



Thought  
for Food

# restaurant association of new zealand

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[www.restaurantnz.co.nz](http://www.restaurantnz.co.nz)

Marisa Bidois, CEO, Restaurant Association of New Zealand

dd: 09 632 1400    m: 027 559 7777    t: 09 638 8403    e: [marisa@restaurantnz.co.nz](mailto:marisa@restaurantnz.co.nz)

# Hospitality business owner profile

**Hospitality business owners have demanding jobs in which they are usually working in the business 24/7. On the restaurant floor, in the kitchen, greeting the customers, fixing equipment, paying the wages – business owners in hospitality are some of the best multi-taskers around.**

A formal qualification is not a pre-requisite to owning, and running, a successful hospitality business and more often than not business owners have started their career in hospitality from an early age, working their way up the ranks to business ownership. Some chef/owners may hold formal qualifications; however, in hospitality experience tends to trump formal training.

In the hospitality industry males still outnumber females 4 to 1 in the kitchen, however there are just as many female business owners as male in this industry. In fact, the restaurant industry has more

women in management and ownership positions than any other industry.

It isn't always easy to make a profit in hospitality, so they are usually part of the industry because they feel passionately about hospitality and all that it represents.

Our most successful owners are strong leaders – passionate entrepreneurs with sharp business skills to crunch the numbers and organisational skills to keep all areas of the business running smoothly. They are problem solvers, motivators and great communicators.

# History of the Association

**The Restaurant Association is a membership organisation representing the diverse range of businesses that make up New Zealand's hospitality industry – from restaurant and café, to food to go outlets, caterers and bars. We are the link between good food and good business. Those businesses that join us thrive, through the support and services they can exclusively access through their Association membership.**

The Restaurant Association had humble beginnings. Back in 1972 it was known as the Restaurant and Cabaret Association and had a membership of 20 with a part-time secretariat.

Initially operated from a dining room table, the organisation became the Foodservice Association and as its membership quickly grew they moved into offices on one of Auckland's renowned dining strips, Ponsonby Road. In 2002, not long after the organisation became known as the Restaurant Association of New Zealand, the Restaurant Association Education Trust purchased the building on Normanby Road, Mt Eden, Auckland, that now houses the Restaurant Association national office as well as the Association's training and function centre, taste.

As an industry body, we offer members a wide range of business tools and avenues for saving money, plus a free 0800 helpline for advice on any number of issues.

Our aim is to showcase our members – the people that we represent. We want to tell the industry's stories of success and have the Association reflect the people and businesses we work with on a daily basis.

Nowadays, we have 2,000 members covering the length and breadth of the country and we represent every facet of the restaurant and hospitality industry. Lead by CEO, Marisa Bidois, the Association is organised into 12 regional branches, each enthusiastically run by local industry owners and a head office team of 18 full time staff located around the country.

The industry has also grown and changed. It now employs more than 120,000 people at almost 18,000 restaurants and food outlets and generates sales in excess of \$9 billion. Despite the growth it is still a vibrant industry full of interesting passionate, talented and entrepreneurial people.

# Who we are and how we assist Members

**Good food is one thing. Good business is something else. Essentially, we are here to assist our members in any way we can. Be it something small, or large, we are a one stop shop to help hospitality business owners do business better. We are not-for-profit, owned by our members and dedicated to helping business owners succeed.**

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Our membership is more than just restaurants – we have cafes, food trucks, take away sites, chain restaurants, quick service restaurants, standalone cafes, restaurants and bars, catering companies and companies that feed into the industry.

We're passionate about our vibrant industry, which is full of interesting, talented and entrepreneurial people. Restaurant Association membership is a badge of professionalism – we encourage members to actively promote their affiliation to our Association which is the professional industry body representing the hospitality industry. We believe that our members represent the more serious business owners, focused on success.

Essentially, we help our members in 3 different ways:

- 1. We provide them with information, resources and tools**
- 2. We provide industry benchmarks and ideals for our industry**
- 3. We save them money**
- 4. We promote and market business**

We are like the businesses silent business partner - available at a moment's notice to answer questions, offer advice or advocate on your behalf. Weekly one-on-one mentoring sessions and a 24-hour Advice line are all part of the package.

Whether members need advice on an employment dispute or help navigating the terms of their lease, our industry and legal experts have their back.

