

2019 Remuneration Survey

9/9/2019

Executive Summary

Hospitality wage rates increase by 20 per cent over 5 years.

With the minimum wage rise in April this year, there was much discussion around the impact this would have on hospitality businesses who typically employ a number of workers on the minimum wage, or just above. Changes to the level of the minimum wage affect not just those receiving the minimum wage but also those who are paid close to it, as employers increase the wages of workers paid above the minimum wage to maintain wage relativity. Often this flow-on cost is reported by members as a greater burden than increasing the wages of those on the minimum wage.

“*With minimum wages going up it requires for all wages to go up and it is making it increasingly difficult to keep wage costs at a manageable level eg less than 40%. It is always a hard balance as we want to be able to pay well but remain a viable business at the same time. With wage costs going up, we, as owners, are gradually taking less.*”

MEMBER RESPONSE, 2019 REMUNERATION SURVEY

The 2019 Hospitality Industry Remuneration survey helps to analyse the impact of the minimum wage rise, as well as other economic impacts, providing insightful data on wage and salary rates for over 100 hospitality positions across 11 regions nationwide. The survey is drawn from over 700 businesses, who employ over 12,000 people. Although several factors are threatening to push wages in foodservice businesses up the survey confirms that currently wage rates for most positions are rising at a steady pace.

The 2019 remuneration survey indicates that over 5 years (2014 – 2019) wages rates have grown by 20 per cent. From 2018 – 2019 overall hourly wage rates increased by 5.4 per cent (after a 4.75 per cent increase the year previous). Salary rates also increased by just over 4.0 percent (after showing a small decrease from 2017 – 2018 of -1.9 per cent).

At a glance of the 101 positions which were also surveyed in 2018, 80 achieved increased hourly rates in 2019. These rates included a 4.66 per cent increase for a bar manager, a 9.41 per cent increase for a Maitre D', and a 3.65 per cent increase for Head Chefs, who earn on average \$33.74/hour in 2019.

The highest overall average hourly wage can be found in Queenstown / Southern Lakes, at \$21.48/hour, followed by Auckland with \$21.07. Further regional analysis shows a Head Chef in Canterbury will earn \$27.49/hour on average, \$26.17 in Auckland and \$24.36 in Otago / Southland. A Head Waiter earns \$22.70/hour in Wellington and \$18.88/hour in Bay of Plenty, while a Bar Person earns the highest hourly wage in Northland (\$19.29/hour), \$0.56/hour more than the average hourly rate of \$18.73.

“
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MEMBER RESPONSE, 2019 REMUNERATION SURVEY

Around 30 per cent of full time hospitality workers and 18 per cent of part time workers are on a visa. Migrant workers are seen as an essential part of New Zealand's hospitality industry, with many comments made in the survey that highlight frustration with the visa application process and visa wait times.

The Survey also addresses forecast trends with operators. The 2019 Survey found that 54 percent of employers intend to increase remuneration rates in 2019 (outside of the increases that come as part of the minimum wage going up). Those employers will increase remuneration rates at an average of 5.6 percent overall.

Around 58 percent of employers also intend to keep staffing levels the same over the next 12 months, rather than increasing the size of their teams. This reflects a degree of caution for operators. Key costs have risen significantly for hospitality businesses, including wages, but also rent and food costs, and this is affecting business confidence.

“
Based [where we are], with the extra pressure of seasonality, finding quality staff is almost impossible and competition for roles has pushed remuneration rates up. Minimum wage increases with no compression into senior roles has also factored into this. Weekly staffing costs increased by 3% last year with a similar turnover.”

MEMBER RESPONSE, 2019 REMUNERATION SURVEY

Seven new hospitality businesses open every day of the year (and six close) in New Zealand so there will continue to be many new opportunities for those employed in the industry. The challenge for operators is around finding the key staff, with the right fit, for their business.

