



planning, monitoring & evaluation

Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA

ANNEXURE B

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)
FINAL IMPACT ASSESSMENT TEMPLATE

EMPLOYMENT EQUITY AMENDMENT BILL, 2019

DATE: 12 July 2019

The Final Impact Assessment for Employment Equity Amendment Bill, 2019

The Final Impact Assessment provides a more detailed assessment of the ultimately policy/legislative/ regulations/ other proposal. In addition, it identifies **(a)** mechanisms for monitoring, evaluation and modification as required; and **(b)** a system for managing appeals that could emerge around the implementation process.

1. The problem Statement/ Theory of Change

- 1.1. Give summary of the proposal, identifying the problem to be addressed and the root (causes) of the problem that will be addressed by the new rule.

Summary of the proposal (Summary Background of the proposed policy/bill/ regulations/ other):

- One of the key challenges in the post-apartheid South African labour market is the lack of equitable representation of designated groups (i.e. black people, women and persons with disabilities), despite provisions in the Employment Equity Act, 1998 (the EEA) as amended geared towards identifying people that are suitably qualified based on normal qualifications.
- The trend analysis of population group and gender representation in the recent 2018-2019 Employment Equity Annual Report (19th Commission for Employment Equity Annual Report) showed very little progress over a period of 21 years of the implementation of the EEA, in particular, in the top occupational levels. Thus, Whites and males continued to predominate in Top and Senior management ever since the birth of democracy until 2018. For example, in Top Management Level, Whites accounted for 66.5% and Blacks only accounted for 33.5% of all positions, whereas women only accounted for 23.5% at this level. In Senior Management level, Whites also accounted for 54.4%, whereas, Blacks only accounted for 45.6% of all positions, whereas females accounted for only 34.5% at this level (source: 2018-2019 Employment Equity Annual Report – www.labour.gov.za).

- Due to the slow pace of transformation more than two decades since the inception of the Act, it has become clear that latest amendments of 2013 in relation to strengthening of the enforcement mechanisms (e.g. increase in penalties/ fines) are still inadequate to address non-compliance.
- Acknowledging the challenges of EE compliance and enforcement over the years since the inception of the Employment Equity Act in 1998, the enforcement mechanisms were strengthened with the amendments of the Employment Equity Act in 2013, i.e. in the Employment Equity Amendment Act, 2013.
- The enforcement mechanisms were made less cumbersome and the fines were increased. The positive spin offs of these amendments are starting to emerge and have been evident in the annual increase of the number of EE Reports being submitted by employers to comply with the reporting requirements of Section 21 of the EEA. For example, total number of EE reports increased from 24 291 in 2014 to 27 485 in 2018, which is 12% increase.
- Furthermore, the promulgation of Section 53 of the EEA (dealing with Compliance Certificate) should be seen as an additional advantage to enhance compliance with the EEA and not as a replacement to the current enforcement mechanisms of the EEA.
- The objective of the Compliance Certificate is to serve as complementary compliance tool to the current enforcement mechanisms to expedite real transformation and to ensure that the Government as custodian of transformation legislation does not continue to do business with perpetual non-compliant organisations.
- Noteworthy is that, those that do not comply and do not need a Compliance Certificate because they are not dependent on State business, will still be subjected to the normal enforcement mechanisms as outlined in Chapter V of the EEA.

- Therefore, the current proposed EE amendments in the EE Amendment Bill, 2019 are primarily aimed at:
 - ✓ Empowering the Minister of Employment and Labour to establish sectoral numerical targets for the purpose of ensuring the equitable representation of suitably qualified people from designated groups (blacks, women and persons with a disability) at all occupational levels in the workforce;
 - ✓ Making provision for the promulgation of Section 53 of the EEA that deals with the issuing of Certificate of Compliance to organisations that wishes to access State contracts and wishes to do business with the State. This section has never been promulgated in the 21 years of the EEA. Consequentially, other provisions dealing with affirmative action measures and assessment of compliance (i.e. Section 15 and Section 42) will have to be amended to provide mechanisms/criteria to measure compliance before a Certificate of Compliance can be issued;
 - ✓ Lessing the regulatory burden on small employers, i.e. those employing between 0-49 employees will be exempted from the implementation of affirmative action processes, but still be required to comply to Chapter 2 of the EEA dealing with elimination of unfair discrimination in their workplaces; and
 - ✓ Giving effect to the Government priorities pronounced in the 2019 SONA, which is ***“Firstly, we must accelerate inclusive economic growth and create jobs.”***

