



# CAIRD

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“Creating **BUSINESS** sense out of **BEE**”

## The Tourism Scorecard

The Tourism codes were gazetted under section 9 (1) of the B-BBEE Act by the minister of trade and industry (Mandisi Mphahlele) on the 22<sup>nd</sup> of May 2009. It is now regarded as a code of good practice.

The scorecard is very similar to the dti's codes but there are staggered targets for 2012 and 2017. Turnover thresholds for entities are different to those of the generic codes, with EMEs turning over less than R2.5million and QSEs falling between R2.5m and R35m. An allowance has also been made for equity equivalents. There is no mention of specialised entities even though the charter states on page 9 that *“this charter also applies to all organs of state and public entities, organised labour and communities involved with or interested in the tourism sector.”*

It is important to note paragraph 6.3 which says *“The final draft is based on the definitions, principles and methodologies of transformation outlined in the BBEE Act of 2003 and codes of good practice. Where there is any conflict the codes of good practice take precedence.”*

- **Exempt Micro Enterprises (EMEs)** – enterprises whose annual turnover falls below R2.5 million per year. These enterprises are exempt from any form of B-BBEE and are automatically level 4 contributors – i.e. you can recognise R1 for every R1 spent with them.
- **Qualifying Small Enterprises (QSEs)** – enterprises whose annual turnover falls between R2.5 million and R35 million.
- **ARFG** - adjusted recognition for gender



## Applicability

The Tourism Sector Codes apply to all privately owned enterprises within the Tourism Sector, and to all parts of the value chain in that sector, inter alia:

Accommodation	Hospitality and Related Services	Travel Distribution Systems
Hotels (small and big)	Restaurants (not attached to hotels)	Tour wholesalers
Resort properties and timeshare	Conference venues (not attached to hotels)	Tour operators
Bed and breakfasts	Professional catering	Travel agents
Guesthouses	Attractions	Tourist guides
Game lodges	Consulting and professional services companies	Car rental companies
Backpackers and hostels		Coach operators

Contributors are measured using the table below.

Contribution Level	BBBEE score range	Recognition level
Level One Contributor	≥ 100 points	R1.35/R1 spent
Level Two Contributor	≥ 85 points but < 100 points	R1.25/R1 spent
Level Three Contributor	≥ 75 points but < 85 points	R1.10/R1 spent
Level Four Contributor	≥ 65 points but < 75 points	R1/R1 spent
Level Five Contributor	≥ 55 points but < 65 points	R0.80/R1 spent
Level Six Contributor	≥ 45 points but < 55 points	R0.60/R1 spent
Level Seven Contributor	≥ 40 points but < 45 points	R0.50/R1 spent
Level Eight Contributor	≥ 30 points but < 40 points	R0.10/R1 spent
Non-Compliant Contributor	< 30 points	R0/R1 spent

## Tourism Charter 2012 generic scorecard

### Equity element – 2012 scorecard

<b>Ownership. Total points - 15<sup>1</sup></b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	8	21% + 1 Vote
Economic interest		
Economic interest in the enterprise to which black people are entitled	7	21%

### Management element – 2012 scorecard

<b>Management Control. Total points –15<sup>2</sup> (including 1 bonus point)</b>		
Description	Weighting points	Compliance Target
Board participation		
Exercisable voting rights of black board members using the adjusted recognition for gender (ARFG)	4	50%
Black executive directors using the adjusted recognition for gender (ARFG)	4	50%
Top management participation		
Black senior top management using the adjusted recognition for gender (ARFG)	4	40%
Black other top management using the adjusted recognition for gender (ARFG)	4	40%
Bonus points		
Black independent non-executive board members	1	40%

<sup>1</sup> The 2012 ownership scorecard seems to be very simplified compared to the 2017 scorecard with no specified points for black women or bonus points.

<sup>2</sup> The scorecard says there are 14 points available for management (excluding bonus points). The points add up to 16 – possibly a typo? They have left the typo in the gazetted codes.

