

THE EFFECT OF A MINIMUM WAGE ON THE DEMAND FOR LABOUR IN THE DOMESTIC SERVICE SECTOR: PRELIMINARY FINDINGS FROM THE PHILLIP NEL PARK AREA

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ABSTRACT

New labour laws that include domestic workers have been introduced. A preliminary study attempted to determine how effective the implementation of the new labour legislation was in altering conditions of employment in this sector, in Phillip Nel Park. After the preliminary investigations had revealed a lack of commitment on the part of employers to the improvement of conditions of service, it was decided to investigate, as the main objective, how these employers would react to the introduction of a minimum wage.

Employers in all income categories have indicated that they are prepared to spend more to maintain domestic service, pointing to an inelastic demand for domestic service across all income groups. A certain portion of the population is, however, only able to maintain this service at a reduced rate of service (fewer days of service).

The study provides a clear indication that there is some merit in further investigating the issue of a minimum wage in the domestic sector.

1 INTRODUCTION

In the mid-1980s, COSATU (Congress of South African Trade Unions) frequently mentioned the subject of a national minimum wage (South Africa 2001a). From 1985 onwards, the reasons for the erosion of the relative wage position of whites remained more or less the same, while the pressures that led to an improvement in wage rates for blacks changed considerably. Whereas the occupational wage rates for blacks continued to increase after 1985, there was also a sharp increase in the wages of workers at the lower skill levels. In fact, wage rates rose in inverse proportion to the skill level. Hofmeyer (1993) concluded on the basis of available evidence that union pressure was the major factor driving black wage levels after 1985. Moll (1993) substantially confirms Hofmeyer's findings (Barker 1995).

It may have been the successful outcome of wage level increases above levels anticipated through the mere introduction of a national minimum wage (through collective bargaining) that led to Cosatu's not following through on the issue of a minimum wage.

Since 1994, revised labour legislation has also strengthened the collective bargaining

power of Cosatu and its member unions with respect to different occupational groups. In this regard it became senseless to continue the debate on a national minimum wage as this might mean that for certain occupational groups the national minimum wage would be less than the current minimum wage for the occupational group.

Domestic workers were, however, excluded from all labour law protection until January 1994 and 11 November 1995, when the Basic Conditions of Employment of 1983 and the Labour Relations Act of 1956, respectively, were extended to cover domestic workers. Domestic workers do not enjoy the benefit of the collective bargaining process but do enjoy protection under the Basic Conditions of Employment Act (BCEA) of 1997. However, these standards are not always tailored to specific needs. The BCEA does not in itself lay down minimum wages, but provides for sectoral determinations, which again do not cover the domestic worker sector (South Africa 2001b).

The state is responsible for protecting vulnerable workers. It is in this regard, and because of the reasons explored in the preceding paragraphs, that in 1999 the Minister of Labour instructed the Director-General to conduct an investigation into the establishment of minimum wages and conditions of employment for domestic workers (South Africa 2001b).

The report entitled *Investigation into minimum wages and conditions of employment of domestic workers* was released in 2001. The report (released almost nine months after the completion of the study undertaken in respect of this article) bears a close resemblance to the study conducted for this article. Firstly, this study uses an arbitrary minimum wage of R650 whereas the report establish a minimum wage for urban domestic workers of R600 based on hourly wages. Secondly, this study finds evidence that some domestic workers might prefer to move into casual employment should wage rates (based on hourly rates) improve sufficiently. The report quotes evidence by Limbrick (1993) estimating that between one-half and two-thirds of domestic workers were employed on a full-time basis and the remainder as casuals. He also suggested that non-regular employment might be a preferred choice for some workers and that this figure was set to increase over time. Lastly, this study concludes that the demand for domestic service is inelastic, hence indicating the same strength in demand for domestic workers as the report, which finds that during the past five years, employment levels for domestic workers have increased despite the implementation of new labour laws. This clearly points to the need for domestic workers.

2 HISTORICAL BACKGROUND AND PURPOSE

Finding and implementing a satisfactory remuneration dispensation for domestic workers poses a great challenge for South Africa society. Domestic service is one of the largest sources of employment for black women and the least recognised in South Africa. It is also viewed as an institution where so-called slavery and exploitation were considered to be the dominant factors.

