

The background of the entire page is a photograph of a young woman with dark hair tied back, smiling and looking off to the side. She is wearing a dark-colored shirt. The image is heavily overlaid with a semi-transparent red filter, which also serves as the background for the text.

2023 Hospitality industry remuneration survey

EXECUTIVE SUMMARY

RESTAURANT ASSOCIATION OF NEW ZEALAND

JULY 2023

EXECUTIVE SUMMARY 2023 Remuneration Survey



JULY 2023

In hospitality business, where exceptional service and experiences are paramount, ensuring competitive remuneration practices is crucial. This 2023 Remuneration Report delves into our remuneration within the hospitality sector, examining its complexities across regions, giving us the opportunity to address our challenges, and opportunities.

What this year's Report shows is that in the midst the challenge of managing cost increases and adapting to evolving customer habits, all within the context of a fiercely competitive labour market, the hospitality industry has witnessed a remarkable surge in wage rates for the second consecutive year, recording growth of 8.8 percent in 2023.

This wage growth comes at a time when operators are still grappling with skill shortages and the ongoing challenge of staffing their businesses, and as a result many hospitality business owners are exploring different approaches to enhance the appeal of their workplaces. While wages are just one part of the equation, they do play a crucial role in maintaining competitiveness.

In 2023, wage rates within the hospitality sector grew by a significant 8.8 percent compared to 2022, further building on the previous year's rise of 8.2 percent. The new average hourly rate across all surveyed roles is \$26.57; a rate that exceeds the 2022-2023 living wage by more than 12 percent. Salaries also grew by 4.8 percent over the year (after recording an 11.6 per cent rise from 2021-2022), with the average hospitality salary now \$76,809.

However, while wage competitiveness is important, various factors are placing additional pressure on employers, limiting the extent to which wages can continue to adjust. Rising costs for essential goods and services and the impact of cost-of-living increases on consumer dining habits all contribute to a highly challenging environment. Wage costs overall are increasing. On average operators report a 38 percent wage cost, with many operators commenting on the challenge of seeing wage costs climb closer to 40 percent. This means that finding the delicate balance between managing costs and attracting talent remains crucial for hospitality.

“ For a small business, our remuneration rates are quite high. Considering the inflation and the shortage of skilled workers, it is a gamble to have such high costs when the market itself is so unpredictable. Survival is quite tough. ”

MEMBER RESPONSE, 2023 REMUNERATION SURVEY

The 2023 Hospitality Remuneration Survey puts a spotlight on current market conditions

The Association's 2023 Hospitality Industry Remuneration Survey serves as a reliable tool for business owners, providing valuable insights into economic impacts and market conditions as we move beyond the Covid years and navigate through our recovery phase. This survey offers comprehensive data on wage and salary rates for over 100 hospitality positions across 11 regional groups nationwide. With a sample size of almost 1,000 businesses, it presents a realistic and representative snapshot of the industry, aiding business owners in making informed decisions regarding remuneration strategies.

At a glance of 101 positions, 84 recorded increased hourly rates in 2023. Hourly rate growth includes:

- 26.0 percent growth for a Restaurant Manager
- a wage rise of over 12.6 percent for Cafe Managers
- 9.7 percent growth for Commis Chefs and 9.0 percent for Chefs de Partie
- 7.4 percent growth for Maitre D' / Head Wait Staff and
- wage growth for Baristas and Wait Staff of 6.0 percent and 6.6 percent respectively

In addition, salaries for several senior hospitality roles recorded increases, including Executive Chef salaries increasing by 12.2 percent (now earning on average over \$107,000), Head Chefs by 8.1 percent (earning \$82,093) and Sous Chefs by just under 7 percent (\$69,689).