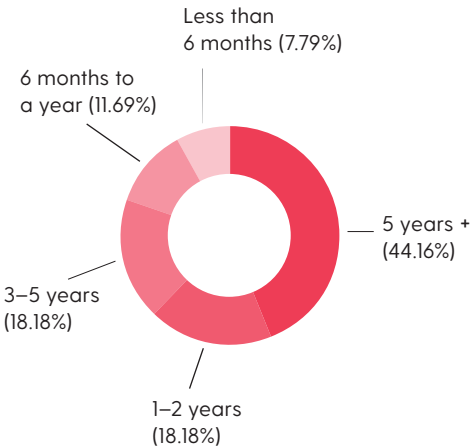


# Our membership

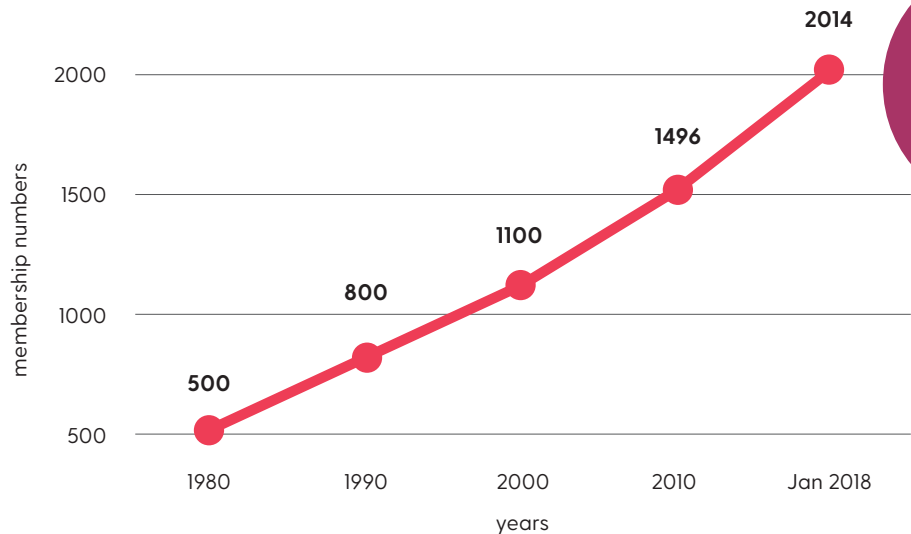
## Main reasons current members join the Restaurant Association



## How long have our members been a part of the Restaurant Association?



## Membership growth



The Association has seen on average a 9% year on year growth since its formation in 1975.

# Key trends & challenges



*I feel you can't be in this business without the back up from an organisation like the Restaurant Association. Government legislation is only making it harder every year.*

– CURRENT MEMBER FEEDBACK

## Key trends

The hospitality industry is enjoying a period of exponential growth. Hospitality industry sales reached just under \$9 billion in 2016 – growth of 7.2 per cent over the previous year. In 2016 the industry sector with the highest percentage growth was takeaway foodservice. Sales for our sector grew 12.3 per cent in 2016. In dollar terms this translates to an increase in annual sales of \$223 million, just slightly behind restaurants and cafes, which increased by \$229 million.

Three regions now have annual sales in excess of \$1 billion per annum: Auckland, Wellington and Christchurch. Regionally the largest percentage sales increases were in the Bay of Plenty region (up 17.3 per cent in 2016), Waikato (up 11.4 per cent) and Wellington (up 11.1 per cent).

The total number of employees employed in hospitality now exceeds 120,000 – growing by 5 per cent in 2016. More than 66,000 are employed in restaurants and cafes. The largest percentage increase was again in the takeaway foodservice sector, which grew employee numbers by 7.3 per cent in 2016.

Regionally Canterbury had the largest percentage employee growth in 2016 – up 6.4 per cent. This region now employs almost 16,000 hospitality workers. Auckland employs the greatest number of workers, with over 45,000 employed in this region.

The total number of hospitality businesses grew by 4.0 per cent (630 businesses) in 2016. There are now 16,728 businesses in the hospitality industry. Regionally the Canterbury region, which now has 2049 hospitality businesses, had the largest percentage outlet growth – up 6.4 per cent over the year previous

## Challenges

Two of the top challenges facing hospitality businesses are identified as labour and food costs.

The hospitality industry also continues to rate a lack of skilled employees as one of the key challenges facing hospitality business operators. In particular it continues to be prohibitively difficult to recruit skilled senior positions like cafe and restaurant managers and senior chefs. Research indicates that another 200,000 workers will be needed in the service sectors between now and 2020, but with tightening immigration restrictions the industry has concerns about where those workers will be found.

The ability to build and maintain sales as well as competition from other businesses also reflect the challenging operating environment for hospitality business owners.

\*Data taken from the 2017 Member Survey

# Requests for government to address

**One of the Restaurant Association's focus areas in 2017 has been to work even more closely with Government as an influencer on policy. Recently it's been particularly important for us to strongly represent the hospitality industry's viewpoint in light of challenges from a number of areas to the way we do business. Our aim is to continue to work closely with government in 2018 to ensure that our hospitality businesses remain viable today and into the future.**

The hospitality industry is a \$9 billion per year industry that employs over 120,000 employees across 17,000 businesses. The service sectors as a whole contribute \$47.8 billion to New Zealand's GDP. We are a powerhouse of New Zealand's economy! It is also important to highlight, however, that the businesses that make up the hospitality community are predominantly small to medium sized enterprises (SME's) with owner / operators working in their business 24 / 7. With infinitesimally fine margins when it comes to managing the major costs associated with running a hospitality business, making a profit in this industry is tough.

