

**Presentation to the  
Parliamentary Portfolio  
Committee, PC Employment  
And Labour on:**

**Employment Equity Amendment  
Bill, 20 July 2020 in Government  
Gazette 43535 (the “Bill”).**



**15 April 2021**

**Telkom**

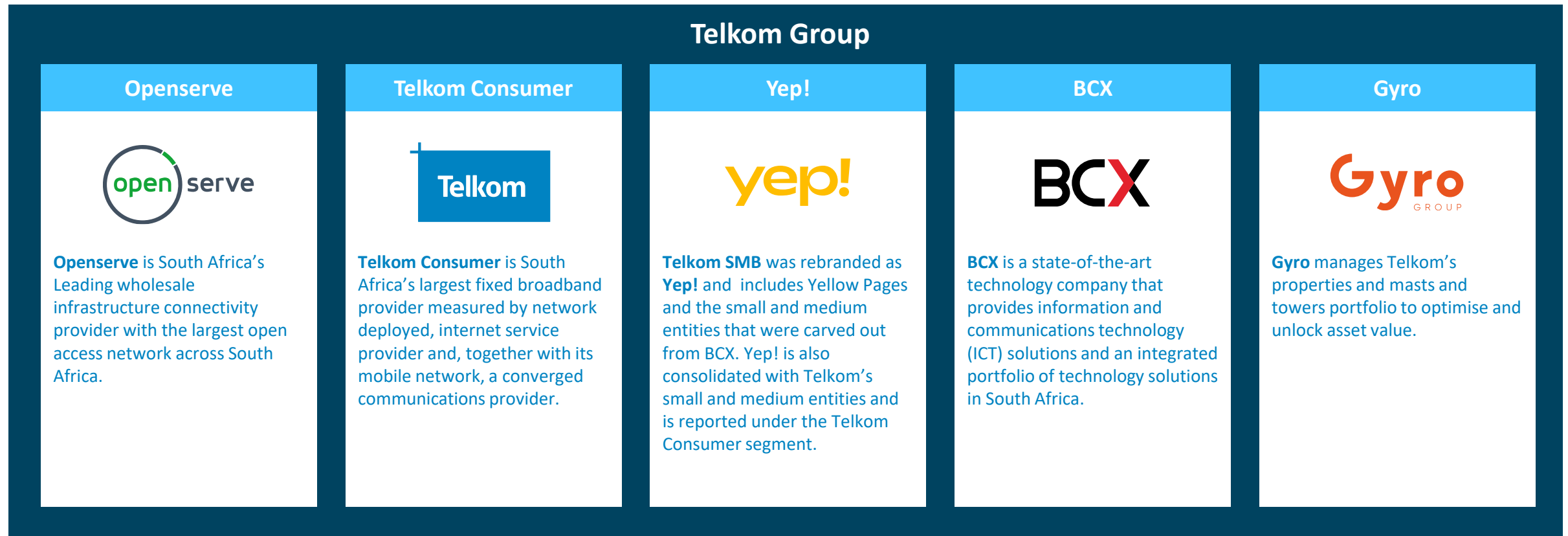
# Introduction

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# 1. Our business and operating model

- Telkom SA SOC Ltd represents Telkom group (Telkom or the group), which comprises Telkom company and its subsidiaries
- The Telkom company comprises these divisions: Openserve, Telkom Consumer and Yep! (previously Telkom Small and Medium Business (SMB))
- Telkom group subsidiaries are BCX and Gyro, and
- In the context of our operating model, business units comprise our divisions and subsidiaries.



## 2. Introduction

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- Telkom is grateful to the Chairperson and members of the Portfolio Committee on Labour and Employment for the opportunity to present to the PC on the Employment Equity Amendment Bill, EE Bill
- Telkom supports the objectives of the Bill and appreciates the efforts by the Department of Employment and Labour (DEL) in consulting with the ICT sector and Telkom on the Bill
- Telkom submits that the EE Bill ensure that issues regarding the equitable representation of suitably qualified people from designated groups (blacks, women and persons with disabilities) at all occupational levels in the workforce are comprehensively addressed.

