

2022 Hospitality industry remuneration survey

EXECUTIVE SUMMARY

RESTAURANT ASSOCIATION OF NEW ZEALAND JUNE 2022



Restaurant Association of New Zealand

2022 Remuneration Survey

JUNE 2022

Wage rates in hospitality have jumped over 8 per cent in 2022, as operators tackle skills shortages amid one of the most competitive labour markets in recent history.

The unemployment rate has reached record lows over the past 12 months and at the same time, hospitality industry staffing challenges have peaked. The constraints of operating with a deficit of workers is often referred to by operators as their biggest ongoing challenge and we desperately need more people entering the industry (as well as retaining those already working with us). This means focusing on some long-term changes that tackle the perception challenges of the industry and highlight our workplaces as the type of businesses that people want to work in. While wages are just one piece of the equation around what makes a workplace attractive - and employers need to take a holistic view on how to make a career in hospitality an attractive choice - it is important for operators to remain competitive in the labour market. This is where being able to benchmark an employer's remuneration rates against other operations remains a vital business tool, particularly as we kick back into full gear through our recovery from Covid-19.

In 2022 wage rates in hospitality have jumped by a significant 8.2 per cent when compared to remuneration data last collected by the Association in August 2021. This follows a 6.5 per cent increase from 2020 – 2021 and highlights the efforts being taken to raise industry wages overall amid a highly competitive labour market. Given that we're an industry with very small profit margins of between 4-7%, we need to be controlled in our recovery from the pandemic and while the importance of remaining competitive with wages is recognised, there are many factors putting pressure on hospitality employers that also limits just how much wages can adjust at the moment – including cost increases for goods and services in many key areas, rising rents and the impact that cost of living increases are having on customer dining habits.

" Cost of living increases are hurting us a lot so although I would like to increase wages it will definitely be a stretch under current operating conditions"

MEMBER RESPONSE, 2022 REMUNERATION SURVEY

The 2022 Hospitality Remuneration Survey highlights the effects of current market conditions

The Association's 2022 Hospitality Industry Remuneration Survey helps to gauge the ongoing impact of Covid-19, as well as other economic impacts as we move into our recovery mode, providing insightful data on wage and salary rates for over 100 hospitality positions across 11 regions nationwide. This year the survey is drawn from over 1,000 businesses, employing over 27,000 people.

The 2022 Remuneration Survey indicates that from 2021 - 2022 overall hourly wage rates increased by 8.2 per cent. The average wage in hospitality is \$24.43/hour - well above both the minimum wage and the living wage. Salary rates also jumped by 11.6 per cent (after recording an 8.4 per cent increase from 2020 - 2021), with the average hospitality salary in 2022 now \$73,052.

At a glance of the 99 positions which were also surveyed in 2021, 90 recorded increased hourly rates in 2022. Hourly rate growth includes:

- 9.8 per cent increase for a Chef de Partie wage rate
- 9.1 per cent growth for Wait Staff and
- wage rises of almost 8 per cent for Bar Managers, Baristas and Demi Chefs respectively

In addition, salaries for a number of senior hospitality roles saw large growth, including Restaurant Manager salaries increasing by almost 25 per cent, Executive Chefs increasing by 8.2 per cent and Sous Chefs by just under 10 per cent.

"We have already increased our rates for most of our staff to keep up with demand and staffing requirements where we can. Happy to pay higher rates for the right person but we also need the quality and expertise"

MEMBER RESPONSE, 2022 REMUNERATION SURVEY

Regional analysis reveals the regions with the highest average hourly rate

In 2022 the highest overall average hourly wage can be found in the Southern Lakes region at \$26.55/hour. This is followed by the Northland region, at \$24.96/hour, Bay of Plenty / Thames / Coromandel regions at \$24.71/hour, with Auckland sitting at \$24.44/hour. Further regional analysis shows

- a Head Chef in Auckland will earn \$31.00/hour on average, \$29.06 in Wellington and \$28.65 in Hawke's Bay / Poverty Bay.
- a Restaurant Manager earns \$26.60/hour in Taranaki and \$31.17/hour in Northland, while
- a Maitre D' earns the highest hourly wage in Hawke's Bay / Poverty Bay (\$27.00/hour), \$1.86/hour more than the national average hourly rate for this role.
 - "The supply of staff is hard but it's incredibly competitive to keep staff. We are wanting to expand due to our amazing team and we want to make sure that our team continue to develop, therefore pay rise or shared ownership of new ventures will help fulfil both.

MEMBER RESPONSE, 2022 REMUNERATION SURVEY

68 per cent of the industry is under-staffed as a result of current staff shortages

The Survey also forecasts future recruitment trends for the industry. The 2022 Survey found that over 65 per cent intend to raise remuneration rates over the coming months (outside of the increases that come as part of the minimum wage going up). 35 per cent intend to keep remuneration rates the same.