While running a hospitality business is demanding, these businesses demonstrate an unwavering commitment to their communities in good times and bad. Perhaps no other industry has deeper community roots. People turn to our businesses each day for sustenance, support and socialisation and we give back to our communities, improving the quality of life for those we serve.

The Restaurant Association has sourced the opinion of our members to find the common challenges for the hospitality industry throughout New Zealand and these are the things that we advocate to be a focus for any incoming Government - policies that encourage our industry's continuing success.



*Proposed policy settings regarding immigration and employment are a major concern for the future of small businesses in New Zealand.*

– CURRENT MEMBER FEEDBACK

# 5 points of focus

## Our efforts are concentrated on the following areas:

1. The Restaurant Association wants better recognition from Government for the significant impact that hospitality has on New Zealand's economy and the integral part that it plays in tourism. The Association is calling on Government to invest in initiatives that are specifically targeted to support the growth and recognition of this industry on a global platform.
2. We are working hard to encourage hospitality as a career pathway of choice, however more work needs to be done and the Restaurant Association welcomes the opportunity to work with Government on initiatives that inspire young New Zealanders to choose hospitality.
3. Despite the policy makers' argument to the contrary, the hospitality industry currently suffers from a labour shortage. We rely on skilled workers from overseas to fill the void. When no suitable New Zealanders are available strategies that ensure migrant workers can continue to be a part of the hospitality mix are important. The Restaurant Association welcomes the opportunity to work with Government on immigration policy that recognises the industry's needs.
4. There is widespread use of card payment for goods and services received by consumers when dining out in the hospitality industry, however the fees associated with accepting these cards are a significant, and increasing, cost to running a business. The Restaurant Association is looking for some regulation of New Zealand's payment system by Government to ensure an efficient and transparent system that benefits both consumers and merchants.
5. Our Association contributes to educating migrant and kiwi business owners to be not only compliant in their business but to be achieving best practice targets. Businesses that are exceling in all areas of business management should receive recognition for this achievement. The Restaurant Association is working on creating a foundation programme to measure business best practice, which in turn rewards the business elite who have achieved the correct standards in compliance and help to maintain high industry standards. We welcome the opportunity to open this discussion with Government.





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*Prostart training opened up a career for me in hospitality that I never thought was possible. It increased my confidence and changed my life.*

– PROSTART GRADUATE FEEDBACK

# ProStart

**A programme committed to assisting employers with the challenge of finding people with the right skill set to enter the hospitality industry.**

In partnership with the Ministry of Social Development we are part of changing people's lives, seeing them equipped with entry level skills and mentoring support to gain and maintain employment in hospitality.

ProStart is run regularly in Auckland and Waikato. It is a 4 week intensive training course, 8 weeks job seeking support, and 12 months career support. Our training is employer driven and updated regularly based on consultation from our members and the industry in relation to entry level requirements for the industry.

Our members support ProStart in many different ways, from offering work experience options, being part of our employer forum for course content development, guest speakers, site visits

at their venues, and interviews/employment for the right candidate when they need staff.

We are seeing great achievements from our current students gaining full time employment in entry level roles across Auckland and Waikato. They are valuable team members, helping grow businesses and the industry.

ProStart connects directly with businesses interested in apprentices as our students are committed to long term career growth and see hospitality as their future. Our involvement in the Apprenticeship programme makes it easier for our ProStart trainees to start apprenticeships. In addition, knowing they have mentoring support from our team through their first year is a vital component to their success.

ProStart is one of the ways the Restaurant Association is taking proactive steps in helping to alleviate the industry skill shortage.



*It's been 2 months and I'm desperate to find 2-3 people. I spent thousands on ads. The struggle is real.*

– CURRENT INDUSTRY FEEDBACK

# New Zealand Apprenticeship programme

**The Restaurant Association partners with the Industry Training Organisation, ServiceIQ to deliver the New Zealand Cookery Apprenticeship.**

The New Zealand Cookery Apprenticeship is the elite culinary programme where upcoming chefs become qualified experts through on-job training. It is designed by industry to give talented young chefs the right knowledge and expertise to develop vital skills and perfecting their art to the highest standard of commercial competence. This three year on -job training programme allows the Apprentice to master the necessary skill by applying them as they continually work.

During the programme there is a requirement to ensure that the quality of training and the ability of the Apprentice is up to industry standard. The Restaurant Association employs three industry qualified Chefs to look after the country and conduct the

two compulsory commercial competence assessments for each individual Apprentice. This happens half way through and at the end of each Apprenticeship.

The commercial competence assessment is a vital element of the Apprentices training. It is the way we can confirm that each Apprentice is of the same standard of skill level and consistency is being achieved throughout the programme. During the assessment the Apprentice is required to showcase a variety of techniques and skills and produce a number of dishes that meet a high industry standard. The Apprentice is assessed on time, dish consistency, skills demonstrated, correct cooking and handling methods and taste of the dish. The programme has been running successfully for several years with the assistance and endorsement of the Restaurant Association.

Programmes like these are vital to assist with the industries on going skills shortages.