



**Annual Report (2018/19 FY &
Q2: 2019/20 FY)
Presentation to Portfolio
Committee on Trade & Industry
5 November 2019**



Delegation

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- Zodwa Ntuli, Commissioner
- Busisiwe Ngwenya, Executive Manager: Compliance
- Moipone Kgaboesele, Executive Manager:
Investigations & Enforcement
- Nontokozo Nokhwal-Mboyi, Chief Operations Officer

Presentation Content

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- ☐ Vision & Mission
- ☐ Mandate
- ☐ Priorities
- ☐ Processes & Timelines
- ☐ Operational Implementation
- ☐ Financial Plan
- ☐ Human Resource
- ☐ Challenges
- ☐ Contact Details

Our Vision, Mission and Values

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Mission

To facilitate the accelerated
productive implementation of
the Act



Values

An inclusive economy is our first
consideration

Open access and availability to
all economic citizens

Impartiality and Consistency

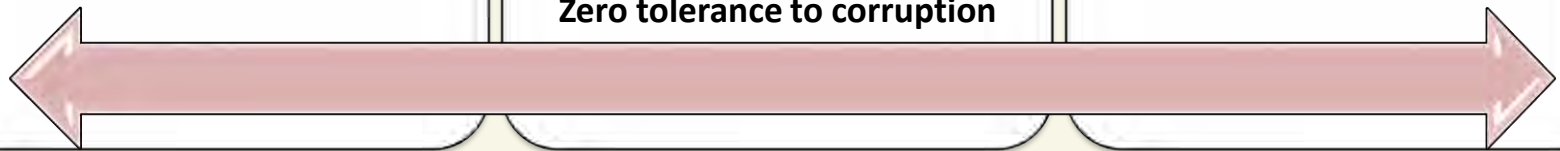
Accountability for all decisions
and actions taken by us

Zero tolerance to corruption



Vision

An inclusive economy that is
globally competitive



Mandate

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- Monitor, supervise and promote adherence in the interest of the public
- Strengthen collaboration between private and public sectors to safeguard the objectives
- Receive complaints or initiate investigations
- Promote advocacy, access to opportunities and educational programmes
- Maintain register of major B-BBEE transactions (R25 million threshold)
- Receive and analyse prescribed reports (JSE listed entities, SETA, Public Entities, Organs of State)
- Promote good corporate governance and accountability
- Increase knowledge and public awareness (guiding, declaratory order, researching)

Priority Areas

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- Safeguarding the outcomes of an inclusive economy
- Implementing corrective enforcement to achieve compliance
- Researching, analysing and reporting on the state of transformation
- Collaborating with relevant stakeholders to advance transformation
- Developing capability and capacity of the B-BBEE Commission to deliver on its mandate

Processes and Timelines

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Complaint

B-BBEE7 Form

Up to 12 months to investigate

Alternative Dispute Resolution

Findings and Recommendations



Advisory Opinion

Explanatory Note on Procedure issued

Non-binding and based on set of facts

Within 30 days



Registration of Major B-BBEE transactions

Based on Threshold

Certificate of Registration within 10 days

Feedback on merit within 90 days



Compliance Reports

JSE Listed, SETA, Organs of State, public entity

Sector Council

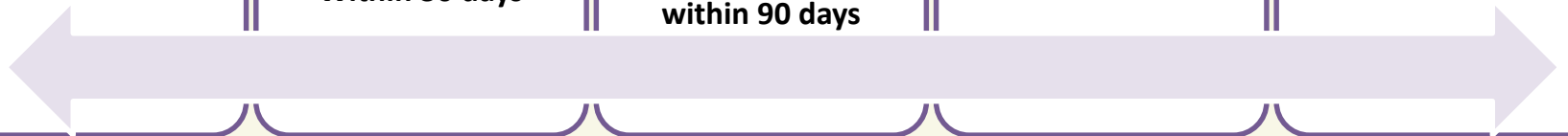
Consider report within 90 days



Written Clarification

General interpretation or application of B-BBEE

Issued within 5 days



Operational Implementation

Programme 1: Compliance

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Strategic Outcomes-Oriented Goal	Strategic Objective/Output	Performance Indicator/Measure	Targets	Report for 2018/19 FY and Q2: 2019/20 FY
			2018/19 and 2019/20	
Safeguarding the outcomes of an inclusive economy	Guide implementation of the Act	Number of days taken to provide advice to clients	30 days	50 Advisory Opinions 1810 Written Clarifications 56 letters issued regarding invalid B-BBEE certificates
		Number of practice notes/guides developed and issued	2 annually	3 practice guides/notes
		Number of brochures developed and published	2 annually	4 educational brochures on Starts-Up Enterprises, Understanding Trusts, YES programme and SED
	Assess B-BBEE transactions and provide advice	Number of days taken to assess B-BBEE transactions and include on the register	90 days	152 transactions received 26 rejected for non-compliance 14 Pending 108 issued with registration certificates 40 Trusts involved 92 assessed
	Assess Compliance Reports and provide feedback	Number of days taken to assess compliance reports	90 days	279 compliance reports received 247 assessed

Operational Implementation

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Programme 2: Investigations & Enforcement

Strategic Outcomes-Oriented Goal	Strategic Objective/ Output	Performance Indicator/ Measure	Medium-Term Targets	Report for 2018/19 FY and Q2: 2019/20 FY
			2018/19	
Implementing corrective enforcement to achieve compliance	Conduct both proactive and reactive investigations	Percentage of reports produced on investigations conducted within 12 months upon receipt of complaint	On average 80% reports produced on investigations conducted within 12 months upon receipt of complaint	285 complaints handled – 84% fronting 195 merit assessment Reports 90 cases finalised 27 summons issued 3 cases published – BEE Matrix SA, Eskom & MTN
	Encourage and guide resolution of disputes	Percentage of identified cases analysed & investigated for possible ADR process.	100% identified cases for ADR analysed and investigated. 80% of the referred cases resolved within 6 months.	10 cases resolved through ADR – redress to complainants
		Percentage of ADR conditions monitored	100% of ADR conditions monitored	All conditions complied with – a few running over 12 months
		Percentage of cases referred to other Regulatory entities within six (6) months	100% of identified cases referred	14 cases referred to CIPC
	Refer for prosecution when necessary	Number of cases finalised and referred for prosecution	100% of the identified cases if any	3 cases referred to National Prosecuting Authority & South African Police Services

Operational Implementation

Programme 3: Research, Analysis & Reporting

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Strategic Outcomes-Oriented Goal	Strategic Objective/Output	Performance Indicator/ Measure	Medium-Term Targets	Report for 2018/19 FY and Q2: 2019/20 FY
			2018/19 and 2019/20	
Researching, analysing and reporting on the state of transformation	Collect and analyse data by economic sectors	Number of Sector Reports produced and data analysed	2 Sector reports produced annually and 100% of data tracked from the B-BBEE portal system	3 sector reports produced
	Report on National Status and Transformation Trends	Number of 'National Status' Annual Report produced	1 National Status annual report	1 National Status and Trend Report produced 1 Analysis of Major B-BBEE Transactions Report

