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Petroleum and Liquid Fuels B-BBEE Sector Code

In September 2017, the DTI issued a Proclamation to publicise the intention of the Department of Energy and the Petroleum and Liquid Fuels Industry to align the B-BBEE Petroleum and Liquid Fuels Sector Transformation Charter with the B-BBEE Act, the B-BBEE Codes of Good Practice and the B-BBEE Policy Framework to ultimately serve as a Sector Specific Code of Good Practice.

The goal was to establish a B-BBEE Petroleum and Liquid Fuels Sector Transformation Charter Council and seek consultation with Stakeholders. Significant work was done, however the final charter has not been published via a Gazette as yet but the basic detail is available for use by the public.

The Petroleum and Liquid Fuels B-BBEE Codes and scorecards apply to the following sub-sectors:

- 1.Liquid Fuels pipelines, single buy mooring (SBMs), depots and storage tanks.
- 2.Oil refining and synthetic fuel manufacturing plants, including lubricants.
- 3.Oil and Gas trading including imports and exports.
- 4.Wholesale and Retail Assets/Infrastructure.

All major stakeholders were invited to be part of a council forum at which consultation would occur. One of the major stakeholders is the Fuel Retailers Association (FRA). The FRA published a draft working document in March 2018 outlining a “DRAFT RETAIL OPERATER AND SITE OPERATER SECTOR SCORECARD” - http://www.fuelretailers.co.za/uploads/1802_FRA-ROADSHOWS_final.pdf

Additionally, the Department of Energy presented a paper titled “PETROLEUM AND LIQUID FUELS TRANSFORMATION” on 23 November 2017. <http://www.energy.gov.za/files/PPA-Campaigns/gauteng/Nov2017/Petroleum-and-Liquid-Fuels-Transformation-DoE.pdf>

The B-BBEE Petroleum and Liquid Fuels Sector Transformation Charter will, upon promulgation in terms of Section 9 of the B -BBEE Act, serve as the Petroleum and Liquid Fuels Sector Codes of Good Practice.



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From the Fuel Retailers working document a draft summary of priorities were compiled for B-BBEE compliance.

ELEMENT	PRIORITY	
	RETAIL	SITE
OWNERSHIP	★	★
ACCESS TO INFRASTRUCTURE		★
MANAGEMENT CONTROL		
SKILLS DEVELOPMENT	★	
ENTERPRISE AND SUPPLIER DEVELOPMENT	★	★
SOCIO ECONOMIC DEVELOPMENT		

Additionally, the working document proposes that new sub-elements will be added to the B-BBEE Codes of Good Practice. Some additions include:

- Management Control: Addition of compliance criteria linked to Semi-skilled and unskilled positions.
- Management Control: Use of Black Youth Employees for compliance purposes.
- Skills Development: Participation of Black Staff in Advancement Programmes as a percentage of all Junior Management and Semi-Skilled and Unskilled Employees.
- Enterprise and Supplier Development: Addition of several compliance criteria linked to Local Economic Development
- Ownership: Black Employee Ownership Programmes.
- Use of the Modified Flow-Through principle will not be allowed.

As the Charter has not yet been finalised the above information is subject to change.

Contact BEE Ratings - SA at your earliest convenience for further detail and an appointment.