

# 2021 Remuneration Survey

September 2021

## Executive Summary

### **Hospitality wage rates grew over the past year, fuelled by the industry's competitive labour market and low unemployment rates**

Wages in hospitality increased 6.5 per cent from 2020 – 2021, surpassing the 2.1 per cent increase recorded across all industries in the year to June 2021\*. The industry's skill shortages are driving fierce competition for workers and this, along with minimum wage increases, the low unemployment rate and a rise in immigration remuneration salary thresholds, are key factors pushing wages upwards.

*“ We have just increased our wages in line with a few factors, with the minimum wage being merely one of them. The market is in the employee's favour and is competitive. There is a drought and packages need to be of value. ”*

MEMBER RESPONSE, 2021 REMUNERATION SURVEY

Hospitality operators cite the competitive recruitment environment, where it is becoming increasingly difficult to hire and retain from the local labour market, as the key indicator influencing wage rate rises. Another large increase to the minimum wage in April this year, also affected not just those receiving the minimum wage but also those who are paid above it, as employers increase the wages of other workers to maintain wage relativity. It is not the cost of raising wages for those on the minimum wage, but this flow-on cost, that has the biggest effect on labour costs.

*“ Ideally, we'd like to pay all our staff more and at the very least have everyone on the living wage. However, the more experienced and qualified staff need to be paid comparatively more, so it's a tricky balance. ”*

MEMBER RESPONSE, 2021 REMUNERATION SURVEY

### **The 2021 Hospitality Remuneration Survey assesses the impact of the industry's current trading environment**

The Association's 2021 Hospitality Industry Remuneration survey helps to measure the ongoing impact of Covid-19, our skilled labour shortages, as well as other economic impacts, providing insightful data on wage and salary rates for over 100 hospitality positions across 11 regions nationwide. This year the survey is drawn from over 700 businesses, employing over 13,000 people.

The 2021 remuneration survey indicates that from 2020 – 2021 overall hourly wage rates increased by 6.5 per cent (after a 4.8 per cent increase from 2019 – 2020). Salary rates also increased by 8.4 per cent (after recording a lower, 1.9 per cent, increase from 2019 – 2020).

At a glance of the 100 positions which were also surveyed in 2020, 84 recorded increased hourly rates in 2021. These rates include

- an 11.4 per cent increase for a Head Chef hourly rate
- wage rises of over 7 per cent for Restaurant Managers and Sous Chefs respectively and
- an increase of over 5 per cent for Chefs de Partie.

Conversely, hourly pay rates for Maitre D's increased by a lower rate, 2.7 per cent, although Wait Staff rates increased by just over 5 per cent.

### **Regional analysis reveals the regions with the highest average hourly rate**

In 2021 the highest overall average hourly wage can be found in the Hawke's Bay / Poverty Bay regions, at \$23.58/hour. This is followed by Otago / Southland regions at \$23.30/hour, with Auckland sitting at \$23.23/hour.

Further regional analysis shows

- a Restaurant Manager in Auckland will earn \$29.78/hour on average, \$26.84 in Wellington and \$25.00 in Bay of Plenty.
- a Chef de Partie earns \$24.46/hour in Northland and \$23.71/hour in Nelson, while
- a Bar Manager earns the highest hourly wage in Waikato / Rotorua (\$29.33/hour), \$3.15/hour more than the national average hourly rate for this role.

*“ While we would like to push wages up further, we have hit a ceiling on how much the public will accept/pay for a cup of coffee. This is going to be a very difficult conversation in the coming 12-18 months. ”*

MEMBER RESPONSE, 2021 REMUNERATION SURVEY

### **Two thirds of the industry is under-staffed as a result of current staff shortages**

The Survey also forecasts future recruitment trends for the industry and despite the current uncertainty that exists because of Covid-19 the 2021 Survey found that over 60 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 6.8 per cent planned. 39 per cent intend to keep remuneration rates the same.

Around 64 per cent of employers also intend to increase the size of their teams over the next 12 months, if they are able. However, almost 60 per cent of the industry's operators report that their businesses are not currently fully staffed – a result of the industry's staffing challenges. On average the industry's business owners indicate they are under-staffed by just over 20 per cent.

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While pay rates have increased, operators recognise a challenge in raising productivity comparatively to match the wage rises. In addition, key costs have been extremely challenging to meet in 2021, as supply costs and many fixed costs have seen large increases. Operators also recognise, that to balance these cost rises, menu prices must also move – however, there is concern around public reaction to these increases.