Programme 4: Relationship Building /Stakeholder Relations

Strategic Outcomes-Oriented Goal	Strategic Objective/Output	Performance Indicator/ Measure	Medium-Term Targets	Report for 2018/19 FY and Q2: 2019/20 FY
			2018/19 and 2019/20	
Collaborating with relevant stakeholders to advance transformation	Build mutual relationships with selected partners	Number of Memoranda of Understanding and Agreements concluded and published	2 Agreements Monitor relationship Maintain relationships	MoUs concluded with: National Liquor Authority Ports Regulator of SA KZN Department of Economic Development South African Revenue Services (SARS)

Operational Implementation

Programme 5: Administration

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Strategic Outcomes-Oriented Goal	Strategic Objective/ Output	Performance Indicator/ Measure	Medium-Term Targets	Report for 2016/2017 and 2017/2018
			2018/19 and 2019/20	
Developing capability and capacity of the Commission to deliver on its mandate	Develop an ICT strategy and infrastructure	ICT 5 year plan produced and implemented	1 ICT 5 year plan produced and implemented	ICT strategy and Plan developed and being implemented
	Develop and maintain support systems	Number of systems developed, implemented and monitored	4 Systems developed and Implemented (CMS, Phase 2 B-BBEE certificate & reports portal, HRMD and Contact Centre)	Phase 2 B-BBEE certificates portal system completed Human Resource Development Management system Completed Contact Centre System in progress Case Management System in progress
	Staff the B-BBEE Commission and develop a talent pipeline	Number of officials trained	10 officials trained	100% staff trained on MDP (B-BBEE course) & investigations
		Number of graduates on Internship and Trainee programme	None	2 Graduates recruited and trained

Operational Implementation Outreach/Awareness Sessions

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2018/2019 FY and Q2: 2019/20 FY

Number of Sessions held in each Province per in 2018/19 FY to Q2 2019/20 FY	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North-West	Northern Cape	Western Cape	Total held
2018/ 19 FY	4	6	54	10	7	1	4	4	4	94
Q2 of 2019/ 20 FY	1	3	12	4	3	0	1	0	1	25
Total Workshops held per Province in 2018/19 FY to Q2 2019/20 FY	5	9	66	14	10	1	5	4	5	119

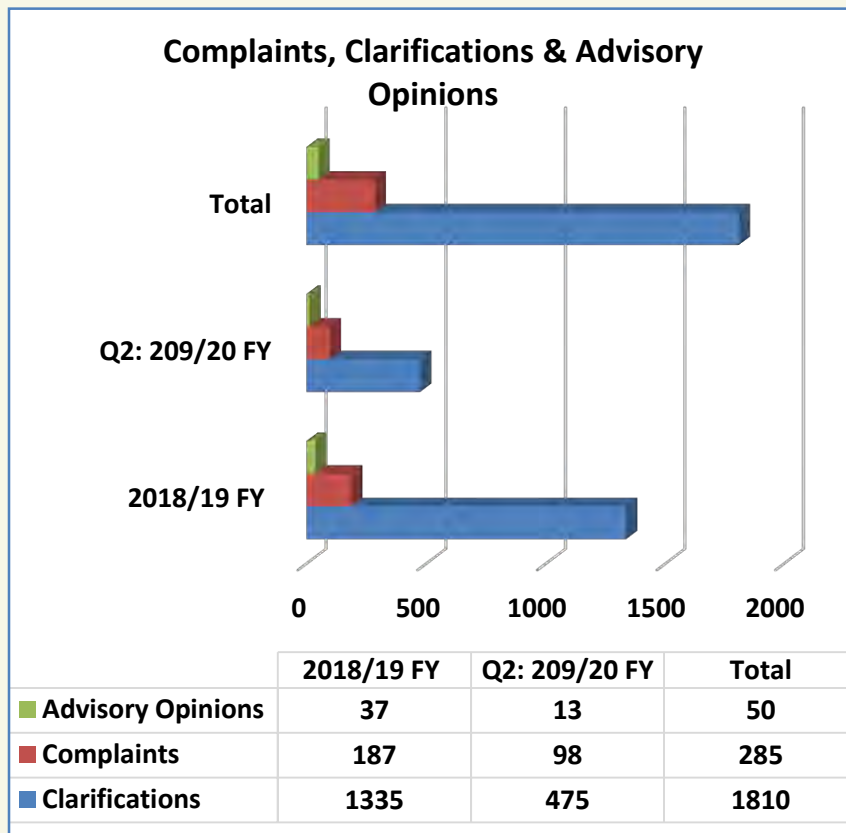
Source: B-BBEE Commission

Operational Implementation

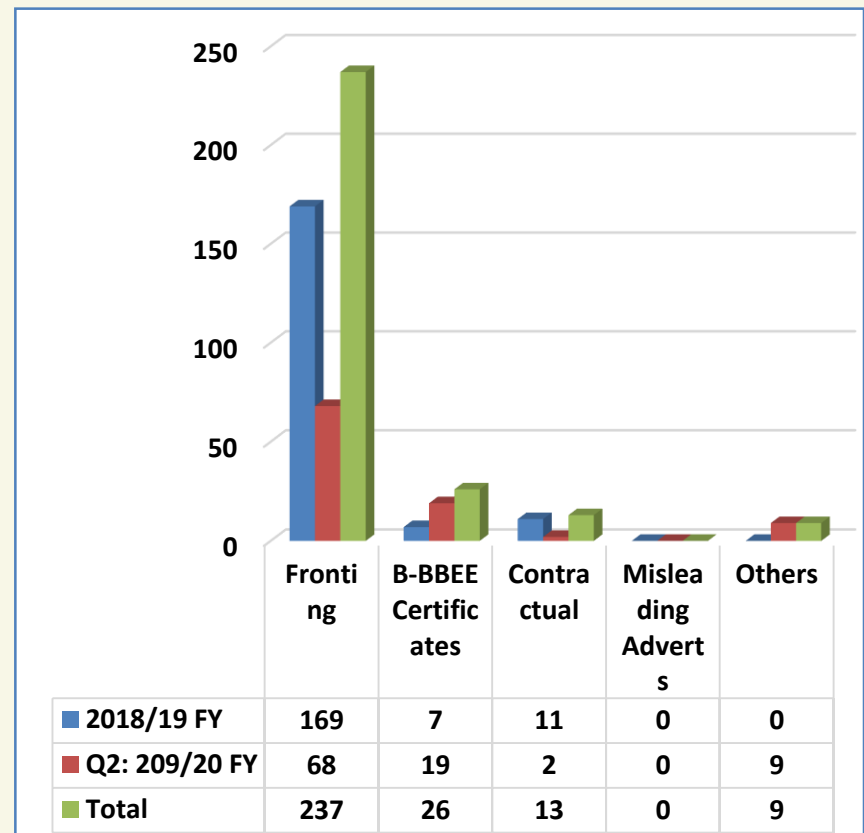
2018/19 FY and Q2: 2019/20 FY

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Complaints, Clarifications & Advisory Opinions



