

Tips to navigating employment equity reporting

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In the dynamic landscape of labour regulations, compliance with employment equity (EE) reporting holds significance for organisations aiming to foster inclusive and diverse workplaces. The Department of Labour's recent EE Roadshow has shed light on key updates and insights for the 2023 reporting period.



Image source: Getty Images

The reporting period commenced on 1 September 2023, encompassing both manual and online submission methods. Manual EE submissions close on 1 October 2023, while online submissions will be accepted until midnight on 15 January 2024.

These dates mark critical milestones for organisations to present their EE reports, ensuring alignment with legal requirements and demonstrating their commitment to equitable workplaces. A prominent aspect highlighted during the roadshow is the absence of an effective date for impending amendments to the Employment Equity Act (EEA), therefore the 2013 Amendments to the Act remain for this reporting period.

This situation carries several implications:

1. Inspections will continue as per the regulations outlined in the 2013 Amendments.
2. Businesses with less than 50 employees but surpassing the turnover threshold must still adhere to designated employer obligations.
3. Companies transitioning from designated to non-designated status after the effective date are advised not to deregister if they require a Certificate of Compliance.
4. Expiry of existing EE Plans or imminent expiration necessitates proactive action, as inspections can occur before the effective date.
5. Furthermore, while the duration of EE Plans remains unamended (between one to five years), uncertainty persists regarding the practical implementation of shorter durations than the five-year duration of each round of Sectoral Targets.

The concept of Sectoral Targets emerged as a pivotal topic during the roadshow. The demographic transformation benchmark remains the Economically Active Population (EAP), while Sectoral Targets serve as interim milestones toward achieving EAP goals. An important point highlighted is that transformation should occur through natural attrition, avoiding dismissals or retrenchments.

The formulation of Draft Sectoral Targets followed a comprehensive process, involving stakeholder engagements, written submissions, EAP data analysis, B-BBEE Sector Codes, and unique sector dynamics. These targets serve as more flexible benchmarks than rigid quotas, affording designated employers the ability to self-regulate and consult employees in their pursuit of achieving 5-year Sectoral Targets. In cases of failure to meet these targets, explanations justifying this can be provided, adding a layer of adaptability to the process.



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“The evolution from rigid quotas to flexible Sectoral Targets underscores a strategic shift towards equitable workplaces through collaborative transformation. Companies should seize this opportunity to engage with their employees, adapt their EE Plans, and embrace diversity and inclusivity as their corporate ethos. Ultimately, EE reporting is not merely a regulatory obligation but a testament to an organisation's commitment to equality and fairness in the modern workforce.

“Employment Equity can add enormous value to an organisation, provided it is understood and implemented correctly. If we are truly committed to transformation and if we approach the EE Plan and EE Report effectively, it offers a structured approach which addresses both the transformation of a business, as well as ensuring compliance with the legislative employment equity framework.”

Tips for successful reporting:

1. **Accuracy:** It goes without saying that your report needs to be accurate and honest.
2. **Consultation:** It is important that both the EE Plan and EE Reports are consulted through an EE Committee, the members of which are nominated by their peers. These members must have a thorough understanding of the Employment Equity Act.
3. **Report against the plan:** I cannot stress this enough: you need a plan to be able to submit a proper report. It is fraudulent to submit a report without a plan. The BEE Chamber meets with clients, assisting them with drafting a compliant and transformative Plan, or adapting their plan to be achievable. Businesses can prepare an EE Plan which spans between one and five years, with three years being the most common. The optimal duration will be based on the size and nature of the business.
4. **Time:** The size of a company impacts the time needed for reporting. It is a simple task for a small company, especially with the EAA2 Report (which includes the latest workforce profile, historical staff movements, as well as a focus on skills development). However, allow adequate time if you are a large business, especially for completing the EEA4 Report which looks at differences in the terms and conditions of employment, as the necessary analyses can be tedious.



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Amid the absence of an effective date for amended regulations, compliance with the existing 2013 Amendments is key. Businesses must stay attuned to changes in reporting forms and ensure their submissions adhere to the specified

deadlines for a successful report.

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