



Attn: Mr Geoff Howard MP
Chair
Education and Training Committee
Parliament House
Spring Street
Melbourne 3002

Tuesday 1st May 2007

Dear Mr Howard,

I am afraid that your letter did not hit my desk until last week, and due to travel commitments I am rather under prepared in my response, however would like to lodge Spartan's feed back in summary format as follows.

Spartan has been supplying Australia with school bags for over 25 years. We moved into the manufacture and wholesale supply of school uniform clothing some 8 years ago. We supply over 4,000 Australian schools with product per annum.

In reply to your inquiry:

- a) ...the benefits and costs of mandatory school uniforms;
- b) ...the views of school communities about dress codes and school uniforms;

We feel that it is for the schools themselves and the community to put forward their opinions with regard to a) & b) however we would list the common national feed-back that we receive through our sales force as being:

- Costs for parents. Children request fashion and surf brands etc where there is a choice of clothing and this comes at a high price tag.
- Self esteem & inclusion. The use of school uniform brings all children to a level playing field. It removes the peer group pressure and isolation associated with brand awareness and therefore reduces the bands or groupings of children who can afford the high price tag items from those who cannot.
- School Image. Commonly we find that schools and parents are very proud of their school uniform. The Uniform cements the schools identity within the wider community.
- Inter School Events are easier to monitor with groupings of children in school uniform.

- c) ...the most cost efficient and practical uniform procurement arrangements;

There are a few choices currently available to Australian schools.

- Uniform Shop on school grounds, operated by a division of the school support network (Parents & Friends Assoc. etc). This is a very common set-up. The people manning the shop are usually volunteers or very low paid staff. The uniforms are sourced by these people from wholesalers and there are a few differing goals in this set-up. 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. The down side as we see it to this scenario 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 and supply changes from one supplier to the next, and each change will be based on the buyers own personal idea of what needs to be changed in the current uniform.
- Uniform Shop owned and operated by the school. Usually with at least one paid staff member and a couple of volunteer assistants from the school community (parents). The profit margin will vary and again the school will source the uniform from wholesale suppliers whilst also utilizing small local manufacturing operations for some items of the uniform where they can. Quite often the Principal will approve of new items for uniform that are put forward by the Uniform Shop Manager, but again, uninformed buying decisions are regularly made. This is commonly where schools throw their hands into the air and seek out the third party operator to take the headache away!
- Uniform Shop on school grounds owned and operated by a third party paying a 5 – 10% commission on sales back to the school on an annual basis. This is starting to become the common way schools are looking to go. They enter into an agreement with a third party (Spotless, Bob Stewarts, Dobson's, Primary Schoolwear) and allow them to operate the shop on the campus (in addition to a separate retail shop option off site sometimes). The Uniform is manufactured and sourced by the operator and a percentage from sales is paid back to the school. 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. This is of course a business reality. The danger here is that quality is compromised and the parent is paying a high price for a lesser quality product than they could source by not allowing the uniform shop operator to dictate and control supply.
- No Uniform Shop on Campus and all uniform sold through an off site retail store. This store would also usually pay an annual commission to the school. This is where parents are generally (in my opinion) paying a high price for an 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.

Spartan also now offers both wholesale supply to the Uniform Shop and Uniform Shop Management Services. We see it as vital to our future that we are able to offer the services demanded by the schools, as schools are 99% of our customer base. To fail to recognize the need for the supply of uniform management services would be like sticking our heads in the sand.

The best option is for the school to determine based upon their staff, uniform policy and commitment to the uniform and its supply. If run well, a uniform shop owned and operated by the school can bring in valuable additional funds. We feel that it is currently the case that the uniform shop is "too difficult" for educators and administrators to contemplate.

- d) ...matters which need to be considered to ensure dress codes and uniform policies are consistent with anti discrimination legislation and health promotion policies;

We would prefer to leave this input to the people charged with the relevant knowledge.

- e) ...appropriate enforcement and sanctions;
- f) ...appropriate exemption criteria and processes;

This is the area where I am extremely under prepared. There are currently no sanctions. The fear from our point of view would be to impose sanctions that tie everyone up with paperwork! On a very simplistic level, Spartan employs approximately 51 people directly, and hundreds of people indirectly through manufacturing. To produce goods for the schools takes considerable time and expense as there is a great deal of customization involved. Profit levels vary from item to item depending upon the unique values of the garments and the volumes they buy (which are usually very small). To tie our company up with paperwork on top of this would mean our sell prices would have to increase substantially to cope with the extra labor required to produce the goods.

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.

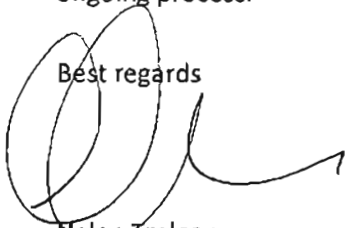
School Uniforms that are produced within Australia come at a high cost. There are mixed messages from the schools as to the goals for the manufacturer / wholesaler to achieve. Schools support Australian Made wherever possible, however the people making the decisions to buy uniform are used to shopping at retail superstores where a polo shirt is \$12.00. To produce this garment in Australia in a quality that will withstand daily use and laundering costs more than \$12.00 and profit has not yet been applied to the supplier. Local manufacturing is shrinking as the labor 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.

It would be interesting to see if the general quality of uniforms would improve if the school shop operator was reviewing all options available rather than an exclusive list of options. I know that Spartan can supply a garment to a retail operator at a price equal to that currently paid, with an improved quality, and yet our garment may not be reviewed for the school as the operator has an exclusive relationship with another supplier. How schools control or have input into this issue needs review.

In a nutshell, Spartan is alive exclusively due to the supply of goods to Australian Schools. We do not have a fashion / retail presence and our knowledge and expertise over the last 25 years is exclusively linked to schools. The major changes observed are that there are more suppliers (which is good for all), more pressure from the schools (which is also good other than when the pressure comes from unrealistic expectations) and the option of import and Australian Made being essential. 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. School Uniforms offer many advantages to a number of groups in the community, and Spartan is a large and strong national supplier. We are keen to be involved in this review process and I am willing to be available for discussion as you see fit. I apologize for my rather weak level of feed-back, but I tender our interest in being involved through the ongoing process.

Best regards

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Helen Treloar
General Manager