Type of Complaints Received & initiated



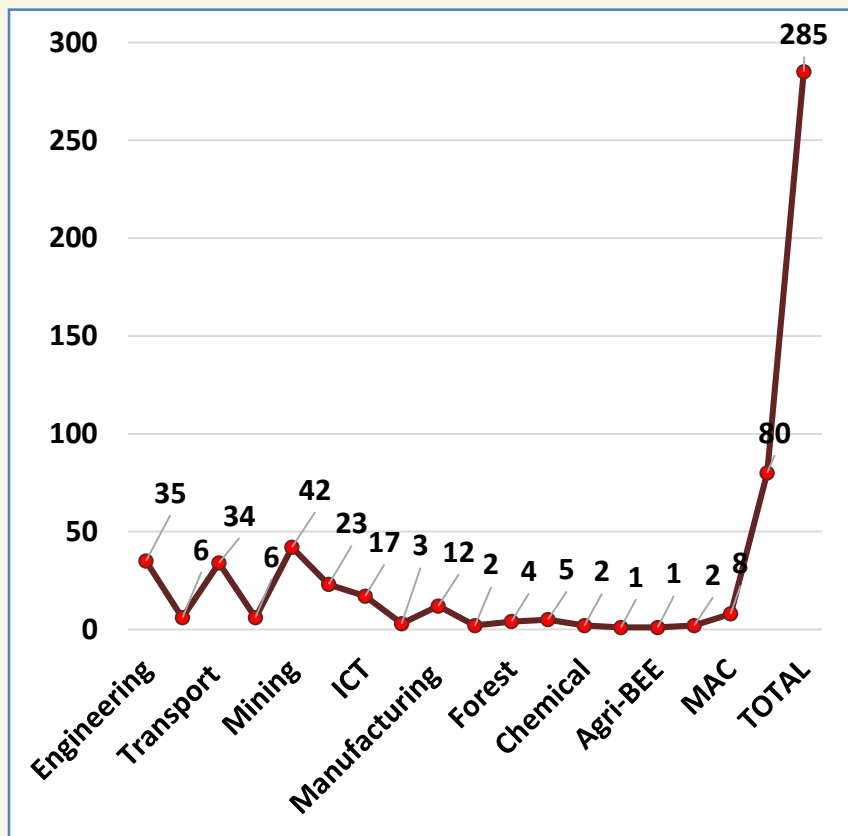
Source: B-BBEE Commission

Operational Implementation

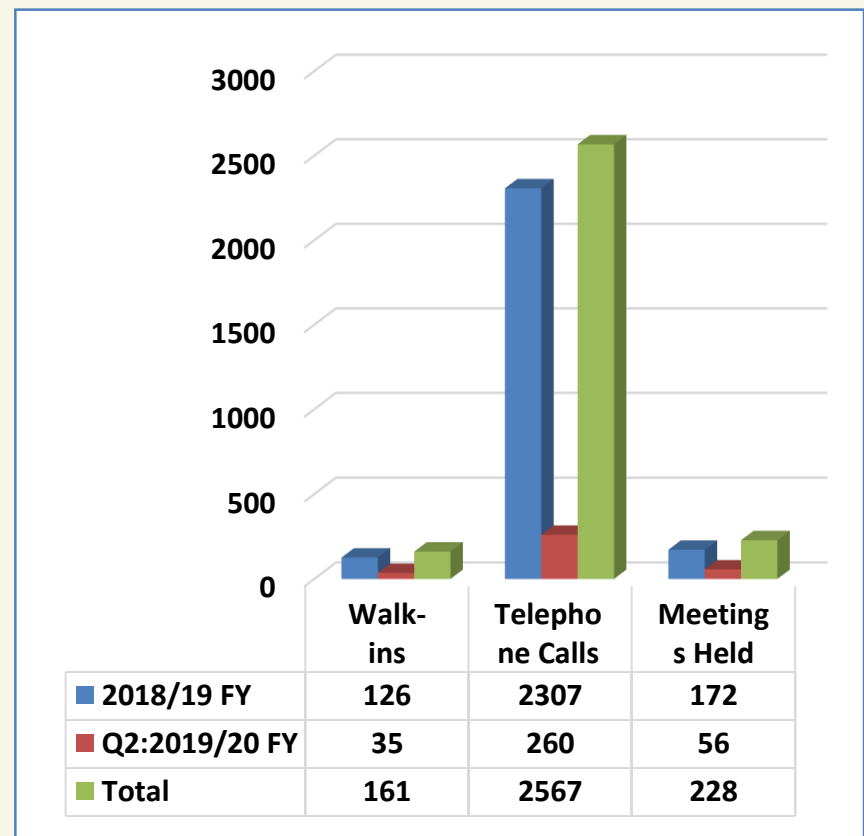
2018/19 FY and Q2: 2019/20 FY

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Complaints Received/handled Per Sector



Walk-ins, Telephone calls & Meetings held



Source: B-BBEE Commission

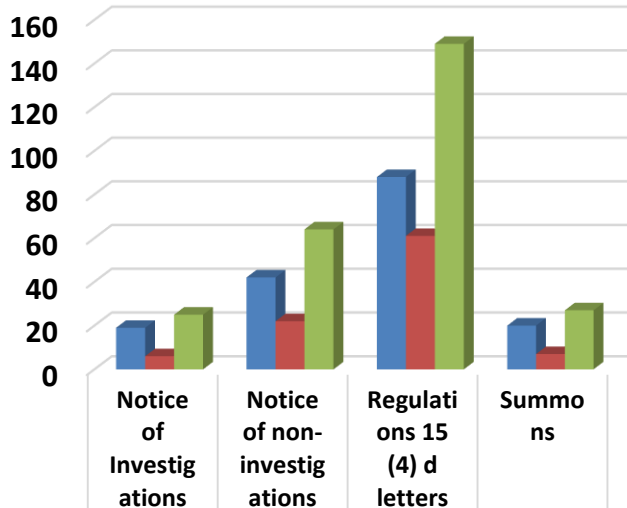
Operational Implementation

2018/19 FY and Q2: 2019/20 FY

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Notice of Investigations & Summons Issued

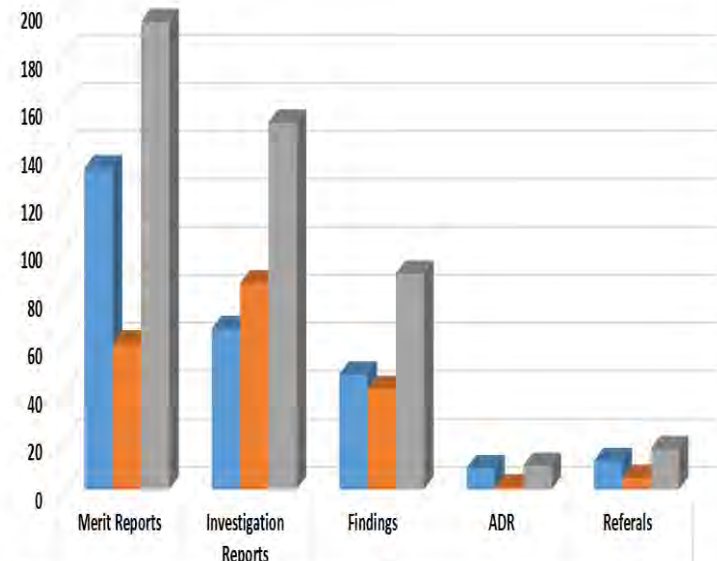
Notice of Investigations & Summons Issued



