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Activewear queen Lorna Jane on why debt is a downer

The fitness advocate and athleisure pioneer celebrates 35 years in business this year – with no plans to stop.

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Before you ask, Lorna Jane Clarkson will have the caesar salad with chicken. “I need the protein,” she says. And yes, in real life, the fitness instructor-turned-activewear supremo is just as fit as you’d imagine her to be (perhaps a touch shorter).

Naturally, she is wearing head-to-toe Lorna Jane, the brand she founded 35 years ago: a striped shirt with wide-leg pants (no, not activewear – the business has always made casual clothes, too).



Lorna Jane Clarkson at Sydney's Park Hyatt. **Oscar Colman**

We are meeting for lunch at the Park Hyatt, where Clarkson stays when she is in Sydney. She and her husband Bill live in Brisbane and have a farm in Byron Bay. They're here for meetings and to celebrate Bill's birthday. "We're going to Clam Bar tonight," she tells me. "We've been told to have the steak."

The day we meet, Minister for Environment and Water Tanya Plibersek launched a program called Seamless [<https://www.afr.com/life-and-luxury/fashion-and-style/france-has-a-plan-to-end-fast-fashion-and-now-australia-does-too-20240618-p5jmn1>], a voluntary scheme where fashion companies can pay a levy of four cents for every item they sell; the profits will go to funding circular fashion initiatives. Lorna Jane was one of just six companies that signed up to become foundation members.

"I think it's the only way," she says of finding solutions to fashion's contribution to landfill and other ecological issues. "My role is to advise and encourage other brands to get on board. I found it difficult because a lot of brands aren't in our position, they have investors and often they don't want to invest in this. Or they have debt and don't have the money to do this. We are financially stable. If I feel laden down by something – like money worries – I cannot be creative. You can't be creative if you're thinking about saving money."

Clarkson has not had to worry about saving money in quite some time. Her

business, which she started when she was working as a dental therapist in Brisbane by day and fitness instructor at night, is now represented in 22 countries, with 101 stores in Australia alone. Last year, it banked revenue of \$198 million (a \$3 million bump on the year before).

In 2010, CHAMP Ventures acquired 40 per cent of the business

[<https://www.afr.com/companies/financial-services/champ-takes-lorna-jane-minority-stake-20100329-ivsed>], but Clarkson and her husband bought it back in 2020.

Now they own the company – and its profits – outright. Last year, Clarkson made *The Australian Financial Review's* Rich Women List, with a valuation of \$134 million. This year, that number climbed to \$140 million.

[<https://www.afr.com/rich-list/australia-s-75-richest-women-now-control-more-than-151b-20240229-p5f8qs>]



The story of how Clarkson built this behemoth – and indeed, the very category of athleisure in Australia – is well-told. She was a 25-year-old part-time aerobics instructor who couldn't find clothes to wear while working out, so decided to make her own. She sold them to friends and class members and eventually, opened her own small store within the gym she worked at.

But the young Clarkson wanted something quite different. Actually, she

wanted my job. Well. Sort of.

“I wanted to be Jana Wendt,” she says. “My mother told me to think about it. I’ve always been very trusting. I was gullible, probably, at that stage. So she talked me out of it.”

Instead, Clarkson went into dental therapy, teaching aerobics on the side (“for the free gym memberships”), before launching Lorna Jane. “The great thing is that I went on to write six books, so I did get that outlet. I really enjoy that process.”

Clarkson was teaching aerobics at the height of its popularity (her favourite move – the grapevine – is one she’s still known to bust out now).

“My first little attempt at a store was on the top floor of a fitness centre in Brisbane. Every class had 80 to 100 people. The ground would shake. I remember doing a class in Vegas that had to be shut down because it was a safety hazard, the ground was shaking so much.”

Instructors, she says, were like influencers. “I remember being desperate to be an instructor at this Brisbane gym called Movement – it was the place at the time – and we had to audition.” She got the job. When she started to sell her clothes to aerobics devotees, the appeal was instant. “People would line up for them,” she says.

Those first leotards and leggings were cut and sewn by hand. When she launched the business properly, Clarkson went to TAFE to learn fashion design. She could have hired a design team but chose not to.