The lack of educational opportunities and employment alternatives coupled with

legislation restricting the movement of black workers all combined to trap black women in domestic service (Cock 1980a:4). They were socially peripheral and politically powerless and took housework jobs as a last resort when they failed to obtain other employment (Palmer 1992:67).

Domestic workers sometimes work under extremely difficult conditions. Many are still denied a negotiated wage, reasonable working hours, a family and social life. According to Cock (1980a:4), they have also been denied favourable working conditions, respectful treatment and recognition of dignity as well as specific legal protection and effective bargaining power.

To resolve the problem, new labour laws were put into effect that include domestic workers. The purpose of this article is to report on the findings of a preliminary study, on minimum wages in the residential area of Phillip Nel Park, approximately six kilometres west of the Pretoria city centre. The status of conditions of employment in Phillip Nel Park after the introduction of the new labour legislation was of special interest.

There would be little point in investigating the introduction of a minimum wage in this sector if conditions of service had in fact improved satisfactorily. Although the conditions of service were not measured prior to the introduction of the new labour legislation, the questionnaire was designed to probe employers and employees to determine whether there had been any changes after the introduction of the new labour legislation. The preliminary study concluded that there had not been any significant changes in the conditions of service of domestic workers. It was found that 70% of the domestic workers have not had any wage discussions with their employers in the last year, 76% do not automatically receive any annual increase in their wage, and 92% of domestic workers still work without any contract of employment.

3 RESEARCH PROBLEM

3.1 Problem statement

The research problem can be defined as the lack of information regarding the possible effect on employment and specifically the demand for domestic service when a minimum wage is introduced in the domestic service sector, given the non-existence of effective bargaining power. Effective bargain power does not exist in this sector because domestic service workers are employed singly and can therefore not bargain collectively.

3.2 The need for the study

The study is important because domestic service in South Africa is one of the least studied occupations and there has been very little public discussion on the average wage that domestic workers should earn.

Labour researchers mostly confine studies to critical labour issues and tend to focus on labour absorption into the public and private sectors. Government is also considering

the introduction of a minimum wage in this sector. There is therefore a need to develop research methodology to analyse the impact of the new labour legislation on the market and specifically to determine what effect the introduction of a minimum wage would have on employment.

3.2 Hypothesis

The hypothesis to be tested is whether the introduction of a minimum wage would have the desired impact in fulfilling the needs of domestic workers in terms of improved wages, without the loss of their jobs and subsequent livelihoods.

3.3 Objectives of the study

The main objective of the study is to determine the effect of a minimum wage on the domestic service sector. This effect will be determined through the responsiveness of employers to increased wages and thus improved standards of living for domestic workers and through the possible effect on the amount of labour demanded.

3.4 Application of the study

Although the study was confined to the Pretoria suburb of Phillip Nel Park, the findings should prove useful to the education sector, labour unions, policy makers, community organisations, non-governmental development organisations, researchers and other interested parties in South Africa. This survey could also serve as a catalyst in encouraging similar studies in other areas of South Africa, thus stimulating further debate in this sector.

4 RESEARCH METHODOLOGY

4.1 Sources of information

The instrument used for the study was a questionnaire. The objective of the literature survey was to gather as much information as possible regarding working conditions in the domestic service sector. Very little information is, however, available, and the study has relied mainly on primary sources. The literature survey comprised literature searches through library search systems, employing all possible combinations of key words.

4.2 Study unit

The study unit consisted of residential units. At each residential unit both the employer and the employee were interviewed. This was purposely done in order to avoid any bias in the responses and to hear both sides of the story. The employer sometimes represents a multiple household, defined as consisting of one or more households, or a group or more people, dependent on the same collective source of income and living in one home (Bureau of Market Research 1986:2). The employer was nevertheless treated as a single entity. The employer was assumed to be the head of the household and the financial decision maker.

4.3 Sample size

A random sample is considered appropriate for analysing a homogeneous area such as Phillip Nel Park. The analysis of the sample size is based on the average income per unit and it was decided to use the income of the employees as an estimate of average income. Fényes (1982:21-23) and Breitenbach (1992:5) used this approach because the variable average income represents the widest range of measurable variables. A sample size large enough to provide accurate income estimates should provide accurate estimates for other variables, especially those variables that have an interdependent relationship with respect to income (Vink 1981:24).

