BEE: A BUSINESS IMPERATIVE FOR COMPANIES

BY MUSA NDLANGAMANDLA

SOUTH AFRICA'S business fraternity was left under no illusion that it has to add a lot more impetus towards transformation if companies are to retain their current Black Economic Empowerment (BEE) status.

At the Empowerdex-Business Report 100 Most Empowered Companies gathering held at The Maslow in Sandton, Johannesburg on Thursday, it was pointed out that if companies do nothing tangible about transformation their BEE score will decline in terms of the new Codes of Good Practice which came into effect on May 1 2015.

"The music has changed in the BEE arena, but the dance floor is still the same. If companies keep where they are they will not maintain their scores. We hope they will up their game," observed Empowerdex Group Executive: Research and Advisory Nomzamo Xaba.

The event, held in partnership with Business Report marked the release of the Top 100 Most Empowered JSE-listed Companies for 2015. Minister of Women in the Presidency Susan Shabangu was guest of honour whose theme was; "Empowering Women, Transforming SA's Economy"

Group Executive Chairman Dr Iqbal Surve said as a truly black-empowered media publishing company, Independent Media was honoured to be associated with the release of the results.

"Apart from listing the results of the research assessment, out publications will also carry stories reflecting the latest thinking on BEE in South Africa as it relates to employment equity, enterprise development and other scorecard categories," he said .

Group Executive: Independent Business Media Ellis Mnyandu noted progress made in transformation, but added that a lot of work still needed to be done.

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He also called on all stakeholders to deal effectively with the perception that BEE only benefits a few well connected individuals.

Mnyandu also called for more effort to increase women owned companies and to ensure that the South African economy reflects gender parity.

The panel leading discussions also included Minister Shabangu, President of International Women's Forum Danisa Baloyi and former CEO of SABC Group Lulama Makhobo.

"As government we are committed to ensuring that women empowerment and impartation of skills is fast tracked. We have identified the gaps and will ensure that the constitutional provisions, the Equality Act and Employment Equity Act are fully enforced.

"We will also review laws and create conditions to ensure that women get access to resources for their advancement and to achieve inclusive development," Minister Shabangu said.

The Most Empowered Company rankings set the bar for the rest of the economy by showcasing the companies that have gone furthest in transforming South Africa's business environment.

To be named the most empowered company in an industry and the country is a major accolade for the companies.

Oceana Group Ltd was named South Africa's most empowered listed company for the second year in succession. Their BEE Score was 98.39 followed by Nedbank which scored 95.65.

Hosken Consolidated Investments Ltd was third with a BEE score of 94.58, whilst Standard Bank was fourth with a score of 94.25.

Companies in the mining sector, which currently face multi-faceted problems, including low commodity prices, sliding productivity in the face of spiralling costs, general labour unrest and slow global economic recovery, did not feature in the top ten.

The top performers were level 2. The meeting observed that some of the players were new in the market but have done well as they infused transformation into their business strategy.

In 1994, after South Africa's first democratic elections, government was given a clear mandate to redress the inequalities of the past in the economy and other spheres. Government embarked on a comprehensive programme of transformation to enhance the economic participation of black people in the South African economy.

In 2003, the Broad-Based BEE Strategy was published as a precursor to the B-BBEE Act, No.53 of 2003. In 2007 Codes of Good Practice were gazetted and were amended in 2013, for effect in May 2015.

Empowerdex, South Africa's leading barometer of black empowerment among JSE-listed companies, has undertaken an annual assessment of the businesses' success in meeting BEE scores for the last 14 years.

The research was conducted in conjunction with specialist research house Intellidex, which will generate the editorial content.

"This was the last set of rankings based on the 2007 Codes of Good Practice. Next year's survey will measure companies in line with the new codes. The survey also reflects overall progress made since 2007," Xaba said.

She explained that though there are challenges in the application and enforcement of BBBEE legislation.

"There are definitely areas of excellence across different sectors and in the economy at large," she said.

Xaba explained that under the new Codes the company size by turnover level changes and that to be regarded as a big company the threshold is a minimum R50 million.

There is more emphasis on Broad-Based Ownership Schemes (BBOS) and Employee Share Ownership Schemes (ESOPs) which have been made compulsory. Under the ownership category, the general target is 25 percent black-owned.

But for procurement, preference is given to suppliers that are 51 percent black-owned or 30 percent black woman owned.

Furthermore, the procurement targets have changed in that 40 percent of any company's expenditure is expected to be from suppliers who can show 51 percent black ownership, while another 12 percent is expected to from suppliers that are 30 percent owned by black women.

"Companies are now required to take along smaller businesses and there are measures to increase an entity's procurement score by buying from them.

"In terms of empowering suppliers the requirement is that 25 percent cost of sales must be localized and 85 percent of labour costs should be to South African citizens.

"Moreover, 12 days of production time should be dedicated to training and initiatives to assist staff. There are also points for giving loans to locals.

"There is also a clear move to enhance job creation through a requirement that 50 percent of new jobs must be created for blacks and 25 percent of manufacturing must be localized," Xaba said.

