

**Hospitality Sector
Minimum Wage rate for the period
1 July 2009 to 30 June 2010**

1] Use of the month of March CPI (CPIX) figure.

Gazette No 31070, Notice R541 on the 16th May 2008 published by the Minister of Labour states that "The CPIX to be used to determine the minimum wage increase will be the CPIX as reported by statistics South Africa six weeks before the increase becomes effective".

Six weeks prior to the 1st July 2009 was the 20th May 2009. As the April 2009 CPI figure was only published on Wednesday 27th May 2009, the March CPI + 2% (CPIX) has been used as the official rate for the minimum wage schedule commencing 1st July 2009.

2] Use of an equivalent CPIX figure for March 2009.

Changes to the Inflation target and Headline Inflation measures – Published by StatsSA 21 October 2008 – "Many legal agreements make use of the current headline measure (CPI for historical metropolitan areas) or CPIX (for metropolitan and other urban areas) as an inflator. In order to assist users, Stats SA will continue to publish indices that will provide continuity for these purposes. The CPI for primary urban areas will replace the CPI for historical metropolitan areas, and the CPI excluding Owners' equivalent rent will replace the CPIX.

Consumer Price Index March 2009 - Page 3. CPI excluding owners' equivalent rent +9,1

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01/06/09

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Table 1: Minimum wages for employers with 10 or less employees

Minimum rate for the period 1 July 2007 to 30 June 2008			Minimum rate for the period 1 July 2008 to 30 June 2009			Minimum rate for the period 1 July 2009 to 30 June 2010		
R.p.m.	R.p.w.	R.p.h.	R.p.m.	R.p.w.	R.p.h.	R.p.m.	R.p.w.	R.p.h.
R 1,480.00	R 341.60	R 7.59	R 1,659.08	R 382.93	R 8.51	R1,843.23	R 425.43	R 9.45

The CPIX rate used to calculate the minimum wage increase applicable from 1 July 2009 to 30 June 2010 is the rate that was available 6 weeks prior to the increase becoming effective, which is the March 2009 CPI (excluding Owners Equivalent Rent) rate of 9.10% plus 2%. **The minimum wage increase will therefore increase by 11.10%.**

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Table 2: Minimum wages for employers more than 10 employees

Minimum rate for the period 1 July 2007 to 30 June 2008			Minimum rate for the period 1 July 2008 to 30 June 2009			Minimum rate for the period 1 July 2009 to 30 June 2010		
R.p.m.	R.p.w.	R.p.h.	R.p.m.	R.p.w.	R.p.h.	R.p.m.	R.p.w.	R.p.h.
R 1,650.00	R 360.80	R 8.46	R 1,849.65	R 426.88	R 9.48	R 2,054.96	R 474.26	R 10.53

The CPIX rate used to calculate the minimum wage increase applicable from 1 July 2009 to 30 June 2010 is the rate that was available 6 weeks prior to the increase becoming effective, which is the March 2009 CPI (excluding Owners Equivalent Rent) rate of 9.10% plus 2%. **The minimum wage increase will therefore increase by 11.10%.**