

# SOCIAL RETURN ON INVESTMENT RESEARCH REPORT

– FINDINGS

## Report finds additional value created through ethical, local procurement

Ethical Clothing Australia (ECA) is leading the way in protecting the rights of Australian garment workers. As a not-for-profit and an accreditation body, Ethical Clothing Australia ensures that textile, clothing, and footwear (TCF) manufacturers adhere to relevant Australian workplace laws – guaranteeing workers are paid fairly, receive their entitlements and work in safe conditions. Today, there are 116 accredited businesses nationwide, all committed to ethical production that supports local jobs. These are businesses committed to retaining manufacturing onshore and have the skills and expertise to produce clothing including the uniforms and workwear needed by many employers – including governments.

## Report finds local procurement delivers tangible social and economic returns

A new report highlights how choosing to buy from an Ethical Clothing Australia-accredited manufacturer delivers tangible financial, social and economic returns. The report, which focusses on Victorian government procurement, explores how public spending can deliver maximum value beyond the products themselves.

**It identified that for every \$1 spent procuring from an Ethical Clothing Australia-accredited manufacturer; \$1.13 of social value is returned to the community.**

The report found that the Social Return On Investment (SROI) value applies to any purchase from an Ethical Clothing Australia-accredited business – not just procurement from government – which means that governments, the private sector and other organisations can all use their purchasing power for good.

## Why ethical procurement pays off

Ethical Clothing Australia accreditation ensures transparency and ethical standards across supply chains. Globally, the Textile, Clothing and Footwear sector is known as underregulated and plagued by unsafe working conditions, exploitative labour practices, harassment and other workplace violations and abuses. These conditions are also prevalent in Australia, where workers, particularly outworkers have been known to experience systematic exploitation, and widespread non-compliance with minimum legal standards. The report found that while accredited products may come with a slight price premium associated with buying ethically and locally, the social value returned still exceeds this cost. It found that even with a modest higher price point, the additional social and economic value generated through procurement from local, accredited businesses is significant, and it benefits workers, government, and the broader community. Buying ethically and locally generates additional social value for Australians that can't otherwise be realised. Ethical Clothing Australia's accreditation provides the mechanism for ensuring this value is realised.

## Why SROI matters when it comes to procurement

Valuing SROI in procurement decisions matters because it ensures that public or company spending delivers not only economic value, but also positive social outcomes.

That's important because it:

- Maximises the value of every dollar spent on procurement
- Supports broader government or company goals
- Demonstrates social accountability and transparency and
- Drives responsible business and
- It can promote market innovation and expansion.

It turns everyday purchasing into a strategic tool that creates multiple longer term benefits.

## AND THERE'S MORE

In addition to the directly attributable SROI value created through Ethical Clothing Australia accreditation, many accredited manufacturers also undertake their own social impact endeavours. This work creates additional forms of value, in addition to the SROI value.

### Examples of these activities include:

- Reinvesting back into the communities they are serving
- Creating paid training pathways and formal workplace certificates
- Job pathways for specific communities who face barriers to employment
- Increased confidence and wellbeing for workers
- Environmental outcomes such as contributing to a circular system.

While Ethical Clothing Australia's accreditation areas do not include any social enterprise or environmental initiatives there are a high proportion of businesses that are undertaking this work.

### Support local

Local, ethical procurement is smart policy. It's an investment in people, communities, and the future of Australia's manufacturing industry. When governments, the private sector and others choose Ethical Clothing Australia-accredited businesses, they're not just buying a uniform – they're building a better Australia.

## FOR MORE INFORMATION CONTACT ETHICAL CLOTHING AUSTRALIA

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### Report Background

Ethical Clothing Australia commissioned First Person Consulting (FPC) to research and calculate the Social Return on Investment (SROI) on the social value generated for Australians when buyers choose to purchase from an Ethical Clothing Australia accredited manufacturer. The results were presented in July 2025.

The SROI element of the report captures the benefits that directly relate to Ethical Clothing Australia's accreditation program which ensures that textile, clothing and footwear employees are receiving their legal wages and entitlements and working in a physically safe environment.

### What does SROI mean?

SROI is a process that allows for the measurement of value beyond monetary value, it enables us to determine the value of the range of social, environment and other benefits generated through programs or interventions.

SROI is an internationally recognised approach, it is widely used to reduce inequality and improve wellbeing by incorporating social, environmental and economic costs and benefits decision making.