### Employment Equity – 2012 scorecard

<b>Employment Equity. Total points – 17 (including 3 bonus points)</b>		
Description	Weighting points	Compliance Target
Black disabled employees as a percentage of <u>ALL</u> employees using the ARFG	2	2%
Black employees in <i>senior management</i> as a percentage of all such employees using the ARFG	4	43%
Black employees in <i>middle management</i> as a percentage of all such employees using the ARFG	4	63%
Black employees in <i>junior management</i> as a percentage of all such employees using the ARFG	4	68%
Bonus points		
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	3	

### Skills Development – 2012 scorecard

<b>Skills Development. Total points – 20</b>		
Description	Weighting points	Compliance Target
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix		
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix for black employees as a percentage of leviabale amount using the ARFG	8	3%
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix for black employees with disabilities as a percentage of leviabale amount using the ARFG	2	0.3%
Learnerships		
Number of black employees participating in learnerships, or category B, C and D programmes as a percentage of total employees using the ARFG	10	5%

### Preferential Procurement – 2012 scorecard

<b>Preferential Procurement. Total points – 15</b>		
Description	Weighting points	Compliance Target
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	10	50%
B-BBEE procurement spend from all <i>Qualifying Small Enterprises</i> (QSEs) or from <i>Exempted Micro-Enterprises</i> (EMEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	2	10%
B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend: <ul style="list-style-type: none"> <li>o suppliers that are <i>50% black owned</i> (3 out of 5 points); or</li> <li>o suppliers that are <i>30 % black women owned</i> (2 out of 5 points)</li> </ul>	3	15%

### Enterprise Development – 2012 scorecard

Enterprise Development. Total points – 14		
Description	Weighting points	Compliance Target
Average annual value of all Enterprise Development contributions and Sector Specific Programmes as a percentage of the target  Enhanced recognition o enterprise development spend on black tourism SMMEs: 1.25 o contributions made towards B-BBEE verification of tourism SMMEs: 1.25	14	3 % of NPAT

### Socio-Economic Development – 2012 scorecard

Socio-Economic Development. Total points – 8		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	3	1% of NPAT
% of black new recruits with no prior work experience as a percentage of all new recruits, adjusted using the recognition factor for gender	2	10%
Status of TOMSA <sup>3</sup> levy collector	3	Yes

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<sup>3</sup> The [TOMSA levy collector](#) is a voluntary programme where you agree to collect 1% extra from every guest. The money is then used to market South African tourism. To join fill in this [form](#).

## Tourism Charter 2017 scorecard<sup>4</sup>

### Equity element – 2017 scorecard

<b>Ownership. Total points - 23 (including 3 bonus points)</b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	3	30% + 1 Vote
Exercisable voting rights in the enterprise in the hands of black women.	2	10%
Economic interest		
Economic interest in the enterprise to which black people are entitled	4	30%
Economic interest in the enterprise to which black women are entitled	2	10%
Economic interest of the following black natural people in the enterprise <ul style="list-style-type: none"> <li>o black designated groups</li> <li>o black participants in employee ownership schemes</li> <li>o black beneficiaries of broad-based ownership schemes; or</li> <li>o black participants in co-operatives</li> </ul> are entitled	1	2.5%
Realisation points		
Ownership fulfilment	1	No restrictions
Net value	7	30%
Bonus points		
Involvement in the ownership of the Enterprise of black new entrants	2	10%
Involvement in the ownership of the enterprise of black participants <ul style="list-style-type: none"> <li>o in employee ownership schemes</li> <li>o broad-based ownership schemes; or</li> <li>o co-operatives</li> </ul>	1	10%

<sup>4</sup> The total figure comes to 102 points excluding bonus points.

