



competition commission
south africa

Media Release

For Immediate Release

Date: 13 January 2021

COMMISSION URGES SCHOOLS AND PARENTS TO OBSERVE CIRCULAR ON PROCUREMENT OF SCHOOL UNIFORM

As schools are due to re-open, the Competition Commission wishes to urge schools and parents to observe the circular on “Procurement of School Uniform and other Learning-Related Goods and Services”. The circular was jointly published by the Commission and the Department of Basic Education on 16 November 2020, to provide schools and other relevant stakeholders with guidance on best practices relating to all procurement undertaken by schools.

In the main, the circular is aimed at curbing anti-competitive procurement practices at schools. The circular emphasises the principles articulated in the School Uniform Guidelines previously published in May 2015 by the Department of Basic Education. In the era of COVID-19, the Commission’s scope has expanded to other learning-related goods and services which schools require learners to purchase, including face-masks, hand sanitizers, technological gadgets for e-learning purposes and other items.

The Commission’s interventions in the procurement of school uniform over the years has yielded some positive results in changing behaviour by schools and retailers. The Commission is encouraged by the progress made by various schools in making school uniform more affordable and accessible. In this regard, the Commission has received some positive testimonials from parents who have observed changes in the way in which schools have approached the issue of school uniforms and other learning-related material.

The guidelines for pro-competitive school procurement include the following:

- School uniform should be as generic as possible such that it is obtainable from more than one supplier;
- Exclusivity should be limited to items that the schools regards as necessary to obtain from pre- selected suppliers;
- Schools should follow a competitive bidding process when appointing suppliers for school uniform and learning-related items;
- Supplier agreements should be of limited duration and not for excessively long periods; and

- Schools must not compel parents to purchase new/additional school uniform items for the purposes of clothes-rotation during the Covid-19 pandemic. Instead, schools should consider alternative interventions including permitting the wearing of civilian clothing by learners, on some days.

In the instance where there is non-compliance with the Competition Act and the School Uniform Guidelines, the Commission will take appropriate action in terms of its enabling statutes, particularly as bringing down the cost of learning-related items remains the priority.

In order to expand its reach to more schools, the Commission also identified School Governing Body Associations as key stakeholders with whom to partner. These associations are voluntary organisations representing School Governing Bodies across the nation. In showing their commitment, in 2018, the Federation of Governing Bodies of South Africa (“FEDSAS”) and the Independent Schools of Southern Africa (ISASA), representing public and private schools respectively, made a public pledge to adhere to the school uniform guidelines aimed at curbing anticompetitive behaviour at schools.

Further, the governing body associations that represent public schools have, during 2020, begun discussions on developing Memorandum of Understanding (MoUs) with the Commission. The Commission is excited about these partnerships and believes that through these it will be able to raise awareness and monitoring compliance to competitive procurement practices by schools.

[ENDS]

Issued by:

Siyabulela Makunga, Head of Communication

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493/ 067 421 9883

Email: SiyabulelaM@compcom.co.za

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa

BACKGROUND

Since 2010, the Commission has been responding to complaints concerning high prices of school uniforms and anti-competitive procurement practices by schools. One of the common practices is where schools enter into exclusive, long-term supply agreements with specific pre-selected suppliers of school uniform. These agreements are often entered into without any transparent competitive bidding processes; as a result they substantially prevented and lessened competition.

The Commission subsequently initiated investigations against various schools and suppliers of school uniform. To this end, the Commission has concluded settlement agreements with several school groups and suppliers, including one of the largest manufacturers and/or suppliers in the country. The Commission is of the view that the settlement agreements, will help address the competition concerns in the supply of school uniform and will contribute towards opening the market for increased competition and economic participation and reduce prices for consumers (parents).

In parallel, the Commission has undertaken extensive advocacy initiatives targeted at raising awareness on the potential anti-competitive effects that are likely to arise in the procurement process of school uniform, stationery and other learning-related goods and services.

The Commission assisted the Department of Basic Education in drafting school uniform guidelines, published in May 2015. Subsequently, the guidelines were adopted by various school groups and governing bodies as a set of rules to regulate procurement of school uniform. Many schools immediately started to implement the guidelines and identified items like school ties, blazers, caps etc as part of limited exclusive clothing.

In order to expand its reach to more schools, the Commission also identified School Governing Body Associations as key stakeholders with whom to partner. These associations are voluntary organisations representing School Governing Bodies across the nation. In showing their commitment, in 2018, the Federation of Governing Bodies of South Africa (“FEDSAS”) and the Independent Schools of Southern Africa (ISASA), representing public and private schools respectively, made a public pledge to adhere to the school uniform guidelines aimed at curbing anticompetitive behaviour at schools. Further, the governing body associations that represent public schools have, during 2020, begun discussions on developing Memorandum of Understanding (MoUs) with the Commission. The Commission is excited about these partnerships and believes that through these it will be able to raise awareness and monitoring compliance to competitive procurement practices by schools.

While the Commission’s intervention has been predominantly on the procurement of school uniforms, there have also been recent complaints related to the procurement of other learning-related goods and services.

In the era of COVID-19, the Commission received complaints related to requirements by schools for learners to purchase school-branded or brand-specific COVID-19-related items - including face-masks, hand sanitizers, technological gadgets for e-learning purposes and other items. It is important that schools understand that the same principles that are set out to ensure pro-competitive procurement applies equally to the procurement of all other learning-related goods such as textbooks, stationery etc.

In light of this, the Department of Basic Education and the Commission have, on 16 November 2020, jointly published an updated Circular on the “Procurement of School Uniform and other Learning-Related Goods and Services” that seeks provide school and other relevant stakeholders with guidance on best practices relating to all procurement undertaken by schools.

The Commission’s intervention in the procurement of school uniform has yielded some positive results in changing behaviour by schools and retailers. The Commission is encouraged by the progress made by various schools in making school uniform more affordable and accessible. In this regard, the Commission has received some resoundingly positive testimonials from parents who have observed changes in the way in which schools have approached the issue of school uniforms and other related learning material.