

# Census of contract caterers 1994

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This report contains the results of the Census of contract caterers which was undertaken in 1994. The information relates to firms in the Republic of South Africa as a whole (including the former self-governing territories and TBVC states).

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## INTERPRETIVE SUMMARY

### 1. GENERAL

This report contains the results of all firms that provide a catering service on a regular basis for a contracted period. This service sector is becoming more important as an employer and is extending its role in the economy. Universities, hospitals and business enterprises are increasingly making use of this

service to provide meals. Firms rendered financial information in respect of their financial year that ended on any date during the period 1 March 1993 to 28 February 1994.

The 20 firms in the survey were identified as firms which provide mainly a catering service per contract from a list provided by the Hospitality Industry Training Board (HITB). All firms responded, therefore it was not necessary to make provision for non-response. This is the first time that the CSS has undertaken such a census and no comparable series or information is available.

## **2. ANALYSIS OF THE RESULTS OF THE 1994 CENSUS OF CONTRACT CATERERS**

The contract catering industry employed 14 691 persons on the last pay-day in March 1994. The number includes full-time employees (12 724), part-time employees (1 463) and casual employees (504).

In 1994 Blacks represented 69,4% of the total number of employees, Whites 15,2%, Coloureds 11,0% and Asians 4,4% . Salaries and wages amounting to R256,8 million were paid to these employees, which included workers such as management, administrative and kitchen staff and casual workers.

The contract catering industry received revenue from catering contracts to the value of R936,2 million. The net profit of the industry amounted to R40,4 million. Capital expenditure on existing/used assets amounted to R20,1 million, whereas capital expenditure on new assets was R3,3 million.

A total number of 1 352 catering contracts were entered into with clients and 8 195,1 million meals were contracted.

Catering contracts entered into with canteens/cafeterias numbered 750 (55,5%) of all contracts, whereas contracts with hostels and with other patrons, such as hospital patients and passengers on planes and trains, numbered 419 (31,0%) and 183 (13,5%) respectively.

Catering contracts entered into with canteens/cafeterias generated 46,3% (R433,5 million) of the revenue earned by the industry. The most common length of a contract was 24 months with an average of two meals served per day. Hostels received 40,5% (3 292 million) of the actual number of meals served, although they represented only 31% of the contracts entered into.

Full risk contracts 1/ and cost plus contracts 2/ represented 46,8% of the revenue earned, whereas the revenue from other types of contracts 3/ was 53,2%.

In the revenue size group (100 000 000), which is the largest revenue size group, four firms employed 89% of the workforce, paid 88% of the salaries and wages and received not only 89% of the revenue in the industry, but also generated 93% of the net profit. They were also responsible for 88% of the capital spent on new assets such as buildings, furniture, machinery, equipment and vehicles.

In the employment size group (200), which is the largest employment size group, six firms employed 97% of all paid employees, paid 97% of the salaries and wages and generated 97% of the revenue.

1/ Full risk contracts are contracts where the meals are provided at an agreed price. The caterer is responsible for any costs exceeding this amount.

2/ Cost plus contracts are contracts where the client bears any costs exceeding the contract price.

3/ Other contracts are contracts that are individually formulated and also include management contracts.

## **EXPLANATORY NOTES**

### **1. SCOPE OF THE CENSUS**

1.1 A postal survey was undertaken and completed questionnaires were rendered in respect of all firms that provide a catering service on a contract basis. A contract caterer is an undertaking that has a contract with a client to provide a catering service (meals and the like) to its employees, patients, students or to the public. The terms and conditions of the catering service are documented in a contract that generally spans months and years, rather than days.

1.2 Firms that mainly provide a catering service for one-off events (i.e. an outside caterer) are excluded.

1.3 Administrative, clerical, sales or other activities directly related to the activities of such firms are also included.

1.4 Source of addresses: List of all contract caterers registered with the Hospitality Industry Training Board (HITB).

## **2. PROCESSING METHODOLOGY**

### 2.1 Encoding

Standard Area Code List (twelfth edition) 30 June 1994. Standard Industrial Classification of all Economic Activities (SIC) (fifth edition) January 1993.

