

Spar franchisee ordered to pay workers millions

A Spar franchisee has been ordered to pay millions of rands to workers for unlawful deductions on earnings, as well as non-compliance with the National Minimum Wage (NMW), said the Department of Employment and Labour.



Image source: Getty Images

On Monday, the department welcomed the outcome of the Commission for Conciliation, Mediation and Arbitration (CCMA) to grant eight arbitration awards against the eight Spar outlets.

The CCMA granted the department the arbitration awards, which compel the franchisee to comply with compliance orders issued and pay all complainants an amount of R11.9-million.

“The respondent is further ordered to comply with clauses 3.3 to 3.16 of the same compliance order within 14 days upon receipt of the awards,” said the department in a statement.

Failure to comply will result with the respondent having to pay accrued interest in terms of section 75 of Basic Conditions of Employment Act (BCEA).

The CCMA's decision follows inspections conducted in May 2019.

The inspections were as a result of the department's Inspection and Enforcement Services (IES) having received a series of complaints of alleged gross violations of labour laws that were happening at Spar stores across the country.

On investigation, all the stores which happened to be violating the labour laws were found to be owned by a Mr Giannacopoulos.

Nine of the 10 stores affected were based in Gauteng and one in the North West.

Issues raised in terms of labour laws violations included:

- Failure by the employer to issue employees with contracts;
- Long working hours without overtime compensation;
- Sunday pay, public holidays and leave not granted according to the law;
- The complaints also related to the hiring of illegal foreign nationals, and
- Illegal deductions.

The inspections were conducted at Spar Orchards, Dely Road, Doornport Spar, Montana Spar, Wierda Spar, Silverton Spar, Zambezi Super Spar, Rietfontein Spar, Silverplace Spar and Safari Spar in Rustenburg.

These outlets employ 565 workers.

In addition, the department's Inspector General, Aggy Moiloa, expressed delight that the minimum wage, which was promulgated in 2019 is bearing fruit.

"The relentless work that is carried out by our inspectors is contributing towards making a difference in the lives of the vulnerable workforce. I exhort employers to make it their business to respect and comply with the labour laws of our country."

Moiloa's comments come as the new rate of the NMW is set to increase from R20 to R20.76 an hour on 1 March 2020.

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