



REPORT: AGBIZ MEMBER INFORMATION SESSION ON EMPLOYMENT EQUITY TARGETS

Agbiz hosted a member information session on the proposed sectoral employment equity targets. The workshop was attended by a large number of member representatives.

Presentation by Johnny Goldberg

Johnny Goldberg from Global Business Solutions, a prominent labour lawyer and member of BUSA, who is very knowledgeable on, amongst other topics, employment equity and the proposed targets, made a presentation. The presentation was sent to Agbiz members.

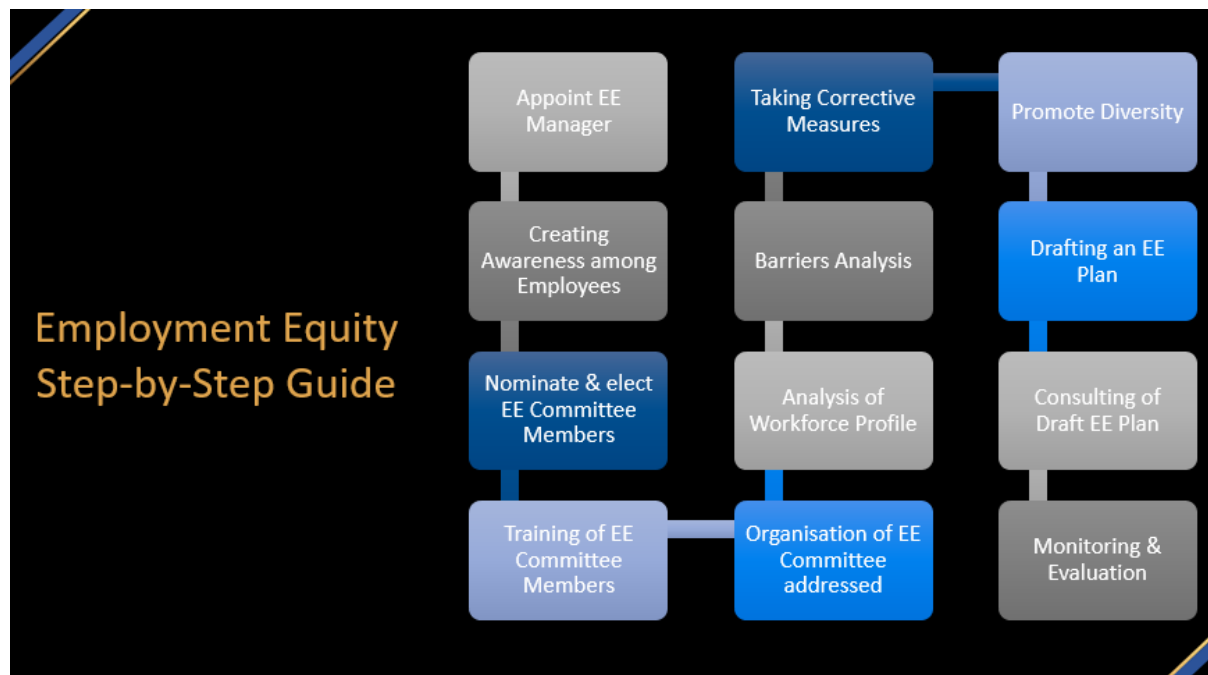
The presentation dealt with the background to the regulations and the empowering legislation, being the Employment Equity Act of 1998. The Employment Equity Amendment Act, which provides for sectoral employment equity targets has been assented to by the President and draft targets for eighteen sectors have now been published for various sectors. According to the Department of Employment and Labour, there is a huge degree of non-compliance with the existing legislation. Non-compliance can lead to a fine of 2% of a company's turnover or R1,5 million, whichever is greater. The fines are a big concern. The intention is to implement the legislation as from the 1st of September 2023. All current employment equity plans will fall away when the Amendment Act comes into force. The implementation is unlikely to be affected by the legal challenge from Solidarity or other legal challenges that may be instituted at this stage.

Steps that employers should start implementing now

The recommendation to members was not to wait for the 1st of September or hope that legal challenges will stop the implementation of the regulations, but to start preparing for implementation now. Employers should be looking at designated groups and recruiting people from those designated groups. Employers should also do a swot analysis of their businesses to determine amongst other things its workplace profile, disabilities of employees, the barriers that it faces in implementing employment equity targets, and whether it should use national- or regional economically active population as a basis. An employer can choose to use either the nationally economically active population or the regional one, but not both.

Note that the definition of persons with disabilities is quite broad and includes not only physical and mental, but also intellectual and sensory impairments.

The slide below illustrates the preparatory steps that employers can take:



Source: Global Business Solutions presentation to Agbiz 9 June 2023

The targets

The basic overall concern about these targets is there hasn't been sufficient consultation with sectors. The ideal would be if each sector could agree with the

Department on the sector or targets that are realistic for their particular industry. And even though some sectors have agreed with the targets proposed by the Department of Employment and Labour, the vast majority of sectors are unhappy with the current target set, because these have been set without proper in-depth consultation about what is realistic for the different sectors.

Compliance only required if the employer employs 50 or more people

It is important to note that those businesses employing less than 50 employees are not required to comply with the targets and can apply for a certificate of compliance online.

Call for comments

There was an opportunity for all stakeholders and the public in general to submit written comments on the proposed regulations on or before 11 June 2023. Agbiz drafted a comprehensive submission.