“ We've increased our pricing and staff wages to try keep up with the increase in rent, minimum wage, and inflation - however it's been super tough when the economy is down and people are spending less on dining out. ”

MEMBER RESPONSE, 2023 REMUNERATION SURVEY

Regional analysis reveals the regions with the highest average hourly rate

In 2023 the highest overall average hourly wage can be found in Auckland at \$27.37/hour. This is slightly higher than Southern Lakes, at \$27.31/hour, Hawke's Bay / Tairāwhiti-Poverty Bay regions at \$26.61/hour, with Wellington sitting at \$26.40/hour. Further regional analysis shows

- a Head Chef in Auckland will earn \$34.59/hour on average, \$33.81 in Wellington and \$29.72 in Northland.
- a Restaurant Manager earns \$32.50/hour in Taranaki and \$28.00/hour in Northland, while
- a Maitre D' earns the highest hourly wage in Hawke's Bay / Poverty Bay (\$29.00/hour), \$2.01/hour more than the national average hourly rate for this role.

“ We have increased pay rates on wages and salaries every 2-3 months over the past year and a half in order to retain existing and hire new staff. Salaries have increased between 15 - 20%. ”

MEMBER RESPONSE, 2023 REMUNERATION SURVEY

More than half of the industry indicate their business is under-staffed because of current staff shortages

The Survey also forecasts future recruitment trends for the industry. The 2023 Survey found that 50 percent intend to raise remuneration rates over the coming months (outside of the increases that come as part of the minimum wage going up). Operators forecast an intent to increase wages rates by 6 percent.

Around 60 percent of employers also intend to increase the size of their teams over the next 12 months, if they are able. However, 50 percent of the industry's operators report that their businesses are not currently fully staffed – a result of the industry's ongoing staffing challenges. On average the industry's businesses are under-staffed by 20 percent.

The 2023 Remuneration Survey, along with other research conducted by the Restaurant Association, highlights the strides made in implementing long-term workforce changes within the hospitality industry. Proactive measures have targeted crucial areas such as pay, working conditions, career advancement opportunities, and training, all aimed at enhancing the overall quality of our workplaces.

Despite concerns about the ongoing challenges posed by cost-of-living increases and how recessions change customer habits, industry sales figures remained strong in the first half of 2023. This resilience can be attributed in part to the adoption of best practices and strategic approaches by businesses within the sector. For instance:

- **Cost management:** Successful establishments have stayed on top of inventory control, renegotiated supplier contracts, and further explored partnerships with local suppliers to optimise purchasing decisions.
- **Staff recruitment and retention:** Onboarding programmes and employee recognition initiatives to attract and retain talent have been a priority, helping to foster a more secure workforce.

- **Customer engagement:** By leveraging social media platforms, personalised marketing campaigns, and loyalty programmes, businesses have strengthen customer relationships, often resulting in increased satisfaction and repeat visits.

However, operators remain mindful of the progress of the Fair Pay Agreement bargaining and its potential impact, particularly on wage rates. As one operator identifies: *"Fair pay is all good but that does not mean equal pay for all. In our industry which employs everyone from 15-year-olds, to well past retirees, carte blanche does not work and standardisation will destroy many institutions and favourite local establishments."*

It is important to acknowledge the ongoing challenges faced by businesses, including concerns about their ability to absorb further wage increases. The market remains unpredictable, and the focus continues to be on business survival, however, despite these difficulties, there is hope for more stability moving forward.