### 2.2 Degree of verification

Certain fields in the completed questionnaires are compared, such as number of paid workers with salaries and wages; income with expenditure, etc.

### 2.3 Extent of editing

Consistency, adding, identification and warning tests

### 2.4 Missing/invalid fields

Respondents are contacted telephonically to determine missing/invalid fields.

## **3. NOTES AND TERMS USED**

### 3.1 Period covered by the census

Completed questionnaires were rendered by contract caterers in respect of the financial year that ended on any date during the period 1 March 1993 to 28 February 1994.

### 3.2 Firm

For the purpose of the census, a firm was regarded as all the establishments/branches of the undertaking that are engaged in contract catering services.

Establishments/branches predominantly engaged in other activities (such as retail) were excluded.

### 3.3 Employment

The number of full-time and part-time employees refers to the last pay-day in March 1994 and the number of casual workers refers to the last Friday in March 1994.

### 3.4 Catering contracts

The number of contracts entered into with clients is as at 28 February 1994 and the number of meals served is for March 1994.

1/ Full risk contracts are contracts where the meals are provided at an agreed price. The caterer is responsible for any costs exceeding this amount.

2/ Cost plus contracts are contracts where the client bears any costs exceeding the contract price.

3/ Other contracts are contracts that are individually formulated and also include management contracts.

### 3.5 Salaries and wages

Salaries and wages of employees include payments to casual workers, bonuses, allowances, director's fees, the employer's contributions to personnel funds and fringe benefits in cash, such as car allowances and housing subsidies.

### 3.6 Indirect taxes

Indirect taxes include assessment rates and taxes, levies to regional services councils and the Hospitality Industry Training Board, licences, registrations, permits and stamp duty.

## 4. GENERAL

### 4.1 Rounding-off of figures

Figures are rounded off independently of one another; the sum of the data may therefore not necessarily add up to the totals because of rounding-off of figures.

4.2 Net loss is indicated by a negative sign after the figure in the net profit column, e.g. 182-.

### 4.3 Symbols used

- = nil or not applicable

## 1. PRINCIPAL STATISTICS BY OWNERSHIP

Ownership Eienaarskap	Firms Firmas	Paid employees Besoldigde werknemers		Salaries and wages Salarisse en lone
		Full-time and part-time Voltyds en deelyds	Casual Los	
		Number/Getal		
TOTAL/TOTAAL	20	14 187	504	256 81
Private company Private maatskappy	10	14 048	485	254 30
Close corporation, including single owner and partnership Beslote korporasie, insluitende eenmansaak en vennootskap	10	139	19	2 51

## 2. PAID EMPLOYEES BY POPULATION GROUP

Paid employees Besoldigde werknemers	Total Totaal	Asians Asiers	Coloureds Kleurlinge
	Number/Getal		
TOTAL/TOTAAL	14 691	649	1 610
Full-time Voltyds	12 724	572	978

Part-time Deeltyds	1 463	47	537
Casual Los	504	30	95

1/ The net profit is the amount arrived at after deducting the losses shown by firms  
Die netto wins is die bedrag verkry nadat die verliese wat deur firmas getoon is, afgetrek is

### 3. CATERING CONTRACTS AND MEALS SERVED BY TYPE OF CLIENT

3.

