

Executive Summary

The first half of this year saw buoyant sales performance for the hospitality industry, with growth of 8.2 per cent for the year ended March 2017 and forecasts to exceed \$10 billion in annual sales in 2018. Some uncertainty for the future has arrived in the second half of the year, however, as proposals by the new Government to revise immigration policy and increase the minimum wage to \$20 by 2021 raise concerns about the impact this will have on our labour-intensive industry. Wage rate growth in the Restaurant Association's latest **2017 remuneration survey** is reflective of the caution in light of the current political and economic climate, indicating that while increasing, wage growth is very restrained.

The 2017 remuneration survey indicates that overall hourly wage rates increased by just 2.5 per cent over the previous year. Salary rates were even more subdued, showing just 1.4 per cent growth.

The Restaurant Association remuneration survey has been running for nineteen years collecting comprehensive wage and salary data on job positions in the hospitality industry. The survey covers more than 100 positions, drawn from over 900 businesses. Altogether, the organisations participating in the survey employ just under 14,000 people.

At a glance of 81 positions which were also surveyed in 2016, 59 achieved increased hourly rates in 2017, with 28 of those positions increasing in excess of 5 per cent over the year. These rates ranged from a 1 per cent increase for a bar person (\$16.99/hour in 2017), through to a 20 per cent increase for Executive Chefs, who now earn on average \$32.14/hour. Although Sommeliers achieved an 11 per cent wage growth, Restaurant Managers, Baristas and Food to go Assistants all saw wage rates in decline. Restaurant Managers who received a salary fared better, however; and average salary for this role is \$58,549 in 2017 – an increase of 10.5 per cent over 2016. Also receiving a substantial salary increase in 2017 were Senior Chef de Partie's, who at \$50,241, saw an annual salary rise of 12.8 per cent.

Although survey respondents were questioned before minimum wage rate changes were announced by the Government, the survey showed that the industry is evenly split regarding future remuneration rate movements – 52.7 per cent of operators surveyed have indicated that they intend to increase staff remuneration levels over the next 12 months, with an average wage increase of 3 per cent expected for those businesses. Conversely, 47.3 per cent will keep staff remuneration levels the same. However, only 47 per cent intend to increase their staff numbers over the next 12 months – while 52 per cent will keep to existing levels.

The survey's wage and salary figures are averages and should be considered in terms of trends over several years. For example, five years ago, in 2012, the average hourly wage for a waiter was \$14.50 and in 2014, \$15.41. In 2017 it is \$16.58, which equates to a 14 per cent increase over the five-year period. Looking at the key kitchen position of head chef, in 2012 an employee in this position was paid \$20.66/hour on average, in 2014 \$22.57 and in 2017 the average hourly rate is \$23.38. This reflects a 13 per cent increase over five years.

The total number of workers employed in hospitality now exceeds 120,000 - growing by 4.9 per cent in 2016. More than 66,000 are employed in restaurants and cafes. The industry's continued sales growth will hopefully further an optimistic outlook, resulting in more positive wage and salary increases in the coming years, particularly in the essential senior skilled positions. As hospitality operators will be aware, wage pressures are one of the biggest challenges to keeping our businesses profitable. However, across the board, wages are set to increase due to the roll-on of effect of raising the minimum wage. Members will need to consider how this will affect their business and what changes may need to be made in order to remain viable over the coming years.

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 directly (e. info@restaurantnz.co.nz, p. 0800 737 827).

For trends and research on the hospitality industry go to www.restaurantnz.co.nz.

Check out a brief analysis of average remuneration rates on the pages following...

The following positions were surveyed in the 2017 Restaurant Association remuneration survey.

