



2015 SABOA CONFERENCE

BBBEE : ALIGNMENT OF THE BUS SUB-SECTOR SCORECARD/CHARTER

Presented by: Danie Malherbe



SABOA

GUIDELINES FOR DEVELOPING TRANSFORMATION CHARTERS/SECTOR CODES

10 October 2014 per DTI

Includes the following in Section 3.1.6 to 3.1.7:

SECTOR CODES

- MUST set targets which are over and above Generic Codes
- MAY deviate from Generic targets, weightings and thresholds
ONLY WHEN JUSTIFIABLE based on
 - sound economic principles
 - Sectoral characteristics
 - empirical research
- ARE MANDATORY (vs. Generic Codes) if over 50% of turnover is from the Sector
- Generic Codes transition period ends 30 April 2015
- No transition period for Sector Codes



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

**PRESIDENTIAL B-BBEE ADVISORY
COUNCIL**

09 JULY 2014



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

SPECIFIC SECTORS ISSUES CONT...

Key findings and overall analysis:

- Significant progress in some of the sectors;
- Other sectors demonstrated lack of progress in implementing transformation;
- No Sector Charter Councils in most sectors;
- No tangible commitment on transformation/ circumvention / delaying implementation; and
- Lack of meaningful and substantial transformation in most sectors;.

SPECIFIC SECTORS ISSUES CONT...

- o RECOMMENDATIONS:
 - Alignment of all Sector Charters to the revised BBBEE Codes before end of Transitional period;
 - Appointment of Sector Charter Councils to oversee sectoral transformation;
 - Annual mandatory reporting and submission of BBBEE Certificates and scorecards to the dti and Commission;
 - Continuous Monitoring and Evaluation, through researches and studies, to determine level of compliance and reliable data.



SABOA

Element	Indicators of Empowerment	Bus Weightings	Bus Targets	Generic Weighting	Generic Targets
Ownership (P)	2.1 Voting Rights				
	2.1.1 Exercisable voting rights in the hands of Black people	6	35%	4	25% + 1 Vote
	2.1.2 Exercisable voting rights in the hands of Black Women	2	10%	2	10%
	2.2 Economic Interest				
	2.2.1 Economic interest in the hands of Black people	5	35%	4	25%
	2.2.2 Economic interest in the hands of Black Women	2	10%	2	10%
	2.2.3 Economic interest of the following Black natural people in Enterprise:				
	2.2.3.1 Black designated groups				
	2.2.3.2 Black participation in Employee Ownership Schemes (ESOP);	3	3%	3	3%
	2.2.3.3 Black beneficiaries of Broad based Ownership Schemes;				
2.2.3.4 Black participants in Co-operatives					
2.2.4 Involvement in the ownership by Black new Entrants (Having less than R50m in shares)	4	10%	2	2%	
2.3 Realization Points					
2.3.1 Net Value/Net Economic Interest	8	10 year targets	8	10 year targets	



SABOA

Element	Indicators of Empowerment	Bus Weightings	Bus Targets	Generic Weighting	Generic Targets
Management Control	2.1 Board Participation	6 - 50/25%		6 - 50/25%	
	2.2 Other Executive Management	3 – 60/30%		3 – 60/30%	
	2.3 Senior Management	3 – 60/30%		3 – 60/30%	
	2.4 Middle Management	3 – 75/38%		3 – 75/38%	
	2.5 Junior Management				
	2.5.1 Black employees in junior management as a percentage of all junior management	1	88%	1	88%
	2.5.2 Black female employees in junior management as a percentage of all junior management	1	34%	1	44%
	(New) Percentage of Black Women in semi-skilled and unskilled positions (i.e. staff below junior management)	2	25%	N/A	N/A
	2.6 Employees with disabilities				
	2.6.1 Black employees with disabilities as a percentage of all employees (Excluding Drivers)	2	2%	2	2%
	(New) Black female employees with disabilities as a percentage of all employees (Excluding Drivers)	1	0.5%	N/A	N/A

NATIONAL AND PROVINCIAL EAP

Male			Female		
AM	African male	40.7%	AF	African female	34.2%
CM	Coloured male	5.8%	CF	Coloured female	5.0%
IM	Indian male	1.9%	IF	Indian female	1.1%
WM	White male	6.4%	WF	White female	4.9%
TOTAL		54.8%	TOTAL		45.2%



SABOA

WHAT MAKES THE INDUSTRY UNATTRACTIVE TO MANY FEMALES

1. The spread of operating hours is not family friendly
 - from 3am to 9 pm
 - (BCEA – max 12 hours + SARPBAC - max 14 hours + Regulations – max 15 hours)
2. Operating staff and drivers mostly work a split shift
 - from 8 to 5 am and 5 to 8pm
 - 6 days a week
3. Bus maintenance is mostly strenuous and dirty work (wheels, brake drums, springs, diesel, oil and grease)
4. Perceived as a male work environment (by males?)

