restaurant association of new zealand

2020 Remuneration Survey

2/11/2020

Executive Summary

Hospitality wage rates highlight impact of Covid-19, minimum wage increase and immigration thresholds

Average wage rates for the hospitality industry have increased 4.8% per cent from 2019 – 2020, an increase which it is estimated largely reflects an increase in the minimum wage, as well as immigration remuneration thresholds which have the effect of driving wage rates up. Apart from these factors, many employers have indicated that pay rises for existing staff are on hold while the industry continues to grapple with the challenges and financial uncertainty of covid-19.

> "*All pay rises for senior/long term staff that were planned for April 2020 were put on hold. Hopefully we are in a position in 2021 to action these.*"
>
> *MEMBER RESPONSE, 2020 REMUNERATION SURVEY*

An increase to the minimum wage rise in April this year from $17.70 - $18.90, affected 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 and another jump to $20.00 in 2021, along with the rising immigration salary thresholds, has been cited by a number of operators as serious threats to business viability.

> "*With Labour's commitment to increasing the minimum wage to $20/ph in 2021 and the pay threshold for immigration changing it puts a lot of strain on small businesses in a very short amount of time, especially whilst still in a pandemic and considering the trading time lost during lockdown.*"
>
> *MEMBER RESPONSE, 2020 REMUNERATION SURVEY*

The **2020 Hospitality Industry Remuneration** survey helps to assess the impact of covid-19, 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 600 businesses, who employ over 9,000 people.

The 2020 remuneration survey indicates that over 6 years (2014 – 2020) wage rates have grown by 25 per cent. From 2019 – 2020 overall hourly wage rates increased by 4.8 per cent (after a 5.4 per cent increase the year previous). Salary rates also increased by just over 1.9 percent (after recording a slightly larger increase from 2018 – 2019 of 4.0 per cent).

At a glance of the 107 positions which were also surveyed in 2019, 87 achieved increased hourly rates in 2020. These rates include a 5.7 per cent increase for a Restaurant Manager a 5.0 per cent increase for a Maitre D', and wage rises of over 5 per cent for Commis Chefs, and Chefs de Partie, respectively. Conversely, hourly pay rates for the most senior kitchen roles were more subdued - Head Chefs increased by just 2.4 per cent and Executive Chefs declined by 4.8 per cent – although these two roles did see increases in salary rates over the year.

The highest overall average hourly wage can be found in Queenstown / Southern Lakes, at $22.76/hour, followed by Northland with $22.06, with Auckland helping to set the overall industry average, sitting at $21.20/hour. Further regional analysis shows a Restaurant Manager in Auckland will earn $26.57/hour on average, $25.36 in Wellington and $22.00 in Otago / Southland. A Chef de Partie earns $24.13/hour in Northland and $21.96/hour in Bay of Plenty, while a Bar Manager earns the highest hourly wage in Waikato ($27.00/hour), $3.34/hour more than the average hourly rate for this role of $23.66.

> "*This is feeling like an increasingly difficult field to navigate - balancing business viability and remuneration.*
>
> MEMBER RESPONSE, 2020 REMUNERATION SURVEY

The Survey also forecasts future recruitment trends for the industry and despite the current uncertainty that exists as a result of covid-19 the 2020 Survey found that 51 per cent of employers intend to increase remuneration rates over the coming year (outside of the increases that come as part of the minimum wage going up). Those planning to increase wages are looking to provide a significant jump in hourly rates, with average increases of just under 10 per cent planned. 49 per cent intend to keep remuneration rates the same.

Around 54 per cent of employers also intend to keep staffing levels the same over the next 12 months, rather than increasing the size of their teams. This understandably reflects a cautious approach for operators until conditions begin to resemble pre-covid conditions again.

Key costs have been extremely challenging to meet in 2020, including wages, but also rent and increased supply costs. The increase to the minimum wage in 2021, concern around finding skilled staff with migrant workers visa's expiring, along with Government proposals to increase sick leave entitlements by an additional 5 days and provide an additional public holiday are all unsettling business confidence. However, operators are still looking to the opportunities available in 2021, looking to become leaner, more efficient businesses, and encouraging opportunities for local job seekers where they are able.