Problem/s and root causes that the proposal is trying to address:

Identified Problem	Root causes
The problem could be: “inequality in employment workplaces has not reduced after 21 years of the enactment of the Employment Equity Act, the previously disadvantaged groups (Blacks,	Slow pace of transformation in the labour market. For example, over 66% of all Top management positions are still occupied by whites while females only account for 23% of these positions.

Identified Problem	Root causes
women and people with disabilities) are not treated equally as Whites, men etc.	Self- regulated Employment Equity (EE) targets in EE Plans, which are flexible and dependent on individual organisation's commitment to transformation.
The previously disadvantaged groups, i.e. black people, women and persons with disabilities remain unfairly treated and excluded from accessing equal opportunities for recruitment, promotion, skills development and career advancement.	Low levels of compliance with the objectives of the EEA 21 years after its enactment. Lack of commitment and resistance to transformation – most organisations budgeting for penalties for non-compliance.
Poor quality of EE data submitted by Small employers (i.e. those that employ between 0-49 employees), through EE reports, just to get an EE acknowledgement letter to obtain the BBBEE Certificate for State Tenders.	Small employers normally do not human resource and data collection systems capacity to implement EE processes and as a result, they are forced to outsource to EE Consultants who then produce EE data/ reports that cannot be verified as a true reflection of the workplace workforce. After the obtaining, the BBBEE Certificates to tender, then these employers request DEL to deregister them from the EE System Database because their turnover has declined and they are no more designated anymore. This creates both the regulatory and an administrative burden on both the employers and DEL.
Non-compliant organisations continue to benefit financially from accessing the State contracts, despite them not	Absence of real financial consequences for non-compliant organisations. Non-compliant organisations still having access to business

Identified Problem	Root causes
<p>contributing to the broad Transformation Agenda of the State to economically empower those that were previously disadvantaged by Apartheid laws in place prior to 1994.</p>	<p>opportunities with the State (Access to State Contracts).</p> <p>Section 53 dealing with State Contracts not yet promulgated since the inception of the EEA in 1999, hence the accrual of financial gains by non-compliant organisations to the EEA.</p>
<p>Designated employers are using the misalignment of the definition of 'submit' or 'serve' in the Act and the internal electronic administrative functions (EE Online System) to litigate against the Department of Labour in instances where they did not submit EE Reports as per the regulated deadline. For example, the recent ABSA Bank Limited v Director-General: Department of Labour case no: J837/17 (LC).</p>	<p>Definitions of "serve" or "submit" under section 1 of the EEA is not aligned to the electronic administrative functions (EE Online System) of submission of EE Reports in terms of Section 21 of the EEA.</p> <p>The technical definition of "serve" or "submit" in the EEA is outdated and not aligned to the latest developments of the electronic administrative submission of EE reports in terms of Section 21 of the EEA.</p>

1.2. Describe the intended outcomes of the proposal

Increased pace of employment equity transformation through:

- Ensuring the intervention of the Minister of Labour having powers to establish sectoral numerical targets for the purpose of ensuring the equitable representation of suitably qualified people from the designated groups (blacks, women and persons with disabilities) at all occupational levels in the workforce; and
- Increased compliance with EEA through enforcement of Section 53 of the EEA which deals with State Contracts. This section will be proclaimed and implementable through the issuing of a Certificate of Compliance, which will form part of the criteria for access to State Contracts/ doing business with the State.

