

# **Commission: Aviation transformation (B-BBEE Aviation Charter)**



**transport**

Department:  
Transport  
REPUBLIC OF SOUTH AFRICA



## **Summit on the Review of Civil Aviation Policy 01 – 02 March 2021**

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# APRC Governance Structure

APRC Steering  
Committee

Chairperson of  
the APRC

Secretariat  
(Admin. Team)

Working Group:  
Aircargo

Working Group:  
Aviation Industry  
South Africa

Working Group:  
Transformation &  
B-BBEE Charter

Working Group:  
Aviation MasterPlan

Working Group:  
Training in Aviation

Working Group:  
Safety, Security and  
Environment

Working Group:  
Aerotropolis and  
Airport Cities

Working Group:  
Remotely Piloted  
Aircraft System

Working Group:  
Multilaterals

# 1. Application Regulatory Frameworks

## **Policies:**

- 1.) NDP 2030
- 2) White Paper on National Transport Policy, 1996
- 3.) National Civil Aviation Policy, 2017
- 4.) Draft National Civil Aviation Transformation Strategy, 2018

## **Regulations:**

- 1.) Employment Equity Amendment Act, 2013 (Act No 47 of 2013)
- 2.) Skills Development Act No 97 of 1998
- 3.) Competition Act
- 4.) B-BBEE Act No. 53 of 2003

## **Charters:**

- 1.) Integrated and Sub-Sector B-BBEE Charters on Transport (gazette under section 9 of the BEE Act)

## **Ministerial Order**

- 1.) n/a

## 2. Policy and Legislative Gaps Identified

### Policy gaps (if any):

- The Charter is restricted and focused on organisational than industry level
- It is silent on the alignment of economic transformation framework
- Mechanisms on how it will be applied , monitored and reported not explicit

## 2. Policy and Legislative Gaps Identified

### Legislative gaps (if any):

- No mechanisms to drive economic transformation framework implementation in place
- Absence of frameworks and focused mechanisms to allow PDIs to participate in the value chain
- Aviation B-BBEE Aviation Charter focuses on pilots and technicians instead of all critical and scarce skills in the aviation value chain

## 3. Problem Situation Landscape

There are several factors inhibiting transformation of the sector:

- Absence of Transport Sector Charter Council to drive the alignment process to the revised Codes of Good Practice
- Broader economic and social transformation frameworks versus Aviation B-BBEE charter code and scorecards not aligned
- No overall aviation strategy to increase access to skills development, training, investment in capacity development, capital and economic opportunities
- Lack of complete and reliable data on aviation careers nor black businesses

## 3. Problem Situation Landscape ...Cont.

- Barriers to market access and expansions for PDIs in aviation industry.
- Limited to none black participation in business entities across the industry value chain
- No enterprise development programmes for new black entrepreneurs who can participate in economic opportunities across aviation industry value chain and other sectors of the economy
- No access to funding for new black entrants to participate in the value chain.



# Situational Analysis

- Currently, there is no reliable data available on aviation sector to verify progress made on transformation.
- Need for recent studies on B-BBEE and impact made on transformation landscape.
- No overarching mechanism for monitoring, evaluation and reporting of Aviation B-BBEE charter compliance
- Lack of repository of transformation data at industry nor DoT level demonstrates the extent of transformation challenges in the sector