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)*	2020 $ AVERAGE HOURLY RATE	2019 $ AVERAGE HOURLY RATE	2020/2019 RATE % DIFFERENCE	2018 $ AVERAGE HOURLY RATE	2017 $ AVERAGE HOURLY RATE	2016 $ AVERAGE HOURLY RATE	2014 $ AVERAGE HOURLY RATE	2020 $ AVERAGE SALARY	2019/2018 SALARY % DIFFERENCE
Bar Manager	$23.66	$22.22	6.52 %	$21.23	$20.94	$20.71	$18.90	$56,334	-6.17 %
Bar person	$20.04	$18.73	7.00 %	$17.81	$16.99	$16.82	$15.63	$36,237	~
Barista	$20.52	$19.39	5.83 %	$18.30	$17.63	$17.94	$16.47	$42,865	6.05 %
Breakfast Chef	$21.49	$21.03	2.18 %	$19.88	$18.74	$18.24	$17.52	$42,314	0.68 %
Cafe Assistant	$19.44	$18.29	6.27 %	$17.21	$16.60	$16.08	$15.17	~	~
Cafe Manager	$23.39	$22.39	4.46 %	$20.75	$21.02	$20.61	$19.32	$57,118	5.25 %
Cashier	$19.75	$18.22	8.36 %	$17.43	$17.05	$16.44	$15.83	$40,000	-41.28 %
Chef de Partie	$22.20	$21.05	5.47 %	$19.63	$19.26	$18.36	$17.93	$51,934	8.48 %
Cleaner	$21.79	$19.59	11.27 %	$18.89	$17.61	$16.85	$16.32	$36,400	4.48 %
Commis Chef	$20.57	$19.49	5.57 %	$18.50	$18.39	$16.61	$16.31	$42,000	-7.21 %
Counter Cook (no quals)	$21.63	$19.49	11.02 %	$18.89	$17.38	$17.22	$15.48	~	~
Duty Manager	$22.03	$20.82	5.81 %	$20.16	$19.41	$18.83	$17.91	$52,867	2.73 %
Executive Chef	$31.31	$33.74	-7.20 %	$30.39	$32.14	$26.59	$26.10	$85,185	-4.76 %
F&B Manager	$25.74	$25.55	0.72 %	$22.28	$24.44	$22.75	~	$74,708	6.76 %
Food to go assistant	~	$17.70	~	~	$16.08	$16.22	$15.68	~	~
Front Office	$20.37	$20.38	-3.78 %	$18.37	$18.38	$17.45	$16.30	$64,200	~
Function Co-ordinator	$23.46	$22.59	3.85 %	$24.06	$20.78	$21.16	$21.90	$60,000	28.56 %
Head Chef	$26.30	$25.67	2.45 %	$24.76	$23.38	$24.03	$22.57	$70,999	9.21 %
Host/Hostess	$21.17	$21.60	-2.02 %	$19.65	$17.42	$18.01	$15.94	~	~
Housekeeper	$19.81	$18.75	5.69 %	$17.70	$16.96	$16.41	$15.52	$23,978	26.34 %
Junior Cook (no quals)	$19.83	$18.62	6.50 %	$17.69	$16.77	$16.49	$15.98	$29,333	~
Kitchenhand	$19.12	$18.02	6.12 %	$17.10	$16.18	$15.76	$14.76	$30,693	34.74 %
Maitre d'	$23.40	$22.28	5.03 %	$20.36	$20.28	$18.45	$18.47	$53,867	-21.93 %
Office Manager	$26.53	$26.02	1.95 %	$25.00	$22.61	$24.19	$22.45	$54,421	3.71 %
Owner / Operator	$29.71	$28.91	2.78 %	$27.60	$21.86	$33.48	$22.17	$60,740	-3.70 %
Pastry Chef	$23.12	$21.97	5.25 %	$20.27	$23.20	$18.82	$18.84	$53,574	-5.75 %
Restaurant Manager	$25.68	$24.29	5.73 %	$22.62	$21.90	$22.79	$20.36	$60,874	-0.26 %
Sales Manager	$26.08	$28.51	-8.50 %	$44.33	$25.93	$28.38	$30.75	$65,625	-10.39 %
Senior Cook (no quals)	$22.53	$20.68	8.95 %	$19.63	$19.27	$18.96	$18.20	$50,250	23.89 %
Sole Kitchen Operator (no quals)	$21.54	$21.04	2.40 %	$20.08	$19.42	$18.64	$19.00	~	~
Sommelier	$23.00	$21.08	9.11 %	$19.60	$22.88	$20.50	$19.40	$56,000	-0.88 %
Sous Chef	$23.64	$23.27	2.44 %	$22.17	$21.61	$20.54	$19.86	$57,621	5.88 %
Student /Apprentice (kitchen)	$18.48	$18.06	2.32 %	$16.92	$15.94	$15.14	$14.53	~	~
Wait Staff	$19.66	$18.38	6.99 %	$17.53	$16.58	$16.41	$15.47	$36,004	~
TOTAL	**$21.18**	**$20.22**	**4.8 %**	**$19.18**	**$18.31**	**$17.86**	**$16.91**	**$61,209**	**3.31 %**

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Key comments

As a business our goal is to be financially stable to be able to increase pay rates across the board so our lowest paid staff are on living wage and it is tiered above that. Our current goal is to have everyone on at least $22.10 per hour before September 2021 (when the living wage will increase again).

As long as we are still making a profit I would increase the staff wages as much as possible depending on skill level. It is really hard to know what to pay people and having that fine balance in regard to making enough money to stay afloat and to make my staff happy.

At the moment, we are trying to retain the staff we have, we have cut down opening hours and as the owner I have taken up a full time position to reduce costs. If business improves and the per head spend rises then we would consider raising the wages..