1.3. Describe the groups that will benefit from the proposal, and the groups that will face the cost. These groups could be described by their role in the economy or in society. As a minimum, consider if there will be specific benefits or costs for the poorest households (earning R 7000 a month or less); for black people, youth or women; for small and emerging enterprise; and /or for rural development. Add more rows if required:

Groups that will benefit	How will they benefit?
Black people, i.e. Africans, Coloureds and Indians)	<ul style="list-style-type: none"> • EE targets for sectors will provide benchmarks towards the equitable representation of blacks across all occupational levels of the workforce and therefore ensure their representation. • They will also be protected against any forms of unfair discrimination in any employment policies and practices in the workplace based on any listed ground (race, gender, HIV status, pregnancy, sex, marital status, sexual orientation, etc.), including on any other arbitrary ground. • Furthermore, these groups will be protected against income inequalities and will be empowered to claim Equal Pay for Work of Equal Value.
Women, i.e. Africans, Coloureds, Indians and White	
Persons with Disabilities, i.e. all races and gender	

Groups that will bear the cost or lose	How will they incur the costs or lose?
Designated employers inclusive of Public, Private, NGOs and Academic institutions (i.e.	<ul style="list-style-type: none"> • They will not be issued with the Compliance Certificate to access State

Groups that will bear the cost or lose	How will they incur the costs or lose?
<p>those employers that employ 50 or more employees and those that have less than 50 employees, but their annual turnover threshold is equal or more than the stipulated threshold in terms of Schedule 4 of the EEA) in terms of Chapter III of the EEA.</p>	<p>Contracts, i.e. doing business with the government (financial consequences dependent on the amount attached to the Contract) will be issued to these employers if they do not comply with the requirements of the EEA, i.e. Chapter 11 (e.g. if the employer has a CCMA Awards against them for cases of unfair discrimination) and Chapter III (e.g. employers should have met the relevant numerical EE targets set for their specific sector, including submission of an EE Report); and in addition, such employer is not paying the National Minimum Wage (e.g. there is CCMA Award against the employer).</p>
<p>Non-designated employers (e.g. small employers) inclusive of Public, Private, NGOs and Academic institutions</p>	<ul style="list-style-type: none"> • They will not be issued with Compliance Certificate to access State Contracts (financial consequences dependent on the amount attached to the Contract) will be issued to these employers if they do not comply with the requirements of Chapter 11 of the EEA ONLY, (e.g. if the employer has a CCMA Awards against them for cases of unfair discrimination) – a Declaration (automated) is required from these employers to confirm that there are no unfair discrimination

Groups that will bear the cost or lose	How will they incur the costs or lose?
	practices in their organisations; and in addition, such employer is not paying the National Minimum Wage (e.g. there is CCMA Award against the employer).
DoL	<ul style="list-style-type: none"> Awareness campaigns and trainings will be conducted on the EE Amendments in all provinces as part of advocacy drive to assist with the stakeholders to implement the amendments. The cost will be catered for in the operational budget of the Employment Equity Directorate and no additional funds will be required from National Treasury.

1.4. Describe the behaviour that must be changed, main mechanisms to achieve the necessary changes. These mechanisms may include modifications in decision making process systems; changes in procedures; educational work; sanctions; and or incentives. Also identify groups inside or outside government whose behaviour will have to change to implement the proposal. Add more rows if required:

Groups inside Government	Behaviour that must be changed (Current Behaviour)	Main mechanism to achieve the necessary changes
All National Departments	Non-compliance with the requirements of the EEA.	Setting EE sector targets to promote equitable representation of the designated groups (blacks, women and persons with

		disabilities) across all occupational levels.
Provincial Departments		Declarations on unfair discrimination cases to promote substantive equality and fair treatment in employment.
Local Government		
Public Enterprises/ Public entities		
Organs of State (e.g. Parliamentary Services, Office of Public Protector, Office of the Auditor-General, etc.)		
		Non-issuing of Certificate of compliance will ensure legislative compliance and expedite transformation within government as a good example of employer of choice and champions of legislation.

