financial benefit, simply for the gain of an exclusive supplier. Exclusive licensing arrangements present no incentive for the official school supplier to offer any cost-saving benefits or reduced prices to students and their families. Crudely, each school uniform supplier has a monopoly over the schools by which they have exclusive licensing arrangements. I urge

⁵⁰⁸ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, June 2007, p.1.

⁵⁰⁹ Department of Education and Early Childhood Development 2007, 'Student dress code', section 4.8 (updated May 2006), *Victorian Government Schools Reference Guide*, DEECD, Melbourne.

⁵¹⁰ *ibid.*

⁵¹¹ For example, Wangaratta High School Council, Written Submission, June 2007, p.1.

⁵¹² PSW Pty Ltd, Written Submission, May 2007, p.11.

⁵¹³ *ibid.*

⁵¹⁴ Beleza Pty Ltd, Written Submission, July 2007, p.1.

for the consideration by the State Education Department to overhaul such archaic practices to increase market competition for the benefit of students and their families.⁵¹⁵

Concerns regarding sole supplier arrangements also came from within school communities. A written submission from Hampton Park Primary School supported the view that a single school uniform supplier will increase costs due to lack of competition:

The difficulty of being locked into an exclusive contract with a particular company... is that there is no competition for business, and prices are often higher from the contracted company than those offered by other companies as a result.⁵¹⁶

Some parents also made submissions outlining their belief that schools have an obligation to provide parents with a choice.⁵¹⁷ Parents Victoria's written submission suggests that similar opinions are shared among other parents of children in Victorian government schools.⁵¹⁸

Where schools do choose to enter into an exclusive agreement with a supplier, the Department of Education and Early Childhood Development offers a number of further suggestions to minimise the risk of legal liability. These include limiting the period of the agreement to no more than three years; and using a tender process at the end of such a period to promote competition from other suppliers.⁵¹⁹

Some schools noted in their written submissions that they went through a rigorous tendering process in selecting a supplier for their uniform.⁵²⁰ While cost is a major consideration, various submissions outlined other factors, such as quality and accessibility of uniform items, which should also be considered by schools when selecting a school uniform supplier. For example:

The uniform subcommittee spent a considerable amount of time tendering for a uniform supplier. Cost of uniform articles was a major factor for this subcommittee. While understanding that cheaper is not always better, the cost of specific articles, quality of clothing and quality control of the supplier and the length of time the uniform is worn were all considered. Our current uniform supplier is available on a weekly basis on the school site, orders can also be placed at the school office and online ordering has become available, therefore providing many convenient opportunities for families to purchase.⁵²¹

The above evidence clearly demonstrates the complexity of the issues that schools need to consider, in identifying the school uniform purchasing arrangements that will provide the best deal to their communities.

Given the complex legal and commercial issues surrounding purchasing arrangements for school uniform items, some participants in the inquiry suggested that procurement should be centralised, either on a regional or statewide basis. The Council of Textile and Fashion Industries of Australia Ltd noted that this approach has been successful for other areas of government procurement:

An alternative option to guidelines would be for the supply of school uniforms to be tendered to one or several groups, possibly on a regional basis, who would be responsible for the efficient operation of the entire system. This model has been followed by other government departments including defense, and has produced significant efficiencies in respect of ordering and purchasing.⁵²²

In a written submission, one parent suggested that a statewide school uniform procurement strategy would be most cost-effective for Victorian families.⁵²³

⁵¹⁵ *ibid.*

⁵¹⁶ Hampton Park Primary School, Written Submission, June 2007, p.1.

⁵¹⁷ Ms S. Harriage, Parent, Written Submission, July 2007, p.1; Ms K. Rolands, Parent, Written Submission, June 2007, p.2.

⁵¹⁸ Parents Victoria, Written Submission, June 2007, p.3.

⁵¹⁹ Department of Education and Early Childhood Development 2007, 'Student dress code', section 4.8 (updated May 2006), *Victorian Government Schools Reference Guide*, DEECD, Melbourne.

⁵²⁰ Eumemmerring College Council, Written Submission, May 2007, p.1; Carrum Downs Primary School Council, Written Submission, June 2007, p.1.

