

**Ministry**

**Employment & Labour**

**Republic of South Africa**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1136 [NW2296E]**

**1136. Dr M J Cardo (DA) to ask the Minister of Employment and Labour:**

With reference to his statements following the release of the 19th Commission for Employment Equity annual report, what punitive measures does the Government intend taking against employers who do not meet employment equity targets? NW2296E

**REPLY:**

It is important to highlight that in order to expedite the pace of transformation and address non-compliance with the requirements of the Employment Equity Act (EEA), there are proposed amendments in the EE Amendment Bill, 2019, which include progressive measures that will be undertaken by Government to address non-compliance. The EE Amendment Bill will be tabled in Parliament for deliberation probably before the end of this year.

Noteworthy is that, the primary objectives of these amendments are two-fold:

(i) to empower myself as the Minister of Employment and Labour to regulate sector specific numerical EE targets, which must be complied with in order to accelerate transformation in various economic sectors because the current self-regulated EE targets did not yield positive results over the 21 years of the EEA; and

(ii) to enable the promulgation of Section 53 of the EEA that deals with the issuing of an EE Certificate of Compliance as a prerequisite for accessing State Contracts and to do business with the State.

This is a punitive measure to all those organisations that are non-compliant to stop them from continuing to reap financial benefits in doing business with the State.

Noteworthy is that, even those non-compliant organisations that do not necessary depend on State Contracts for their business, will still have to face consequences by being referred to the Labour Court for a penalty to be levied against them as per Schedule 1 of the EEA.