2018/19 FY	19	42	88	20
Q2: 2019/20 FY	6	22	61	7
Total	25	64	149	27

Investigation Findings, ADR & Referrals

Investigation Outputs



2018/19 FY	134	67	48	9	12
Q2: 2019/20 FY	61	86	42	1	5
Total	195	153	90	10	17

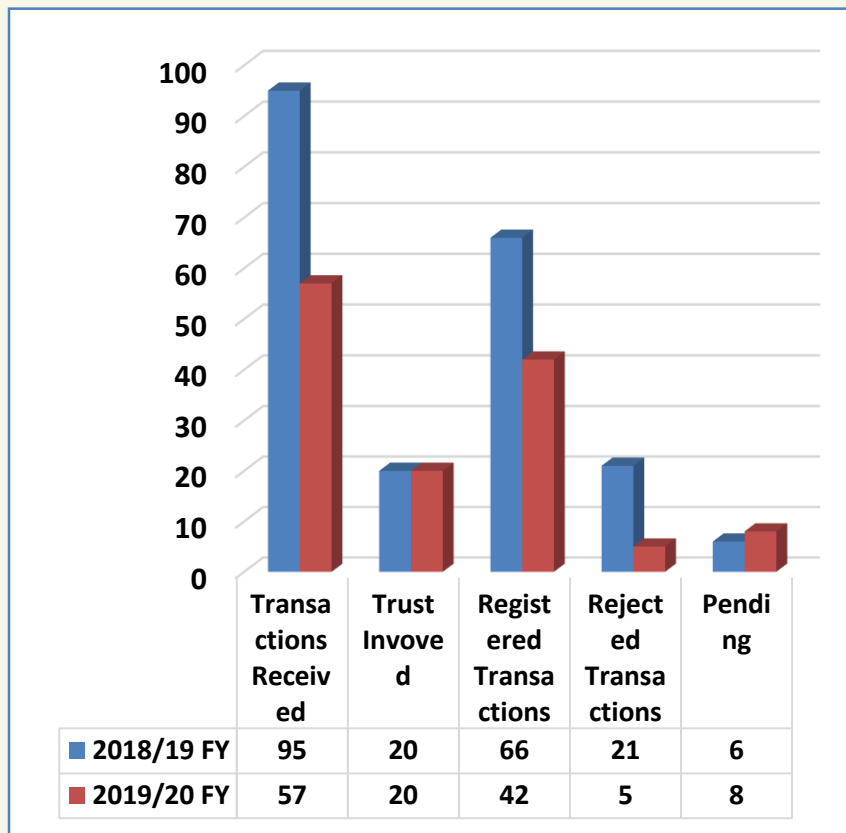
Source: B-BBEE Commission

Operational Implementation

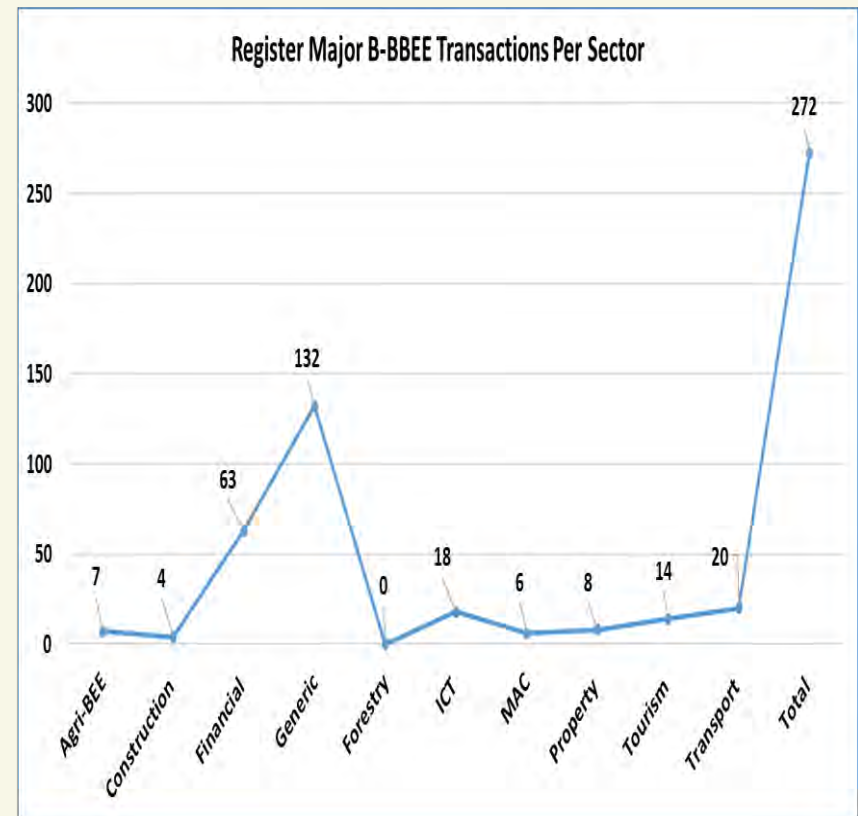
2018/19 FY and Q2: 2019/20 FY

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Major B-BBEE Transactions Received 2018/19 FY to Q2:2019/20 FY



