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MEDIA STATEMENT

For Immediate Release

**BUSA Approaches Court on Flaws in Employment Equity Sector Targets and Process**

***Johannesburg, 22 September 2025* –** Business Unity South Africa (BUSA) has initiated legal proceedings over the recently published Employment Equity (EE) Sector Targets. The targets came into effect on 1 September 2025.

The decision follows years of engagement with government, labour, and other social partners to advance the critical national goal of workplace equity and transformation. BUSA is not opposing the Employment Equity Amendment Act or the principle of sectoral numerical targets under Section 15A of the Act.

The organisation has, however, cautioned that transformation must be implemented correctly. In BUSA's view, the current sector targets are fatally flawed both substantively and procedurally. If allowed to stand, they risk undermining the very goal of an inclusive, transformed economy.

**Why Initiating Legal Proceedings Became Necessary**
BUSA has consistently engaged with the Department of Employment and Labour (DEL) in good faith. These engagements included formal meetings, data submissions, and a detailed presentation to the Minister raising urgent concerns with the consultation and methodology process.

BUSA CEO Khulekani Mathe says, "What took place was not meaningful consultation; it was a presentation. As social partners, we cannot allow performative engagement to substitute for genuine collaboration.

**Key Issues Raised and Left Unresolved Include:**

1. Limited consultation time: Employers were given less than a week to respond; most received draft targets the night before meetings, which lasted only an hour.
2. Insufficient information provided in relation to the methodology used in reaching the targets: DEL has failed to provide sufficient explanation for how it calculated the targets or the demographic assumptions used. For example, the EE disability target was raised to 3% without DEL providing sufficient supporting data or adequately explaining how this figure was reached, despite acknowledging the lack of disability statistics.
3. Insufficient sectoral analysis: Limited assessment conducted to determine whether targets were achievable across industry-specific realities.
4. Conflicting compliance frameworks: The targets are not aligned with B-BBEE sector codes, creating regulatory confusion.
5. One-size-fits-all targets: DEL's refusal to differentiate among subsectors ignores operational, geographic, and structural diversity.

"The need for transformation is urgent, but urgency must not become recklessness," said Mathe. "We're acting now to protect the credibility of equity policy. Unworkable targets do not advance transformation. They deepen frustration and erode trust in public policy."

Mathe continues: “Poorly developed targets risk damaging vital sectors of the economy. If targets are unrealistic or not based on the skills available in each sector, companies may find themselves unable to comply. This creates uncertainty and weakens the integrity of the regulatory process, ultimately undermining the transformation and inclusion that the Employment Equity Act is meant to achieve.”

BUSA has stressed that this legal action is not aimed at opposing transformation or undermining the Employment Equity Amendment Act. On the contrary, the business community has consistently worked to champion measures that foster diversity, inclusivity, and redress. The concern lies with the manner in which these targets have been developed and imposed. According to BUSA, rushed, opaque, and procedurally irregular processes not only fail the test of legality but also set back the national imperative of transformation by making compliance impractical and unenforceable.

BUSA has reiterated its commitment to working with government, labour, and other partners towards a framework for transformation that is lawful, transparent, and evidence-based; grounded in robust data and sector-specific realities; and achievable in practice, ensuring sustainability of transformation over time.

The decision to initiate legal proceedings was not undertaken lightly. It follows numerous attempts to resolve the matter constructively. BUSA continues to maintain good relationships with the government on multiple national platforms, including at NEDLAC and through the Government Business Partnership, where it actively works with its state partners to address challenges in energy, transport and logistics, crime and corruption and youth employment. This is testament to the strong relationship cultivated between business and government over the years.

Transformation, it said, is a national imperative, and to succeed, it must be implemented in a way that builds confidence, promotes dialogue, and delivers results that are both meaningful and sustainable.

**ENDS**

Khulekani Mathe
**Business Unity South Africa (CEO)**

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