Henry Ford (the founder of Ford Motor Company) said
“Nothing is particularly difficult if you divide it into small jobs”
“Failure is simply an opportunity to start again, more intelligently”



SABOA

GENDER EQUITY CHALLENGE IN THE BUS SECTOR

Admin, Finance and Personnel Services have ample females – Readily available in the market
Drivers and Technical have few females --not available in the market

URGENCY

	EMPLOYEES	% FEMALES	TOTAL FEMALES	YEARS TO 25% 250 Females
Current total	1000	10%	100	
Turnover (10%)	100	25%	$25 - 10\% = 22$	7 years
50% Poaching	100	50%	$50 - 50\% = 25$	6 years

Female target unachievable without

- Industry wide effort with substantial stakeholder co-operation
- TETA and UIF learnerships/apprenticeships
- Estimate 2000 female driver learnerships/year needed



SABOA

Element	Indicators of Empowerment	Bus Weightings	Bus Targets	Generic Weightings	Generic Targets
Skills Development (P)	2.1.1 Skills Development Expenditure on any programme specified in the Learning Programmes Matrix for Black people as a percentage of the Leviale Amount				
	2.1.1.1 Skills Development Expenditure for Black people as a percentage of the Leviale Amount	8	6%	8	6%
	2.1.1.2 Skills Development Expenditure for Black Employees with disabilities (Excluding the salaries of Drivers)	4	0.30%	4	0.30%
	2.1.2 Learnerships, Apprenticeships and Internships				
	2.1.2.1 Number of Black people participating in Learnerships, Apprenticeships and Internships as a percentage of total employees	6	6.0%	4	2.5%
	2.1.2.1 Number of black unemployed people participating in training specified in the learning programme matrix as a percentage of number of employees	4	2.5%	4	2.5%
	Bonus Points				
	2.1.3 Number of black people absorbed by the measured and Industry entity at the end of the learnerships programme	5	100%	5	100%

SABOA SURVEY OF BUS OPERATOR ACTUAL TRAINING SPEND			
	Training spend as percentage of leviabile amount is currently	1.53%	BBBEE Target is 6%
Number	Name of Training	% of Current Training Spend	% of leviabile amount/wages
1	First aid	0.32%	0.004%
2	Fire fighting	1.73%	0.023%
3	Other OHASA training	1.32%	0.020%
4	Bus drivers licence	4.90%	
5	New driver training	29.48%	
6	Driver refresher training	9.73%	
7	Driver learnerships	11.60%	
8	Mechanical apprenticeship	20.84%	
9	Other Mechanic training	7.14%	
10	Internships	1.94%	
11	Other TETA Accredited training	2.62%	
12	Other non-accredited training	6.53%	
14	Bursaries	1.85%	
	TOTALS	100.00%	0.047% MANDATORY

WHAT IS 6% TRAINING SPEND?

1000 Employees @ R10 000 earnings = R10 million

X 6% = R600 000 training spend

If Employee cost is 33% of total cost, then

Training spend increases total cost by 2%

If profit is 10% then training spend is 20% of profit



SABOA

Indicator	Indicators of Empowerment	Bus Weightings	Bus Targets	Generic Weightings	Generic Targets
Enterprise and Supplier Development (P)	2.1 Preferential Procurement				
	2.1.1 B-BBEE Procurement Spend from Empowering Suppliers	5	80%	5	80%
	2.1.2 B-BBEE Procurement Spend from all Empowering Suppliers that are Qualifying Small Enterprises	4	20%	3	15%
	2.1.3 B-BBEE Procurement Spend from Exempt Micro Enterprise	4	20%	4	15%
	2.1.4 B-BBEE Procurement Spend from Empowering Suppliers that are at least 51% black owned	9	40%	9	40%
	2.1.5 B-BBEE Procurement Spend from Empowering Suppliers that are at least 30% black women owned	5	15%	4	12%
	Bonus Points				
	B-BBEE Procurement Spend from Designated Group Suppliers that are at least 51% Black Owned	3	3%	2	2%
	2.2 Supplier Development				
	2.3 Enterprise Development				
	2.4 Bonus Points				

EXEMPTED PROCUREMENT SPEND ?

Type of expense	Current % of Total Annual Procurement Spend on imported goods
Diesel	45%
Chassis	10%



SABOA

THE SECTOR'S COMMITMENTS

All stakeholders of the transport sector commit to:

Embark on joint initiatives, where appropriate, with other Charter processes, the Proudly South African Campaign, the New Partnership of Africa's Development (NEPAD), public and private funding institutions and other government departments and agencies to accelerate B-BBEE.

Start a major communications and marketing campaign and that will take this "BEE Charter for the Transport Sector" to every organization within the transport sector to ensure maximum participation by all stakeholders.

Monitor the impact of procurement/outsourcing **on job creation.**

Allow their BEE achievements to **be rated annually.**

Supply the relevant statistics, data and information and proof thereof as required.

THANK YOU

If you always do what you
always did....You will
always get what you
always got