272 Transactions Registered per Sector - 2017/18 FY



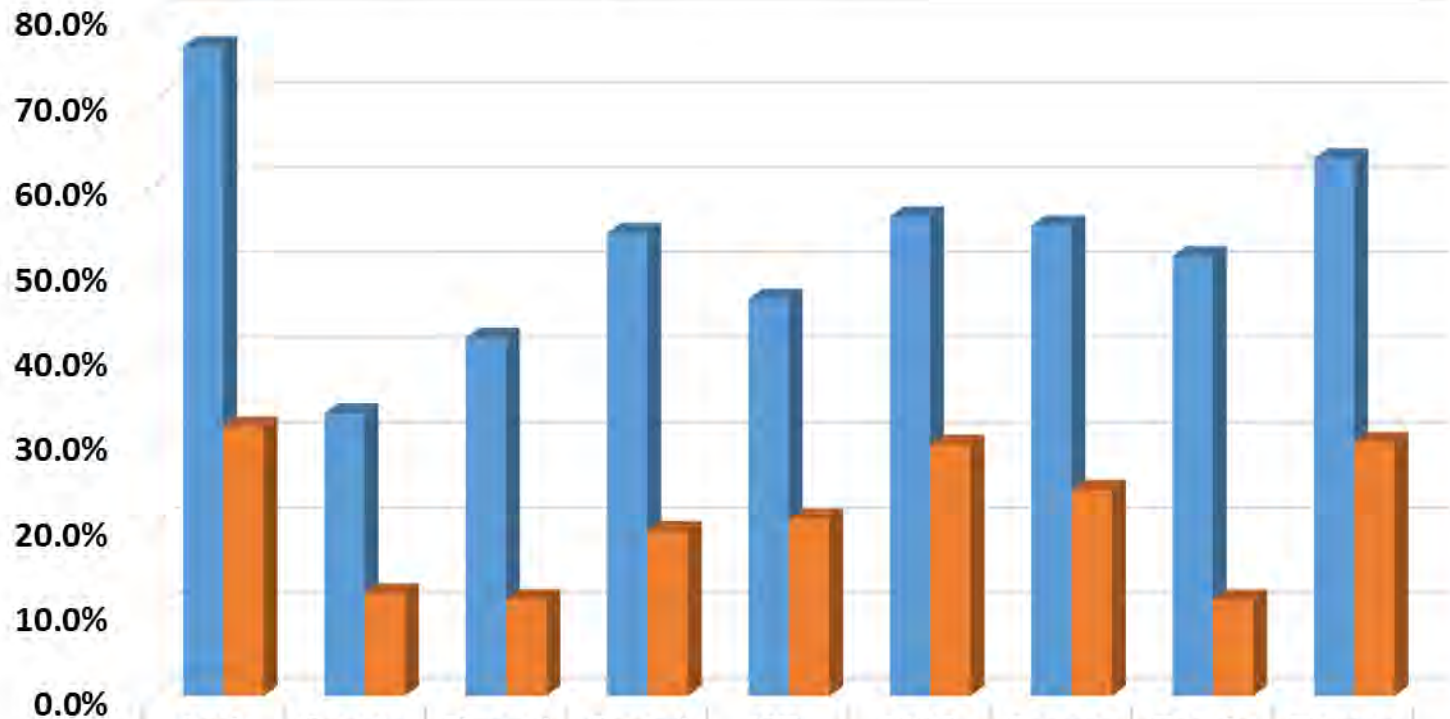
Source: B-BBEE Commission

Operational Implementation

(2017/18 FY – 272 Analysed Transactions)

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Black Ownership Per Sector



	Agri-BEE	Construction	Financial	Generic	ICT	MAC	Property	Tourism	Transport
Black Ownership	76.3%	33.2%	42.1%	54.4%	46.6%	56.3%	55.2%	51.6%	63.1%
Black Women Ownership	31.6%	12.0%	11.3%	19.4%	20.8%	29.5%	24.2%	11.3%	29.8%

Source: B-BBEE Commission

Operational Implementation

(2017/18 FY – 272 Analysed Transactions) 18

Total value of presented and registered transactions

Sector Code	Total value (Billion R)	Percent
Agriculture	2,252	1,2
Construction	0,352	0,2
Financial	16,074	8,5
Generic	78,091	41,4
ICT	19,896	10,5
MAC	0,632	0,3
Property	9,037	4,8
Tourism	58,047	30,8
Integrated Transport	4,363	2,3
Forestry	0	0,0
Total	188,745	100,0

Total value and Number per Type of Funding

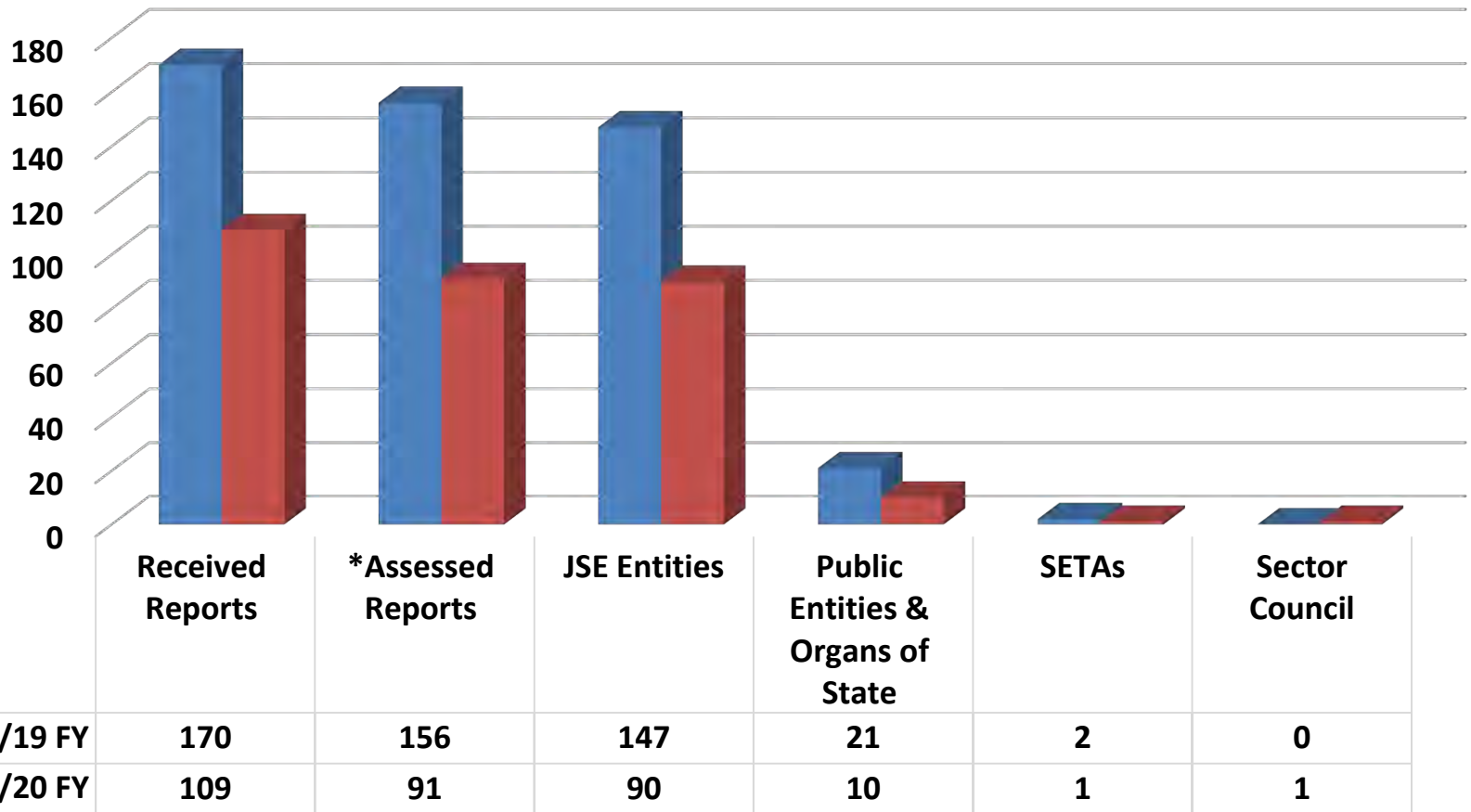
Type of Funding	Total Value (Billion R)	Percent	No. of Major B-BBEE Transactions	Percent
Bank Loan	37,018	19,6	52	19,1
Bank Loan & Vendor Financing	2,245	1,2	3	1,1
Cash	20,771	11,0	59	21,7
Cash & Bank Loan	1,161	0,6	4	1,5
Cash & Vendor Financing	2,748	1,5	5	1,8
Government Funding	1,770	0,9	4	1,5
Government Funding & Share Swap	0,211	0,1	1	0,4
Share Swap	1,778	0,9	8	2,9
Vendor Financing	89,498	47,4	96	35,3
Other (e.g., Dividend loan account, etc. and no funding.)	31,544	16,7	40	14,7
Grand Total	R188,745	100%	272	100,0