Groups outside Government	Behaviour that must be changed (Current Behaviour)	Main mechanism to achieve the necessary changes
Designated employers inclusive of Private, NGOs and Academic institutions (i.e. those employers that employ 50 or more employees and those that have less 50, but their annual turnover threshold is equal	Non-compliance with the requirements of the EEA	Setting EE sector targets to promote equitable representation of the designated groups (blacks, women and persons with disabilities) across all occupational levels. In this mechanism, the Minister of Labour after consultation with the Commission for Employment Equity will regulate sector specific numerical EE targets, which each designated employer within that particular sector will be required to achieve in order to

Groups outside Government	Behaviour that must be changed (Current Behaviour)	Main mechanism to achieve the necessary changes
and more than the stipulated threshold in terms of Schedule 4 of the EEA) in terms of Chapter III of the EEA.		transform their workplaces (See the new proposed insertion of Section 15A in the proposed EE Amendment Bill, 2017). Currently, the designated employers in both the Public and Private sectors are required to set their own numerical EE targets and goals in their EE Plans as per Section 20 of the EEA. This are self-regulated numerical targets and goals-not regulated by anyone.
Non-designated employers (e.g. small employers) inclusive of Private, NGOs and Academic institutions.		<p>Declarations on unfair discrimination cases to promote substantive equality and fair treatment in employment</p> <p>Non issuing of Certificate of compliance will ensure legislative compliance and expedite transformation within government as a good example of employer of choice and champions of legislation.</p>

1.5. Report on **consultations on the proposal with the affected government agencies, business and other groupings**. What do they see as the main benefits, costs and risks? Do they support or oppose the proposal? What amendments do they propose? And have these amendments been incorporated in your proposal?

- Firstly, internal consultation has taken place within the Commission for Employment Equity (CEE).

- Secondly, after the CEE's Advisory to the Minister on the proposed EE Amendment Bill and its regulations, these amendment were tabled and finalised by NEDLAC on 10 April 2018.
- Thirdly, the EE Amendment Bill, 2018 was tabled in the ESEID Cluster in May 2018 for approval to be tabled in the Cabinet Committee and then the Cabinet in August and September 2018 for approval to be published for public comment for 60 days from 21 September 2018 to 20 November 2018.
- Fourthly, National Public Hearings were conducted in 9 provinces during October 2018 to solicit oral submissions from the public. Target audience included employer, employees, trade unions, HR Practitioners, Academics, and civil society.
- Fifth, Inter-Departmental consultations which are on-going commenced in July 2018 with National Treasury (Chief Procurement Officer); DTI (BBBEE policy unit); DMR (Mining Charter policy unit); BBBEE Commission; CCMA; National Minimum Wage Commission Secretariat; Universities South Africa and DHET to ensure that there is an alignment of legislation, regulations and policies, including systems when dealing with EE Certificates of compliance and the procurement policies.
- Sixth, Sectoral Bilateral meetings with key decision-making structures/ bodies, i.e. Bargaining Councils and employer organisations were conducted from October 2018 to May 2019 on the EE amendments in preparation for the setting of Sectoral EE Targets.
- Noteworthy, is that, thus far, the Sector Stakeholder Engagements on the setting of Sector specific EE Targets have commenced in June 2019 with sectors such as mining, retail and wholesale, construction and financial sector. It is envisaged that these engagements will be finalised in February 2020.

Table on consultations:

Affected Stakeholders	What do they see as main <u>benefits, costs and risks?</u>	Do they <u>support or oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
<p>1. Government Departments and Agencies: National Treasury (Chief Procurement Officer); DTI (BBBEE policy unit); DMR (Mining Charter policy unit); BBBEE Commission; DHET; CCMA; National Minimum Wage Commission Secretariat.</p>	<p>Alignment of legislation, regulations and policies, including systems when dealing with EE Certificates of compliance as a re-condition for access to State contracts and the procurement policies.</p>	<p>Supported by National Treasury (Chief Procurement Officer); DTI (BBBEE policy unit); DMR (Mining Charter policy unit); BBBEE Commission; CCMA; and National Minimum Wage Commission (NMWC) Secretariat.</p>	<p><u>National Treasury</u> – possible review and amendment of the Procurement Act and its Regulations, where applicable to include enabling provision that caters for EE Compliance Certificate as pre-condition for access to State Contracts. This includes linking of system for verification. <u>DTI (BBBEE policy unit) and DMR (Mining Charter)</u> –</p>	<p>These possible amendments have implications for other legislation, such as Procurement, BBBEE Codes and Mining Charter and no implications for the EE Amendment Bill, 2019</p>

