



MSCT BEE SERVICES

Making Significant Changes Together

The latest B-BBEE amendments and how they can benefit or negatively impact Universities



MSCT BEE SERVICES
Making Significant Changes Together

10 No. 38766

GOVERNMENT GAZETTE, 6 MAY 2015

**CODE SERIES 000: FRAMEWORK FOR MEASURING BROAD-BASED BLACK
ECONOMIC EMPOWERMENT**

STATEMENT 004: SCORECARDS FOR SPECIALISED ENTERPRISES

Issued under section 9 of the Broad-Based Black Economic Empowerment Amendment
Act of 2013



1. OBJECTIVE OF THIS STATEMENT

The objectives of this statement are to:

1.1 Provide guidance about the treatment of Ownership for Specialised Enterprises for Broad Based Black Economic Empowerment (B-BBEE) purposes, of:

1.1.1 Companies limited by guarantee;

1.1.2 Higher Education Institutions;

1.1.3 Non-Profit Companies;

1.1.4 Public entities and other Enterprises exclusively owned by organs of State; and

1.1.5 Public Benefit Schemes or Public Benefit Organisations.



2.3 Higher Education Institutions are not public entities under the Public Finance Management Act of 1999. They are incapable of evaluation of black ownership under Code series 100.



Element	Weighting	Code series reference
Management control	20 points	200
Skills development	25 points	300
Enterprise and Supplier Development	50 points	400
Socio-Economic Development	5 points	500



Category	Skills Development Element	Weighting points	Compliance Target
5.1. Skills Development Expenditure on any programme specified in the Learning Programme Matrix for black people as a percentage of the Leviaible Amount			
5.1.1	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leviaible Amount.	9	6%
5.1.2	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black employees with disabilities as a percentage of Leviaible Amount.	4	0.3%
5.2 Learnerships, apprenticeships and internships			
5.2.1	Number of black people participating in learnerships, apprenticeships and internships as a percentage of total employees	6	2,5%
5.2.2	Number of black unemployed people participating in training specified in the learning programme matrix as a percentage of number of employees	6	2,5%
Bonus points:			
5.3	Number of black people absorbed by the Measured Entity and Industry at the end of the learnership/ apprenticeship or internship programme	5	100%



Category	Skills Development Element	Weighting points	Compliance Target
5.1. Skills Development Expenditure on any programme specified in the Learning Programme Matrix for black people as a percentage of the Leviable Amount			
	5.1.1 Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leviable Amount.	9	6%
	5.1.2 Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black employees with disabilities as a percentage of Leviable Amount.	4	0.3%



Government Gazette no. 38766, 6 May 2015

5.2 Learnerships, apprenticeships and internships		
5.2.1 Number of black people participating in learnerships, apprenticeships and internships as a percentage of total employees	6	2,5%
5.2.2 Number of black unemployed people participating in training specified in the learning programme matrix as a percentage of number of employees	6	2,5%
Bonus points:		
5.3 Number of black people absorbed by the Measured Entity and Industry at the end of the learnership/ apprenticeship or internship programme	5	100%



Category	Skills Development Element	Weighting points	Compliance Target
2.1.1 Skills Development Expenditure on any programme specified in the Learning Programme Matrix for black people as a percentage of the Leviable Amount			
2.1.1.1	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leviable Amount.	6	3.5 %
2.1.1.2	Skills Development Expenditure on Bursaries for Black Students at Higher Education Institutions	4	2.5%
2.1.1.3	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black employees with disabilities as a percentage of Leviable Amount.	4	0.3%
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	5%
Bonus points:			
2.1.3	Number of black people absorbed by the Measured and Industry Entity at the end of the Internship, Learnership and Apprenticeship programme under Paragraph 2.1.2.1	5	100%