Source: B-BBEE Commission

Compliance Reports Received 2018/19 FY to Q2:2019/20 FY

19

Compliance Reports - Section 13G Reporting



Source: B-BBEE Commission

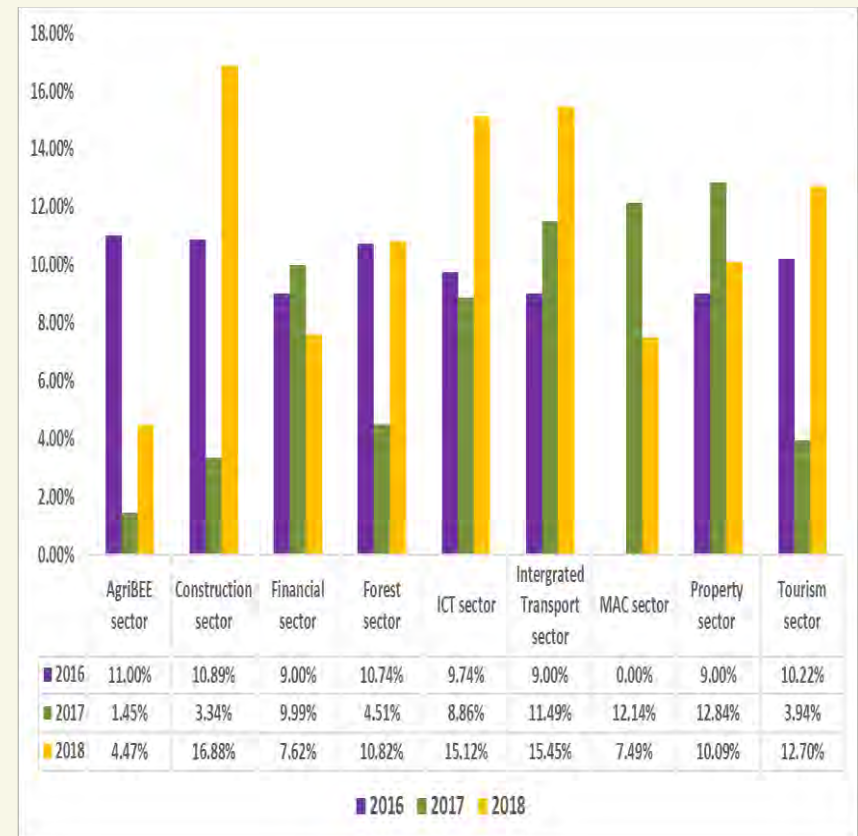
Compliance Report Analysis 2017-2018

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Sector Analysis for Black Ownership



Sector Analysis Black Women Ownership

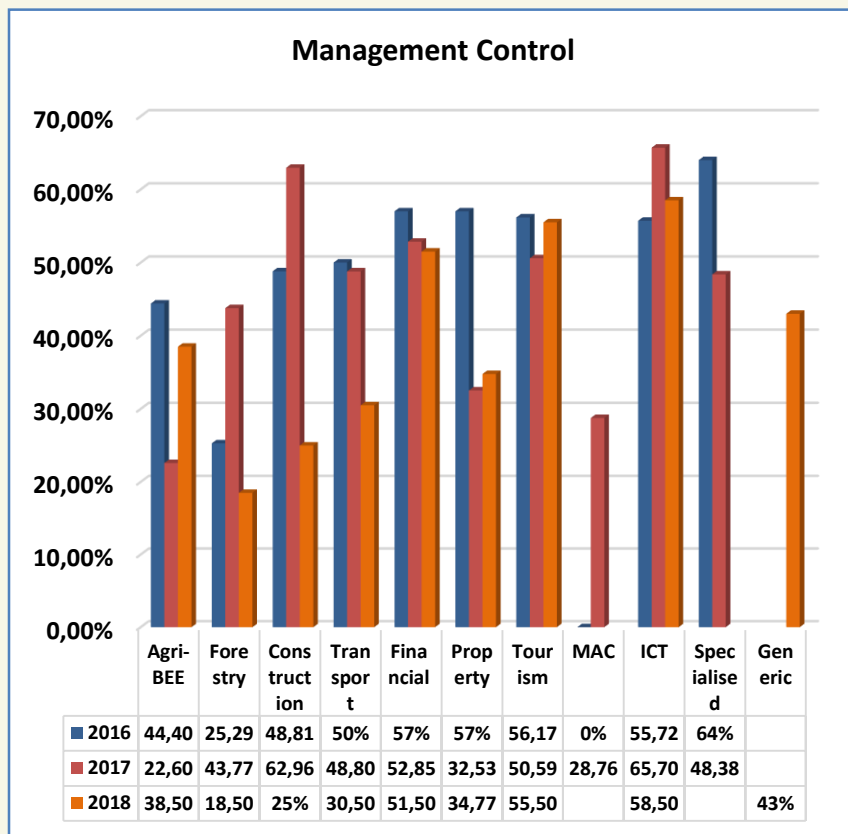


Source: B-BBEE Commission

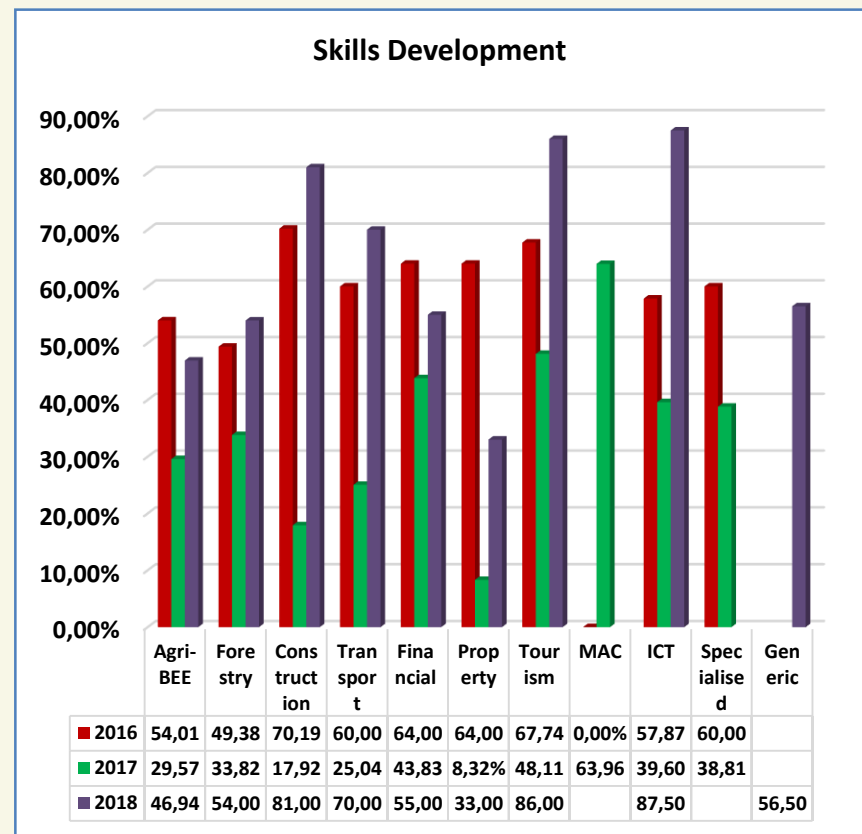
Compliance Report Analysis 2017-2018

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Sector Analysis Management Control