Affected Stakeholders	What do they see as main <u>benefits, costs and risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
			<p>possible review and amendment of the BBBEE Codes, in particular the EE Element of the Scorecard and the EE component in the Mining Charter to cater for EE Compliance Certificate to avoid unnecessary duplication of functions.</p> <p><u>CCMA and the NMWC Secretariat –</u> No possible amendments. Only the linking of systems for verification purpose before the</p>	

Affected Stakeholders	What do they see as main <u>benefits, costs and risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
			issuing of EE Compliance Certificate to ensure compliance with Unfair Discrimination Cases (CCMA Case Management System) and payment of the National Minimum Wage (Exemption/ Variation System of the NMW Secretariat).	
2. Commission for Employment Equity (CEE). The CEE is constituted by NEDLAC representatives of	Amendments will play a significant role in expediting economic transformation of the labour market and enhance social cohesion	CEE supports the amendments as EE policy Advisory body to the Minister of DEL.	Amendments in the EE Amendment Bill, 2019 were developed and approved by the CEE in conjunction with DEL (LP & IR) Directorate).	EE Amendment Bill, 2019 is as the results of the CEE advisory to the Minister of DEL.

Affected Stakeholders	What do they see as <u>main benefits, costs and risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
Organised Business, Organised Labour and Community Constituency.	and attainment of Constitutional right to equality for the majority of the population that were previously excluded to participating in the economy.			
3. Organised Labour	Amendments will expedite economic transformation of the labour market and enhance compliance.	Mainly support the amendments with few areas of disagreement reflected in the NEDLAC Agreement.	None.	None to be considered.
4. Civil Society	Amendments will expedite economic transformation – this came through during the public hearings.	Supported - this came through during the public hearings.	None.	None to be considered.

Affected Stakeholders	What do they see as <u>main benefits, costs and risks?</u>	Do they <u>support or oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
5. The Public	Amendments will expedite economic transformation – this came through during the public hearings and the written submissions on the EE Amendment Bill, 2018 published for public comment.	Supported - this came through during the public hearings written submissions on the EE Amendment Bill, 2018 published for public comment.	None.	None to be considered.
6. Other groupings: Universities South Africa and DHET	Amendments will expedite the pace of transformation in the institutions of Higher learning, especially the sector EE targets.	Supported.	None.	None to be considered.

1.6. **Describe possible disputes arising out of the implementation of the proposal, and system for settling and appealing them.** How onerous will it likely be for members of the public to lodge a complaint and how burdensome and expeditious is the proposed dispute-settlement procedure?

- Disputes may arise on financial implications when employers resist and challenge the inclusion of the EE Compliance Certificate under Section 53 of the EEA as a criterion /requirement for access to State Contracts and also to challenge the setting of EE Sector targets.
- Dispute resolution mechanisms on how to deal with any disputes arising from the implementation of the Act are already covered under Section 10 read with section 50 of the EEA. The Act states that all disputes have to be referred to the CCMA and the Labour Court.

2. Impact Assessment

2.1. **Describe the costs and benefits of implementing the proposal** to the groups identified in point 1.5 above, using the following chart:

Group	Implementation Costs	Costs of changing behaviour	Costs/Benefits from achieving desired outcome	Comments
Government DoL	-	Awareness campaigns and public hearings/workshops will form part of the current Annual EE Awareness campaigns (R1.6 million)	An equitable and inclusive economy with effects to poverty eradication as the target groups are mainly vulnerable and poor people.	No additional budget is required – already catered in the current allocations

Group	Implementation Costs	Costs of changing behaviour	Costs/Benefits from achieving desired outcome	Comments
Businesses	No cost to implement amendments because business are already utilising existing EE processes, systems and human resources within their organisations to comply with the requirements of the EEA, e.g. submission of EE Reports.	Setting of EE targets and compliance reporting to DoL	An equitable and inclusive diversified workplaces free of unfair discrimination based on any prohibited grounds or any other arbitrary ground.	
Organised Labour	No cost will be incurred	No cost will be incurred	Previously disadvantaged groups (black people, women and person with disabilities) will benefit by being part of the equitable and inclusive diversified economy through access to equal opportunities and fair	

