



SURVEY

Member feedback on coronavirus impact

15 JUNE, 2020

restaurant
association
of new zealand

Level 1 saw the hospitality industry return to unrestricted trading.

This survey has shown, however, that revenues are variable by area and type of establishment.

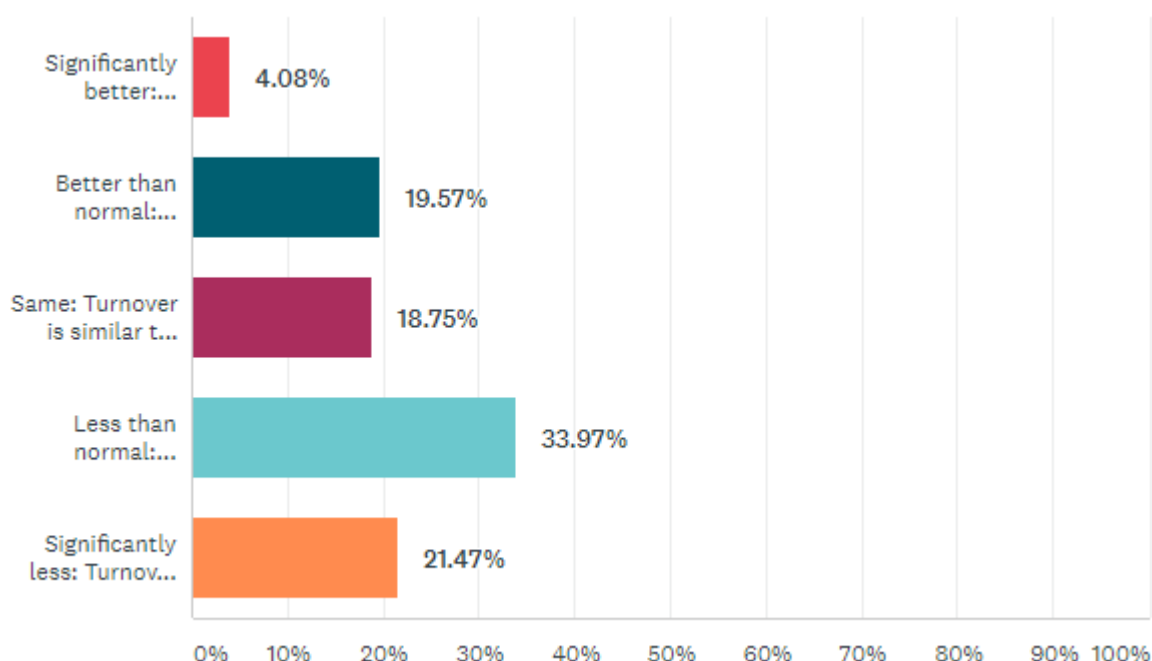
Overall feedback from members indicated a better trading week than at level 2 but with 55 per cent of respondents still indicating lower or significantly lower revenues than the same period last year. From speaking to members we're seeing reduced footfall in Auckland specifically with reports of better weekend spending but reduced week day footfall. The move toward working from home will almost certainly be impacting those city centre establishments set up to service the mid week work crowd. Footfall across the rest of the country appears to be only slightly reduced but with revenues continuing to be lower in almost all regions, we are seeing a reduced spend per customer.

Cafes and bars appear to be doing better than restaurants and food to go with 53 per cent of cafes and 45 per cent of bars reporting reduced year on year trading versus 62 per cent restaurants and 70 per cent food to go. Kiwis were clearly missing bars and pubs and clubs with 35 per cent of establishments in this category reporting higher trading revenues than the same period last year.

Overall, around half of owners were planning to apply for the wage subsidy extension indicating that businesses had either restructured or were falling under the forty per cent revenue drop. 54 per cent of café owners, 44 per cent of restaurant owners, 64 per cent of food to go operators and 58 per cent of bars indicated that they would not be applying for the extension to the wage subsidy.

Q1. How has this first week of trading at Level 1 gone (compare to the same time last year)?

55% are experiencing less, or significantly less turnover compared to this time last year.