The standard formula for calculating the required sample size is (Vink 1981:26):

$$n = \frac{N(ZS)^2}{Nd^2 + (ZS)^2}$$

where

n=sample size

Z=reliability coefficient (probability that the same results will be obtained using a different sample)

N=population size

S²=variance of average income

d=accuracy (nominal value by which estimator of variance would not deviate)

It is preferable to determine the accuracy, variance and reliability coefficient after completion of the sample survey. The only method of solving this problem is by using a test sample or by using results of similar surveys.

It was decided to use average income as the estimator of variance, as used by Fényes (1982:21-23) and Breitenbach (1992:6). An estimated standard deviation of income of R46.75 was obtained by means of this procedure and used for the calculation of the sample size.

A reliability coefficient of 99% (Z=2.54) with an accuracy of R10 was accepted. The calculation of the sample size for Phillip Nel Park (+/- 1500 residential units) (Pretoria City Council 2000) was as follows:

$$\begin{aligned} n &= 1500 \times (2.54 \times 46,75)^2 / (1500 \times 10^2 + (2.54 \times 46,75)^2) \\ &= 128,88 \end{aligned}$$

The result means that for a sample of 128 residential units, there is a 99% probability that the average total income of the sample will differ by less than R10 from the actual average income of the total population in Phillip Nel Park. A total sample of 150 was finally chosen to provide for any problems that might be experienced during the survey.

5 POPULATION PROFILE

The typical profile of Phillip Nel Park residents (employers) is that of young professionals. Evidence suggests that the population consists of highly skilled married couples, the majority of whom own the dwelling which they are occupying. It is unfortunate that, at the time of the study, the age group 31-60 was not further subdivided to obtain confirmation of this fact.

6 THE EXTENT OF WAGE DIFFERENTIALS IN PHILLIP NEL PARK

In order to facilitate further analyses of the demand for domestic labour, assuming the introduction of an arbitrary minimum wage, both employers and employees were classified according to income group. As regards employees, the sample consisted of only live-in employees. It should be noted that food, shelter and other benefits did not form part of the wages of employees. It was decided not to include these for two reasons. The first reason is that it was difficult to find a reliable measure by which to assess these benefits. Secondly, it was considered important to measure the disposable income (take-home pay) of employees, as this is the only tangible measure of personal wealth that is readily transferable during economic exchange.

6.1 Classification of employees according to income group

Wages of domestic workers in Phillip Nel Park ranged from R300 per month to R450= per month. Of the 150 employees who were interviewed, 39(26%) receive R300 per month, 32 (21.33%) receive R350 per month, 53 (35.33%) receive R400 per month and 26(17.33%) receive more than R400 per month (see table 1).

TABLE 1: CLASSIFICATION OF EMPLOYEES' WAGES ACCORDING TO INCOME GROUP

WAGES (R)	FREQUENCY	RELATIVE FREQUENCY (%)
0-300	39	26
301-350	32	21.33
351-400	53	35.33
>400	26	17.33
TOTAL	150	100

6.2 Classification of employees according to income group - salaries, bonuses and overtime payable to employers

The study indicates that 20 (13.33%) earn between R2 001 and R3 000 and 50 (33.33%) of the total number of employers earn between R3 001 and R4 000 per month. Eighty (53.33%) earn more than R4 000 per month (see table 2).

TABLE 2: CLASSIFICATION OF SALARIES PAYABLE TO EMPLOYERS (R), ACCORDING TO INCOME GROUP

SALARIES	FREQUENCY	RELATIVE FREQUENCY (%)
0-1000	-	-
1 001-2 000	-	-
2 001-3 000	20	13.33
3 001-4 000	50	33.33
4 000+	80	53.33

The study also indicates that 20 (13.33%) of the total number of employers earn annual bonuses ranging from R2 001 to R3 000 and 50 (33.33%) of the total number of employers receive bonuses ranging from R3 001 to R4 000 per annum. Eighty (53.33%) earn more than R4 000 in annual bonuses (see table 3).

TABLE 3: ANNUAL BONUS PAYABLE TO EMPLOYERS ACCORDING TO INCOME GROUP

INCOME GROUP	ANNUAL BONUS (R)	FREQUENCY	RELATIVE FREQUENCY (%)
0-1 000	0-1 000	-	-
1 0001-2 000	1 001-2 000	-	-
2 001-3 000	2 001-3 000	20	13.33
3 001-4 000	3 001-4 000	50	33.33
4 000+	>4 000	80	53.33
TOTAL		150	100

The study further indicates that 20 (13.33%) and 17 (11.33%) earn overtime payment of between R1 001 and R2 000 and R2 001 and R3 000 per month, respectively (see table 4). The remaining number of employers do not receive any overtime payment.

