

## 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

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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 leviable 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 leviabale 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 leviabale 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 leviabale 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-BBEE Element	Indicators of Empowerment	Bus Commuters Sector 5 year target	Bus Coach Sector 5 year target	Weightings
<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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