Around 70 per cent of employers also intend to increase the size of their teams over the next 12 months, if they are able. However, 68 per cent of the industry's operators report that their businesses are not currently fully staffed – a result of the industry's staffing challenges. On average the industry's businesses are under-staffed by 25 per cent.

The 2022 Remuneration Survey, along with other Restaurant Association workplace research, shows that despite the pandemic we have been making significant progress on some long-term workforce changes, through direct action supporting improvements on pay, working conditions, career progression pathways and workforce training.

After all we've been through as a country since 2020, the move to Orange in April 2022 marked the true beginning of the hospitality sector's recovery – a recovery that, realistically, is going to be challenging as we grapple with skills shortages and an unpredictable nature to the trading environment in 2022. However, the traffic light framework puts us in a much stronger operating environment than a year ago and customer hesitancy as a result of Covid-19, at least for the time being, appears to have reduced. In 2022 there are more welcome milestones afoot, including the borders reopening, marking the return of international travellers and workers. Our sector is looking firmly ahead, ready to get back to what we do best – providing essential meeting places in our communities for people to celebrate and reconnect.

FOR MORE INFORMATION: An overview of average remuneration rates, and key owner comments is on the following pages.

A copy of the full survey results, which includes full regional breakdowns can be purchased from www.restaurantnz.co.nz (through the "Shop" section), or contact the Association (e. info@restaurantnz.co.nz, p. 0800 737 827). For more trends and research on the hospitality industry go to www.restaurantnz.co.nz.

Restaurant Association of New Zealand

2022 Remuneration Survey

POSITION SURVEYED (ALPHABETICAL)	2022 \$ AVERAGE HOURLY RATE	2022/2021 RATE % DIFFERENCE	2022 \$ AVERAGE SALARY	2021 \$ AVERAGE HOURLY RATE	2020 \$ AVERAGE HOURLY RATE	2019 \$ AVERAGE HOURLY RATE	2018 \$ AVERAGE HOURLY RATE
Bar Manager	\$28.24	7.9%	\$70,782	\$26.18	\$23.66	\$22.22	\$21.23
Bar Person	\$22.39	3.9%	\$49,000	\$21.55	\$20.04	\$18.73	\$17.81
Barista	\$23.59	7.7%	\$70,000	\$21.89	\$20.52	\$19.39	\$18.30
Breakfast Chef	\$24.80	15.2%	\$58,240	\$21.52	\$21.49	\$21.03	\$19.88
Cafe Assistant	\$22.15	6.7%	\$56,160	\$20.76	\$19.44	\$18.29	\$17.21
Cafe Manager	\$25.15	-1.7%	\$65,802	\$25.59	\$23.39	\$22.39	\$20.75
Cashier	\$22.90	11.5%	\$48,000	\$20.53	\$19.75	\$18.22	\$17.43
Chef de Partie	\$25.67	9.8%	\$59,989	\$23.37	\$22.20	\$21.05	\$19.63
Cleaner	\$24.30	6.7%	~	\$22.77	\$21.79	\$19.59	\$18.89
Commis Chef	\$23.56	10.2%	\$54,210	\$21.38	\$20.57	\$19.49	\$18.50
Counter Cook (no quals)	\$23.18	3.6%	~	\$22.37	\$21.63	\$19.49	\$18.89
Duty Manager	\$25.28	6.2%	\$57,494	\$23.80	\$22.03	\$20.82	\$20.16
Executive Chef	\$36.37	-5.5%	\$95,706	\$38.48	\$31.31	\$33.74	\$30.39
F&B Manager	\$28.46	8.9%	\$72,869	\$26.15	\$25.74	\$25.55	\$22.28
Food to go assistant	\$21.87	4.5%	~	\$20.94	~	\$17.70	~
Food to go manager	\$24.34	-6.4%	~	\$26.00	\$31.00	\$20.00	\$23.73
Front Office	\$24.16	7.8%	\$54,816	\$22.41	\$20.37	\$20.38	\$18.37
Function Co-ordinator	\$30.91	20.4%	\$62,000	\$25.68	\$23.46	\$22.59	\$24.06
General Manager	\$39.40	26.7%	\$110,130	\$31.09	\$33.11	\$29.64	\$35.28
Head Chef	\$30.14	7.2%	\$75,927	\$29.29	\$26.30	\$25.67	\$24.76
Host/Hostess	\$24.45	13.0%	\$61,520	\$21.64	\$21.17	\$21.60	\$19.65
Housekeeper	\$22.89	6.7%	~	\$21.45	\$19.81	\$18.75	\$17.70
Junior Cook (no quals)	\$22.71	6.9%	~	\$21.24	\$19.83	\$18.62	\$17.69
Kitchenhand	\$22.17	8.3%	~	\$20.47	\$19.12	\$18.02	\$17.10
Maitre d'	\$25.14	4.6%	\$54,000	\$24.04	\$23.40	\$22.28	\$20.36
Office Manager	\$28.95	10.9%	\$63,910	\$26.09	\$26.53	\$26.02	\$25.00
Owner / Operator	\$36.50	11.5%	\$81,325	\$32.75	\$29.71	\$28.91	\$27.60
Pastry Chef	\$26.40	7.4%	\$63,433	\$24.59	\$23.12	\$21.97	\$20.27
Restaurant Manager	\$28.36	2.6%	\$80,423	\$27.62	\$25.68	\$24.29	\$22.62
Sales Executive	\$34.13	10.8%	\$75,000	\$30.80	\$21.00	\$21.67	\$29.29
Senior Cook (no quals)	\$25.37	4.7%	~	\$24.22	\$22.53	\$20.68	\$19.63
Sole Kitchen Operator (no quals)	\$24.49	8.6%	\$63,500	\$22.56	\$21.54	\$21.04	\$20.08
Sommelier	\$26.75	2.6%	\$71,428	\$26.08	\$23.00	\$21.08	\$19.60
Sous Chef	\$27.26	6.7%	\$65,207	\$25.55	\$23.64	\$23.27	\$22.17
Student /Apprentice (kitchen)	\$21.76	12.7%	~	\$19.32	\$18.48	\$18.06	\$16.92
Wait Staff	\$22.55	9.1%	~	\$20.67	\$19.66	\$18.38	\$17.53
TOTAL	\$24.43	8.2%	\$73,052	\$22.58	\$21.18	\$20.22	\$19.18