⁵²¹ Carrum Downs Primary School Council, Written Submission, June 2007, pp.1-2.

⁵²² Council of Textile and Fashion Industries of Australia Ltd, Written Submission, June 2007, p.4.

⁵²³ Ms M. A. Rosenthal, Parent, Written Submission, May 2007, p.2.

However, the Victorian Association of State Secondary Principals voiced its opposition to such a proposal:

VASSP strongly believes that procurement policies should be up to each school council and that there should not be a form of statewide procurement.⁵²⁴

The Committee recognises that for many school communities, it is important that their school uniform design remains distinctive. Given such diversity in the needs and preferences of Victorian schools, the Committee believes that a statewide model of procurement would not be the most feasible or desirable approach. However, the Committee notes that procurement of some school uniform items on a regional or cluster basis may be beneficial for some schools.

The Council of Textile and Fashion Industries of Australia Ltd recommended to the Committee that governments and industry should work together to develop education resources on school uniforms and proper purchasing guidelines.⁵²⁵ Eumemmerring College Council, one of the schools that indicated it had undertaken an extensive tendering process, supported this recommendation, noting that improved guidelines on tender processes for school uniforms would be beneficial for schools.⁵²⁶ The Committee also endorses these suggestions and recommends that the Department of Education and Early Childhood Development work with schools and industry to improve the resources available to assist schools in making effective purchasing arrangements for school uniform items.

Recommendation 7.1: That the Department of Education and Early Childhood Development, in consultation with schools and industry representatives, assess the resources currently available to assist schools in their school uniform procurement arrangements, and publish additional guidelines as necessary.

School Uniform Shops

As well as making purchasing arrangements, schools with uniforms must also determine the most cost-effective method for distributing their uniform items to students and families. Written submissions from Spartan School Supplies, PSW Pty Ltd and Noone Imagewear outlined the various models that school uniform shops may follow. The Committee found that a 'very common set-up' is a school uniform shop located within the school and run by the school support network, typically staffed by volunteers or low-paid staff.⁵²⁷ Such shops typically operate with the goal of providing school uniforms to parents at the cheapest possible price, placing a very small profit margin on their products:

Many schools want to have a school uniform and want to offer it to the parents at the cheapest price possible. These schools place a very small profit margin on their goods and concentrate upon the service to the school community as their primary focus.⁵²⁸

This community service ethic was supported in written submissions received from schools that have adopted this model.⁵²⁹ Other schools operate more businesslike on-site uniform shops, involving at least one paid staff member, often supported by volunteers. Spartan School Supplies noted that the profit margin in such shops is likely to vary, but if run well, these shops can be a valuable source of additional revenue.⁵³⁰

The Committee's survey found that 30.8 per cent of Victorian schools have an on-site school uniform shop run by the school. In addition, 29.2 per cent of schools

⁵²⁴ Victorian Association of State Secondary Principals, Written Submission, April 2007, p.3.

⁵²⁵ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, May 2007, p.1.

⁵²⁶ Eumemmerring College Council, Written Submission, May 2007, p.1.

⁵²⁷ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

⁵²⁸ *ibid.*

⁵²⁹ For example, Strathmore North Primary School Council, Written Submission, May 2007, p.1; Eltham East Primary School Council, Written Submission, August 2007, p.1.

⁵³⁰ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

offer uniform items for purchase through the school office, either as the sole retail outlet or in combination with others. A total of 31.5 per cent of schools overall make their uniform items available for purchase exclusively through the school, either through the office, an on-site uniform shop run by the school, or a combination of both.⁵³¹ This makes school distribution the most common exclusive outlet for school uniform sales.