“That was impostor syndrome,” she says. “I needed to prove that I had done it, that I could do it.” She was “the worst disrupter there”.

“I asked way too many questions. I think they were glad to get rid of me.” To this day, she oversees the design team. “I love being with my designers. I get excited about colours and shapes, fabric technologies.”

This year marks 35 years of Lorna Jane – quite a feat in the fickle fashion industry, especially considering the swathe of competitors who followed in her Lycra-clad wake. But she doesn't worry about that.

“To my way of thinking, the landscape has always been competitive,” she says, spearing a lettuce leaf. “At least now we have a category. Before we had to compete with global sports brands, which were a lot bigger than we were.” And she doesn't begrudge competition.



Clarkson in her days as an aerobics instructor.

“I remember being in California and seeing Lululemon

[\[https://www.afr.com/life-and-luxury/fashion-and-style/lululemon-now-a-us55b-behemoth-wants-you-to-wear-activewear-all-day-20240221-p5f6ms\]](https://www.afr.com/life-and-luxury/fashion-and-style/lululemon-now-a-us55b-behemoth-wants-you-to-wear-activewear-all-day-20240221-p5f6ms) for the first

time,” she says. “They started behind us [in 1998] and had a huge machine behind them. They were yoga-based but they had the right aesthetic. And then everyone came along. I do get it. If I saw someone making heaps of money from this, I'd do it too. And the category wouldn't be what it is unless more companies came on board.”

After three decades, she does not want to “be the biggest, I want to be the best. I don't want to explode globally. I tried it and I didn't like it. It doesn't suit my lifestyle.”

Internationally, the brand is sold everywhere from Malaysia and Singapore

to the UAE, France, Britain and China.

China is a booming market for the brand, where it is sold via TMall. The fitness industry there is nascent, “like the 1980s,” says Clarkson. While the post-COVID-19 decline has affected the business there somewhat (not to mention tense Australian-Chinese relations), “it’s still selling like crazy”.

In 2019, the Clarksons set out to conquer America, opening 24 stores and even buying a home in California with plans to move there permanently. Then – well, you know.

“We were prepared to move to the US. We were ready. COVID-19 was horrific in the US. We had people sleeping in our change rooms, we had no way of moving them on. It was horrendous, the whole landscape.” Seeing the opportunity to leave, the Clarksons swiftly exited the market and now only operate as an online business in the US. “It was the best thing we’ve ever done.”

COVID-19 was difficult for Clarkson for other reasons. In July 2020, the brand released a range called LJ Shield Activewear that it claimed “eliminated”, “stopped the spread” and “protected wearers” against “viruses including COVID-19”. The Australian Competition and Consumer Commission [<https://www.afrc.com/companies/retail/accs-sues-lorna-jane-over-anti-virus-activewear-20201221-p56pa2>] hit the brand with a \$5 million fine over misleading claims a year later.

She is wary of speaking about it, even three years later. “I’m intimidated by the ACCC coming after me again. I had made an honest mistake, I sat across a table with all their head people, telling me how awful I am. I am a human being. It was horrific for me. I made a mistake. I apologised. I’m not glossing over it, and I didn’t intend to mislead anyone.”

She tells me she wishes it had never happened. “But it did happen, and you learn something from everything. I learnt that I’m resilient.”



“To me, when you come to work, it's: business, team, yourself. They are your priorities,” says Clarkson.

It was the only time, she says that she thought about selling the business. “It wasn't even that it affected the business. Our customers are so loyal. They know that I am not defined by one mistake. Our customers trust us. But I felt so bad about what was being said about me. It was lockdown and I really internalised it all. It nearly broke me.”

It did not, though. In fact, like other business owners, Clarkson says COVID-19 was a time of galvanisation for her business. “We really had to think about our objectives, downscale and make decisions we'd never thought about before.”

OK, fine, Clarkson does not finish her salad. She is headed to the gym after our lunch for some weight training before dinner tonight. I want to know,

what's she like as a leader? She pauses.

“I've met people whose whole focus is on leadership,” she says. That is not her. “To me, when you come to work, it's: business, team, yourself. They are your priorities. You are there to support the business, your team, and then you come last.”