Determination of weighted averages provides a far more accurate estimate of the true averages of a sample. The median (middle) wage for each income group is multiplied (weighted) by the number of times (frequency) that it appears. The sum of the weighted average of all income groups is then divided by the sample size. It is thus impossible to develop skewness in the data set as a result of averaging variables that appear less frequently with those that appear more frequently. For example, in table 2, it is shown that 80 (53.33%) of the employers receive an income of over R4 000 per month. A simple division by forms of the median incomes for the income groups would therefore produce an underestimation of the true average income of the sample.

The weighted average of total remuneration excludes overtime pay but includes annual bonuses received by employers. This was done because overtime pay is considered to be an unsustainable income in the long run. The weighted average income for employers in Phillip Nel Park is R4 010 per month. This figure might vary slightly, depending on the upper limit chosen for the income group R4 000+. The weighted average of wages paid to domestic workers (including annual bonuses, but excluding benefits and payments in kind) is R408.

TABLE 4: OVERTIME PAYABLE TO EMPLOYERS ACCORDING TO INCOME GROUPS

INCOME GROUP	OVERTIME PAYMENT (R)	FREQUENCY	RELATIVE FREQUENCY (%)
1 001-2 000	0-1 000	-	-
2 001-3 000	1 001-2 000	20	13.33
3 001-4 000	2 001-3 000	17	11.33
4 000+	3 001-4 000	-	-
	>4 000	-	-
	TOTAL	37	24.66

From the perspective of consumer theory it would be equivalent to stating that consumers in Phillip Nel park have an average propensity to spend 10% of their income on buying domestic service. For the purposes of this study, in which a static analysis is used, a somewhat simplifying assumption is made with regard to the propensity to consume domestic service. The assumption made is that the average propensity does not vary with the level of income and is therefore constant for the purposes of the analysis. By determining the elasticity of demand for domestic services, it would therefore be possible to predict the effect of an increase in the minimum wage for

domestic workers.

7 A PROPOSED MINIMUM WAGE

As pointed out above, it is possible to determine the degree to which the introduction of a minimum wage could lead to a reduction in the employment of domestic workers if it is known what the elasticity of demand is for domestic services.

Since the wages payable to domestic workers seem inadequate, it is important to determine whether the introduction of a minimum wage would lead to increased wages or a reduction in the amount of labour demanded by employers. It is important to note that this type of behaviour could lead to a different structure of employment, that is full-time live-in employment could disappear and domestic services offered on an hourly basis could instead become the desired mode of employment in this sector.

As a first step, the elasticity of demand is dismissed.

8 THEORETICAL EXPOSITION OF THE ELASTICITY OF DEMAND

There are two main responses reflected in the demand for a product or service. When one is dealing with changes in the incomes of consumers, the consumer's behaviour in terms of how much more or less of a commodity the consumer desires after the increase (decrease) in income is expressed by the responsiveness of the consumer's behaviour in terms of income elasticity of demand under the *ceteris paribus* assumption. The *ceteris paribus* assumption in this case would be allowing income to vary, while other things remained constant. Similarly, the response of the consumer to a price change, *ceteris paribus*, is measured by the price of demand.

In the current study it was possible to test the responsiveness of the employer to buying more or less domestic service, using either of the techniques for the calculation of elasticity outlined in the above paragraph. For example, employers could have been asked how they would respond in their consumption decisions, given a basket of goods and services that includes domestic service, or simply how they would react to a price change in domestic service should a minimum wage be imposed.

It was decided that the second option, namely the use of price elasticity, would give a better indication of the desire of consumers (employers) to hire more or less domestic service. According to Hirshleifer (1988:123), price elasticity of demand can be defined as proportional change in the quantity purchased divided by the proportional change in price. This definition is algebraically represented by the following equation:

When the demand is negatively sloped (Law of Demand), \hat{T}_x and \hat{T}_{P_x} have opposite signs. Thus, the price elasticity of demand \hat{T}_x is normally negative.