Type of client Soort klient	Total contracts entered into with clients Totale getal kontrakte gesluit met kliente	Most common length of contracts Mees algemene tydsduur van kontrakte	Total meals cont for Totale etes waar gekontrakteer is
	Number/Getal	Months Maande	
TOTAL/TOTAAL	1 352	24	8 195 173
Hostels/Residences Hostelle/Verblyfplekke	419	29	3 313 367
Mines/Myne	92	13	850 035
Educational institutions Opvoedkundige instellings	221	35	1 805 118
Prisons and similar institutions Gevangenis en soortgelyke instellings	38	28	147 321
Other/Ander	68	33	510 893
Canteens/Cafeterias Kantiene/Kafeterias	750	22	2 525 495
Staff canteens Personeelkafeterias	703	21	2 207 621
Student cafeterias Studentekafeterias	4	12	146 491
Canteens/Cafeterias at stations and airports Kantiene/Kafeterias op stasies en lughawens	1	60	2 156
Executive dining-rooms Bestuurseetkamers	24	46	144 074
Clubs/Klubs	16	16	22 923
Other/Ander	2	12	2 230
Other patrons Ander klandisie	183	23	2 356 311
Hospital patients Hospitaalpasiente	126	28	1 714 719
Passengers on planes and trains Passasiers op vliegtuie en treine	52	12	582 294
Other/Ander	5	11	59 298

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### 4. CATERING INCOME BY TYPE OF CLIENT

Type of client Soort klient	Total Totaal	Full risk contracts Vollerisikokontrakte
		Revenue from catering contracts Inkomste uit spysenieringskontra

R1 000

TOTAL/TOTAAL	936 230	428 159
Hostels/Residences		
Hostelle/Verblyfplekke	232 934	166 671
Mines/Myne	65 605	53 158
Educational institutions		
Opvoedkundige instellings	102 088	88 465
Prisons and similar institutions		
Gevangenis en soortgelyke instellings	13 557	7 157
Other/Ander	51 684	17 891
Canteens/Cafeterias		
Kantiene/Kafeterias	433 512	124 721
Staff canteens		
Personeelkafeterias	326 826	105 997
Student cafeterias		
Studentekafeterias	73 323	13 757
Canteens/Cafeterias at stations and airports		
Kantiene/Kafeterias op stasies en lughawens	160	160
Executive dining-rooms		
Bestuurseetkamers	23 827	218
Clubs/Klubs	8 380	3 991
Other/Ander	996	598
Other patrons		
Ander klandisie	269 782	136 767
Hospital patients		
Hospitaalpasiente	129 011	100 799
Passengers on planes and trains		
Passasiers op vliegtuie en treine	136 583	33 119
Other/Ander	4 188	2 849

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## 5. INCOME STATEMENT INFORMATION BY OWNERSHIP - DEBITS

Item	Total Totaal	Private com Private maa
		R1
DEBITS/DEBIETE	988 499	978
Opening stocks/Beginvoorraad		
Food and beverages/Voedsel en drank	9 489	9
Other stocks/Ander voorraad	290	
Purchases/Aankope		
Food and beverages/Voedsel en drank	584 558	579
Other/Ander	16 866	16
Salaries and wages/Salarisse en lone	256 812	254
Interest paid/Rente betaal	3 261	3
Rent and leasing/Huur en bruikhuur		
Land and buildings/Grond en geboue	3 911	3
Vehicles, machinery and other equipment		
Voertuie, masjinerie en ander toerusting	3 192	3
Depreciation/Waardevermindering	7 194	6
Purchases of fuel, electricity, gas and water/Aankope van brandstof, elektrisiteit, gas en water	5 906	5

Bad debts written-off/Slegte skulde afgeskryf	560	
Donations, gifts and bursaries Donasies, geskenke en beurse	226	
Telephone and postage/Telefoon en posgeld	3 019	2
Indirect taxes/Indirekte belasting	1 709	1
All other expenditure/Alle ander uitgawes	51 139	50
Net profit/Netto wins 1/	40 368	40

1/ The net profit is the amount arrived at after deducting the losses shown by firms  
Die netto wins is die bedrag verkry nadat die verliese wat deur firmas getoon is, afgetrek is

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#### 5. INCOME STATEMENT INFORMATION BY OWNERSHIP - CREDITS

Item	Total Totaal	Private co Private ma
		R1
CREDITS/KREDIETE	988 499	978
Closing stocks/Eindvoorraad		
Food and beverages/Voedsel en drank	10 844	10
Other stocks/Ander voorraad	303	
Revenue received from contracts Inkomste ontvang uit kontrakte		
Catering/Spyseniering	936 230	927
Other/Ander	277	
Interest received/Rente ontvang	1 841	1
Dividends received/Dividende ontvang	20	
All other income/Alle ander inkomste	38 985	38