REGIONAL SNAPSHOT

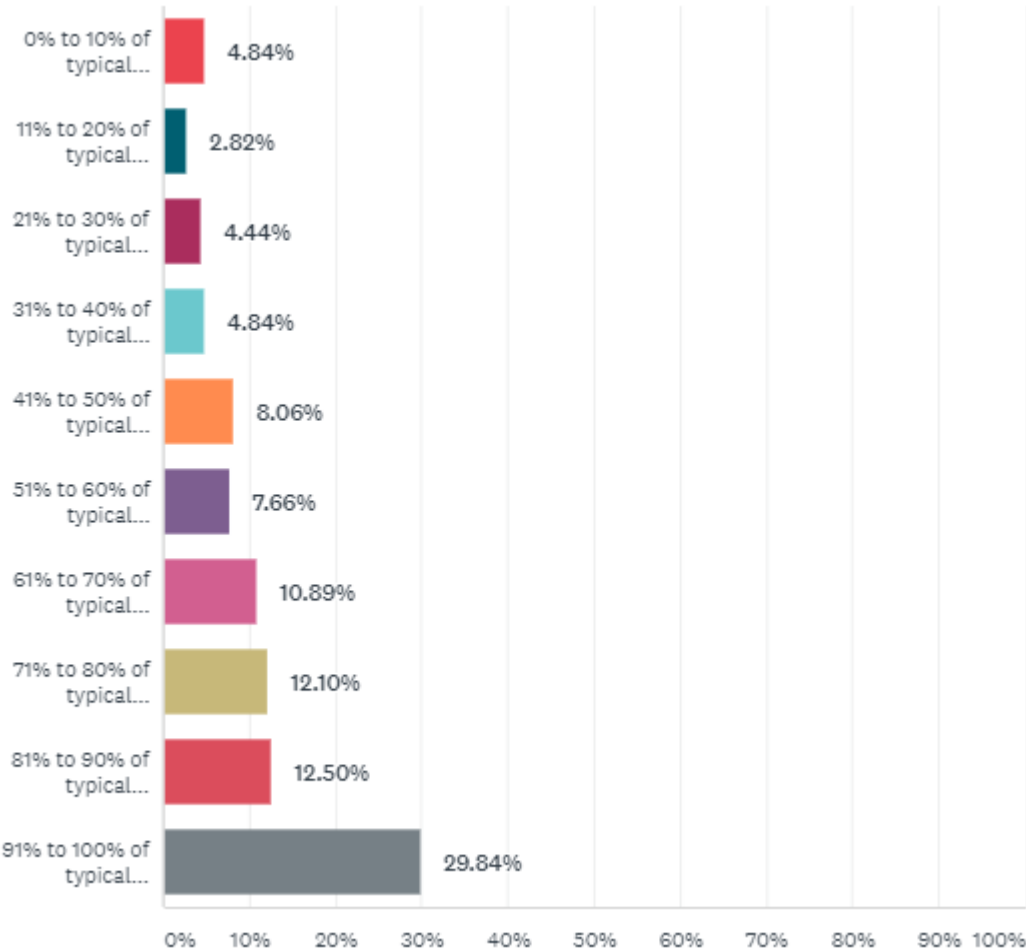
Compared to last year, turnover is:	AUCKLAND	WELLINGTON	CANTERBURY	SOUTHERN LAKES	BAY OF PLENTY	WAIKATO	HAWKE'S BAY	MANAWATU	MARLBOROUGH	OTAGO
Significantly Less	27%	42%	16%	58%	13%	12%	~	4%	~	25%
Less	44%	17%	28%	17%	31%	47.06	44%	36%	24%	42%
Same	15%	19%	24%	17%	31%	18%	22%	16%	24%	25%
Better	14%	23%	28%	8%	19%	24%	28%	24%	29%	~
Significantly Better	~	~	4%	~	3%	~	6%	20%	12%	~

Q2. If sales have been higher or lower this week (while at Level 1), please give your best estimate of the percent difference.

Of those respondents that indicated sales were higher (26 per cent of respondents), on average turnover had increased by 22%.

Of those respondents that indicated sales were lower (54 per cent of respondents), on average turnover had decreased by 31%.