### Management element – 2017 scorecard

<b>Management Control. Total points –13 (including 1 bonus point)</b>		
Description	Weighting points	Compliance Target
Board participation		
Exercisable voting rights of black board members using the adjusted recognition for gender (ARFG)	3	50%
Black executive directors using the adjusted recognition for gender (ARFG)	3	50%
Top management participation		
Black senior top management using the adjusted recognition for gender (ARFG)	3	40%
Black other top management using the adjusted recognition for gender (ARFG)	3	40%
Bonus points		
Black independent non-executive board members	1	40%

### Employment Equity – 2017 scorecard

<b>Employment Equity. Total points – 15 (including 3 bonus points)</b>		
Description	Weighting points	Compliance Target
Black disabled employees as a percentage of <u>ALL</u> employees using the ARFG	1.5	3%
Black employees in <i>senior management</i> as a percentage of all such employees using the ARFG	3.5	60%
Black employees in <i>middle management</i> as a percentage of all such employees using the ARFG	3.5	75%
Black employees in <i>junior management</i> as a percentage of all such employees using the ARFG	3.5	80%
Bonus points		
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	3	

### Skills Development – 2017 scorecard

<b>Skills Development. Total points – 18</b>		
Description	Weighting points	Compliance Target
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix		
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix for black employees as a percentage of leviabale amount using the ARFG	7.5	3%
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix for black employees with disabilities as a percentage of leviabale amount using the ARFG	1.5	0.3%
Learnerships		
Number of black employees participating in learnerships, or category B, C and D programmes as a percentage of total employees using the ARFG	9	5%

### Preferential Procurement – 2017 scorecard

<b>Preferential Procurement. Total points – 20</b>		
Description	Weighting points	Compliance Target
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	12	70%
B-BBEE procurement spend from all <i>Qualifying Small Enterprises</i> (QSEs) or from <i>Exempted Micro-Enterprises</i> (EMEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	3	15%
B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend: <ul style="list-style-type: none"> <li>o suppliers that are <i>50% black owned</i> (3 out of 5 points); or</li> <li>o suppliers that are <i>30 % black women owned</i> (2 out of 5 points)</li> </ul>	5	20%



### Enterprise Development – 2017 scorecard

<b>Enterprise Development. Total points – 10</b>		
Description	Weighting points	Compliance Target
Average annual value of all Enterprise Development contributions and Sector Specific Programmes as a percentage of the target  Enhanced recognition <ul style="list-style-type: none"> <li>o enterprise development spend on black tourism SMMEs: 1.25</li> <li>o contributions made towards B-BBEE verification of tourism SMMEs: 1.25</li> </ul>	10	3 % of NPAT

### Socio-Economic Development – 2017 scorecard

<b>Socio-Economic Development. Total points – 10</b>		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	6	1% of NPAT
% of black new recruits with no prior work experience as a percentage of all new recruits, adjusted using the recognition factor for gender	1	10%
Status of TOMSA levy collector	3	Yes

## Qualifying Small Enterprises B-BBEE scorecard

A QSE's turnover falls between R2.5 million and R35 million.

The QSE scorecard is made up of the same seven elements as the generic scorecard. Each element is weighted out of 25 points (bonus points are provided in certain elements). QSEs may choose four out of the seven elements on the scorecard (making a total of 100 points). If a QSE selects more than four elements, the best four will be selected.

### Equity element – 2012 QSE scorecard

<b>Ownership. Total points - 25</b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	12	21% + 1 vote
Economic interest		
Economic interest of black people in the enterprise	13	21%

### Management element – 2012 QSE scorecard

<b>Management Control. Total points – 27 (including 2 bonus points)</b>		
Description	Weighting points	Compliance Target
Black representation at <i>top management</i> level	25	50.1%
Bonus points		
Bonus points: black women representation at <i>top management</i>	2	25%

### Employment Equity – 2012 QSE scorecard

<b>Employment Equity. Total points – 27 (including 2 bonus points)</b>		
Description	Weighting points	Compliance Target
Black employees who are management as a percentage of all management using the ARFG	15	40%
Black employees as a percentage of all employees using the ARFG	10	60%
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	2	

### Skills Development – 2012 QSE scorecard

Skills Development. Total points – 25		
Description	Weighting points	Compliance Target
Adjusted skills development spend on learning programmes for black employees as a percentage of leviabale amount	25	2%

### Preferential Procurement – 2012 QSE scorecard

Preferential Procurement. Total points – 25		
Description	Weighting points	Compliance Target
BEE procurement spend from all suppliers based on the BEE procurement recognition levels as a percentage of total measured procurement spend	25	40%