JSE TOP 10 LISTED COMPANIES FOR 2015

2015 Ranks	2015 Total BEE Score	% Recognition Level	BEE Status/ Level	2014 Ranking	2014 Total BEE Score	Company Name	BEE Sector Code	JSE Sector	JSE Sub-sectors
1	98.39	125.00	2	1	95.17	Oceana Group Ltd	Generic	Food & Beverage	Food Producers
2	95.65	125.00	2	5	91.21	Nedbank Ltd	Financial	Banks	Banks
3	94.58	125.00	2	7	89.44	Hosken Consolidated Investments	Generic	Investment Instruments	Investment Instruments
4	94.25	125.00	2	3	94.52	The Standard Bank of South Africa	Financial	Banks	Banks
5	93.24	125.00	2	11	89.02	FirstRand Ltd	Financial	Banks	Banks
6	92.97	125.00	2	6	90.18	Tsogo Sun Holdings Ltd	Generic	Travel & Leisure	Travel & Leisure
7	92.43	125.00	2	10	89.07	Liberty Holdings Ltd	Financial	Insurance	Life Insurance
8	91.99	125.00	2	20	86.12	Phumelela Gaming and Leisure Ltd	Generic	Travel & Leisure	Travel & Leisure
9	91.15	125.00	2	4	92.00	Adcorp Holdings Ltd	Generic	Industrial Goods & Services	Support Services
10	91.02	125.00	2	13	88.82	Sun International Limited	Generic	Travel & Leisure	Travel & Leisure

TOP EMPOWERMENT COMPANIES

SERIOUS DEBATE: Minister of Women in the Presidency, Susan Shabangu making a point about government's efforts for gender parity in SA.

THE PANEL: Tembisa Marele, Danisa Baloyi, Nomzamo Xaba, Lumama Mokhobo and Minister Shabangu.

FIRM GRIP: Minister of Women in the Presidency Susan Shabangu, shakes hands with Deputy Executive Chairman of Independent Newspapers Tony Howard whilst Group Executive Government Advertising Mike Ntsasa looks on. PICTURE: ITUMELENG ENGLISH

EMPOWERED: Nomzamo Xaba - Empowerdex Group Executive: Research and Advisory addressing guests.

'Declare 2016 the year for women'

BY MUSA NDLANGAMANDLA

GOVERNMENT should declare 2016 the 'Year for Women' as it marks the 60th anniversary of the women's march to the Union Buildings in Pretoria, in protest against the Apartheid regime's Pass Laws.

The march on 9 August 1956, is recorded as having been one of the largest demonstrations in the country's history as it saw over 20 000 women of all races march to the seat of government, to present a petition against carrying passes by women to prime minister Johannes Gerhardus Strijdom.

The suggestion to declare 2016 the 'Year for Women' was made by President of the International Women's Forum Danisa Baloyi during the "Empowerdex-Business Report 100 Most Empowered Companies" gathering held on Thursday at The Maslow in Sandton, Johannesburg.

Minister of Women in the Presidency Susan Shabangu was guest of honour at the event themed; "Empowering Women, Transforming SA's Economy."

The minister was also part of a panel of women rights activists including Baloyi, former CEO of SABC Group Lulama Makhobo and Empowerdex Group Executive: Research and Advisory Nomzamo Xaba. Leading discussions was SABC's current affairs programme anchor Tembisa Marele.

"The year 2016 represents a major milestone in terms of honouring the contribution of women in the struggle for freedom and democracy. It is only fitting that it should be declared the 'Year for Women'. Celebrating women should not be confined to the month of August," Baloyi said.

She suggested that special focus should be placed on programmes aimed at uplifting women. "We should check the statistics on the condition of women development dedicate the year to mentoring young women and pull the country together for women empowerment and gender parity," she said.

A report of the World Economic Forum which stated that it would take 81 years to get gender parity in the world was cited during the gathering, prompting a sharp response from Minister Shabangu.

"I do not want to be an ancestor before gender parity is achieved in South Africa. I want equality in my lifetime. As government we have put in place several programmes aimed at ensuring women empowerment. One such areas is the promotion of gender responsive budgeting," she said.

Mokhobo warned against the tendency for women to resort to what she termed the 'pull down syndrome' when it came to relating to their own, particularly in the corporate sector.

"As women we must come together. Women executives should make sure that they provide mentoring and guidance to other women, particularly young girls," she said.

Makhobo added that the Bill of Rights contained in the country's Constitution accommodates women adequately in that it insists on equality.

"If you are discriminated against or victimised just because you are a woman you should invoke the law. Women must stand up and reclaim their rightful place in society," she said.

Meanwhile, Xaba said women should promote the culture of 'each one lift one' in the manner women support each other. "Young women must stand up and be counted," she said.

The meeting agreed that culture should be dynamic and not used to perpetrate oppression of women. They called for a total re-socialisation of society with the view to recognize and honour women as an important part of the community.

"It starts in our own homes. There should not be colours or chores set aside for only boys or girls. That is where the trouble begins," said Baloyi.