Noone Imagewear argued that the purported benefits of a school-run uniform shop are often not supported by fact. Instead, the company noted that the shop can be a financial burden for the school, tying up valuable funds in unused uniform stock:

It is common for secondary colleges to hold from \$60,000 to \$100,000 [of stock] at any time of year. From a financial point of view, it must be asked whether these funds should be spent in providing better education facilities within the school, especially when the parents are not deriving any real cost savings and most schools make little or no profits from their retail endeavours.⁵³²

Hampton Park Primary School's written submission supported the view that stock holding and ordering can create financial difficulties:

Where uniform shops have been run and stocked by parent groups (PFA etc) the school is often financially disadvantaged as money is tied up in stock and often a minimum number of a particular item is required to be ordered from stockists which causes problems when only 1 or 2 of a particular size item are required.⁵³³

A number of school uniform manufacturers attributed the inefficiencies in school-run uniform shops to poor management.⁵³⁴ Evidence suggests that such shops typically do not deliver on their perceived cost-saving potential because of inefficient management of uniform stock:

There has been a widely held view, that this is the most cost efficient method of uniform distribution especially when there are minimal overhead costs to provide this option. However their inefficiencies in supply and stock management are prevalent in nearly all schools who provide this method of supply.⁵³⁵

Concerns about knowledge of the industry among volunteer shop staff were also put forward by the Council of Textile and Fashion Industries of Australia Ltd:

There were problems in the sense that they are voluntary, so there are often issues around stock ordering and having the right uniforms on hand. There was also how well people had the ability to actually sell the garments and talk about their construction, what they are made of and the way to care for them.⁵³⁶

The Committee notes that negotiating business arrangements may require skills and resources that many schools may not have readily at their disposal, especially small schools or those from disadvantaged communities.

The vast array of choices in the supply of school uniforms and the problems associated with their distribution are now prompting many schools to outsource the management of their school uniform shops to third-party suppliers. Written submissions from school uniform manufacturers noted that there has been a growing trend over the last five years for schools to engage a single contracted supplier to run a uniform shop on the school grounds.⁵³⁷ The Committee's survey found that 16.3 per cent of schools have taken up this option, including schools from all three sectors, and across metropolitan and regional areas. The

⁵³¹ Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁵³² Noone Imagewear, Written Submission, May 2007, p.2.

⁵³³ Hampton Park Primary School, Written Submission, June 2007, p.1.

⁵³⁴ Noone Imagewear, Written Submission, May 2007, p.2; Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

⁵³⁵ Noone Imagewear, Written Submission, May 2007, p.3.

⁵³⁶ Mr A. Van Krieken, Executive Director, Council of Textile and Fashion Industries of Australia Ltd, Transcript of Evidence, Public Hearing, Melbourne, 4 June 2007, p.11.

⁵³⁷ Noone Imagewear, Written Submission, May 2007, p.3; Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

'Schools will always tend to get the best arrangement they can for parents, because they do not want to price themselves out of it. The last thing we want is parents saying, 'We can't afford this. It's not reasonable'.'

Stephen Franzi-Ford,
Chief Executive Officer,
Association of School
Councils in Victoria

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contractor's on-site shop was the only outlet available for the purchase of new uniforms in 8.7 per cent of schools overall.⁵³⁸

The Committee heard that a significant benefit of an on-site retail outlet run by an external contractor is the removal of the financial risk to schools involved in holding large amounts of stock.⁵³⁹ Other purported benefits include more professional management and service, and ease of access for parents and students through more convenient opening hours.⁵⁴⁰ Noone Imagewear demonstrated through a case study of two comparable schools that parents at a school that runs its own uniform shop are 'significantly worse off' in terms of cost and service than parents at a school served by an external contractor.⁵⁴¹

Noone Imagewear also argued that this method is most cost-effective if the middle link in the supply chain is removed, and the contractor running the shop is also the manufacturer or importer of the uniform.⁵⁴² However, Spartan School Supplies expressed concern that contracting importers or manufacturers to run the school uniform shop compromises the school's control over the supply process, as the contractor may prioritise their own profit margins over product quality:

The uniform is usually chosen by the school but there is varying power for the operator to source as best they can to meet the needs of the school. This option will slowly allow a handful of suppliers to gain control of the market. Once an operator gains control of the Uniform Shop they obviously gain control of the supply chain and no longer can the best product win. The supply now comes down to the best product the operator can source to meet their own needs, which is obviously strongly linked to profit.⁵⁴³