The second half of 2021 also highlighted that we are not yet free from the significant impacts of a renewed community outbreak of Covid-19. This ongoing alert level uncertainty and the country's strategy to keep the virus at bay, coupled with concern around finding skilled staff and upcoming changes increasing sick leave entitlements and the new public holiday, are crucial elements affecting business confidence. However, the industry continues to display remarkable resilience and despite the challenges is continuing to grow as operators look to the opportunities available beyond 2021.

*\*Source, Statistics New Zealand [2021 Labour Market Statistics](#)*

FOR MORE INFORMATION: An overview of average remuneration rates, and key owner comments is on the following pages.

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**A copy of the full survey results, which includes full regional breakdowns can be purchased from [www.restaurantnz.co.nz](http://www.restaurantnz.co.nz) (through the “Shop” section), or contact the Association (e. [info@restaurantnz.co.nz](mailto:info@restaurantnz.co.nz), p. 0800 737 827).**

**For trends and research on the hospitality industry go to [www.restaurantnz.co.nz](http://www.restaurantnz.co.nz).**

# 2021 Remuneration Survey

POSITION SURVEYED (ALPHABETICAL)	2021 \$ AVERAGE HOURLY RATE	2021/2020 RATE % DIFFERENCE	2021 \$ AVERAGE SALARY	2020 \$ AVERAGE HOURLY RATE	2019 \$ AVERAGE HOURLY RATE	2018 \$ AVERAGE HOURLY RATE	2017 \$ AVERAGE HOURLY RATE
Bar Manager	\$26.18	10.64%	\$64,478	\$23.66	\$22.22	\$21.23	\$20.94
Bar person	\$21.55	7.51%	\$61,500	\$20.04	\$18.73	\$17.81	\$16.99
Barista	\$21.89	6.70%	\$45,550	\$20.52	\$19.39	\$18.30	\$17.63
Breakfast Chef	\$21.52	0.13%	\$51,892	\$21.49	\$21.03	\$19.88	\$18.74
Cafe Assistant	\$20.76	6.80%	~	\$19.44	\$18.29	\$17.21	\$16.60
Cafe Manager	\$25.59	9.39%	\$55,734	\$23.39	\$22.39	\$20.75	\$21.02
Cashier	\$20.53	3.96%		\$19.75	\$18.22	\$17.43	\$17.05
Chef de Partie	\$23.37	5.28%	\$52,351	\$22.20	\$21.05	\$19.63	\$19.26
Cleaner	\$22.77	4.50%	~	\$21.79	\$19.59	\$18.89	\$17.61
Commis Chef	\$21.38	3.90%	\$46,338	\$20.57	\$19.49	\$18.50	\$18.39
Counter Cook (no quals)	\$22.37	3.41%	\$49,058	\$21.63	\$19.49	\$18.89	\$17.38
Duty Manager	\$23.80	8.04%	\$54,620	\$22.03	\$20.82	\$20.16	\$19.41
Executive Chef	\$38.48	22.88%	\$88,484	\$31.31	\$33.74	\$30.39	\$32.14
F&B Manager	\$26.15	1.59%	\$68,801	\$25.74	\$25.55	\$22.28	\$24.44
Food to go assistant	\$20.94		~	~	\$17.70	~	\$16.08
Food to go manager	\$26.00			\$31.00	\$20.00	\$23.73	\$17.00
Front Office	\$22.41	10.01%	\$59,000	\$20.37	\$20.38	\$18.37	\$18.38
Function Co-ordinator	\$25.68	9.44%	~	\$23.46	\$22.59	\$24.06	\$20.78
General Manager	\$31.09			\$33.11	\$29.64	\$35.28	\$29.55
Head Chef	\$29.29	11.41%	\$68,904	\$26.30	\$25.67	\$24.76	\$23.38
Host/Hostess	\$21.64	2.21%	\$60,000	\$21.17	\$21.60	\$19.65	\$17.42
Housekeeper	\$21.45	8.28%	~	\$19.81	\$18.75	\$17.70	\$16.96
Junior Cook (no quals)	\$21.24	7.14%	~	\$19.83	\$18.62	\$17.69	\$16.77
Kitchenhand	\$20.47	7.07%	\$43,846	\$19.12	\$18.02	\$17.10	\$16.18
Maitre d'	\$24.04	2.74%	\$55,908	\$23.40	\$22.28	\$20.36	\$20.28
Office Manager	\$26.09	-1.65%	\$54,977	\$26.53	\$26.02	\$25.00	\$22.61
Owner / Operator	\$32.75	10.23%	\$66,417	\$29.71	\$28.91	\$27.60	\$21.86
Pastry Chef	\$24.59	6.32%	\$61,755	\$23.12	\$21.97	\$20.27	\$23.20
Restaurant Manager	\$27.62	7.57%	\$64,378	\$25.68	\$24.29	\$22.62	\$21.90
Sales Executive	\$30.80	46.67%	\$57,190	\$21.00	\$21.67	\$29.29	\$26.00
Senior Cook (no quals)	\$24.22	7.48%	\$43,680	\$22.53	\$20.68	\$19.63	\$19.27
Sole Kitchen Operator (no quals)	\$22.56	4.69%	~	\$21.54	\$21.04	\$20.08	\$19.42
Sommelier	\$26.08	13.41%	\$68,700	\$23.00	\$21.08	\$19.60	\$22.88
Sous Chef	\$25.55	7.17%	\$59,318	\$23.64	\$23.27	\$22.17	\$21.61
Student /Apprentice (kitchen)	\$19.32	4.56%	~	\$18.48	\$18.06	\$16.92	\$15.94
Wait Staff	\$20.67	5.01%	\$44,688	\$19.66	\$18.38	\$17.53	\$16.58
<b>TOTAL</b>	<b>\$22.58</b>	<b>6.54%</b>	<b>\$65,472</b>	<b>\$21.18</b>	<b>\$20.22</b>	<b>\$19.18</b>	<b>\$18.31</b>