3.3 Initiatives implemented under paragraph 2.1.1.1 cannot be counted under paragraph 2.1.1.2 and vice versa.



5.6 Expenses on scholarships and bursaries for black people do not constitute Skills Development Expenditure if the Measured Entity can recover any portion of those expenses from the employee or if the grant of the scholarship or bursary is conditional. A bursary or scholarship scheme is a grant made to or for students who are registered at educational institutions established by or registered with the Department of Basic Education or the Department of Higher Education & Training. Examples of legitimate training costs for a bursary or scholarship includes: payment of school, college or university fees, or a portion thereof; funding for textbooks or other learning materials; funding for subsistence or accommodation during the period of study. Despite the afore going, if the right of recovery or the condition involves either of the following obligations of the employee, the expenses are recognisable:



- 5.6.1 the obligation of successful completion in their studies within the time period allocated; or
- 5.6.2 the obligation of continued employment by the Measured Entity for a period following successful completion of their studies is not more than the period of their studies.



Learning Programme Matrix

Cat	Programme	Narrative Description	Delivery Mode	Learning Site	Learning Achievement
A	Bursaries or scholarships	Institution-based theoretical instruction alone – formally assessed by educational institutions established by or registered with the Department of Basic Education or the Department of Higher Education & Training.	Institutional instruction	Institutions such as universities and colleges, schools, ABET providers	Recognised theoretical knowledge resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning



Government Gazette no. 42496, 31 May 2019

B	Internships	Institution-based theoretical instruction as well as some practical learning with an employer or in a simulated work environment – formally assessed through the institution	Mixed mode delivery with institutional instruction as well as supervised learning in an appropriate workplace or simulated work environment	Institutions such as universities and colleges, schools, ABET providers and workplace	Theoretical knowledge and workplace experience with set requirements resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
----------	--------------------	--	---	---	--



Government Gazette no. 42496, 31 May 2019

C	Learnerships	Recognised or registered structured experiential learning in the workplace that is required after the achievement of a qualification – formally assessed by a statutory occupational or professional body	Structured learning in the workplace with mentoring or coaching	Workplace	Occupational or professional knowledge and experience formally recognised through registration or licensing
----------	---------------------	---	---	-----------	---



Government Gazette no. 42496, 31 May 2019

D	Learnerships or Apprenticeships	Occupationally-directed instructional and work-based learning programme that requires a formal contract – formally assessed by an accredited body	Institutional instruction together with structured, supervised experiential learning in the workplace	Institution and workplace	Theoretical knowledge and workplace learning, resulting in the achievement of a South African Qualifications Authority registered qualification, a certificate or other similar occupational or professional qualification issued by an accredited or registered formal institution of learning
----------	---------------------------------	---	---	---------------------------	---



E	Work-integrated learning	Occupationally-directed instructional and work-based learning programme that does not require a formal contract – formally assessed by an accredited body	Structured, supervised experiential learning in the workplace which may include some institutional instruction	Workplace, institutional as well as ABET providers	Credits awarded for registered unit standards, continued professional development, improved performance or skills (e.g. evidence of outputs based on Performance Development Programme)
----------	--------------------------	---	--	--	---



Definitions which will take effect 1 December 2019

“Absorption”

means a measure of the Measured Entity’s ability to successfully secure a long-term contract of employment for the Employee, Learner, Intern or Apprentice.



“Unemployed Learner”

means a learner that was not in the employment of the employer party to the learnership agreement concerned when the agreement was concluded. The employer and learner must therefore enter into a contract of employment. Refer to the Skills Development Act.



“Employed Learner”

In terms of section 18 (1) of the Skills Development Act it means a learner that was in the employment of the employer party to the learnership agreement concerned when the agreement was concluded. The learner’s contract of employment is therefore not affected by the agreement.



MSCT BEE SERVICES
Making Significant Changes Together

QUESTIONS



MSCT BEE SERVICES

Making Significant Changes Together

Thank you

MSCT BEE Services (Pty) Ltd

Stanley Grau

021 852 5646

stanleyg@msctbee.co.za

www.msctbee.com