Spartan School Supplies went on to argue that the provision of a school uniform shop management service is now a matter of survival for companies in the school uniform industry:

To fail to recognise the need for the supply of uniform management services would be like sticking our heads in the sand...The national trend, which is slow but sure, is in outsourcing the school shop to an independent operator. Spartan has now joined this trend and offers this service, however this is through necessity rather than desire. There are many players all needing to protect ourselves for the future.⁵⁴⁴

Spartan School Supplies called for a review of the processes by which schools have input into the selection of their uniform items, where management of the school uniform shop is contracted to a single supplier.⁵⁴⁵

An alternative retail model involves the school making school uniform items available through an off-site retail outlet. According to the Committee's survey, this is the option most commonly available to school communities, offered by 44.5 per cent of Victorian schools.⁵⁴⁶ However, Spartan School Supplies suggested that the realities of the retail industry make this the least competitive distribution model:

This is where parents are generally (in my opinion) paying a high price for average quality. However, the store must make a return on floor space, credit card fees, stock holding, staff and seasonal buying patterns – again a commercial reality.⁵⁴⁷

⁵³⁸ Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁵³⁹ Hampton Park Primary School, Written Submission, June 2007, p.1; Victorian Association of State Secondary Principals, Written Submission, April 2007, p.3; PSW Pty Ltd, Written Submission, May 2007, p.10.

⁵⁴⁰ For example, Noone Imagewear, Written Submission, May 2007, p.3; Melton Secondary College, Written Submission, June 2007, p.1.

⁵⁴¹ Noone Imagewear, Written Submission, May 2007, p.2 & 5-6.

⁵⁴² *ibid.*, p.3.

⁵⁴³ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

⁵⁴⁴ *ibid.*, pp.3-4.

⁵⁴⁵ *ibid.*, p.4.

⁵⁴⁶ Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁵⁴⁷ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

On the other hand, Noone Imagewear's written submission argued that an off-site retail outlet is not necessarily less competitive, as many school uniform retailers now have direct links with manufacturers:

There has been a perception that this method can be more expensive, given the overheads to run a full retail facility. However there are now a number of retailers who also have their own manufacturing/importing chains of supply.⁵⁴⁸

For many schools, the most cost-effective distribution arrangement is simply to select uniforms that are available from local department stores. The Committee found that 13.8 per cent of schools have uniforms available from major department stores, most with higher proportions of students from low socioeconomic backgrounds.⁵⁴⁹ This arrangement can keep prices down by enabling families to access low-cost, generic garments, and to benefit from competition between major retailers. Southern Autistic School noted in its written submission that it has even negotiated for its students to receive 'a small discount' when purchasing school uniform items from local department stores.⁵⁵⁰

The Committee notes that department stores may be an attractive option for schools that wish to access some of the benefits of a student uniform, without the associated burden of arranging its procurement and distribution. However, Mr Anthony Sterpin, Managing Director, PSW Pty Ltd, remarked that cheap, generic garments can compromise the standards that many schools seek to achieve in their uniform policies:

When buying from the cheaper sources you no longer have uniformity or consistency within a school and it defeats the purpose of having uniforms in the first place.⁵⁵¹

The Committee acknowledges that a desire for consistency is the reason that many schools prefer a single outlet for the supply and distribution of their school uniform.

The Committee recognises that no single distribution is likely to serve the needs of all Victorian schools. PSW Pty Ltd explained that all school uniform procurement and distribution options are subject to risks, and that the selection of an appropriate model should be left to school communities:

The best option is for the school to determine based upon their staff, uniform policy and commitment to the uniform and its supply...There are, however, inherent inefficiencies in each model...Each model has the potential to create tension between schools and suppliers that, if not resolved, may lead to sub-optimal outcomes for the school community.⁵⁵²

The Committee nevertheless believes that these risks can be mitigated through improved departmental guidelines aimed at improving quality and consistency in the management of uniform shops for Victorian schools.