# 2021 Remuneration Survey

## Key comments

We do a lot of the job roles that ideally we would employ others to do but can't afford to, so do more and more ourselves to keep wage costs affordable.

All our staff required pay increases when minimum wage went up last year and this year. It has become so hard to make ends meet with all the costs.

As a resort town we require travelling workers to fill summer gaps. These are usually of a more mature age and are easily accommodated.

Because of the shortage I've noticed chefs can pick and choose whether they show up to an interview and demand a higher rate.

Don't have a set % for rate increases, but in order to hold onto the staff we have trained up we need to start increasing some wages so they don't wander off to any other companies

Due to the high minimum wage, we are looking at rewarding experienced staffs with higher remuneration rate per hour in exchange of higher expectation of productivity per hour in hope of achieving less number of staff required per hour.

Getting close to wages being financially untenable.

Hoping there will be an upswing later in year with Australian market. Everything is still very much a wait and see approach. You cannot plan, as things change too fast.

I have already increased wages for pretty much everyone this year. Kitchen wages have gone up about 12%, FOH wages have gone up about 10%. I hope I don't have to increase more this year.

I try to employ all local people, but it is fraught with problems, for instance in a period of two weeks I had three leave all without working out notice.

I value my team incredibly and pay them what they are worth, I know this as I discuss this and we come to the amount together, along with a plan as to what they need to get to the next level (although there is a cap of course).

Just a couple of points: 1) Our industry does not look attractive to most, certainly not Kiwis 2) There has been a general feeling that the industry doesn't pay well, not true now that min wage has increased and it's generally not money that makes employees leave! 3) We can't expect hospitality (or any industry that was so reliant on overseas labour) to pivot so quickly without the overseas work force and rely on Kiwis. I do think this is a good chance to correct the industry to make it more appealing, but this is quite a long-term plan. So bring back the overseas workers with a plan to remodel hospitality to kiwis with some kind of incentive! Training!

I will have to increase significantly my menu prices to support wages increase but I do not have any other choice if I want to retain my staff.

Ideally, we'd like to pay all our staff more, and at the very least, have everyone on the living wage. However, the more experienced and qualified staff need to be paid comparatively more, so it's a tricky balance.

Immigration laws are not helping hospitality industry and small businesses. Immigration visas dictating hourly rates are driving up labour costs to ensure everyone is valued equally.

It's a struggle with minimum wage rising and also visa staff hourly rates increasing so therefore you need to increase existing staff wages as well so they don't move on elsewhere. There is a lack of suitable applicants available atm so hard to retain staff if you don't pay a competitive rate.

Large successive Minimum wage increases have a flow on effect right up the chain in a small business. Wage costs now running between 46-48% which is just not sustainable! But what can we do?

Margins are tight and we're trying to keep our wage costs at 50% of revenue.

Minimum wage increases have prevented us rewarding good staff. As the level rose we have had to raise all wages. Now anyone can walk off the street with no experience and get \$20. We can reward loyalty or pay more for experience.

Need to have a campaign showing the average public how much items in restaurants SHOULD be if the minimum wage was at living wage.

Our business has gotten busier and we cannot find the staff to cover the shifts. We have been continually recruiting since December last year.

Our business is dependant on international tourism and we don't envisage any change in that situation for 2022, however if, and when there is a change we will have to find other staff - hopefully not at short notice.

Our margins have decreased significantly due to the public expecting cheap food and not understanding the cost of running a restaurant and paying above the living wage.

Really hard to pay any more. The old formula of 30% to wages is out the door. Wages are now about 45% of sales. People will not pay more so additional wages cost comes out of profit. 10 days sick leave is also an additional cost. If staff sick it costs us 200% pay the staff member and pay their replacement.