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

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POSITION SURVEYED (ALPHABETICAL)	2019 \$ AVERAGE HOURLY RATE	2018 \$ AVERAGE HOURLY RATE	2019/2018 RATE % DIFFERENCE	2017 \$ AVERAGE HOURLY RATE	2016 \$ AVERAGE HOURLY RATE	2014 \$ AVERAGE HOURLY RATE	2013 \$ AVERAGE HOURLY RATE	2019 \$ AVERAGE SALARY	2019/2018 SALARY % DIFFERENCE
Bar Manager	\$22.22	\$21.23	4.66 %	\$20.94	\$20.71	\$18.90	\$18.37	\$53,061	-2.90 %
Bar person	\$18.73	\$17.81	5.20 %	\$16.99	\$16.82	\$15.63	\$15.40	~	~
Barista	\$19.39	\$18.30	5.93 %	\$17.63	\$17.94	\$16.47	\$15.89	\$40,420	2.85 %
Breakfast Chef	\$21.03	\$19.88	5.83 %	\$18.74	\$18.24	\$17.52	\$16.96	\$42,027	-9.97 %
Cafe Assistant	\$18.29	\$17.21	6.25 %	\$16.60	\$16.08	\$15.17	\$14.69	\$26,430	-28.95 %
Cafe Manager	\$22.39	\$20.75	7.92 %	\$21.02	\$20.61	\$19.32	\$18.63	\$54,272	1.42 %
Cashier	\$18.22	\$17.43	4.56 %	\$17.05	\$16.44	\$15.83	\$17.00	\$68,123	~
Chef de Partie	\$21.05	\$19.63	7.24 %	\$19.26	\$18.36	\$17.93	\$17.52	\$47,874	2.62 %
Cleaner	\$19.59	\$18.89	3.69 %	\$17.61	\$16.85	\$16.32	\$15.98	\$60,000	-41.93 %
Commis Chef	\$19.49	\$18.50	5.36 %	\$18.39	\$16.61	\$16.31	\$15.80	\$45,481	4.19 %
Counter Cook (no quals)	\$19.49	\$18.89	3.18 %	\$17.38	\$17.22	\$15.48	\$15.48	~	~
Duty Manager	\$20.82	\$20.16	3.28 %	\$19.41	\$18.83	\$17.91	\$17.41	\$51,462	12.98 %
Executive Chef	\$33.74	\$30.39	11.05 %	\$32.14	\$26.59	\$26.10	\$24.52	\$89,439	13.04 %
F&B Manager	\$25.55	\$22.28	14.70 %	\$24.44	\$22.75	~	\$18.81	\$69,975	6.77 %
Food to go assistant	\$17.70	~	~	\$16.08	\$16.22	\$15.68	\$14.88	~	~
Front Office	\$20.38	\$18.37	10.95 %	\$18.38	\$17.45	\$16.30	\$16.30	~	~
Function Co-ordinator	\$22.59	\$24.06	-6.12 %	\$20.78	\$21.16	\$21.90	\$19.85	\$46,670	0.29 %
Head Chef	\$25.67	\$24.76	3.65 %	\$23.38	\$24.03	\$22.57	\$21.71	\$65,014	4.85 %
Host/Hostess	\$21.60	\$19.65	9.91 %	\$17.42	\$18.01	\$15.94	\$17.20	\$37,000	~
Housekeeper	\$18.75	\$17.70	5.92 %	\$16.96	\$16.41	\$15.52	\$15.22	\$18,979	-53.26 %
Junior Cook (no quals)	\$18.62	\$17.69	5.25 %	\$16.77	\$16.49	\$15.98	\$15.27	~	~
Kitchenhand	\$18.02	\$17.10	5.35 %	\$16.18	\$15.76	\$14.76	\$14.36	\$22,779	-38.46 %
Maitre d'	\$22.28	\$20.36	9.41 %	\$20.28	\$18.45	\$18.47	\$18.26	\$69,000	72.50 %
Office Manager	\$26.02	\$25.00	4.06 %	\$22.61	\$24.19	\$22.45	\$20.92	\$52,475	-18.13 %
Owner / Operator	\$28.91	\$27.60	4.74 %	\$21.86	\$33.48	\$22.17	~	\$63,073	-10.14 %
Pastry Chef	\$21.97	\$20.27	8.41 %	\$23.20	\$18.82	\$18.84	\$17.82	\$56,844	~
Restaurant Manager	\$24.29	\$22.62	7.37 %	\$21.90	\$22.79	\$20.36	\$19.49	\$61,033	8.31 %
Sales Manager	\$28.51	\$44.33	-35.70 %	\$25.93	\$28.38	\$30.75	\$26.50	\$73,235	-4.41 %
Senior Cook (no quals)	\$20.68	\$19.63	5.38 %	\$19.27	\$18.96	\$18.20	\$18.80	\$40,560	-7.08 %
Sole Kitchen Operator (no quals)	\$21.04	\$20.08	4.76 %	\$19.42	\$18.64	\$19.00	\$17.58	\$50,000	20.19 %
Sommelier	\$21.08	\$19.60	7.55 %	\$22.88	\$20.50	\$19.40	~	\$56,500	25.56 %
Sous Chef	\$23.27	\$22.17	4.96 %	\$21.61	\$20.54	\$19.86	\$19.51	\$54,422	3.07 %
Student /Apprentice (kitchen)	\$18.06	\$16.92	6.73 %	\$15.94	\$15.14	\$14.53	\$14.20	~	~
Wait Staff	\$18.38	\$17.53	4.81 %	\$16.58	\$16.41	\$15.47	\$14.90	\$10,413	-69.66 %
TOTAL	\$20.21	\$19.18	5.41 %	\$18.31	\$17.86	\$16.91	\$16.46	\$59,246	4.08 %

2019 Remuneration Survey

Key comments

"With the automatic increase of min wage it is very difficult to pay for performance. Our OK performing dishwasher is paid the same as a well performing barista. No relationship to performance and pay. Cannot run an effective business."