The Council of Textile and Fashion Industries of Australia Ltd included in its written submission a recommendation that stronger guidelines be developed, in conjunction with industry and schools, for the management of school uniform shops. The Council suggested that such guidelines should include requirements relating to areas such as:

- standardised ordering forms and processes;
- appropriate inventory controls and monitoring, relevant to the size of the school;
- appropriate training for employees or volunteers operating the uniform shop;
- nominating a single contact officer for liaison with uniform suppliers; and

⁵⁴⁸ Noone Imagewear, Written Submission, May 2007, p.2.

⁵⁴⁹ Education and Training Committee, *Dress Codes and School Uniforms in Victorian Schools Survey*, August – September 2007.

⁵⁵⁰ Southern Autistic School Council, Written Submission, June 2007, p.1.

⁵⁵¹ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, p.3.

⁵⁵² PSW Pty Ltd, Written Submission, May 2007, p.11.

'We see education for schools with regard to the choices available to them and information relevant to setting up and running a uniform shop themselves as a valuable set of tools to assist them to navigate through the choices of uniform supply. Commonly schools fly blind.'

Spartan School Supplies

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- placing orders with consideration to production and delivery times.⁵⁵³

The Council noted that while these guidelines may appear complex, similar guidelines are in place for other voluntary bodies, including school canteen staff and other community groups, and are readily understood and implemented by volunteer staff.⁵⁵⁴ It also argued that such guidelines may also be useful for other types of school uniform outlets, not only those run by volunteers.⁵⁵⁵

The Committee supports the Council's suggestions and recommends that the Department of Education and Early Childhood Development provide further information to schools to assist them in the distribution of their school uniform items. Given the current prevalence of school-run models of uniform distribution in Victoria, the Committee recommends that this advice include detailed information about the management of a school uniform shop for school administrators, parents and other volunteers. The Committee also recommends that the Department provide some advice regarding the advantages and disadvantages of the alternative distribution models available to schools, to assist schools in making informed decisions about school uniform distribution arrangements.

Recommendation 7.2: That the Department of Education and Early Childhood Development, in consultation with relevant industry representatives, publish improved guidelines regarding distribution models for school uniform items, including detailed advice regarding the management of school uniform shops.

Profits on School Uniform Sales

The Committee notes that the various models for the distribution of school uniforms described above provide schools with the opportunity to make a profit on the sale of their uniform items. In Victoria, the profits schools may make on the sale of school uniform items are subject to certain legal obligations. For non-government schools, legal requirements necessitate only that any revenue on school uniform sales is returned to the school, as outlined by Mr Andrew Smith, Deputy Chief Executive, Association of Independent Schools of Victoria:

...all schools, in order to operate in Victoria, have to be not-for-profit entities and therefore any surplus that comes through from the uniform shop would be by law directed back into the operations of the school...It certainly cannot be distributed to any other entity.⁵⁵⁶

For schools in the government sector, however, the Committee found evidence to suggest that the issues around profits on school uniform sales may be more complex.

The Department of Education and Early Childhood Development's guidelines on dress codes and school uniforms do not currently specify whether government schools may make a profit on uniform sales. However, in a 2007 policy statement, *Parent Payments in Victorian Government Schools*, the Department clarifies the kinds of costs that government schools can impose on parents and carers.⁵⁵⁷ Section 3 of the statement permits schools to request payments from parents for 'essential education items' that parents are required to provide, including stationery, text books and school uniforms, where applicable. In section 4, the Department clearly states that schools should not charge for such items above what is necessary to ensure that no loss is incurred:

⁵⁵³ Council of Textile and Fashion Industries of Australia Ltd, Written Submission, June 2007, p.4.

⁵⁵⁴ *ibid.*

⁵⁵⁵ *ibid.*

⁵⁵⁶ Mr A. Smith, Deputy Chief Executive, Association of Independent Schools of Victoria, Transcript of Evidence, Public Hearing, Melbourne, 14 May 2007, p.34.

⁵⁵⁷ Department of Education and Early Childhood Development 2007, *Parent Payments in Victorian Government Schools*, Office for Government School Education, DEECD, Melbourne, p.4.

The school-level policy [on essential education items] must keep parent payments to a minimum and must not exceed the cost of the relevant materials or services to the student.⁵⁵⁸

The Committee therefore believes that government schools making profits on the sale of school uniforms may run contrary to their obligation to keep school uniform prices to a minimum.