## 4. Policy Statements

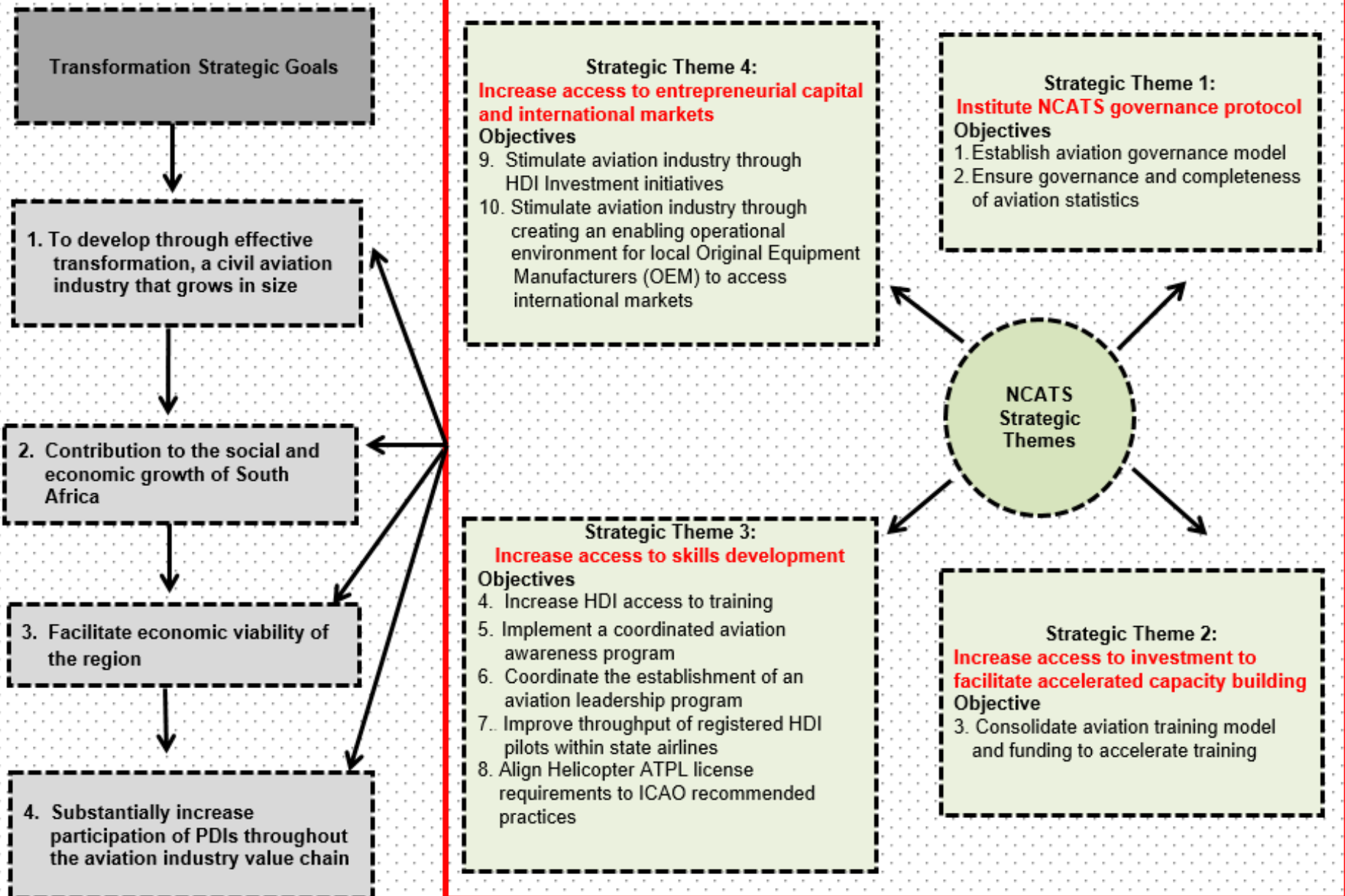
### 1. Transformation of the aviation industry

#### a) Policy Statement

##### **[No: 99 in the National Civil Aviation Policy]**

- The Department of Transport should formulate a national civil aviation transformation strategy for implementation in the aviation industry in line with the Aviation Sub-Sector Broad-Based Black Economic Empowerment Charter, working closely with other organizations in the aviation industry.

