

Revised B-BBEE Codes of Good Practice a win for higher education

Amendments to the Department of Trade and Industry's B-BBEE Codes of Good Practice are set to help resolve the issue of access to education in South Africa.



Nyasha Njela, Resource Mobilisation Manager at online student crowdfunding platform, Feenix

Published in May 2019, the amendments will come into effect in December this year with a requirement that 2.5% of a corporation's annual payroll is spent on funding higher education.

According to Nyasha Njela, Resource Mobilisation Manager at online student crowdfunding platform, Feenix, the amendments to the B-BBEE scorecard are a positive step towards addressing the challenge that many students face in the country – access to higher education.

Njela explains that the amendments to the B-BBEE scorecard, in relation to Skills Development, have a specific focus on supporting higher education students.

“This will encourage companies to provide funding for previously disadvantaged students for which they will earn up to four points on the scorecard.”

The amendments include a revised code 300 for the Skills Development Generic scorecard, and indicators for Employed & Unemployed learnerships are now said to be combined.

Human Nature Consulting Director, Jo-Anne Hay, believes that two main challenges in the South African economy drove these amendments, namely, job creation and addressing funding for tertiary education.

Hay points out that the previous target of 6% of the Leviable Amount for Generic Enterprises has been split as follows:

- 3.5% (6 points) to be spent on Learning Programmes. The implementation for this target will be the same as for the 6% target prior to the amendments to the Codes.
- 2.5% (4 points) to be spent on the new indicator for Skills Development, i.e. expenditure for previously disadvantaged students at Basic and Higher Education Institutions.

She says that there is a very specific emphasis on providing bursaries and support for basic and higher education students.

“The 2.5% target is a significant part of the Skills Development scorecard and corporates will need to focus on this to maintain their required B-BBEE Levels. It would be beneficial for corporates to instead concentrate on their core business and work with an organisation such as Feenix to ensure the effective allocation of funding.”

One of the main challenges businesses who choose to contribute to bursaries face, is to identify and vet students within their sector and to manage the administration of the funding and support payments. Hay explains that the compliance needed to claim this spend for B-BBEE purposes is very specific and it can be challenging to obtain the documentation required from each student.

The process is likely to require a large amount of paperwork and communication across various channels. This is where organisations like Feenix step in. As a crowdfunding platform for education, one of its purposes is to connect funders with university students.

Njela says that Feenix carries out a vetting process for each student and ensures that all documentation required for B-BBEE verification is obtained.

The added bonus, she points out, is that the organisation has a database that gives it access to graduating students and those in search of internship programmes.

“We’ve had a couple of companies who’ve approached us, funded a student and ended up offering them a place in their internship programme.”

“The amendments will make a major contribution to higher education in South Africa. The long-term benefit of this is that we’ll have an educated nation, who are able to make informed decisions and who will be able to actively participate in the economy,” Njela concludes.