The Victorian *Education and Training Reform Act 2006* also makes provisions relating to parent payments to government schools. The Act prohibits government schools from charging fees, but allows schools to request contributions from parents and carers, as long as they are voluntary. In requesting a contribution, schools must clearly explain what it will be used for, and ensure that it is obtained 'without coercion or harassment'.⁵⁵⁹ The Committee believes that this places a particular obligation on government schools in which school uniforms are compulsory, to ensure that they are not inadvertently collecting unauthorised contributions from families through profits on uniform sales.

Mr Stephen Franzi-Ford, Executive Officer, Association of School Councils in Victoria, reported that he knows of no school that makes substantial money out of selling new clothes.⁵⁶⁰ The Committee found some examples to support this observation. Ranfurly Primary School, for instance, emphasised that its school-based uniform shop is not used to raise funds for the school:

Our uniform sales are conducted by volunteer parents and the uniform shop is not run as a profit-making venture.⁵⁶¹

Orchard Grove Primary School is another example, explicitly stating in its school uniform policy that profits will be kept to a minimum:

Sales of uniforms will operate as a service to parents and minimum 'mark up' on cost prices will be added.⁵⁶²

The Committee nevertheless also found that some Victorian schools do make profits on the sales of their school uniform. Uniform supplier PSW Pty Ltd reported that 'the majority of schools top-up their pricing by 50c to a dollar',⁵⁶³ with 'substantial variation on the profit margin charged by schools, based on their location and demographic make up'.⁵⁶⁴ A profit and loss statement for a school-run uniform shop in one government secondary school indicated that the school returned a profit of 32.6 per cent on uniform sales in 2005.⁵⁶⁵ Retailers that sell school uniform items on a school's behalf also typically pay a yearly commission on sales back to the school, ranging between 3 and 20 percent.⁵⁶⁶

The Committee recognises that profit on school uniform sales in government schools is a complex issue. It could be argued, for example, that it is of greater benefit to students for such profits to be made by schools, rather than by commercial retailers. Mr Joel Fisk, Year 12 Student, Werribee Secondary College, put forward this view in a public hearing, with the proviso that school uniform prices should not be over-inflated:

⁵⁵⁸ *ibid.*, p.5.

⁵⁵⁹ Section 2.2.7, *Education Reform Act 2006* (Victoria).

⁵⁶⁰ Mr S. Franzi-Ford, Chief Executive Officer, Association of School Councils in Victoria, Transcript of Evidence, Public Hearing, Melbourne, 30 April 2007, p.14.

⁵⁶¹ Ranfurly Primary School Council, Written Submission, May 2007, p.1.

⁵⁶² Orchard Grove Primary School Council, Written Submission, May 2007, p.2.

⁵⁶³ Mr A. Sterpin, Managing Director, PSW Pty Ltd, Transcript of Evidence, Public Hearing, Melbourne, 25 June 2007, pp.5-6.

⁵⁶⁴ PSW Pty Ltd, Written Submission, May 2007, p.10.

⁵⁶⁵ Whittlesea Secondary College, Uniform Shop, Profit and Loss Statement for the period 01/01/2005–31/12/2005. Copy supplied by Ms B. Johns, Written Submission, May 2007, p.15.

⁵⁶⁶ Spartan School Supplies Pty Ltd, Written Submission, May 2007, p.2.

'Schools should not be able to profit from the sale of uniforms, as they are already expensive. Individual schools have the responsibility not only to educate students but also to make school inexpensive and accessible.'