# NCATS Areas of Strategic Thrust



# 4. Policy Statements ... Cont'

## 1. Transformation of the aviation industry

### c) Policy Statement

- Maximum utilization of existing consensus building mechanisms, such as NEDLAC, to negotiate the evergreen contracts and solicit buy-in of organized labour into Government transformation imperatives.
- Stimulate aviation industry through creating an enabling operational environment for South African Original Equipment manufacturers (OEM) to access international markets
- Stimulate aviation industry through designated groups business investment initiatives – aviation business incubation programmes

## 4. Policy Statements... Cont

### 1. Transformation of the aviation industry

#### d) Policy Statement

- Policy provisions must support NDP objectives and maximise opportunities for creating employment prioritizing vulnerable groups
  - Increase employment opportunities and broaden ownership of assets to designated groups
  - Diverse workforce of skilled , technical, professional and managerial occupational roles reflecting the racial, gender and disability groups on the country
  - Active participation and empowerment of women, youth and people with disabilities
  - Effective support of the role of women as leaders in all sectors of society

## 4. Policy Statements... Cont

### 3. Aviation charter alignment process to revised Codes of Good Practice

#### b) Issues identified

*b.* The Transport Sector Charter Council is entrusted to facilitate and popularize the Integrated and Sub-Sector Charters of Transport (one of which is Aviation) and scorecard;

- The aligning of the transport codes with the DTIC revised codes (from initial seven to five) has not been completed ;
- There is a need for independent analysts to review and align draft codes gazette 4yrs ago, compilation of new documents , stakeholder engagements in line with factoring covid-19 pandemic challenges

## 4. Policy Statements... Cont

### 3. Aviation charter alignment process to revised Codes of Good Practice

#### b) Issues identified

- b. The Transport Sector Charter Council is entrusted to facilitate and popularize the Integrated and Sub-Sector Charters of Transport (one of which is Aviation) and scorecard;
- Review process might be required when new charter council is established
  - 
  - Aviation B-BBEE charter codes gazette in 2009 are still in force delaying transformation progress further;
  - Direct result of non-existence of the Charter Council;

## 5. Desired End State

- Accelerated programmes of industry specific enterprise and supplier development
- An effective aviation economic transformation framework and implementation mechanisms
- Sustainable aviation framework for SOEs binding foreign suppliers of technology-intensive products and services to a set of BEE obligations
- Restructured aviation assets institutional arrangements to increase black participation at all levels (shareholding/employment/procurement services and goods)



## 5. Desired End State

- Innovative funding and incentives to support development and growth of black business to accelerate achievement of ownership targets
- Effective socio-economic programmes for the development of aviation entrepreneurship targeting youth, women and people with disabilities
- Promote the creation of Aviation sector B-BBEE consortia share ownership schemes
- Sustainable and career driven employment opportunities in aviation industry
- Increased Industry intake of internship candidates to support skills development
- Strategic partnerships between industry and government in aviation youth development corps – aviation youth flagship projects

## 6. Aspirational Goals

- A transformed and growing aviation sector - Increased participation in shareholding , employment and procurement of goods and services
- Aligned National Civil Aviation Transformation Strategy to ICAO programmes and other applicable programmes
- An effective aviation economic transformation framework
- Accelerated programmes of education and training and enterprise development
- Effective transformation monitoring, evaluation and reporting mechanisms for aviation industry.

## 7. Master Plan Inclusions

- Set industry targets to increase participation in aviation sector ownership shareholding , employment and procurement of goods and services
- Reviewed National Civil Aviation Transformation Strategic goals and targets to accelerate transformation in the sector
- Aviation social and economic transformation framework and monitoring mechanisms besides aviation B-BBEE charter
- Introduction of industry transformation compliance assessments and mandatory annual transformation reports

## 8. Alignment to Sector Targets

- Acceleration of programmes of education and training should be linked to:
  - Basic education targets at high schools and Higher education and training institutions inclusive of TVET colleges training targets
  - TETA Aerospace chamber Sector Skills Planning and National Skills Development Strategy IV targets
  - National Skills Accord
  - NDP targets
- Increase black participation and ownership targets in aviation industry value chain as per aviation B-BBEE charter

## 9. Next Steps

- Re-establishment of Transport sector charter council to conclude the alignment process to the Codes of Good Practice
- Conduct assessment on aviation industry transformation compliance and progress achieved
- Development of aviation economic transformation framework and monitoring mechanisms in line with economic transformation framework
- Strategic collaborations between public and private funding agencies to develop innovative funding mechanisms for BEE entities seeking to invest in aviation
- Transport sector charter council appointed, and alignment process concluded

# 10. Way forward

- Commission discussion and recommendations for consolidation
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**THANK  
YOU**