Sector Analysis Skills Development



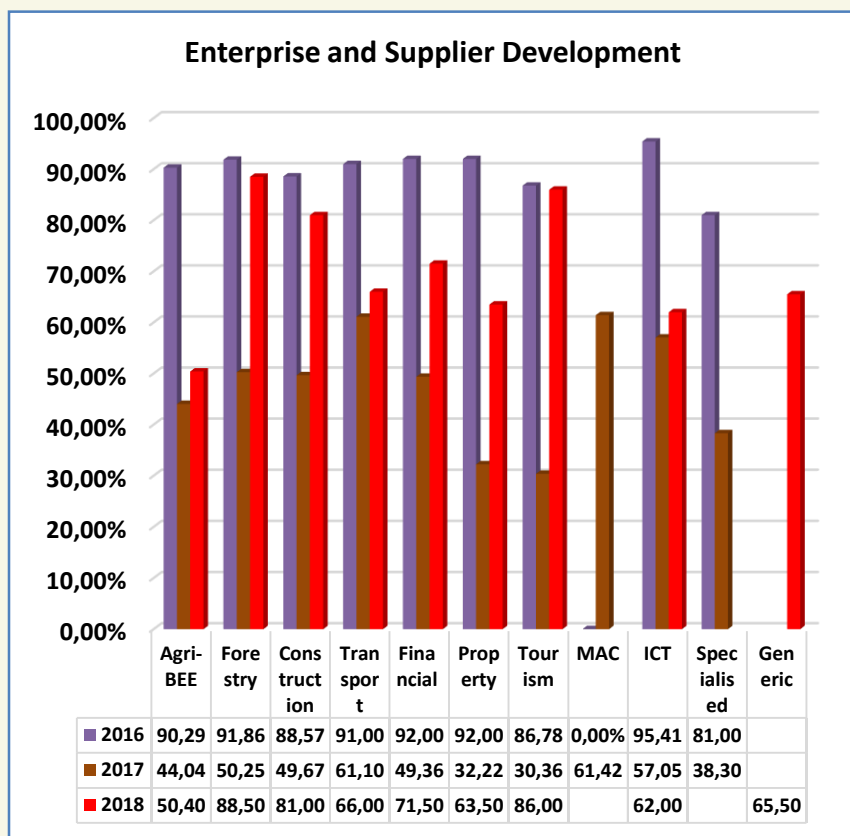
Source: B-BBEE Commission

Compliance Report Analysis

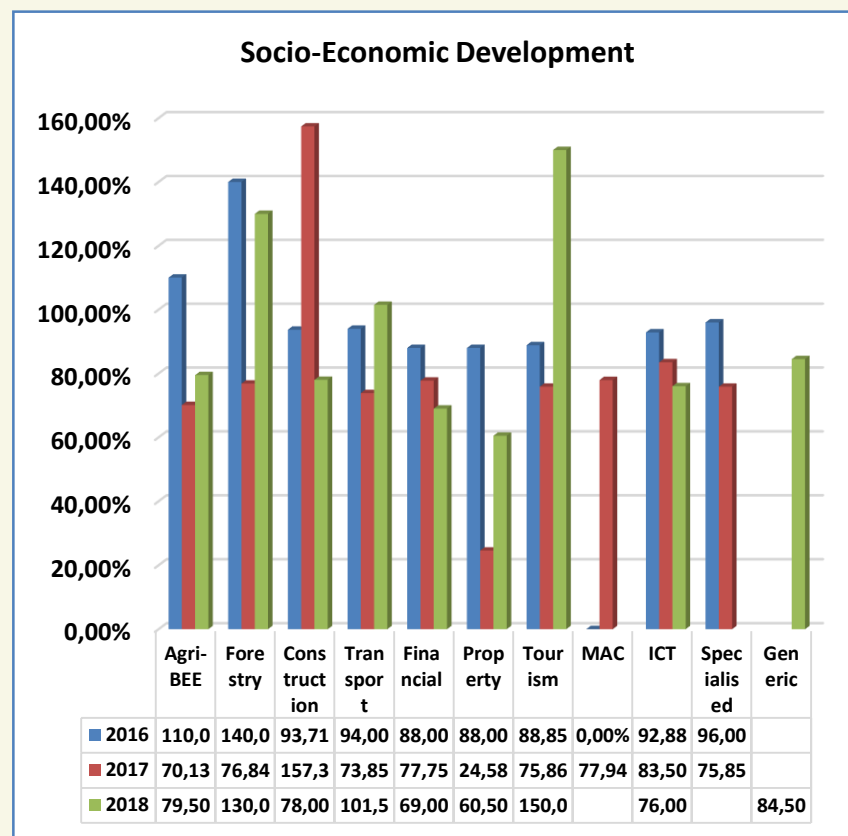
2017-2018

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Sector Analysis Enterprise and Supplier Development



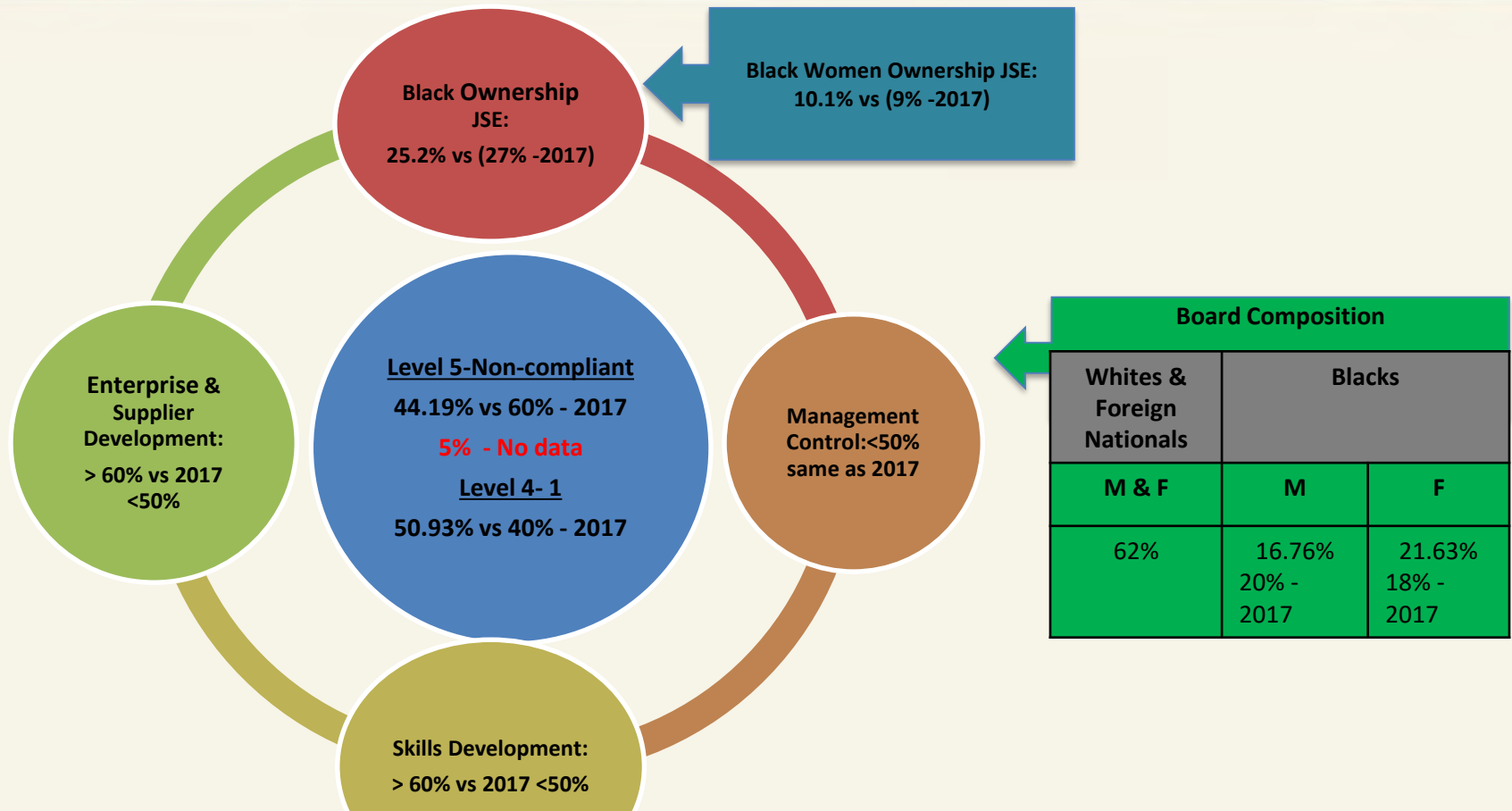
Sector Analysis Socio-Economic Development



