

## **Hospitality wages come into effect on July 1**

*Released by The Department of Labour on 15 June 2007*

A roll-out of the long awaited sectoral determination aimed at regulating conditions of employment and minimum wages in the hospitality industry was finally launched in George and Cape Town this week.

The sectoral determination which was promulgated by Labour Minister Membathisi Mdladlana on May 15 this year will come into effect on July 1.

The determination applies to employers and employees engaged in the hospitality sector activities in the Republic of South Africa.

Hospitality sector means any commercial business or part of a commercial business in which employers and employees are associated with one of the following activities:

- providing accommodation in a hotel, motel, inn, resort, game lodge, hostel, guest house, guest farm or bed and break fast establishment including short stay, self catering, time shares, camps, caravan parks.
- restaurants, pubs, taverns, caf  s, tea rooms, coffee shops, fast foods outlets, snack bars, industrial or commercial caterers, function caterers, contract caterers that prepare, serve or provide prepared food or liquid refreshments, drinks in sealed bottles or cans whether in doors or outdoors or in the open air, for consumption on or off the premises.

The determination excludes employers and employees involved in the trade of letting of flats, rooms or houses.

It also stipulates that the minimum wages should exclude gratuities or tips.

Employers with less than 10 employees are required to pay the minimum of R1480.00 per month, while those employing more than 10 employees are required to pay R1650.00 per month.

This newly promulgated determination replaces the old one which grouped the hospitality sectors into four, namely: Accommodation, Catering trade, Hotel trade, and the Letting of flats or rooms.

For more details on the calculation of wages and the sectoral determination, interested parties are requested to refer to the government gazette no. 29885 or visit the department website - [www.labour.gov.za](http://www.labour.gov.za)

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