Reducing compliance costs for businesses would be a great way for us to be able to spend less on wages e.g Scaling council fees for liquor licences, food licences etc so small businesses aren't paying the same as large, adopt a 'close enough is good enough' approach so businesses don't have to spend as much on accountants/bookkeepers.

Remuneration for Hospo staff has increased by a lot over the last years. We believe the needs to be a bigger gap between junior and senior staff wages, creating a chance to thrive and grow in the industry, creating a career, that will also get more people into the Hospo sector.

Consumers do not value the outputs of hospitality, how often do we hear a cry of OMG a flat white might cost \$5 soon BUT they also get upset that the baristas aren't on living wage.

I really value my staff and they deserve what they get. But as a business model in a high labour business with very high rents it's unsustainable. I'm running out of ideas on how to get wages below 50%. Staff are getting burnt out by the time it is taking to source new staff and the burden on them in the meantime.

Customer service is suffering because labour hours are having to be monitored so carefully and it's difficult to fit in training time in this difficult trading environment when borders are closed and margins are so thin. The general public has little idea of business realities.

Struggling to hire staff and retain staff. Other businesses are approaching our staff and offering more than what we are paying.

The challenge is raising productivity to match the labour increases. The obvious solution is to raise prices but the market may not support this.

The flow on effect of minimum wage increases on all wage rates, plus lack of availability of staff is creating huge inflationary pressures which is leading to wage increases and poaching of staff, with Zero increases in productivity.

Tight labour market pushing up wage prices. Concerns about who foots the bill.

Very stressed in regards to recruitment shortage, stress about wage costs.

Wage costs have increased alot in the past 2 - 5 years. Wages are being pushed up by competition and median wage thresholds, making it essential that we look at other ways to sustain this to maintain a profitable business model

It's not that you don't want to reimburse your staff more, but prices for overheads and produce is insane in NZ, they should figure out a way to reduce costing at some other spots. Money has to come from somewhere. Clearly guests don't want to pay \$10 for a cup of coffee to ensure staff can be paid humanely satisfying wages.

Feeling very blessed with our amazing team and how things are going with the restaurant so far - never taking anything or anyone for granted.



# 2021 Remuneration Survey

**The following positions were surveyed in the 2021 Restaurant Association remuneration survey.**

Accountant	DJ	Night Auditor
Accounts Clerk	Duty Manager	Night Manager/Supervisor
Apprentice Chef	Executive Assistant Manager	Office Manager
Assistant Financial Controller	Executive Chef	Operations Manager
Assistant Front Office Manager	Executive Housekeeper	Owner Operator (Gaming)
Assistant Head Housekeeper	F&B Attendant	Owner Operator (Non-Gaming)
Assistant HR Manager	F&B Manager	Pastry Chef
Assistant Manager	F&B Supervisor Team Leader	Payroll Officer
Assistant Night Manager	Financial Controller	Porter
Bar Manager	Food to go Assistant	Purchasing Officer
Bar Person	Food to go Manager	Qualified Tradesperson
Barista	Front Office	Receptionist
Bottleshop Manager	Front Office Manager	Relief Manager/Motel Minder
Bottleshop Staff	Front Office Supervisor	Reservations Manager
Breakfast Chef	Function Co-ordinator	Reservations Sales Agent
Business Development Executive	Gaming Machine Operator	Reservations Supervisor
Business Development Manager	General Manager	Restaurant Manager
Cafe Assistant	Handyman	Revenue/Yield Manager
Cafe Manager	Head Chef	Room Attendant
Cashier	Head Housekeeper	Sales and Marketing Coordinator
Catering Banquet Manager	Head Waiter/Maitre D'	Sales and Marketing Manager
Chef de Partie	Host/Hostess	Sales Executive
Chief Engineer (Hotels)	Housekeeper	Secretary Executive Assistant
Cleaner Public Areas	Housekeeping Team Leader	Security/Door Staff
Cleaners	Human Resources Coordinator	Senior Chef de Partie
Commis Chef	Human Resources Manager	Senior Cook no Quals
Concierge	IT Manager	Sole Kitchen Operator no Quals
Conference/Events Coordinator	Junior Cook no Quals	Sommelier
Conference/Events Manager	Kitchen Hand	Sous Chef
Conference/Events Sales Manager	Laundry Attendant	Student Apprentice (Kitchen)
Conference/Events Supervisor	Maintenance Manager	TAB Operator
Counter Cook no Quals	Marketing Administrator	Wait Staff
Demi Chef	Mini Bar Attendant	Wine Waiter
Director of Sales and Marketing		