

Hospitality Dashboard

COVID-19 Update

Period: June 2021



Key Indicators



14

Redundancies



5

Business closures



21%

29% of the industry say revenue is down v.s June 2020. The figure (left) indicates the average monthly revenue decline.



23%

42% of the industry say revenue is better v.s June 2020. The figure (left) indicates the average monthly revenue increase.

Member responses

317

Most regular feedback



Industry is at a crisis point as the skills shortage boils over.



Managing rising costs becoming more challenging, particularly rising payroll costs primarily driven by staff shortages.



Alert level changes make customers wary about dining out. Impact not isolated to affected region(s).

Future Considerations

We urge the government to engage the sector to establish and introduce practicable solutions to the hospitality industry's skill shortages. The Association is asking the government to:

- engage in meaningful dialogue with the Association regarding skill shortages.
- provide an urgent additional visa extension for employer assisted work visa holders currently in New Zealand to allow employers to retain their existing migrant workforce.
- allow border exceptions for other critical workers from other industries such as hospitality where there is a proven need.
- extend the number of working hours permitted for those on student visas.

Actions led by the sector this month

- Launched collective industry action - The Reset - a **nationwide campaign**, to address industry skill shortages.
- **Created petition** urging the Government to acknowledge the skill shortage in hospitality in New Zealand, and introduce workable immigration solutions by engaging with the sector.
- Wrote to **Minister of Immigration and Prime Minister** regarding Reset campaign and key asks of Government.
- Attended hui to discuss **Wellington's Golden Mile proposals** and provided feedback on proposals.
- Wrote joint **letter to Wellington City Council** re CBD parking changes.
- Provided feedback to **Immigration New Zealand** on proposals around Accredited Employer Work Visa accreditation requirements.
- Continued engagement with industry stakeholders on the **Future of Hospitality Roadmap**, where we have been meeting, receiving feedback on the Roadmap plan.
- Ran Auckland **HospoStart** programme, providing training, work experience and placement for 25 people looking to enter hospo.
- Ran nation-wide **Springboard training** programme for employees from 60 establishments, providing wrap-around training support aimed at staff retention and skill building.

Snapshot: Member Commentary



"The raising of the minimum wage and extra sick leave is just another kick in the guts to business owners considering most businesses have/are going through the worst 2 years of their lives and the uncertainty of the future post-covid re hospitality & travel etc."

"We have done well post COVID-19 as regional discretionary overseas travel spending has converted into home improvements, vehicle upgrades, additional household good spending, domestic holiday spending and additional local dining out."

"[Wellington] Covid level two caused a 25-30% drop for the week, plus terrible weather has dropped us down too."

"Lack of turnover very stressful. Seems impossible to get wages within normal percentages. Wage % often at 40-50% plus 29% COS plus 23% OPEX. The math isn't good."

Common pain point

Escalating costs, particularly labour and supply costs, are cited as a major concern. Rising costs are squeezing small margins even further and creating profitability challenges.



Pātai? Need further information?

Marisa Bidois | Chief Executive | marisa@restaurantnz.co.nz | 027 559 7777
Nicola Waldren | General Manager | nicola@restaurantnz.co.nz | 027 379 1535