



B-BBEE
COMMISSION

**Presentation on the B-
BBEE and Transformation
of Construction Sector
29 September 2021**



Who we are

- ❑ We are a regulatory entity, effective from June 2016.
- ❑ Our mandate includes to oversee, supervise and promote adherence with the B-BBEE Act in the interest of the public, investigate fronting practices and other non-compliant initiatives and to receive and analyse mandatory annual compliance reports from both public and private sector entities.
- ❑ We have jurisdiction throughout South Africa.

Services We Offer

- Lodgement of complaints
- Investigation of B-BBEE violation
- Advisory opinions
- Clarifications
- Compliance Reports
- Major B-BBEE transactions
- Explanatory Notices
- Practice Guides
- Advisory/Instruction Letters
- Education and Awareness sessions
- Site visits for tip-offs

B-BBEE and Construction Sector

- ❑ We monitor the implementation of the construction sector code when considering the state of transformation and empowerment in the construction sector including engineering sector (Build Environment Professionals).
- ❑ The Construction Sector not only important for transformation, but also supports and contribute positively to the 2030 National Development Plan and Economy Recovery Plan due to huge government investment through public procurement like to infrastructural support and labour-intensive production.
- ❑ Therefore our role is to ensure real economic transformation in the sector.

...B-BBEE and Construction Sector

- Summary of the national status shows a slow pace when it comes to transformation and a decline in number of 100% black owned entities listed at JSE

National Status and Trends on B-BBEE Report Summary		2017	2018	2019	2020
Submitted Reports	JSE	51% (401)	43% (371)	42% (356)	33% (314)
	Organs of State & SOEs	1% (290)	10% (290)	15% (290)	9% (290)
	B-BBEE Certificate Portal	2861	1674	5818	1241
Overall Ownership <i>(Overall include B-BBEE Certificate data information)</i>		27%	25%	29%	31%
Overall Black Women Ownership <i>(Overall include B-BBEE Certificate data information)</i>		9%	10%	12%	15%
JSE Listed Entities Average Black Ownership		29%	25%	31%	28%
100% black owned entities on the JSE		1%	1%	3%	0%
Management Control <i>(Overall include B-BBEE Certificate data information)</i>	JSE	38%	38%	44%	28%
	Organs of State & SOEs	N/A	79%	68%	65.8%
	Overall Management Control	43%	45%	39%	57%
Skills Development <i>(Overall include B-BBEE Certificate data information)</i>	JSE	35%	63%	59%	64%
	Organs of State & SOEs	N/A	64%	41%	32%
	Overall Skills Development	37%	49%	49%	60%
Enterprise and Supplier Development <i>(Overall include B-BBEE Certificate data information)</i>	JSE	47%	70%	59%	67%
	Organs of State & SOEs	N/A	47%	59%	68%
	Overall Enterprise and Supplier Development	44%	60%	51%	61%
Socio-Economic Development <i>(Overall include B-BBEE Certificate data information)</i>	JSE	79%	92%	89%	93%
	Organs of State & SOEs	N/A	65%	53%	33%
	Overall Socio-Economic Development	88%	71%	68%	90%
B-BBEE Rating Level 4 - Level 1	JSE	41%	51%	49%	55%
	Organs of State & SOEs	N/A	45%	33%	33%
B-BBEE Rating Level 5 - Non-Compliant	JSE	48% (12% No data)	45% (5% No data)	51%	45%
	Organs of State & SOEs	N/A	55%	67%	67%

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□ Summary of the national status on the construction sector:

2017		2018		2019		2020	
Black Ownership	Black Women Ownership	Black Ownership	Black Women Ownership	Black Ownership	Black Women Ownership	Black Ownership	Black Women Ownership
32.00%	3.34%	44.32%	16.25%	41.90%	15.93%	47%	14%
Management Control		Management Control		Management control		Management control	
62.96%		25%		53.3%		63%	
Skills Development		Skills Development		Skills Development		Skills Development	
25.04%		70%		110.1%		90.4%	
Enterprise and Supplier Development		Enterprise and Supplier Development		Enterprise and Supplier Development		Enterprise and Supplier Development	
49.67%		81%		96.85%		90.20%	
Socio-Economic Development		Socio-Economic Development		Socio-Economic Development		Socio-Economic Development	
57.38%		78%		111.20%		106%	

B-BBEE and Construction Sector

- ❑ Also noted the following challenges that hinder transformation within the sector:
 - ✓ Non-aligned ownership structures.
 - ✓ Non compliance with definition of black people.
 - ✓ Fraudulent B-BBEE certificates/sworn affidavits.
 - ✓ Increased fronting: Since 2016 to 28 September 2021, 93 complaints registered for construction sector and 86 for Engineering .
 - ✓ Expenditure dumping on skills development and enterprise and supplier development.
 - ✓ No submission of reports to the sector council.

Contact Details

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Thank You

“An Inclusive economy for all, together”