Accountant	Duty Manager	Office Manager
Accounts Clerk	Executive Assistant Manager	Operations Manager
Apprentice Chef	Executive Chef	Owner Operator (Gaming)
Assistant Financial Controller	Executive Housekeeper	Owner Operator (Non-Gaming)
Assistant Front Office Manager	F&B Attendent	Pastry Chef
Assistant Head Housekeeper	F&B Manager	Payroll Officer
Assistant Manager	F&B Supervisor Team Leader	Porter
Assistant Night Manager	Financial Controller	Purchasing Officer
Bar Manager	Food to go Assistant	Qualified Tradesperson
Bar Person	Food to go Manager	Receptionist
Barista	Front Office	Relief Manager/Motel Minder
Bottleshop Manager	Front Office Manager	Reservations Manager
Bottleshop Staff	Front Office Supervisor	Reservations Sales Agent
Breakfast Chef	Function Co-ordinator	Reservations Supervisor
Business Development Executive	Gaming Machine Operator	Restaurant Manager
Business Development Manager	General Manager	Revenue/Yield Manager
Cafe Assistant	Handyman	Room Attendent
Cafe Manager	Head Chef	Sales and Marketing Coordinator
Cashier	Head Housekeeper	Sales and Marketing Manager
Catering Banquet Manager	Head Waiter/Maitre D	Sales Executive
Chef de Partie	Host/Hostess	Secretary Executive Assistant
Chief Engineer (Hotels)	Housekeeper	Security/Door Staff
Cleaner Public Areas	Housekeeping Team Leader	Senior Chef de Partie
Cleaners	Human Resources Coordinator	Senior Cook no Quals
Commis Chef	Human Resources Manager	Sole Kitchen Operator no Quals
Concierge	IT Manager	Sommelier
Conference Coordinator	Junior Cook no Quals	Sous Chef
Conference Sales Manager	Kitchen Hand	Student Apprentice (Front of House)
Conference Supervisor	Laundry Attendent	Student Apprentice (Kitchen)
Counter Cook no Quals	Maintenance Manager	TAB Operator
Demi Chef	Marketing Administrator	Unqualified Cook
Director of Sales and Marketing	Mini Bar Attendent	Wait Staff
DJ	Night Auditor	Wine Waiter
	Night Manager/Supervisor	

POSITION SURVEYED (ALPHABETICAL)	2017 \$ HOURLY RATE	2016 \$ HOURLY RATE	2017/2016 RATE % DIFFERENCE	2014 \$ HOURLY RATE	2013 \$ HOURLY RATE	2012 \$ HOURLY RATE	2011 \$ HOURLY RATE	2017 \$ SALARY	2017/2016 SALARY % DIFFERENCE
Bar Manager	\$20.94	\$20.71	1.12%	\$18.90	\$18.37	\$18.57	\$19.33	\$57,500	0.14%
Bar person	\$16.99	\$16.82	1.04%	\$15.63	\$15.40	\$15.04	\$14.74	\$29,253	~
Barista	\$17.63	\$17.94	-1.71%	\$16.47	\$15.89	\$15.58	\$15.37	\$30,935	-27.21%
Breakfast Chef	\$18.74	\$18.24	2.7%	\$17.52	\$16.96	\$16.75	\$16.75	\$35,437	-9.55%
Cafe Assistant	\$16.60	\$16.08	3.23%	\$15.17	\$14.69	\$14.43	\$14.40	\$28,190	~
Cafe Manager	\$21.02	\$20.61	1.96%	\$19.32	\$18.63	\$18.03	\$18.59	\$51,906	5.64%
Cashier	\$17.05	\$16.44	3.71%	\$15.83	\$17.00	\$17.95	\$15.82	~	~
Chef de Partie	\$19.26	\$18.36	4.88%	\$17.93	\$17.52	\$17.50	\$17.11	\$43,281	5.23%
Cleaner	\$17.61	\$16.85	4.51%	\$16.32	\$15.98	\$15.14	\$15.00	\$61,000	~
Commis Chef	\$18.39	\$16.61	10.75%	\$16.31	\$15.80	\$15.92	\$15.29	\$36,548	5.12%
Counter Cook (no quals)	\$17.38	\$17.22	0.92%	\$15.48	\$15.48	\$15.54	\$15.41	~	~
Duty Manager	\$19.41	\$18.83	3.11%	\$17.91	\$17.41	\$16.90	\$16.96	\$48,121	10.59%
Executive Chef	\$32.14	\$26.59	20.90%	\$26.10	\$24.52	\$27.36	\$26.43	\$85,142	11.04%
F&B Manager	\$24.44	\$22.75	7.45%	~	\$18.81	\$22.41	\$18.41	\$63,433	-3.1%
Food to go assistant	\$16.08	\$16.22	0.83%	\$15.68	\$14.88	\$13.61	\$13.74	~	~
Front Office	\$18.38	\$17.45	5.32%	\$16.30	\$16.30	\$16.14	\$15.68	\$50,000	~
Function Co-ordinator	\$20.78	\$21.16	-1.82%	\$21.90	\$19.85	\$19.57	\$18.57	\$47,537	9.84%
Head Chef	\$23.38	\$24.03	-2.69%	\$22.57	\$21.71	\$20.66	\$21.17	\$62,386	4.53%
Host/Hostess	\$17.42	\$18.01	-3.26%	\$15.94	\$17.20	\$15.36	\$16.37	\$37,890	-9.79%
Housekeeper	\$16.96	\$16.41	3.35%	\$15.52	\$15.22	\$14.87	\$15.71	\$31,021	~
Junior Cook (no quals)	\$16.77	\$16.49	1.71%	\$15.98	\$15.27	\$14.97	\$14.90	\$36,000	~
Kitchenhand	\$16.18	\$15.76	2.66%	\$14.76	\$14.36	\$14.12	\$13.73	\$32,445	-0.96%
Maitre d'	\$20.28	\$18.45	9.89%	\$18.47	\$18.26	\$17.44	\$17.38	\$50,800	-10.63%
Office Manager	\$22.61	\$24.19	-6.52%	\$22.45	\$20.92	\$20.90	\$21.03	\$70,051	20.39%
Owner / Operator	\$21.86	\$33.48	~	\$22.17	~	~	\$23.95	\$63,824	~
Pastry Chef	\$23.20	\$18.82	23.28%	\$18.84	\$17.82	\$17.87	\$17.36	\$53,076	5.45%
Restaurant Manager	\$21.90	\$22.79	-3.88%	\$20.36	\$19.49	\$19.33	\$19.31	\$58,549	10.58%
Sales Manager	\$25.93	\$28.38	-8.63%	\$30.75	\$26.50	\$22.38	\$30.67	\$76,801	-0.64%
Senior Cook (no quals)	\$19.27	\$18.96	1.64%	\$18.20	\$18.80	\$17.86	\$17.07	\$35,596	-10.71%
Sole Kitchen Operator (no quals)	\$19.42	\$18.64	~	\$19.00	\$17.58	\$16.47	\$15.99	~	~
Sommelier	\$22.88	\$20.50	11.61%	\$19.40	~	~	~	\$56,667	3.03%
Sous Chef	\$21.61	\$20.54	5.2%	\$19.86	\$19.51	\$18.63	\$19.31	\$54,251	3.21%
Student /Apprentice (kitchen)	\$15.94	\$15.14	4.94%	\$14.53	\$14.20	\$13.59	\$13.61	\$32,000	~
Wait Staff	\$16.58	\$16.41	1.09%	\$15.47	\$14.90	\$14.50	\$14.31	\$34,500	~
Wine Waiter	\$18.67	\$17.31	7.81%	\$14.25	\$19.06	\$15.55	\$15.24	~	~
TOTAL	\$18.31	\$17.86	2.53%	\$16.91	\$16.46	\$15.90	\$15.89	\$58,044	1.44%

