

## BUS COMMUTER AND COACH SERVICES SUB-SECTOR CODE FOR BBEE

### 3.2.7 SOCIO-ECONOMIC DEVELOPMENT (SED)

#### 3.2.7.1 Guiding Principle

3.2.7.1.1 Stakeholders agree to support community development and social projects. These projects include, study bursaries, job creation programmes and internships.

#### 3.2.7.2 SED measures include the following

3.2.7.2.1 A measured entity will achieve maximum points if a minimum of 1% of NPAT is on social and community projects.

3.2.7.2.2 QSEs within this sub-sector contributing a minimum of 1% of NPAT evaluated annually to socio-economic development initiatives over the next 5 years will achieve maximum points.

#### 3.2.7.3 Measurement Principles and Application of the Charter

3.2.7.3.1 Measurement principles associated with the socio-economic development element are contained in Statement 700 of Code 700 of the Generic Codes of Good Practice.

3.2.7.3.2 Qualifying contributions for the socio-economic development element are contained in Annexure 700 (A) – Benefit Factor Matrix of Statement 700 of Code 700 of the Generic Codes of Good Practice.

3.2.7.3.3 The formulae required in the determination of the socio-economic development score are contained in Annexure 700 (A) of Statement 700 of Code 700 of the Generic Codes of Good Practice.

3.2.7.3.4 Measurement principles required in evaluating socio-economic development contributions made by QSEs within this sector are contained in Statement 807 of Code 800 of the Generic Codes of Good Practice.

## 4. THE BUS BROAD-BASED BALANCED SCORECARD

B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
<b>Foreign Ownership:</b> Provide evidence of a global practice against selling equity to locals in investee countries	25% of the value of the South African operations of the Multinational, determined using a Standard Valuation; OR	25% of the value of the South African operations of the Multinational, determined using a Standard Valuation OR	25% of the value of the South African operations of the Multinational, determined using a Standard Valuation OR	20

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B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
	4% of Total Revenue from its South African operations annually over the period of continued measurement Equity Equivalence	4% of Total Revenue from its South African operations annually over the period of continued measurement 20	4% of Total Revenue from its South African operations annually over the period of continued measurement 20	
<b>Ownership</b>	Exercisable voting rights in the hands of black people	35%	25%+1 vote	3
	Exercisable voting rights in the hands of black women	10%	10%	2
	Economic Interest in the hands of black people	35%	25%	4
	Economic Interest in the hands of black women	10%	10%	2
	Economic Interest of the following black natural people in the enterprise: -black designated groups; -black participants in Employee Ownership Schemes; -black beneficiaries of broad based Ownership schemes or -black participants in co-operatives	2.5%	2.5%	1
	Ownership fulfilment	Same as codes	Same as codes	1

## BUS COMMUTER AND COACH SERVICES SUB-SECTOR CODE FOR BBEE

B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
	Net Economic Interest/Net Value	25% graduated over 10 years as per the Codes (year 5 at 60%)	25% graduated over 10 years as per the Codes (year 5 at 60%)	7
	<b>Bonus points:</b>			
	Involvement in the ownership of the Enterprises of black new entrants:	10%	10%	2
	Involvement in the ownership of the Enterprises of black Participants: ESOPS, Broad-Based Ownership; Co-operatives	10%	10%	1
<b>Management</b>	% of total exercisable voting rights in the hands of black board members	50%	50%	1.5
	% of total exercisable voting rights in the hands of black-women board members	25%	25%	1.5
	% Black executive directors	50%	50%	1
	% Black Women executive directors	25%	25%	1
	% of black senior top management	40%	40%	1.5
	% of black women senior top management	20%	20%	1.5
	% of black other top management	40%	40%	1
	% of black women other top management	20%	20%	1

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B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
	<b>Bonus points:</b> Black Independent Non-Executive Board Members	40%	40%	1
<b>Employment Equity</b>	% Black People in Senior Management	43%	43%	2.5
	% Black Women in Senior Management	22%	22%	2.5
	% Black People in Middle Management	63%	63%	1.5
	% Black Women in Middle Management	32%	32%	1.5
	% Black People in Junior Management	68%	68%	1.5
	% Black Women in Junior Management	34%	34%	1.5
	Black People living with disabilities as a % of all employees <sup>2</sup>	1%	1%	1
	Black Women living with disabilities as a % of all employees <sup>3</sup>	0.5%	0.5%	1
	% of Black Women in semi-skilled and unskilled positions (i.e. staff below junior management)	20%	20%	2
	<b>Bonus Point</b> for meeting or exceeding the EAP targets			3
<b>Skills Development</b>	Skills development expenditure on learning programmes specified in the learning programmes matrix for black employees as a % of leviabile amount	3%	3%	3

<sup>2</sup> Target subject to Disabled definition review.