Group	Implementation Costs	Costs of changing behaviour	Costs/Benefits from achieving desired outcome	Comments
			treatment in the workplace	

2.2. Describe the changes required in budgets and staffing in government in order to implement the proposal. Identify where additional resources would be required for implementation. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks:

- The proposed EE amendments will be implemented within the current allocated resources in the Employment Equity Directorate and in relation to the existing IT System enhancements that will be required; these will also be catered for within the current DOL ICT existing resources. No additional financial or human resource or IT resources will be required to implement the amendments.
- Awareness campaigns and public hearings to be conducted to raise awareness to the target audience, i.e. employers, employees, trade unions, employers organisations, academics, civil society and other interest parties in the labour market, the financial resources required will be catered for within the allocated budget of the Employment Equity Directorate. The awareness campaigns will be incorporated into the current Annual EE Workshops that are being conducted throughout the country.

2.3. Describe how the proposal minimises implementation and compliance costs:

An automated implementation process of the proposals will be incorporated in the existing EE System at no additional cost to expedite the turnaround time for assessment of compliance to employers and provision of individual feedback to employers through the issuing of an automated Certificate of Compliance within 24 hours of having captured and submitted both your Declarations and EE Reports through Online.

Online facility via the internet allows easy and fast access to employers to log-into the System at any time (day and night) from anywhere in the world. As a result, minimise travel, courier and registered mail costs, including paper and printing costs. It is evident with the slow pace of transformation over the 19 years of the EEA that the current Self-Regulation of EE targets by employers have not worked, hence the proposal to set Sector targets as benchmarks to expedite real transformation. Therefore the EEA targets will receive adequate consultation before the Sector Targets are regulated as the Bill make provision for the Minister of Labour to consult with stakeholders before regulating. The various Sector Stakeholders (unions, employers, Setas, and other relevant parties in that particular sector) would have been consulted through Sector Stakeholder Engagements, including the sectors that already have equity charters such as mining and construction. The Proposed Sector Targets will also be published for further written public comment; and added to that, these proposals will be subjected to NEDLAC Social Partner Negotiations before the Minister can Regulate to ensure that these are a result of a Social Partner Agreement with the Relevant Sector Role-players. Therefore, this will also ensure that there is buy-in from the Sector role-players and the targets are realistic and achievable. Furthermore various factors will also be taken into consideration when regulating targets, these include consideration of the existing sector opportunities in recruitment and promotion, current sector skills and the existing charters.

3. Managing Risk

3.1. Describe the main risks to the achievement of the desired ends of the policy/bill/regulations/other and/ or to the national priorities (aims) that could arise from adoption of the proposal. Also describe the measures taken to manage the identified risks.

Identified Risk	Mitigation Measures
-----------------	---------------------

<p>Resistance by employers to the setting of EE Sector targets as benchmarks to promote equitable representation of the designated groups across all occupational levels of the workforce.</p>	<p>Broader public consultation on the proposed EE Amendment Bill and its regulations, through external public comment; NEDLAC for Social Partner negotiation and in particular, through specific Sector stakeholder engagements. The consultations with relevant key sector stakeholders such as decision makers and EE implementers will enhance understanding of the EEA and the rationale for setting of sector specific targets as benchmarks for compliance, including sector targets are important instead of self-regulated targets, which yielded no positive results in 19 years of the EEA.</p>
<p>Resistance by employers to the inclusion of the EE Compliance Certificate under Section 53 of the EEA as a criteria/requirement for access to State Contracts</p>	<p>Inter-governmental consultations between Department of Labour, National Treasury DTI; DMR, CCMA, NMWC Secretariat and other relevant departments. Broader public consultation on the proposed EE Amendment Bill and its regulations, through external public comment; NEDLAC for Social Partner negotiation and in particular, through specific Sector stakeholder engagements.</p>

3.2. Describe the mechanisms **included in your proposal** for monitoring implementation, evaluating the outcomes, and modifying the implementation process if required. Estimate the minimum amount of time it would take from the start of the implementation process to identify a major problem and remedy it.

