

## ETPSI Transformation Forum Members: 2021



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**CHINA MPOLO**



**LEE-ANN ALDER**



1

## Transformation policy built on B-BBEE



**Fish Mahlalela**  
Deputy Minister of Tourism

*World Tourism Day*  
Monday 27 September 2021

“It’s a pity that some people have tended to understand transformation in a negative sense of it undermining free market principles and slowing down the momentum of hard-won gains in the [ ] broader economy.

To the contrary, we as the ANC government see transformation as a necessary tool for nation building and social cohesion, which helps us redress the imbalances of the past. It helps us to ensure that people who were historically excluded from the economy also find a fair share of participation.”

2



3

## **Film industry\* – economic assessment study 2021**

- Overall, there are low levels of inclusion and slow transformation in the industry.
- There are high levels of transformation in lower skills levels/entry level roles but there is little to no transformation at higher skills levels within the industry.
- Relatively speaking, the industry has made steady progress on the transformation front in terms of employment and management aspects. However, there has been limited progress on the ownership aspect, especially of self-sufficient and sustainable black owned film enterprises
- Outside of the public sector, black filmmakers/producers often cannot raise or access private funding.

\* NFVF Economic Impact Assessment Study 2021

4

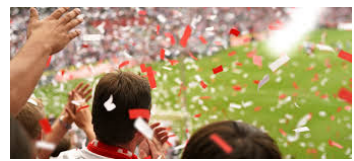
## Events industry – transformation pathway 2021

- Minimal barrier to entry for event organisers, but high capital cost for venues & technical production companies
- High failure rate of start-up business
- Low levels of inclusion and slow transformation in the industry.
- Slow transformation at higher skills levels within the industry.
- Limited progress on the ownership aspect, especially of self-sufficient and sustainable black owned event companies
- Black-owned technical production companies find it difficult to raise capital or access private funding.
- Limited opportunity for training and skills development – particularly business skills required for business ownership/ management.

5

## Who is covered by the ETPSI B-BBEE scorecard?

This scorecard covers a variety of event formats, including sporting, entertainment, recreational, religious, cultural, meetings, conferences, exhibitions, incentives, film, television and audio-visual production, organizational or any other similar activities hosted at a stadium, a venue, a studio or audio-visual production facility, or within a prescribed area (including the virtual on-line space).



6

## Radical approach to transformation

Element	Generic	ETPSI
★ Ownership	25	42
★ Management Control	19	29
★ Skills Development	20	33
Enterprise and Supplier Development	42	45
Socio-Economic Development	5	10
<b>Total (without bonus points)</b>	<b>111</b>	<b>159</b>

7

## B-BBEE recognition levels

Element	Qualification	Recognition
Level one contributor	≥120 points on ETPSI	135%
Level two contributor	≥115 but <120 points	125%
Level three contributor	≥115 but <120 points	110%
Level four contributor	≥115 but <120 points	100%
Level five contributor	≥115 but <120 points	80%
Level six contributor	≥115 but <120 points	60%
Level seven contributor	≥115 but <120 points	50%
Level eight contributor	≥115 but <120 points	10%
Non compliant	≥115 but <120 points	0%

8

## Ownership – voting rights (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Exercisable Voting Rights in an Entity in the hands of Black People	4	25% + 1	10	40%	Incentivize organisations to increase black participation in industry Boards
Exercisable Voting Rights in an Entity in the hands of Black Women	2	10%	4	20%	Premised on the continued marginalisation of Black women

9

## Ownership – economic interests (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Economic interest to which black people are entitled	4	25%	6	40%	Encourage participation and access of black people to the economy
Economic interests to which Black Women are entitled	2	10%	4	20%	Premised on the continued marginalisation of Black women

10

## Ownership – economic interests (2)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Economic interest of Black persons in employee shared-ownership schemes and co-operatives	3	4%	5	20%	Encourage black people to embrace empowerment structures such as co-operatives and share schemes
New entrants	2	2%	5	10%	Incentivise companies to employ black people

11

## Management – middle management (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Promotion of black employees from junior management to middle management			4	30%	To address a bottleneck that restricts the advancement of junior employees

12

## Management – middle management (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Promotion of black employees from junior management to middle management			10	30%	To create a structured career path for black persons
Black employees in junior management as a percentage	1	88%	2	88%	Develop succession plan for black employees

13

## Supplier & enterprise development (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Annual value of supplier development contributions	10	1% of NPAT	10	2% of NPAT	Increased reward for achievement of target
Annual value of enterprise development contributions	5	1% of NPAT	5	2% of NPAT	Incentivise investment to build capacity of small business

14

## Skills development expenditure (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Skills development expenditure on programmes specified in the Learning Programme Matrix for Black people <small>(as a percentage of total leviable amount)</small>	6	3,5%	7	15%	Facilitate the upskilling of less skilled and unskilled members of the workforce

15

## Socio-economic development (1)

Description	Generic weighting points	Generic target	ETPSI weighting points	ETPSI target	Explanation
Annual value of socio-economic development contributions	5	1% of NPAT	10	3% of NPAT	Incentivise business to implement coherent socio-economic interventions

16



## Draft document – work in progress

- Collaborate in the development of an industry-specific scorecard
- Objective is to promote B-BBEE agenda without throttling the economic recovery of the sector as we emerge from the covid pandemic
- Address historic inequality and create economic opportunity for black people
- Promote training and skills development as a tool for economic recovery
- Accelerate transformation at higher skill levels by creating structured career paths
- Encourage co-operation and collaboration between established and emerging, black-owned business
- Create opportunities for black-owned business to access funding for capex and business development

17



18