Conventionally, when we speak of elasticity being "high" we mean large in absolute value (a large negative number) and "low" elasticity means small in absolute value (a

small negative number). Writing the absolute value of elasticity as $*t_x^*$, “elastic demand” means that $*t_x^* > 1$ while “inelastic demand” means that $*t_x^* < 1$ (Hirshleifer 1988:123).

9 ANALYSING THE IMPACT OF MINIMUM WAGES ON EMPLOYMENT

In order to analyse the impact of the possible introduction of a minimum wage on the decision of employers to buy more or less labour, respondents were given an arbitrary wage increase to R650 per month to respond to. This means that the relative price increases of the good (service), domestic service, would be different for each of the income classes identified in the study. For this reason it was decided to measure the outcome of this decision for each of the income groups in the study. The results are shown in table 5.

Based on the premise that the average weighted wage rate is equal to 10% of the remuneration of the employer, that is the employer has a propensity to spend 10% of his or her income on domestic service, an average weighted wage was determined for each of the income groups in the population. This is shown in column 4 of table 5.

Column 5 indicates what percentage the current wage for a particular income group has to change in order to achieve the arbitrary minimum wage of R650 per month. Column 6 gives an indication of how much employers are willing to increase their expenditure on domestic service, should a minimum wage of R650 per month be imposed.

From the calculation of the price elasticity values it can be seen that in all three income groups for which the price elasticity of demand was calculated, the price elasticity of demand for domestic service is less than 1. Thus the demand for domestic service is an important service in the goods and services basket of the consumer. This is confirmed by the fact that for the income group R2 001 - R3 000, employers have indicated their willingness to increase the amount spent on domestic service by 41.05% if a minimum wage is imposed. Likewise, for the income group R3 001 - R4 000, employers are willing to increase their expenditure on domestic service by 36.71% if the minimum wage is imposed while for the income group R4 000+, employers are willing to spend 20.02% more on the same service.

TABLE 5: THE EFFECT OF A MINIMUM WAGE ON THE AMOUNT OF DOMESTIC SERVICE DEMANDED

Income group (R)	Average income ¹ (R)	No per income group	Average wage per Income group	Change (%) from current to minimum wage	Increase that employers are willing and able to pay (%)	Change ² (%) in amount of domestic service demanded	Price elasticity of demand $*t_x^*$
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0-1000	-	-	0.00	0	-	-	
1000-2000	-	-	0.00	0	-	-	
2001-3000	2 708	20 (13.3%)	270.80	140.029	41.05	-64.64	0.45
3001-4000	3 791	50(33.33%)	379.10	71.459	36.71	-54.54	0.76
>4000	5 416	80(53.33%)	541.60	20.015	20.02	0	0

Source: Calculated from database

Notes:

¹ Includes annual bonus and overtime pay.

² Domestic workers in Phillip Nel Park currently work an average of 22 days per month.

Employers indicated that if they were not able to afford the proposed minimum wage they would still want to purchase the services of domestic workers, but at a reduced rate, that is they would replace their full-time service with casual domestic workers. The current working wage for casual domestic service is R50 per day. To calculate the reduction in employment resulting from of a minimum wage of R650, the amount that employers are willing to pay for this service (an expression of their demand) is divided by the going rate of R50 per day. The result is the number of days that the employer can afford for the amount that he or she is willing to spend on this service. This is then compared with the current average working day of the full-time employee to arrive at the change resulting from the minimum wage.

10 CHANGE IN THE STRUCTURE OF EMPLOYMENT AS A RESULT OF A MINIMUM WAGE

Among the three income groups analysed above, the income group R4 000+ represents 53.33% of the population. Thus 53.33% of the population have indicated their willingness to completely adapt to the proposed minimum wage of R650, showing their desire to continue with a full-time live-in domestic worker. This is an expression of the demand of consumers for this important service.

For the income groups R2 001 - R3000 and R3 001 - R4000, the price elasticity of demand is less than one, indicating that the demand for domestic service is inelastic. Employers in this category (46.67% of the population) have indicated that they are prepared to spend 41.05 and 36.71% more, respectively, to maintain domestic service. This portion of the population is, however, only able to maintain this service at a reduced rate of service (fewer days of service).