- An automated implementation process of the proposals will expedite the turnaround time for assessment of compliance to employers and provision of individual feedback to employers through the issuing of an automated Certificate of Compliance within 15 to 24 hours of having captured and submitted Declarations and EE Reports through Online facility. Therefore, within specified timeframe the DoL will be able to identify any problem that may arise within the EE Online System and develop strategies and mechanisms to remedy it. The information submitted by the employer will be validated against the automated sector specific EE targets and the EE Report to be submitted by the employers and the unfair discrimination cases will be validated against the CCMA Case Management System to check if there are any Arbitration Awards against the employer before a certificate is issued. Furthermore, there will be onsite verification processes conducted by the assessors at the organisations' workplace to verify the information submitted by the employer.

4. Summary

4.1. Summarise the impact of the proposal on the main national priorities

National Priority	Impact
1. Social Cohesion	<ul style="list-style-type: none"> • Proposals are intended to expedite transformation and promote access to equal opportunities in employment without being unfairly treated or discriminated against based on race, gender, disability. This is linked with Outcome 14: Transforming society and uniting the country. • It is also aimed to contribute to unity of designated group with groups that had advantage before the introduction of the EEA. • A transformed labour market will also contribute to more effective one.
2. Security (Safety, Financial, Food, Energy and etc.)	<ul style="list-style-type: none"> • These amendments would contribute to country's stability when people learn to work with each other

National Priority	Impact
	<p>despite the differences that come with the designated group characteristics.</p> <ul style="list-style-type: none"> It would enforce recognition of these groups as equals in the labour market and lesson discrimination dispute in favour of some groups on the expense of others. <p>South Africa has seen a number of cases where racial differences result in murders and assaults of the groups targeted by these amendments in the workplaces, e.g. the latest case in North West where a white employer drove a tractor over an African employee and left him to die in the field before seeking help for him.</p>
3. Economic Growth	<p>The provision of equal opportunity for the designated groups would result in economic growth as their participation in employment will result in them earning wages and spending capacity of the economy will increase, leading to high country tax revenue. Those benefiting from this increased spending may in return reinvest in the economy, create more employment, open factories etc.</p>
4. Economic Inclusion (Job Creation and Equality)	<p>All the previously disadvantaged groups, i.e. the designated groups (Blacks, women and persons with disabilities) will access equal opportunities to participate and contribute to the economic growth of the country without being unfairly treated and discriminated against based on their race, gender, disability, etc.</p>
5. Environmental Sustainability	N/A

4.2. Identify the social and economic groups that would **benefit most** and that would **bear the most cost**. Add more rows if required:

Main Beneficiaries	Main Cost bearers
--------------------	-------------------

Black people (Africans, Coloureds and Indians)	Designated employers inclusive of Public, Private, NGOs and Academic institutions (i.e. those employers that employ 50 or more employees and those that have less 50, but their annual turnover threshold is equal and more than the stipulated threshold in terms of Schedule 4 of the EEA) in terms of Chapter III of the EEA.
Women of all race groups	Non-designated employers (e.g. small employers) inclusive of Private, NGOs and Academic institutions.
Persons with disabilities of all race groups and gender	

4.3. In conclusion, summarise **what should be done to reduce the costs, maximise the benefits, and mitigate the risks associated with the policy/bill/regulations/other.**

Note supplementary measures (such as educational campaigns or provision of financing) as well as amendments to the draft itself, if appropriate. Add more lines if required:

- a) Conduct EE Awareness campaigns through the media, e.g. radio to raise awareness around the proposals.
- b) Conduct National EE Stakeholder workshops on the proposals in various provinces.
- c) Conduct targeted Sector Stakeholder engagements on the proposals.

4.4. Please identify **areas where additional research would improve understanding of the costs, benefits and/ or risks of the policy/bill/regulations/other:**

- None

For the purpose of building SEIAS body of knowledge please complete the following:

Name of Official/s	Thembinkosi Mkalipi
Designation	CHIEF DIRECTOR
Unit	LABOUR POLICY AND INDUSTRIAL RELATIONS
Contact Details	012 309 4122
Email address	Thembinkosi.mkalipi@labour.gov.za

SECRET