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

EXECUTIVE SUMMARY

2023 Remuneration Survey



POSITION SURVEYED (ALPHABETICAL)	2023 \$ AVERAGE HOURLY RATE	2023/2022 RATE % DIFFERENCE	2023 \$ AVERAGE SALARY	2022 \$ AVERAGE HOURLY RATE	2021 \$ AVERAGE HOURLY RATE	2020 \$ AVERAGE HOURLY RATE	2019 \$ AVERAGE HOURLY RATE
Bar Manager	\$28.93	2.4%	\$69,739	\$28.24	\$26.18	\$23.66	\$22.22
Bar Person	\$24.70	10.3%	\$55,810	\$22.39	\$21.55	\$20.04	\$18.73
Barista	\$25.01	6.0%	\$53,331	\$23.59	\$21.89	\$20.52	\$19.39
Breakfast Chef	\$27.20	9.7%	\$67,450	\$24.80	\$21.52	\$21.49	\$21.03
Cafe Assistant	\$23.82	7.5%	\$50,000	\$22.15	\$20.76	\$19.44	\$18.29
Cafe Manager	\$28.31	12.6%	\$68,311	\$25.15	\$25.59	\$23.39	\$22.39
Cashier	\$24.69	7.8%	~	\$22.90	\$20.53	\$19.75	\$18.22
Chef de Partie	\$27.97	9.0%	\$60,381	\$25.67	\$23.37	\$22.20	\$21.05
Cleaner	\$25.61	5.4%	\$52,000	\$24.30	\$22.77	\$21.79	\$19.59
Commis Chef	\$25.84	9.7%	\$56,049	\$23.56	\$21.38	\$20.57	\$19.49
Counter Cook (no quals)	\$26.68	15.1%	~	\$23.18	\$22.37	\$21.63	\$19.49
Duty Manager	\$27.73	9.7%	\$62,330	\$25.28	\$23.80	\$22.03	\$20.82
Executive Chef	\$41.30	13.5%	\$107,373	\$36.37	\$38.48	\$31.31	\$33.74
F&B Manager	\$37.34	31.2%	\$83,106	\$28.46	\$26.15	\$25.74	\$25.55
Food to go assistant	\$23.94	9.5%	~	\$21.87	\$20.94	~	\$17.70
Food to go manager	\$27.83	14.4%	\$70,000	\$24.34	\$26.00	\$31.00	\$20.00
Front Office	\$25.49	5.5%	\$56,259	\$24.16	\$22.41	\$20.37	\$20.38
Function Co-ordinator	\$29.85	-3.4%	\$65,000	\$30.91	\$25.68	\$23.46	\$22.59
General Manager	\$55.56	41.0%	\$118,368	\$39.40	\$31.09	\$33.11	\$29.64
Head Chef	\$33.48	11.1%	\$82,093	\$30.14	\$29.29	\$26.30	\$25.67
Host/Hostess	\$26.25	7.3%	\$58,500	\$24.45	\$21.64	\$21.17	\$21.60
Housekeeper	\$24.44	6.8%	~	\$22.89	\$21.45	\$19.81	\$18.75
Junior Cook (no quals)	\$24.57	8.2%	~	\$22.71	\$21.24	\$19.83	\$18.62
Kitchenhand	\$23.59	6.4%	~	\$22.17	\$20.47	\$19.12	\$18.02
Maitre d'	\$26.99	7.4%	~	\$25.14	\$24.04	\$23.40	\$22.28
Office Manager	\$31.62	9.2%	\$69,175	\$28.95	\$26.09	\$26.53	\$26.02
Owner / Operator	\$34.42	-5.7%	\$83,947	\$36.50	\$32.75	\$29.71	\$28.91
Pastry Chef	\$28.83	9.2%	\$67,633	\$26.40	\$24.59	\$23.12	\$21.97
Restaurant Manager	\$35.75	26.0%	\$71,817	\$28.36	\$27.62	\$25.68	\$24.29
Sales Executive	~	~	\$73,750	\$34.13	\$30.80	\$21.00	\$21.67
Senior Cook (no quals)	\$27.01	6.5%	\$58,000	\$25.37	\$24.22	\$22.53	\$20.68
Sole Kitchen Operator (no quals)	\$28.45	16.2%	\$53,667	\$24.49	\$22.56	\$21.54	\$21.04
Sommelier	\$30.70	14.8%	\$70,800	\$26.75	\$26.08	\$23.00	\$21.08
Sous Chef	\$30.56	12.1%	\$69,689	\$27.26	\$25.55	\$23.64	\$23.27
Student /Apprentice (kitchen)	\$23.73	9.0%	~	\$21.76	\$19.32	\$18.48	\$18.06
Wait Staff	\$24.04	6.6%	~	\$22.55	\$20.67	\$19.66	\$18.38
TOTAL	\$26.57	8.8%	\$76,809	\$24.43	\$22.58	\$21.18	\$20.22

EXECUTIVE SUMMARY 2023 Remuneration Survey



Key comments

All costs are high although you would like to remunerate good employees more. The lowest pay rate is still high especially when you compare a student living at home with no outgoings to a fulltime person who has a mortgage. We do not use the training wage as that would also be unfair when your expectation is the same from a student as an adult. Very hard to make it fair for everyone.