Restaurant Association of New Zealand

2022 Remuneration Survey

Key comments

All of our staff have had pay rises this year despite Covid hardship. I just work more hours for free as a business owner to cover costs, It's the only way we can cope financially.

Better pay results in a better work performance and low turnover and to provide people to actually able to make hospitality job as a thriving career rather than just a passing by job before moving on to something else

Can't get qualified, experience or mature staff. All of local hospo is fighting over the same small pie.

Cost of living and forced wage increases are hurting us a lot so although I would like to increase wages it will definitely be a stretch under current operating conditions.

Current labour environment is proving extremely difficult as it is almost impossible to find new employees and new immigration policies are adding further costs to employment. For small businesses this is very trying times. Due to Covid demand is inconsistent, recruitment very difficult, immigration polices are crazy and consumer confidence is reducing.

Extremely difficult hiring conditions across all areas including hospitality. The labour shortage and cost of living is like a perfect storm and this is on top of the current COVID isolation rules.

Hard to get good staff. We have to, and want to, pay great rates to the right people. Work conditions are really good here just need a few extra good people.

All staff now are above new living wage rate coming out this September.

I believe it's all fair now. Minimum wage increases are fine, we need to pay people what they're worth to continue to grow the industry long term.

I do believe wages need to be increased, but not now. All Hospitality business are still endeavouring to survive under covid dilemma.

I'd love to increase wages however we have just done this and with the cost of goods increasing and still trading 15% down prior to Covid, we need to start turning a profit before we can even consider higher pay rates.

Hospitality has a huge inflationary pressure right now, but so do staff.

It's harder than it ever has been to balance the books with increasing

labour and material costs.

Labour situation is catastrophic. I can't find staff regardless the pay.

Looking to put everyone in living wage @\$23.65. Small team of dedicated staff, need to look after them well and encourage more people to our industry with great working conditions. Only exception will be apprentice and those on trainee wage.

Our business is very seasonal, busy in the summer months. We're on minimal staff now. We'll need to hire more staff towards summer but only a 'usual' amount. A lot of our staff at the moment are very young.

Our hourly rates have increased significantly but larger companies, often outside hospitality, pay higher than we can afford, and much higher than they used to pay. The lack of staff (no international students studying, chef, baking, hospitality – borders closed preventing immigrant workers) and significant jumps in minimum wage over the past three years, is pushing costs higher at a much faster rate than ever before. This is putting significant pressure on many business owners to work unsustainable hours.

Planning on increasing wages through increasing productivity and automation.

Remunerations will increase with competition. But it may be that we are required to lose staff and reconsider our offering to balance this over the next two years while the economy is unstable.

Staff are wonderful. We consider them family. Wages are killing us

It is difficult to manage staff levels when you are not sure if customers are going to come in the door or not. My salary as an owner has dropped significantly with inflation and the fact that we cannot afford to pay out what I'm worth.

The supply of staff is hard but its incredibly competitive to keep staff. We are wanting to expand due to our amazing team and we want to make sure that our team continue to development therefore pay rise or shared ownership of new ventures will help fulfil both

The work force is extremely under staffed and to match under skilled. Current pay rates do not reflect skill set.