we need to think of ourselves as investors

It's our entrepreneurial spirit that drives our businesses, but we started off as investors into a business. The focus needs to be on maximising gross profit and maximising return on investment.

—Nicola Richards, Monsoon Poon

what is good food?

The real challenge we all face is educating the New Zealand public about food. What is good food? We spend a lot of time telling our staff where our products come from so they can tell our customers the story. There is a real market in New Zealand for food products that are ethical and sustainable, food that will provide a good wage for our supplier's workers."

—James Beck, Bistronomy

emotion

is a key driver in the future. More than ever our future restaurants will need to tell stories and touch our emotions.

—Mike Egan, Restaurant Association President

sustainability & low alcohol

There is a real opportunity for hospitality businesses to lead the way with sustainable practices and consumers are demanding it.

—Jack Sotfi, Boilermaker House



staff retention

It's really important for young people to work at a place that inspires them. They want somewhere with strong core values.

—Nicola Richards, Monsoon Poon



it's better to be bold

We were two guys and a group with a dream and all of these extraordinary things have come out of a dream.

—Tobias Grant, Pop-up Globe



leadership

Leadership is standing up when everyone else chooses to sit down. The biggest critic will be yourself, but you can learn the most from the people that you work with.

—Simon Power, Westpac NZ

point of difference

Our point of difference is we are authentic to ourselves. Pasture is the sum of us. It was always going to be an expression of what makes us tick. It's my job to tell the story behind the dishes. The dining audience in New Zealand is really hungry for that."

—Laura Verner, Pasture Restaurant



be original

and embrace difference. The real recognition for a restaurant is bums on seats and customers returning to your establishment again.

—Chef Hayden McMillan, Etta Dining



knowing your customers

means that you must recognise that people's ethnicities are just one component of what it is they like to eat. How are you empowering your staff to cater to superdiverse New Zealanders and visitors?

—Mai Chen, Chen Palmer

the investment

you are making in your staff is helping to grow the global brand for New Zealand and the New Zealand hospitality ethos.

—Jacob Briars, Bacardi Global



embrace technological change

—Neil Smart, Eftpos



REPORT

give staff freedom

Create avenues for them to make their own suggestions and see management action them. This empowers them.

—Mitch King, Hobbiton Movie Set

thought for food.
hospitality summit 2017



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