Q3. Thinking specifically about your business over the past week, at what capacity are you currently operating, compared to typical customer traffic? (compare to the same time last year)?

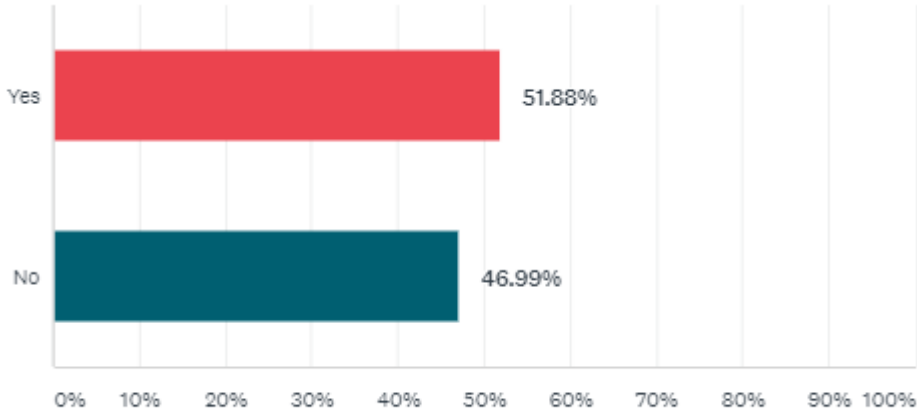


REGIONAL SNAPSHOT

Compared to last year, customer levels are at:

AUCKLAND	WELLINGTON	CANTERBURY	SOUTHERN LAKES	BAY OF PLENTY	WAIKATO	HAWKE'S BAY	MANAWATU	MARLB-OROUGH	OTAGO
71-80%	91-100%	91-100%	41-50%	91-100%	91-100%	91-100%	91-100%	91-100%	91-100%

Q4. Now that the threshold for the wage subsidy extension has reduced to 40%, have you applied, or do you plan to?



REGIONAL SNAPSHOT

Do you plan to apply for the wage subsidy extension?

	AUCKLAND	WELLINGTON	CANTERBURY	SOUTHERN LAKES	BAY OF PLENTY	WAIKATO	HAWKE'S BAY	MANAWATU	MARLB-OROUGH	OTAGO
Yes	63%	54%	26%	67%	35%	43%	60%	25%	17%	73%
No	36%	46%	68%	33%	59%	57%	40%	75%	83%	27%

MEMBER COMMENTS

Some NZers (older) have been so terrified by the labour govt strategy & media on Covid, they are afraid to go out. We live near a major retirement area. Given these folk can't travel overseas for the winter we would have expected to see more of them during June. In our region people who can work are at work - so not eating out with us midweek during the day. Many families in our region are already down to one income earner - Plumbers, Builders, electricians, Planers, surveyors, sales reps etc have all lost jobs - not just hospitality workers - impacting disposable income of families. We are down 90% or more mid week since re-opening. 1.2 million working domestic NZers are not going to make up for 8 million plus internationals

I believe our upturn is due to people catching up on birthdays and anniversaries missed during lock down. I think it will fade away especially due to no Chinese students, who were a big customer base for us

We are based in a residential area and with people still working from home we're finding this to be an advantage for us. We've started a heat and eat menu for people to take home for dinner which has brought in additional income. We've reduced our services to just five days a week (usually six) and last week we did the most sales we've done all year.

As a suburban restaurant we are benefiting from the "support your local" mantra since lock down.

I've been really surprised by the rudeness of customers post covid or maybe my memory has failed me during lockdown peace.

Pretty crippled. maybe a tiered wage subsidy would make a difference. rather than a digital on off system.

Weekends strong. Early finish, people not hang around. Diners good mood and positive!!!

We need the govt to understand that small business needs assistance.

There has definitely been a difference in customer bookings at level 1. However, we can't be certain at the moment we're only still meeting at about 35-40% of what we need to be doing. Reality will only set in when wage subsidies have dried up.

Outstanding rent and high rentals still continue to be the toughest challenge. Best support will be if Govt can get landlords to bring rents in line with turnover for next 3-6 months

To survive we will either need a vaccine for covid or the borders opened.