#### 6. FIXED ASSETS AND CAPITAL EXPENDITURE BY OWNERSHIP

Item	Total Totaal	Private compa Private maats
		R1 0
Book value at beginning of year Boekwaarde aan begin van jaar	40 600	38 9
Land and buildings Grond en geboue	7 819	7 8
Furniture, machinery and other equipment Meubels, masjinerie en ander toerusting	16 524	16 0
Vehicles Voertuie	16 257	15 0
Capital expenditure on new assets Kapitaaluitgawes aan nuwe bates	3 252	3 2

Buildings Geboue	-	
Furniture, machinery and other equipment Meubels, masjinerie en ander toerusting	1 132	1 1
Vehicles Voertuie	2 120	2 1
Capital expenditure on existing/used assets Kapitaaluitgawes aan bestaande/gebruikte bates	20 149	20 0
Land and buildings Grond en geboue	7 948	7 9
Machinery and other equipment Masjinerie en ander toerusting	9 591	9 5
Vehicles Voertuie	2 610	2 5

**7. NUMBER OF FULL-TIME AND PART-TIME EMPLOYEES AND  
INCOME FROM CATERING CONTRACTS BY PROVINCE**

Province Provinsie	Full-time and part-time employees Voltydse en deeltidse werknemers
	Number/Getal
TOTAL/TOTAAL	14 187
Western Cape Wes-Kaap	2 596
Eastern Cape Oos-Kaap	1 368
Free State Vrystaat	345
KwaZulu/Natal	3 497
North-West Noordwes	178
Gauteng	5 994
Mpumalanga	209

**8. PRINCIPAL STATISTICS BY REVENUE SIZE GROUP**

Revenue size group Inkomstegroottegroep	Firms Firmas	Full-time and part-time employees Voltydse en deeltidse werknemers	Salaries and wages Salarisse en lone	Revenue fr contracts Inkomste u nieringsko
	Number/Getal			R1 0
TOTAL/TOTAAL	20	14 187	256 812	936 2
0 - 499 999	5	37	329	1 2
500 000 - 4 999 999	7	146	3 117	9 7



5 000 000 - 99 999 999	4	1 354	26 259	88 4
100 000 000	4	12 650	227 107	836 8

## 9. PRINCIPAL STATISTICS BY EMPLOYMENT SIZE GROUP

Employment size group Werkertal/groottegroep	Firms Firmas	Full-time and part-time employees Voltydse en deelydse werknemers	Salaries and wages Salarisse en lone	Revenue fr contracts Inkomste u nieringsko
	Number/Getal			R1 0
TOTAL/TOTAAL	20	14 187	256 812	936 2
0 - 19	8	81	1 184	4 0
20 - 199	6	413	5 613	24 5
200	6	13 693	250 014	907 66

1/ The net profit is the amount arrived at after deducting the losses shown by firms  
Die netto wins is die bedrag verkry nadat die verliese wat deur firmas getoon is, afgetrek is

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### OTHER CSS PUBLICATIONS

#### 1. CATERING SERVICES

Report No. 04-04-01 - Catering services 1971  
Report No. 04-04-02 - Catering services 1977

#### 2. ACCOMMODATION ESTABLISHMENTS

Internal trade statistics: Accommodation establishments 1958-59;  
No. 11 - Licensed hotels  
No. 12 - Private hotels and motels  
No. 13 - Hotel accommodation and guest nights  
Report No. 04-01-01 - Census of accommodation establishments 1964-65  
Report No. 04-01-02 - Licensed hotels, September 1969  
Report No. 04-01-03 - Census of accommodation establishments 1969-70  
Report No. 04-01-04 - Census of accommodation establishments 1977

#### 3. CATERING AND ACCOMMODATION SERVICES

Report No. 63-01-01 - Census of catering and accommodation services 1983  
Report No. 64-12-01 - Census of licensed restaurants 1991