### 3. Executive summary

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- The Bill is published in a challenging and deteriorating macro-economic environment because of COVID19 pandemic
- The COVID-19 pandemic resulted in unintended consequences on businesses; it is difficult to keep companies afloat and save jobs during this difficult period
- The COVID-19 pandemic has severely and negatively impacted the lives and livelihoods of employers and employees, with millions of employees having been retrenched.



# Executive summary...

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- Our employment equity targets take into account the specific industry and context within which the company operates
- We seek to attain equitable representation of suitably qualified people from designated groups
- We emphasise the need to extensively consult with all industry stakeholders before publication of the proposed numerical targets in order to ensure that such targets are practically implementable, and
- We align to other transformation related policies, legislation, regulations and programmes such as the generic and B-BBEE ICT sector codes.



## 4. Specific comments: Numerical target setting within different levels in the workplace

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- The Bill gives powers to the Minister of Employment and Labour (the “Minister”) to set numerical targets for representation of black people, women and disabled employees within the different levels of employment in the workplace
- Ito the Bill, the Minister is only required to consult with the National Minimum Wage Commission on the proposed sectors and targets before publishing such proposals by means of a notice for comment
- The EE Bill of 2018 formally provided for consultation with the relevant sectors in section 15(2) regarding ensuring the equitable representation of suitably qualified people from designated groups at all occupational levels in the workforce before publication of the notice in the Gazette set numerical targets for any sector
- The EE Bill of 2018 recognised the importance of consultation with the impacted sectors impacted
- Clause 15 of the EE Act has been amended in the current Bill to require consultation by the Minister only with the National Minimum Wage Commission before publication of the notice setting our numerical targets

# Specific comments: Numerical target setting within different levels in the workplace...

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- Unilateral imposition of targets by the Minister which may not be practically implementable by electronic communications operators and industry stakeholders may have the unintended effects of threatening existing jobs in a difficult economic climate.
- In the current tough economic climate it is difficult to make appointments that may be necessitated to meet new numerical targets, as many employers are trying to protect existing jobs
- Requiring a designated employer to meet the targets set by the Minister and assessment on the basis of these criteria, particularly before it may do work for Government, amounts to quotas which may be unenforceable
- Telkom remains steadfast in supporting transformation in the company and supports B-BBEE legislation and objectives
- We have used our best endeavours to ensure representation of black people, women and people with disabilities at all levels within the business
- We have offered learnerships targeted towards unemployed disabled learners; various other internship and learnership programs targeting African females and African males as well as Female Leadership Development Programs



# Specific comments: Non-compliance numerical targets & consultation

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- Telkom suggests that there be clear guidelines as to what amounts to compliance with the numerical sectoral targets
- Telkom notes that a designated employer can provide a reasonable justification for failure to comply. It is unclear what amounts to a reasonable justification for non-compliance
- Telkom suggests that the Bill provides an employer with an opportunity to apply for a formal exemption from its provisions
- Re proposed amendment that a designated employer must consult only with a representative trade union re matters referred to in section 17 of the EE Act (e.g. implementation of an EE plan), Telkom cautions that the trade unions do not represent all Telkom employees, and this amendment is problematic.

# 5. Recommendations and conclusions

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## Telkom's recommendations

1. We recommend that a study be undertaken in order to determine which targets would be practical and plausible for the electronic communications sector prior to publication of the notice setting out numerical targets
2. The study must take into account all relevant factors, including the challenging and unprecedented macro-economic environment, and
3. It should provide alternatives that can be considered including targets based on the limited hiring opportunities rather than headcount targets and accelerated training of persons in affected groupings aligned to the scarce and critical digital and coding skills that are increasingly in demand.

# Thank You!

The Telkom logo consists of a blue square with a white border. The word "Telkom" is written in white, bold, sans-serif font inside the square. A white crosshair symbol is positioned at the top-left corner of the square.

**Telkom**