Cannot afford to pay any higher rate in a cafe as the margins are no longer there. It's becoming very marginal.

Conditions and rates are not in relation to what people have learned, the minimum wages are too high and it's unfair to people that are experienced and only get a nugget more because small to medium size businesses can't afford to pay more

Covid-19 has changed things. We are currently hiring but that could change quickly. We are increasing pay rates again but not fully yet, staff need to be increased between 10 and 20% to get back to pre-covid rates, except for minimum wage positions.

Hard to get experienced staff - have to pay above rates.

How much we can afford to increase will be driven by minimum wage increase which could push the majority of staff up $1 to $2/hr. In addition to the high minimum wage increase the Government want to add an extra public holiday and even more hugely costly an additional 5 days sick per staff. I don't know how where we are expected to cover all these increased costs from. Do they think we can just keep on putting prices up? We are really controlling all our costs now. All this on top of a massively challenging year financially. I just find incomprehensible how they could justify all this at this particular time when we are technically in a recession and already challenged. Very soon we will reach the point where there is no will to carry on. We keep going because we want to look after our staff who have also had a very challenging year but I don't think we can just continue like this. Our margins have already dropped in the last 2 financial years and there is no doubt they will be much further reduced this year...

I firmly believe that if you have good staff you should pay them well, in order to grow your business.

I plan to give more hours to all my staff but my restaurant needs to get busier to do it.

I think raising the minimum wage again will be incredibly hard for our business and believe it is detrimental to NZ Hospitality companies.

I think that the rate that the minimum wage has increased makes it hard for business owners to reward quality staff. With pay rises as in a few months time they will be back to the minimum wage. We used to try and pay above the minimum wage, but with such high increases to it, it makes it extremely hard. I think this will kill the industry and isn't helping small business. Business needs to be supported and helped which I don't think has been happening recently.

I would love to increase remuneration but in the current climate it's impossible.

Immigration is forcing the minimum wage for essential skills visa to $25 per hour. This is hugely significant as everyone else will have to move up too. Also the minimum wage will be increasing again. Overall staff costs are going to sky rocket and will customers want to see prices increase? With a recession looming due to covid these factors of increased labour costs mean that some may close and others will be reluctant to hire new staff.

Increase will depend on how we do in the coming months. After covid we still haven't fully recovered yet.

It is so tough with minimum wage increasing and sick pay increasing - Completely inexperienced school kids need to be paid $20 per hour to break down boxes and sweep the yard etc How does the government expect small businesses with tight margins to cope in a very competitive market where they can't raise prices.

Labour costs over covid up to 50%, not sustainable. Need turnover to improve.

Labour's announcement of an extra week for sick leave is not good for our industry. We employ a number of people who only work 1 or 2 days per week and would still have to give them 10 days sick leave!!!!! BIG COST to us.

Immigration thresholds serious threat to business.

Minimum wage is expensive for employing untrained and generally slower staff until they are fully trained.

Our increase in remuneration is purely a reflection of minimum wage increase and a lift in the bottom level pay bands because of the minimum wage increase.

Pay rates going up rapidly minimum wage increase next year will put pressure on my senior/manager rates. No compression. Seasonal business. Concerns that with no seasonal workers to fill in gaps in high season will be shortage. Covid related this year. As ' essential skills 'visas expire. Lots of stress for employees around that. Lots of uncertainty and long wait times for decisions.

Since we started in this business in 2009 our wage costs as a percentage of turnover have increased from 30% to now 40%.

The minimum wage rises have greatly affected our ability to reward our managers or senior staff with higher wage rates

The raising of the minimum hourly rate will put pressure on me to increase my base rate. Most of my employees have worked over several years to get to the $20 an hour. Suddenly my part time students will be on the same rate.

There needs to be a differentiation between students and full time adult workers. The minimum wage is too high for a Secondary Student living at home with Mum & Dad when we have Managers on $22 to $25 an hour.

We are very busy and barely cope most lunchtimes, yet I struggle to pay the wages each week and my staff are literally on minimum wage.... I'm a bit worried about the next minimum wage increase and REALLY worried about 10 days sick leave.

We need to increase wages for existing employees just to keep up with the increase in minimum wages but this is hurting us badly and existing staff are feeling that they are playing a catch up game rather than being valued for their service. Not good!

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The following positions were surveyed in the 2020 Restaurant Association remuneration survey.

Accountant
Accounts Clerk
Apprentice Chef
Assistant Financial Controller
Assistant Front Office Manager
Assistant Head Housekeeper
Assistant HR Manager
Assistant Manager
Assistant Night Manager
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
Concierge
Conference Coordinator
Conference Sales Manager
Conference Supervisor
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
Sole Kitchen Operator no Quals
Sommelier
Sous Chef
Student Apprentice (Front of House)
Student Apprentice (Kitchen)
TAB Operator
Unqualified Cook
Wait Staff
Wine Waiter