There are a lot of different & additional ways that staff are paid or benefit from work. Incentives, Bonuses, Training on site, Training off site

There have been up to 25% increase in wages in some roles - we cannot take much more, but we will always reward good staff, and try to retain them. We try and pass on increased wages into our menu pricing but there are limits.

This is an important tool going forward to establish the new normal. It is great to see labour rates going ahead in hospitality. More needs to be done to eliminate or police poor employers who take advantage of staff to benefit their business at the detriment of other industry players.

Understaffed and unable to open as much as we would like. Have dropped down to 5 days & still not always able to open for them due to illness.

Very hard to make ends meet at present time. Cogs are going up but we can't push prices up much higher without losing revenue. Wages are going up as well and we need to keep our staff hours at a reasonable weekly pay. Our profit margins have gone down to around 2-5% in best case only if we hit our sales target. We've found that average spend has gone down, our guests tell us they have less to spend as inflation has hit them.

We are a living wage employer, so our wage will go up on the 1st of September. Can't find chefs for love nor money. Chefs are demanding higher pay (which is fair enough) But the business will need to up prices and other people's wages to keep everyone happy and in the job.

We are struggling to find staff and are having to reduce our hours despite their being enough customer demand. The industry is again struggling and we cannot reach our full potential due to critical staffing shortages.

We increase our wages as we are able to - business does well, they do well!

We support the minimum wage increase, but are struggling to find pay parity across our business. We cannot pass the cost onto the customer - who already feel we are at the higher end of value for money.

We would likely aim to increase rates in the remainder of the year, but are holding back given the huge inflationary pressures on the business, and uncertainty how much the public will accept menu price increases. That along with mounting regulatory costs, new potential costs on unemployment insurance and a new industrial award system - we are holding wages at the current levels

Would love to increase pay rates however with the cost of goods going through the roof as well, at what stage does the consumer in the provinces push back.

2022 Remuneration Survey

The following positions were surveyed in the 2022 Restaurant Association Remuneration Survey.

Accountant

Accounts Clerk/Administrator

Apprentice Chef

Assistant Financial Controller

Assistant Front Office Manager

Assistant Head Housekeeper

Assistant HR Manager

Assistant Manager

Assistant Night Manager

Baker

Bar Manager

Bar Person

Barista

Bottleshop Manager

Bottleshop Staff

Breakfast Chef

Business Development Executive

Business Development Manager

Cafe Assistant

Cafe Manager

Cashier

Catering Banquet Manager

Chef de Partie

Chief Engineer (Hotels)

Cleaner Public Areas

Cleaners

Commis Chef

Concierae

Conference/Events Coordinator

Conference/Events Manager

Conference/Events Sales Manager

Counter Cook no Quals

Demi Chef

Director of Sales and Marketing

DJ

Duty Manager

Executive Assistant Manager

Executive Chef

Executive Housekeeper

F&B Attendant

F&B Manager

F&B Supervisor Team Leader

Financial Controller

Food to go Assistant

Food to go Manager

Front Office

Front Office Manager

Front Office Supervisor

Function Co-ordinator

Gaming Machine Operator

General Manager

Handyman

Head Chef

Head Housekeeper

Head Waiter/Maitre D'

Host/Hostess

Housekeeper

Housekeeping Team Leader

Human Resources Coordinator

Human Resources Manager

IT Manager

Junior Cook no Quals

Kitchen Hand

Laundry Attendant

Maintenance Manager

Marketing Administrator

Mini Bar Attendant

Night Auditor

Night Manager/Supervisor

Office Manager

Operations Manager

Owner Operator (Gaming)

Owner Operator (Non-Gaming)

Pastry Chef

Payroll Officer

Porter

Purchasing Officer

Qualified Tradesperson

Receptionist

Relief Manager/Motel Minder

Reservations Manager

Reservations Sales Agent

Reservations Supervisor

Restaurant Manager

Revenue/Yield Manager

Room Attendant

Sales and Marketing Coordinator

Sales and Marketing Manager

Sales Executive

Secretary Executive Assistant

Security/Door Staff

Senior Chef de Partie

Senior Cook no Quals

Social Media Marketing Manager

Sole Kitchen Operator no Quals

Sommelier

Sous Chef

Student Apprentice (Kitchen)

TAB Operator

Wait Staff

Wine Waiter

The 2022 Hospitality Industry Remuneration Survey was compiled by the Restaurant Association of New Zealand. If you have any questions, please contact us here:

Restaurant Association of New Zealand 45 Normanby Road Mt Eden, Auckland 1024 info@restaurantnz.co.nz 0800 737 827 www.restaurantnz.co.nz

Copyright © 2022 Restaurant Association of New Zealand Inc. All rights reserved. No individual, party or entity is permitted to share, adapt or reuse this work without the consent of the Restaurant Association of New Zealand Inc.