Source: B-BBEE Commission

Summary of National Status Report

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Number of Entities Reported			
B-BBEE Certificate Portal		Compliance Reports	
2017	2018	2017	2018
EME- 1 139, QSE- 851 & LARGE- 871	EME- 24, QSE- 588 & LARGE- 1061	JSE listed-121 (51%) & SOE-4 (1%)	JSE listed-161 (43%) & SOE-29 (10%)

Financial Plan

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Economic Classification	2019/20 Rm	2020/21 Rm	2021/22 Rm	2022/23 Rm	2023/2024
Compensation of Employees	86 000	91 000	97 000	105 000	112 000
Goods and Services	47 000	50 000	52 000	54 000	56 000
Total operational expenditure	133 000	141 000	149 000	159 000	168 00
Payment for capital assets	5 000	5 000	5 000	5 000	5 000
Total expenditure	138 000	146 000	154 000	164 000	173 000

R59 million was allocated but inaccessible due to B-BBEE Commission not being listed

Human Resource Plan

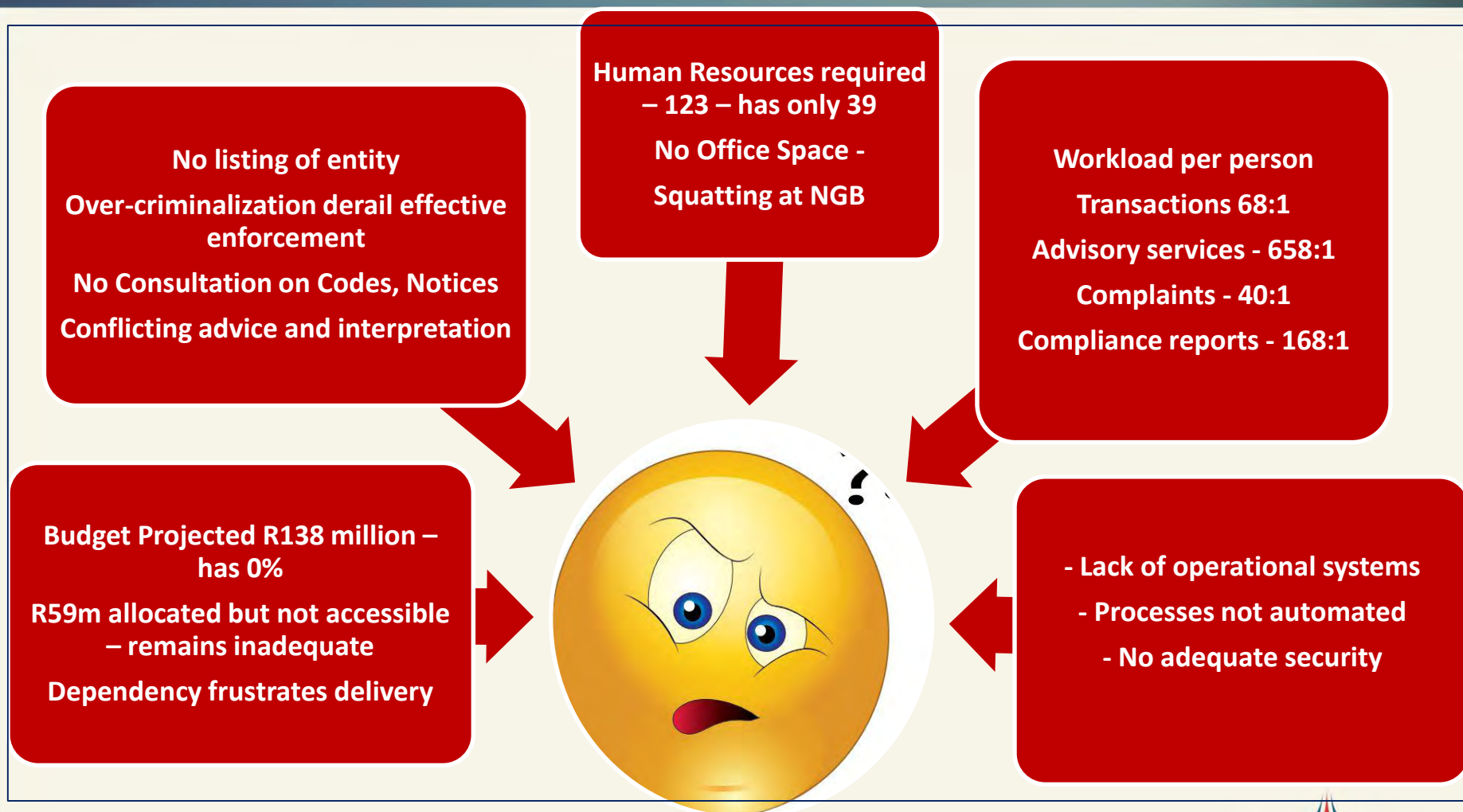
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Projected Number of Employees	2019/20	1920/21	2021/22	2022/23	2023/24
Number of permanent employees	113	113	113	113	113
Number of interns and/ trainees	10	10	10	10	10
Total Staff Complement	123	123	123	123	123

Currently operating with 39 staff members due to lack of office space operate

Operational Challenges

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Challenges derailing achievement 27

- Scourge of Fronting
- Lack of awareness of B-BBEE by beneficiaries and measured entities
- Lack of integrity in the verification process
- State owned entities and departments not implementing B-BBEE
- Limitations in the legislation

Contact Details

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Thank You

“An Inclusive economy for all, together”