

New minimum wage for hospitality sector

South Africa's Hospitality Sector minimum wage has been adjusted upward with effect from 1 July 2015.



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The change in the minimum wage is in line with the Basic Conditions of Employment Act (BCEA) which empowers Labour Minister Mildred Oliphant to adjust wages in the sector.

According to the Department of Labour, the new minimum wage will be applicable until 30 June 2016.

In terms of the new Sectoral Determination, the minimum wages for employers with 10 or less employees the rates will apply as follows: Monthly R2 760,59 (2015/2016) from R2 601,88 (2014/15), Weekly R637,10 (2015/16) from R600,48 (2014/2015) and Hourly rates will be adjusted to R14,15 (2015/16) from R13,34 in (2014/2015).

The new minimum wages for employers with 10 or more employees it will apply as follows: Monthly rates will increase to R3 076,98 (2015/16) from R2 900,08 in (2014/2015), Weekly R710,12 (2015/16) from R669,30 (2014/2015) and Hourly rates will be adjusted to R15,77 from R14,87 in (2014/2015).

The Sectoral Determination covers any commercial business or part of a commercial business in which employers and workers are associated for the purpose of carrying on or conducting one or more of the following activities for reward in a hotel, motel, inn, resort, game lodge, hostel, guest house, guest farm or bed and breakfast establishment including short stay accommodation, self-catering, timeshares, camps, and caravan parks.

It also includes restaurants, pubs, taverns, cafés, tearooms, coffee shops, fast food outlets, snack bars, industrial or commercial caterers, function caterers, contract caterers and includes all activities or operations incidental to or subsequent on any of the activities mentioned above.

The Hospitality Sector Sectoral Determination excludes workers and employers involved in the trade of letting of flats, rooms and/or houses.

It also excludes all workers and employers covered by another Sectoral Determination in terms of the Basic Conditions of Employment Act. It further excludes areas that are covered by a Statutory Council or a Bargaining Council.

The current wage increases have been determined by utilising the CPI (excluding owners' equivalent rent) reported by Stats SA in April 2015.

The current level of CPI is 4.6%. The minimum wage increases is therefore determined by adding 4.6% plus 1.5% as stated in the current Sectoral Determination. The total increase is 6.1%.

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