For Clarkson “it's all about the product. I suppose I lead by example in that way. The product means so much to me. I'm not the best person to sit someone down and say, ‘OK, let's see your KPIs.’”

What she has learnt is that she used to look for the same people, over and over, for her team. “I like people who are outgoing and have a lot of energy, but I've learnt that it's good to have quiet people in there too. I am still learning, even at 59.”

She learnt a lot, too, when the brand started to use different-sized models in its campaigns. “People were saying, ‘Oh, now I can see what it would look like on me’. And I didn't get that before. I am a designer, so I can visualise what the clothes would look like on other people. And I realised that we really needed to be relatable and show different women, so that it could resonate with lots of different people. Using the same model over and over made it difficult for people to see themselves in the product. I don't know why it took until we did that post for me to realise, but it did.”

Thirty-five years after launching, the business is still finding new customers, she says. A few years ago a TikTok creator posted a video of herself dancing in the brand's “Flashdance” pants (they were her mother's). “And they sold out like that,” she says. “They could have been lost in the heap of what we designed that season, but I could send someone's kids to school with what we've made with those pants.

She and Bill, who stood down as chief executive last year (new boss Anna Fowler has been with the business since 2006, in various roles) are now transitioning out of the day-to-day of the business.

“It’s harder for me. I am not ready. I could stay in this forever.” She is “really quite annoyed” when people ask her why she has not retired. “I love it. That’s why. It’s a life’s work. I know it sounds cliché, but I still love it.

“Some Mondays, I still get that feeling of ... ‘Oh, do I have to go to the office?’ But when I get there ... I love it.” Besides, she adds, “the category has a long way to go.”



Clarkson with husband Bill in 2002. **Bradley Kanaris**

Really? A category that is sold everywhere from Kmart to Dior still has more to give? Clarkson is adamant.

“The casualisation of women’s fashion is going to continue to grow,” she says. “Women might want to wear a suit-style pant to work, but in a comfortable fabric.” She points to her own pants – the Lorna Jane Post

Practice Wide Leg Pants, if you're interested – as an example.

“Women want active fabrics. They don't crush, you can wash them in the machine, they are good for travel. Technical fabrics – there's so far to go. We're looking at things like fabrics you don't need to wash as much, waterproof leggings where the rain rolls off.”

If you ask why people buy Lorna Jane, she says, even in a saturated market, “it's not because we give people what they need. We give people what they want. And they don't know what they want until we create it.”

But back to those retirement – or semi-retirement, at least – plans. The couple has a farm in Byron Bay, set on 100 acres, where they've planted 8000 trees to regenerate the land. She is actively looking for projects to take her out of the office, she says, with the same passion she has applied to Lorna Jane for the last three and a half decades.

Like recently, when she and Bill gave away a heap of timber previously used in their retail fitouts. “We went to the Mullumbimby Show and met these guys who made plywood bird and possum boxes. We got in the truck and drove all this ply down for them. So they're using it. We feel so great about it.”

She doesn't know if she will ever step back entirely. Of course, the money is there, in part because Clarkson has always held firm about keeping the company debt-free. “I don't like the idea of overspending or owing money. For someone who sells a commodity, I am not someone who partakes in that too much.

“Being financially secure gives you freedom. But ask anyone who knows Bill and I – we really don't live like people who have money. We spend money on property – it's like Bill's sport, he likes to buy houses. I have a great sneaker collection.”

Ten years ago, on the eve of her 50th birthday, a reporter asked her what

she wanted to be remembered for. She told them that she wanted to “make sure” she “had an impact.”

And now?

“You know, I started all of this to inspire women to take care of themselves. To wear clothes that they felt good exercising in, because we should all be moving. And I did that. And now I think that my impact is a bit different. I think that my success invites people to give it a go. You know, if I can do it, why don’t they give it a try?”

The bill

Park Hyatt Sydney, 7 Hickson Road, The Rocks

Living Room caesar salad with chicken, \$36

Chicken salad with bean sprouts, \$32

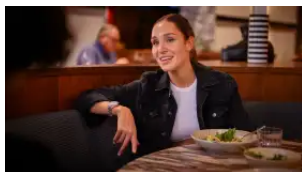
Total, \$68



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