11 OTHER FACTORS AFFECTING THE AMOUNT OF DOMESTIC SERVICE DEMANDED

At this juncture, it is important to note that there are other factors in the employment decision that have not yet been considered. Among these factors are the indirect costs to the consumer (employer) and the indirect benefits to the domestic worker.

The 46.67% of employers that have indicated that they would be willing to replace their full-time service with casual employment would reduce the number of days that they employ the service. Under these circumstances and given the respective increased expenditures on domestic service indicated in column 6 of table 5, it is quite possible that some domestic workers would be left with a higher wage than before. If, however, transaction costs (up to now zero) are taken into account, that is mainly transport costs to and from work, some of the domestic workers might find that their disposable income had actually decreased. Other non-monetary benefits, that is in-kind payments made to live-in domestic workers have not been taken into account either. It is possible that those employers who have indicated their willingness to spend an extra 20% to maintain the full-time service will compensate for the increase in wages by reducing the non-monetary benefits. It is also very possible that the reduction in non-monetary benefits could exceed the increase in nominal wages.

12 SOCIOPOLITICAL FACTORS AFFECTING EMPLOYMENT IN THE DOMESTIC SERVICE SECTOR

Employers agree that the inclusion of the minimum wage in the new legislation prevents employers from exploiting domestic workers, but no consideration has ever been given to the personal nature of the employment relationship.

Only 26 (17%) see a general wage increase as a good move for the improvement of the standard of living of the workers. Of the 150 workers interviewed, 89 (59%) were threatened with dismissals and in certain cases, where illegal immigrants were employed, with deportation. Some domestic workers perceived the attitudes of their employers of strongly discouraging them from leaving the house or developing independent friendships as being based on fear that they might get the full facts about the new legislation from their co-workers.

Some of the workers are forced to work 12 hours a day in a week. Certain domestic workers have also reported that some of their cooking duties have been taken over by their employers so that they are limited as regards the amount of food that they are allowed to consume.

13 CONCLUSIONS AND RECOMMENDATIONS

As pointed out above, it is possible to determine the degree to which the introduction of a minimum wage could lead to a reduction of employment of domestic workers if it is known what the elasticity of demand is for domestic services.

From the calculation of the price elasticity values, it can be seen that in all three income groups for which the price elasticity for demand was calculated, the price elasticity of demand for domestic service, $* \epsilon_x *$, is less than one, which indicates that service is an important element in the goods and services basket of the consumer. This is confirmed by the fact that for all income groups, employers have indicated their willingness to

increase the amount spent on domestic service.

It should, however, be noted that tangible and intangible non-wage benefits, that is in-kind payments made to live-in domestic workers were not taken into account. It is possible, for example, that those employers who have indicated their willingness to spend an extra 20% to maintain full-time service would compensate for the increase in wages by reducing the non-monetary benefits, although no conclusive proof has been found that lower wages are paid in lieu of such benefits (South Africa 1001b).

The methodology used in this study is based on many simplifying assumptions and is not meant to provide a rigorous test for the calculation of minimum wages. The study is meant to give an indication of the effect of a minimum wage on the demand for domestic service and also of how this would impact on the domestic worker. The study provides a clear indication that there is some merit in further investigating the issue of a minimum wage in the sector for domestic service. The following recommendations are considered a key to the introduction of a minimum wage in this sector:

- There should be sufficient flexibility in the supply of labour in order for the structure of employment to be altered to casual employment, leaving the domestic worker with more opportunity to sell his/her service at an increased wage and with reduced hours of service as opposed to full time live-in domestic service, which is more static.
- The introduction of a minimum wage should be based on the need for it by domestic workers and not on the need as perceived by politicians and labour unions. In this respect, the objectives of job creation and the improvement of the livelihoods of domestic workers should receive priority in the determination of a given level minimum wages.
- A national minimum wage might not be desirable as current wage levels for domestic workers differ widely from one geographical area to the next, especially between urban and rural locations in South Africa. This is indicative of both the ability of employers to pay a certain wage and of the wage required by domestic workers in that geographic location. It is therefore recommended that careful consideration be given to a geographically different minimum wage in this sector.
- It was indicated in the study that casual employment has increased vis-a-vis full-time live-in employment. It is expected to increase further. It is therefore recommended that a minimum wage should be calculated on an hourly basis instead of having a set monthly minimum wage. Should this not be the case, it would create opportunities for employers to employ casual domestic service to escape their legal obligation.

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