"Minimum wage increases are preventing pay rises for the top end. I do believe the competitiveness of the Queenstown labour market has increased wages."

"Finding staff has never been harder. We always try to employ New Zealanders as they usually stay longer. This winter we have had not a single application from a New Zealander to work any of the advertised roles. We have employed more of either working holiday or work visa applicants than ever before. Visa processing times for those changing jobs has regularly been 8 weeks plus which puts existing staff under huge pressure. Part time roles are being filled by New Zealanders, mostly students who are on their way to another career. Hospitality is not really considered a permanent career at present by a New Zealanders."

"As a rule I don't give people titles. Everyone is expected to be able to multi task. ie the cooks can serve and also make coffee if needed and the baristas can also drop back and help plate up if necessary and (gasp) even do dishes! I find that stops people from getting bored and stops a lot of the 'us and them' attitude between the back and front. We would love to pay staff more but from where? All of our suppliers pass on their costs without blinking but we are at our limit as to what we can charge customers."

"Pay rates are driven every year by minimum wage increases. We have very seasonal business, our wage costs sit at around 50% in Winter but we need to retain staff for busy Summer season."

"The aim is all full time permanent employees will be on the living wage always."

"We offer free staff meals per shift (so two if you are on a split or a double) plus a coffee per shift, I am hearing that many places have stopped this and are charging for staff meals, we also offer a 30% discount and discounts at affiliated restaurants. The higher than usual minimum wage increase has definitely had an effect. We are looking at ways to streamline our operations and in some cases sacrifice revenue but look to make better bottom line profits, rather than continually looking to expand and grow. Lack of skilled workers is also behind this reason, especially chefs."

"We plan on closing our business within the next 12 months. Due to rising costs of insurance, services, food, compliance costs, and wages, our income no longer covers our expenses."

"With minimum wages going up it requires for all wages to go up and it is making it increasingly difficult to keep wage costs at a manageable level eg less than 40%. It is always a hard balance as we want to be able to pay well but remain a viable business at the same time. With wage costs going up we as owners a gradually taking less."

"We'd like to pay our great team better rates in line with the increased minimum wage, however the profits are too tight to lift everyone to the next level. Unsustainable. A constant battle for profits."

"Want to increase all wages but as everything costing more trying to find a way. Constantly looking at suppliers, rosters and menu."

"Minimum wage increases are too much too fast! Immigration visa approval times esp for variations are excessive - we need the staff!"

"As owners in hospitality, we work already 80hrs a week on minimum wage."

"Based where we are, with the extra pressure of seasonality, finding quality staff is almost impossible and competition for roles has pushed remuneration rates up. Minimum wage increases with no compression into senior roles has also factored into this. Weekly staffing costs increased by 3% last year with a similar turnover."

"We pay above minimum wage but can't quite afford the living wage yet. We do believe that we need to pay workers in this industry more. But the costs have to be managed very carefully."

"These are difficult times. Any wage increase will come out of the owners pockets and we are already earning well less than our staff (approx earning the equivalent of \$5 per hour for 80 hour weeks). Even at that rate we broke even for the last tax year. Also net profitability is low given the impact of [economic factors]."

"Our business cannot afford the increases in the minimum wage so we have had to cut back on hours and the number of people we employ."

"We need help from Immigration NZ to speed up the visa processing times for our international staff. I often hire international staff on working holiday visas which are valid for a year. After that year the staff member needs to transfer to a sponsored visa. When we submit an application for a sponsored visa, Immigration NZ responds and tells us that the likely processing time will be 10-12 weeks. If that staff member's visa runs out in the meantime, they'll often leave the country because they can't work. As well as slow visa processing times we also have challenges with Immigration NZ declining visas after making a judgement about whether the staff member has the relevant skills and experience to do the job. When we as operators train someone and want to promote them, we ought to have the ability to do so. It's our skin in the game. There needs to be a little bit more vision from immigration officials about that type of situation. This is changing in the near future with Accredited Employer Status, but that may be costly for smaller businesses."

"Minimum wage has increased our monthly wage bill substantially. We have not been able to increase our prices in proportion so therefore we have to decrease working hours and increase productivity within the allocated hours."

"We are one of the only employers paying a living wage to all our staff. The sector is underpaid and we value staff who continue to work for us. I need to hire a chef however it is near on impossible....none about!"

"We feel our staff are on good remuneration rates for a small business as we are owner operators and do a high level of the work ourselves."

"The increase in the minimum wage will drive up wages for all other staff, which is not a bad thing."

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The following positions were surveyed in the 2019 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	