Catrina Forrester, Year 10 Student, Shepparton High School

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For the reason that it will benefit students, we believe that fundraising from profits from the sale of uniforms should be allowed, provided that prices are reasonable.⁵⁶⁷

Mr Jaan Butler, Year 12 Student, Bendigo Senior Secondary College, told the Committee that the sale of optional school uniform items was a particularly effective fundraiser for his school:

Despite the fact that our school, Bendigo Senior Secondary College, does not have a uniform, our student council sells merchandise in the form of drink bottles, caps and that sort of thing, including a number of uniform items such as hoodies, jumpers and shirts. These are incredibly popular — we sell hundreds every year — and they are a mainstay of our student council's budget. We use the money to run various events at lunchtimes, socials, trivia nights and to make donations. We believe that if we are stopped from selling these items, it will be a restriction on the activities of our student council, which will ultimately be of no benefit to our students.⁵⁶⁸

On the other hand, the Committee heard the view that the addition of a profit margin to sales of compulsory uniform items places an unnecessary burden on parents and families, especially those in financial hardship. The Victorian Aboriginal Education Association Inc recommended that schools be required to sell uniforms on a non-profit making basis, in the interests of low-income families.⁵⁶⁹ As noted Chapter 6, other organisations that support low-income families also indicated that many are currently struggling to meet school uniform costs.⁵⁷⁰ The Committee notes that keeping profit margins to a minimum is one way in which schools can help ensure school uniforms are accessible to families in financial difficulty.

The Committee notes that the UK Department for Children, Schools and Families' recently revised guidelines interpret the sale of school uniform items through a school as an opportunity for the school to keep costs down, not to make additional revenue. The Department strongly advises schools not to use the exclusive supply of their uniform as a profit-making activity:

...schools can use their own purchasing power to buy in bulk and pass on savings to parents. Governing bodies **should not** seek to operate as sole suppliers in order to raise additional funds through the sale of new school uniforms.⁵⁷¹

The Committee is concerned at the apparent discrepancy between current policy and legislation in Victoria, and school uniform pricing structures in some Victorian government schools. The Committee therefore recommends that the Department of Education and Early Childhood Development investigate the issues around profit on uniform sales in greater depth, and publish a clear statement on its position. Regardless of the Department's findings, the Committee also believes that a high level of transparency is necessary in the sale of school uniform items by schools in the government sector. This may mean, for example, that profit and loss statements should be made available to members of the school community, through operating statements or annual reports.

Recommendation 7.3: That the Department of Education and Early Childhood Development publish guidelines stating its position on profit margins on the sale of school uniform items by government schools.

Recommendation 7.4: That the Department of Education and Early Childhood Development require schools to publish profit and loss statements relating to the sales of school uniform items in their annual financial reporting.

⁵⁶⁷ Mr J. Fisk, Year 12 Student, Werribee Secondary College, Transcript of Evidence, Public Hearing, Legislative Assembly Chamber, Melbourne, 6 September 2007, p.29.

⁵⁶⁸ Mr J. Butler, Year 12 Student, Bendigo Senior Secondary College, Transcript of Evidence, Public Hearing, Legislative Assembly Chamber, Melbourne, 6 September 2007, p.29.

⁵⁶⁹ Victorian Aboriginal Education Association Inc, Written Submission, May 2007, p.5.

⁵⁷⁰ The Salvation Army, Melbourne Central Division, Written Submission April 2007, p.1; Mr L. Twentyman, Outreach Worker, Open Family Australia, Transcript of Evidence, Public Hearing, Melbourne, 4 June 2007, p.30.

⁵⁷¹ Department for Children, Schools and Families (United Kingdom) 2007, *DCSF Guidance to Schools on School Uniform and Related Policies*, DCSF, London.

Conclusion

As demonstrated above, purchasing and distribution decisions around school uniforms can be complex, and involve knowledge or skills that are not always readily available in an educational environment. Purchasing and distribution arrangements can also have significant implications for the costs of school uniforms for students and their families. The Committee therefore recommends that the Department of Education and Early Childhood Development increase the level of support available to schools to help them in these decisions, and ensure that they can provide the best possible deal on school uniforms for their communities.

The Committee also notes that schools are sometimes called on to make complex decisions relating to uniform pricing. In purchasing uniform items from suppliers, schools are called on to negotiate in the interests of the school community, as eventual consumers of school uniform items. At the same time, the Committee found that the distribution of school uniform items presents an opportunity to raise additional revenue from members of the community, for the benefit of the school. The Committee believes that greater clarity from the Department regarding the profits that may be made on school uniform sales will help ensure that schools can manage these arrangements effectively and equitably.