<sup>3</sup> Target subject to Disabled definition review

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B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
	Skills development expenditure on black Women learning programmes specified in the learning programmes matrix for black employees as a % of leviab amount	1.5%	1.5%	3
	Skills development expenditure on learning programmes specified in the learning programmes matrix for black disabled employees as a % of leviab amount	0.3%	0.3%	1.5
	Skills development expenditure on black Women learning programmes specified in the learning programmes matrix for black disabled employees as a % of leviab amount	0.15%	0.15	1.5
	Number of black employees participating in learnerships or category B, C and D programmes as a % of total employees	5%	5	3
	Number of black Women employees participating in learnerships or category B, C and D programmes as a % of total employees	2.5%	2.5	3
<b>Preferential Procurement</b>	B-BBEE procurement spend from all suppliers based on the B-BBEE procurement	50%		12

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B-BBEE Element	Indicators of Empowerment	Bus Commuter Services 5 year Targets	Coach Services 5 year Targets	Weightings
			50%	
	Procurement from B-BBEE Compliant QSEs and EME as defined by the B-BBEE Recognition Levels as a % of Total Measurable Spend	10%	10%	3
	Procurement from 50% Black-Owned as a % of Total Measured Procurement Spend	9%	9%	3
	Procurement from 30% Black Women-Owned Enterprises as a % of Total Measured Procurement Spend	6%	6%	2
<b>Enterprise Development</b>	Expenditure on supplier development initiatives as a % of NPAT	3% NPAT	3% NPAT	10
	Number of different B-BBEE enterprise development partners expressed as a percentage of the total operator bus fleet (Sector Specific)	2%	2%	5
<b>Socio-Economic Development</b>	social development programmes as a % of NPAT	1% of NPAT	1% NPAT	5
<b>TOTAL</b>				<b>100</b>

**DRAFT B-BBEE SUB-SECTOR CODE- BUS COMMUTER AND COACH SERVICES SUB-SECTOR**

**5. QUALIFYING SMALL ENTERPRISES SCORECARD**

<b>B-BBEE Element</b>	<b>Indicators of Empowerment</b>	<b>Bus Commuters Sector 5 year target</b>	<b>Bus Coach Sector 5 year target</b>	<b>Weightings</b>
<b>Ownership</b>	Exercisable voting rights in hands of black people	35% Vote	25% +1 vote	6
	Economic Interest of black people in the Enterprise	35%	25%	9
	Realisation Points:			
	Ownership fulfilment			1
	Net Value	25% graduated over 10 years as per the Codes (year 5 at 60%)	25% graduated over 10 years as per the Codes (year 5 at 60%)	9
	<b>Bonus Points:</b>			
	Involvement in the ownership of the Enterprise by black women	20%	10%	2
	Involvement in the ownership of the Enterprise by black participants in Employee Share Schemes, Co-operatives or Broad Based Ownership Schemes	10%	10%	1
<b>Management Control</b>	Black Representation at Top Management level	50.1%	50.1%	25
	<b>Bonus Points:</b> Black women representation at Top-Management	25%	25%	2
<b>Employment Equity</b>	Black Employees of the Measured Entity who are Management	40%	40%	7.5
	Black Women Employees of the Measured Entity who are management	20%	20%	7.5

**DRAFT B-BBEE SUB-SECTOR CODE- BUS COMMUTER AND COACH SERVICES SUB-SECTOR**

<b>B-BBEE Element</b>	<b>Indicators of Empowerment</b>	<b>Bus Commuters Sector 5 year target</b>	<b>Bus Coach Sector 5 year target</b>	<b>Weightings</b>
	Black employees of the Measured Entity as a percentage of total employees	60%	60%	5
	Black Women employees of the Measured Entity as a percentage of total employees	30%	30%	5
	<b>Bonus points</b> for meeting or exceeding the EAP targets in each category			2
<b>Skills Development</b>	Skills Development spend on learning programmes for black employees as a percentage of the leviable/payroll	3%	3%	12.5
	Skills Development spend on learning programmes for black female employees as a percentage of the leviable/payroll	1.5%	1.5%	12.5
<b>Preferential Procurement</b>	BEE Procurement Spend from all suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	50%	50%	25
<b>Enterprise Development Spend</b>	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	3% of NPAT	3% of NPAT	25
<b>Socio-Economic Development</b>	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	1% of NPAT	1% of NPAT	25



**DRAFT B-BBEE SUB-SECTOR CODE- BUS COMMUTER AND COACH SERVICES SUB-SECTOR**

B-BBEE Element	Indicators of Empowerment	Bus Commuters Sector 5 year target	Bus Coach Sector 5 year target	Weightings
<b>TOTAL</b>				<b>175</b>

A QSE must select any four of the above seven elements for the purposes of measurement. If a QSE does not select, its four best element scores will be used for the purposes of measurement.

**6. APPENDIX A: COMMITMENT EVALUATION MATRICES**

Action Undertaken	Input measurement	Output measurement	Quality Control
Clarify public transport policy as a matter of urgency.	Money spent on research as a % of total discretionary funds	Report handed to Steering Committee/ Transport Charter Council clarifying the different issues in public trade policy (specifically funding models, subsidies and tendering models).	Steering Committee/ Transport Charter Council
Work closely with private and public sector entities to develop funding opportunities for B-BBEE enterprises.	Money spent on research as a % of total discretionary funds	Progress Report on research into the Ownership Levels within the Bus Sector, this may form part of the Annual B-BBEE Report	Steering Committee/ Transport Charter Council

**Skills Development**

Action Undertaken	Input measurement	Output measurement	Quality Control
Facilitate high quality training of black people through learnership and mentorship programmes.	Money spent on skills development as a % of total discretionary funds	Assessment Report on skills of black people within the industry.	TETA & Steering Committee/ Transport Charter Council

**Enterprise Development**

Action Undertaken	Input measurement	Output measurement	Quality Control
Improve percentage of buses involved in enterprise development	Number of buses involved in new enterprise development initiatives	Report to Steering Committee/Transport Charter Council on improvement	Steering Committee/Transport Charter Council

**DRAFT B-BBEE SUB-SECTOR CODE- BUS COMMUTER AND COACH  
SERVICES SUB-SECTOR**

initiatives		(percentage change) in number of buses involved in enterprise development initiatives.	
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