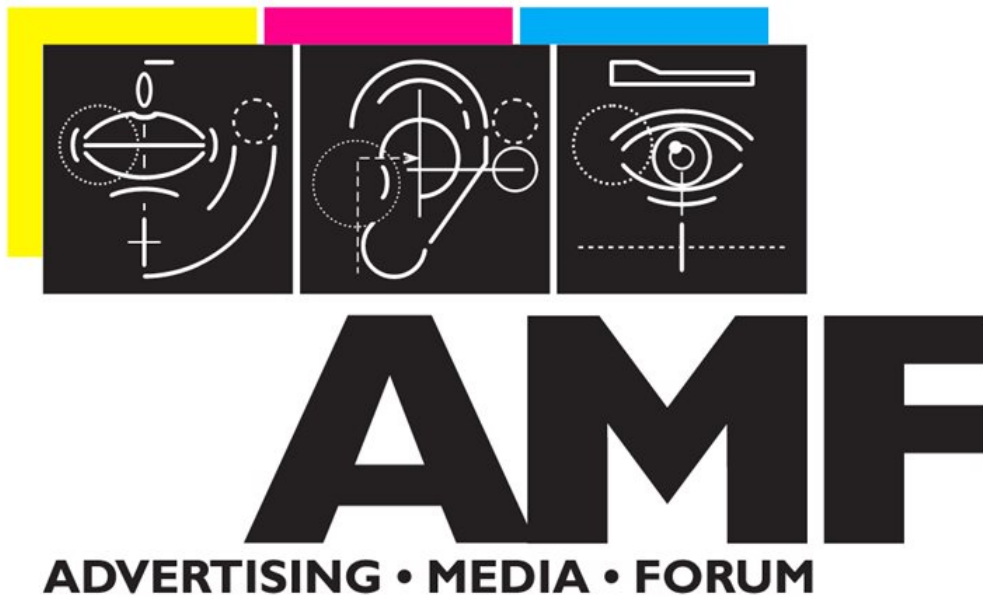


With new B-BBEE laws gazetted by the president, what now for the SA media industry?

Issued by [Advertising Media Forum](#)

20 Apr 2023

President Cyril Ramaphosa recently signed the Employment Equity Bill into law, which empowers the government to set specific equity targets and regulate sector-specific employment equity (EE) targets. The new legislation requires companies with more than 50 employees to submit employment equity plans and annual reports to the Department of Employment and Labour. This increased transparency and accountability will require South African companies including those in the media and advertising sector to be more diligent in their compliance efforts, which may result in a higher degree of scrutiny from regulators and the public.



Consequently, the MAC Charter, a sector-specific framework for implementing B-BBEE, may encounter even more challenges as it adapts to these new requirements. One of the biggest now being that companies with fewer than 50 employees no longer have to report regardless of their annual turnover whilst larger agency groups with more than 50 employees will be subject to the Employment and Labour Minister's ambit on sectorial employment equity (EE) targets and compliance criteria.

The first of these changes, highlighted above, is quite significant in that those agencies that fall outside of these revised criteria, such as agencies that fall under the Qualifying Small Enterprise (QSE) category under the B-BBEE Act, will no longer be required to account for or implement measures within their businesses that promote employment equity, skills development, and an increased share of management control or equitable representation at all levels of management. This provision would then also fly against the provisions of the MAC charter in this instance and may take the industry a step backwards in truly reflecting the society we live in today.

The second fundamental change that will impact larger agency groups, on the one hand does provide more strengthening to the MAC charter provisions albeit that the industry can come together and provide real targets to be shared with the department for implementation, but on the other hand may present some significant challenges especially as most of these organisations still have significant foreign investor influence while also maintaining competitiveness and profitability. Additionally, some organisations may experience difficulty in retaining top talent from designated groups if they perceive that their career growth is limited by the new equity targets.



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It goes without saying that our industry has made significant strides in addressing many of the challenges that the newly gazetted laws seek to address, but still more needs to be done without a doubt. And, whilst the larger agencies will now have more to account for when reporting to the Ministry, it's the 'smaller' agencies that will now fall outside this ambit that will need to show an even more concerted effort in their employment equity initiatives outside of government and public scrutiny.

All in all the new B-BBEE laws present both opportunities and challenges for South Africa's media and advertising sector. While the increased scrutiny and focus on diversity and representation may lead to a more inclusive and innovative industry, companies and industry bodies will need to navigate the potential pitfalls posed by the new regulations.

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