Yesterday, Friday, there was a rugby game at Forsyth Barr Stadium. The amount of sales was almost the same as when there was a game at the stadium pre-covid. Bars in the area were also packed.

Immigration is a major issue. In fact it is putting my business at risk, costing me time & money. It's insane to give small businesses more challenges

IRD is making it difficult as they say turn over is not less than 40% however due to cost going up our profit is less so, in turn, we are down but they are making it difficult.

Our business is still impacted by people working from home. We rely on the office crowd coming back.

It will be interesting to see how things are flowing in 6 weeks time for us standing on our own feet... So grateful to have had the first wage subsidy....

Only financial assistance we have received was wage subsidy which was great for employees but did not help the business. Gaining the next wage subsidy while trading would be an enormous financial help, but because we are doing well, we get no help recouping massive losses. If we stayed closed, we would be in a better financial position because of the aid.

We do qualify- not sure if this week is an indication of what it will be like in the coming weeks or if we have an initial bubble post moving to L1

Great to be back to trading a little more normal 😊. Regular large groups beginning to return.

I think we will feel the hit of Covid, once winter kicks in.

Generally July-Sept are the toughest winter trading months.

We are monitoring our sales compared to last year regularly to see if we will have a 30 day consecutive period in which we will be able to apply for the subsidy. We have started noticing a lot more domestic tourists coming through which has been great.

At this rate of income & without the borders open we will run out of (cash flow) funds by around October this year when the mortgage holiday is over. We will have exhausted our spare funds on fixed overhead (\$6k / month) and do not have the capacity to borrow more as there is insufficient cashflow to meet monthly OD or mortgage requirements on top of existing level of fixed overheads..

So many NZers coming to town and locals out celebrating.

I think that hospo businesses in regional tourism areas who have relied on international tourists will need the wage subsidy to continue until at least late November/December

Borders to the South Pacific and Australia should be open NOW to help business and reduce the further impact of the pandemic.

This is our low period for tourism - summer is typically 75% tourists, mostly international. We have seen a significant increase in domestic tourist customers up to 40% of business

Extra busyness now, still doesn't make up for loss of Easter and school holiday trading, however continued strong domestic visitor numbers will definitely help to mitigate the shortfall.

I'm in the CBD, so until companies push their staff to return to the office rather than leaving it optional then the cbd is toast!

We are down 40.7% exactly for the first 30 days of our period. After that day by day it improves. Our costs incurred however are much higher than before thus we will apply to hopefully offset our losses.

I'm going to apply for the wage subsidy but the govt should have given me better cashflow support than just the wages subsidy and different ways to borrow money. Customers seem happy that we are back to normal and there aren't any queuing stickers or sign in. It has really made me appreciate my regulars because their loyalty shows me how important they value my staff and vice versa, and how important coming to me for their morning coffee is part of their daily routine really is. I feel proud of my cafe and my team that we have come through a pretty horrible time. When we went into lockdown we were not in a good financial state and I wasn't sure we were going to be able to reopen the doors. But we have got there are slowly getting our sales back. We are going to survive and I hope everyone else does too. People talk about its great to have less competition with ppl going under in Hospo but I think that's bs. You need competition to make yourself be better for our customers and we can all share the rewards of having an amazing Hospo community in Aotearoa!

It will take months before our business returns to 60 % of normal trading

We were all all day eatery previously and have decided to stop nights for the time being. This has added to the reduction in comparison to last year (around 25% is just the removal of nights).

Weekdays still heavily affected due to WFH

Feels busy but take is down and all the cost has gone up so we are making less profit.

Weekdays slightly quieter. Biggest Saturday service in 6 years.

Cafe same or a little more than pre covid, catering still way less.

We had a record number of people in the bar, which transpired to record numbers in cocktail sales and overall till sales!

Not able to open as cost higher than estimate turnover.

Weekends are the same if not slightly better than last year. Weeknights are significantly less.

It has only been 5 days but we are still down between 25-30% in the last week which is an improvement on the weeks before.

We have changed our days/hours of operation because there are no mid-week tourists.