Compliance in the hospitality industry

Compiled by Business Partners Ltd (2009)

The hospitality industry includes hotels and other forms of accommodation, as well as restaurants and catering establishments of all descriptions. As with any industry, the hospitality industry needs a framework of rules, regulations and guidelines for issues pertaining to human resources.

Statistics reveal that more than 80% of all referrals to the CCMA are for unfair dismissals and that more than 63% of these are awarded in favour of the employee.

For the human resources department within your establishment, the main objective is to create an environment where employees can achieve their personal goals and objectives, and those of the company.

Various labour laws have been introduced to regulate issues relating to the employment of staff, minimum wages, the working conditions, the employment relationship and the termination of the employment agreement within the hospitality industry.

These are prescribed by two Bargaining Councils and one Sectional Determination for various areas and establishments.

What is a Bargaining Council?

Trade unions and employers’ organisations may form bargaining councils. These deal with collective agreements, solve labour disputes, establish various schemes and make proposals on labour policies and laws. The following bargaining councils pertain specifically to the hospitality industry:

The Tearoom, Restaurant & Catering Bargaining Council

This Bargaining Council has three representative organisations, which negotiate on behalf of their members.

- Professional Caterers Association
- SA Commercial, Catering & Allied Workers Union (SACCAWU)
- Care Centre, Catering, Retail & Allied Workers Union (CCRAWUSA)

The Restaurant, Catering & Allied Bargaining Council

This Bargaining Council has five representative organisations that negotiate on behalf of their members.

- The Restaurant & Food Services Association of SA (CATRA)
- SA Commercial, Catering & Allied Workers Union (SACCAWU)
- Distributive, Catering, Hotels & Allied Workers Union (DCHAWU)
- Hotel, Liquor, Catering, Commercial & Allied Workers Union (HOTELLLICA)
- SA Workers Organisation (SAWO)
The Sectoral Determination for the Hospitality Industry

The Sectoral Determination also looks after the rights of employees in the hospitality industry with regards to minimum wage, for example. For establishments with fewer than 10 employees the minimum wage is R1480 per month (R341-60 per week). Where more than 10 employees are employed, the minimum wage is R1650 per month (R380-80 per week). The parties may, however, enter into a written agreement that the employee be paid an hourly rate. The parties may also agree in writing that the employee be paid on a commission basis, but the employer may not pay the employee less than the prescribed minimum wage for the period worked.

Acts that apply to the hospitality industry

Occupational Health and Safety Act

The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety.

- 5 employees or more = First Aid Box
- 10 employees or more = Qualified First aider
- 20 or more employees = One health and safety representative
- Shops & offices = One health and safety representative per 100 employees or part thereof
- Other workplaces = One health and safety representative per 50 employees or part thereof
- More than two health safety representatives = Health and safety committee
- All appointments must be in writing, accepted by the nominated employee and be for a specific period
- Summary of OHS Act must be displayed.

Compensation for Occupational Injuries and Deceases Act

This act deals with injuries, disablement, disease and death caused by work-related activities. It applies to all employers, casual and full-time workers who, as a result of a workplace accident or work-related disease, are injured, disabled, killed or become ill.

Employment Equity Act

This Act aims to promote and achieve equity in the workplace, by encouraging equal opportunity among all workers. The provisions for affirmative action apply to:

- Employers with 50 or more workers, or whose annual income is more than the amount specified in Schedule 4 of the Act
- Municipalities
- Organs of State
- Employers ordered to comply by a bargaining council agreement
- Any employers who volunteer to comply

No matter how big or small your business, it's important you know your rights and comply with the laws related to your establishment.
1. Briefly explain the meaning of sectoral determinations. (2)

2. Discuss the factors that are taken into account when minimum wages are investigated. (3)

3. Research the latest minimum wages according to Sectoral Determination 14 for the Hospitality Industry and compare it with the figures of 2009 in the article. You are required to reference your source. (3)

4. Who is included in the hospitality industry and will be covered by Sectoral Determination 14? (4)