### Enterprise Development – 2012 QSE scorecard

Enterprise Development. Total points – 25		
Description	Weighting points	Compliance Target
Average annual value of all Enterprise Development contributions and Sector Specific Programmes as a percentage of the target	25	2% of NPAT
Enhanced recognition <ul style="list-style-type: none"> <li>o enterprise development spend on black tourism SMMEs: 1.25</li> <li>o contributions made towards B-BBEE verification of tourism SMMEs: 1.25</li> </ul>		

### Socio-Economic Development – 2012 QSE scorecard

Socio-Economic Development. Total points – 25		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	9.5	1% of NPAT
% of black new recruits with no prior work experience as a percentage of all new recruits, adjusted using the recognition factor for gender	6	10%
Status of TOMSA levy collector	9.5	Yes

## QSE 2017 scorecard

### Equity element – 2017 QSE scorecard

<b>Ownership. Total points - 28 (including bonus points)</b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	6	30% + 1 Vote
Economic interest		
Economic interest of black people in the enterprise	9	30%
Realisation points		
Ownership fulfilment	1	Yes
Net value	9	30Caird - Tourism B-BBEE scorecard (Generic and QSE) section 9 gazette (22 May 2009)%
Bonus points		
Involvement in the ownership of the enterprise by black women	2	10%
Involvement of black participants o in employee ownership schemes o in co-operatives; or o broad-based ownership schemes	1	10%

### Management element – 2017 QSE scorecard

<b>Management Control. Total points – 27 (including 2 bonus points)</b>		
Description	Weighting points	Compliance Target
Black representation at <i>top management</i> level	25	50.1%
Bonus points		
Bonus points: black women representation at <i>top management</i>	2	25%

### Employment Equity – 2017 QSE scorecard

<b>Employment Equity. Total points – 27 (including 2 bonus points)</b>		
Description	Weighting points	Compliance Target
Black employees who are management as a percentage of all management using the ARFG	15	60%
Black employees as a percentage of all employees using the ARFG	10	70%
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	2	

### Skills Development – 2017 QSE scorecard

Skills Development. Total points – 25		
Description	Weighting points	Compliance Target
Adjusted skills development spend on learning programmes for black employees as a percentage of leviabale amount	25	2%

### Preferential Procurement – 2017 QSE scorecard

Preferential Procurement. Total points – 25		
Description	Weighting points	Compliance Target
BEE procurement spend from all suppliers based on the BEE procurement recognition levels as a percentage of total measured procurement spend	25	50%

### Enterprise Development – 2017 QSE scorecard

Enterprise Development. Total points – 25		
Description	Weighting points	Compliance Target
<p>Average annual value of all Enterprise Development contributions and Sector Specific Programmes as a percentage of the target</p> <p>Enhanced recognition</p> <ul style="list-style-type: none"> <li>o enterprise development spend on black tourism SMMEs: 1.25</li> <li>o contributions made towards B-BBEE verification of tourism SMMEs: 1.25</li> </ul>	25	2% of NPAT

### Socio-Economic Development – 2017 QSE scorecard

Socio-Economic Development. Total points – 25		
Description	Weighting points	Compliance Target
Average annual value of all Socio-Economic Development contributions as a percentage of the target	15	1% of NPAT
% of black new recruits with no prior work experience as a percentage of all new recruits, adjusted using the recognition factor for gender	2.5	10%
Status of TOMSA levy collector	7.5	Yes



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## **Caird**

To operate in today’s business environment requires a sharp eye. Business trends and legislation change so dramatically, that often companies may be left behind in coming to terms with these changes. Caird is a consultancy that finds the positive benefits in all these trends and translates them into business opportunities for its clients.

Broad-based BEE (B-BBEE) is one example. Caird firmly believes in its responsibility to ensure that its clients have a firm understanding of the concept and that they are able to isolate and implement the business opportunities and efficiencies that reside within B-BBEE.

Our BEE solutions combine well established methodologies with best practices that maximise the B-BBEE implementation.

## **Contact Caird**

Please feel free to discuss this document with us at any time.

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