



SAICA

**Member communication:
Department of
Employment and Labour
draft sector codes
17 May 2023**



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Dear members

The Department of Employment and Labour published the Employment Equity Amendment Act, 4 of 2022 in April 2023. The Draft Employment Equity Regulations 2023¹, was published for public comment on 12 May 2023 with a comment deadline of 30 days.

The changes to the Employment Equity Act includes the following:

- The Minister may identify national economic sectors and set different numerical targets for the purpose of ensuring equitable representation of qualified people from designated groups. Notice must be published for 30 days (S15A)
- Designated employer must prepare and implement an employment equity plan which will achieve reasonable progress towards employment equity in that employer's workforce (S20).

Employment equity plan must include

- a) the objectives to be achieved for each year of the plan;
- (b) the affirmative action measures to be implemented as required by [section 15\(2\)](#);
- (c) where under-representation of people from [designated groups](#) has been identified by the analysis, the numerical goals to achieve the equitable representation of suitably qualified people from designated groups within each occupational level in the workforce, the timetable within which this is to be achieved, and the strategies intended to achieve those goals;
- (d) the timetable for each year of the plan for the achievement of goals and objectives other than numerical goals;
- (e) the duration of the plan, which may not be shorter than one year or longer than five years;
- (f) the procedures that will be used to monitor and evaluate the implementation of the plan and whether reasonable progress is being made towards implementing employment equity;
- (g) the internal procedures to resolve any dispute about the interpretation or implementation of the plan;
- (h) the persons in the workforce, including senior managers, responsible for monitoring and implementing the plan; and
- (i) any other prescribed matter.

Targets must agree with sectoral targets and employers will be fined if they have not prepared or implemented such plan.

1. Application on audit/ accounting firms

Audit and accounting firms are included in the following economic sectors and sub-sectors in line with Standard Industrial Classification (EAA17)

¹ [Employment Equity Regulations for comment](#)



13. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES

1. Legal and accounting, bookkeeping and auditing activities, tax consultancy
2. Activities of head office; management consultancy activities
3. Architectural and engineering activities; technical testing and analysis
4. Scientific Research and experimental development on natural science and engineering; and social sciences and humanities
5. Advertising and market research and public opinion
6. Specialised design and Photographic activities
7. Veterinary activities

2. Targets

The proposed targets are classified in the categories of Top management, Senior management, professional staff and skilled staff².

The targets in the table shall apply to designated employers and is split in National and Provincial targets. The National Economically Active Population (EAP) will apply to employers conducting their business / operations nationally and the Provincial EAP will apply to employers providing business / operations in a province.

The tables proposes a 5-year target for the various economic sectors and where employers do not meet the requirements employers may be fined. Maximum fines is set out in Annexure A.

Designated employers is defined as a person who employs 50 or more employees; a municipality, as referred to in Chapter 7 of the Constitution; an organ of state as defined in section 239 of the Constitution, but excluding the National Defence Force, the National Intelligence Agency and the South African Secret Service; and an employer bound by collective agreement in terms of section 23 or 31 of the Labour Relations Act, which appoints it as a designated employer in terms of this Act, to the extent provided for in the agreement.

SAICA will continue to keep you updated but members / associates are encouraged to study the amendment and where applicable, apply the legislation.

Regards

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² Occupational levels defined in [Form EAA9](#)



Annexure 1 – Maximum permissible fines that may be imposed for contravening this Act

	Contravention of any provision of sections 16 (read with 17) 19, 22, 24, 25 and 26 and 43(2)	Contravention of any provision of sections 20, 21, 23 and 44(b)
Previous contravention		
No previous contravention	R1 500 000	The greater of R1 500 000 or 2% of the employer's turnover
A previous contravention in respect of the same provision	R1 800 000	The greater of R1 800 000 or 4% of the employer's turnover
A previous contravention within the previous 12 months or two previous contraventions in respect of the same provision within three years	R2 100 000	The greater of R2 100 000 or 6% of the employer's turnover
Three previous contraventions in respect of the same provision within three years	R2 400 000	The greater of R2 400 000 or 8% of the employer's turnover
Four previous contraventions in respect of the same provision within three years	R2 700 000	The greater of R2 700 000 or 10% of the employer's turnover