Concerned as to ability of business to shoulder further wage increases and disappointed that the living wage is like a rainbow that always disappears when you get close.

Currently we have more part time staff than normal as it has been difficult finding full time staff and then the leads to increased staff numbers.

Due to the Living Wage going up 9.9% this is going to impact our business. It should go up at the same time as the minimum wage so we don't get a double hit. People expect an increase when the minimum wage goes up and also when the living wage goes up. The living wage should have gone up by the same amount as the minimum wage and at the same time, aligned with the 7.2% rate of Consumer Price Index inflation.

For a small business, our remuneration rates are quite high. Considering the inflation and the shortage of skilled workers, it is a gamble to have such high costs when the market itself is so unpredictable. Survival is quite tough.

Higher wage costs in an industry which almost always starts as inexperienced is ridiculous. These costs will have no choice but to be passed to consumers which will only further drive inflation and untenable costs to an already suffering industry. Fair pay is good but that does not mean equal pay for all. In our industry which employs everyone from 15 year olds to well past retirees, carte blanche does not work and standardisation will destroy so many institutions and favourite local establishments.

I feel that the minimum wage \$22.70 has reduced the number of younger staff that I hire - we are a seasonal business and over the summer period we like to take on 60% more staff to help make things run smoother but due the minimum wage we really only take on experienced staff now.

I would love to pay more my staff as they are amazing, but unfortunately things haven't being easy with inflation, high cost of goods and wages. I hope things keep stable so we can recover a bit of our loss and we can increase the wages.

I would love to pay my staff more, and have 3 awesome team members who truly deserve a raise, however, currently I cannot afford to pay myself as our turnover has dropped 37% on last year alone.

It has become impossible to hire kitchen staff in our region. We refuse to become accredited with immigration. It will cost us in fees and advertising requirements, it will push up the wages of existing staff, and I refuse to hire someone that is not currently in the country. Of the hundreds of applications we receive from every advert, not one person is already in NZ.

It is impossible for us to increase rates any higher. We are above living wage for all crew, except currently couple trainees U17.

Keeping staff is an issue. Increased wage costs are an issue. Reduced turnover due to the economic climate or fear of what we are heading to with increased interest rates is an issue for our customers and is an issue for us. Eating out is one of the first things to be cutback on with reduced income.

Our current minimum wage is \$24.70 (apart from a few on the starting out rate) but we will be increasing this to \$26 when the Living Wage increases on 1 September.

Over the past couple of years, we have been increasing pay twice per year, once on 1 April when the minimum wage goes up (to maintain our gap above that figure), then again on 1 Sep to meet the Living Wage.

Our revenue is same or going down but the wages are going up. In addition, if the increase in food costs, rents and other expenses are rising, we cannot afford to keep the staff and we struggle to keep ourselves in business.

Our wages have gone up dramatically. Some roles have had two 12-15% pay increases in less than a year and with minimum wage increases, everyone else needed to move too.

Owners filling in staff gaps at the moment and not taking any remuneration.

The \$29.66 wage set by Immigration NZ is unhelpful to NZ businesses seeking to pay everyone fairly - it has the potential to cause discrepancies among staff that are not justified.

The minimum wage increases make it hard to keep ahead. It's not just the low end of the scale, you have to adjust the whole scale.

The minimum wage is too high for inexperienced students. We often have to parent these kids before they can actually work. They often only work one to two shifts a week so the training wage that only goes for 6 months is too short.

Wage costs versus turnover has gone up drastically. We used to run at 30% now its up to 35%. People can't afford to come to cafe. Their disposable income has almost gone for alot of people. I pray for a change or a lot of our small cafes will close.

Wage expectations by employees do not match their skill level and are out of control. Small business owners cannot compete in a decimated hospo staff pool for Skilled staff.

We cannot find staff - qualified chefs or un-qualified kitchen assistants. The working visa requirements make it financially unviable to bring in qualified experienced chefs. The whole visa scheme is targeted towards large hospitality operations and penalises the smaller operators. This is making it very difficult to run the business effectively.

We have a profit share plan in place and employees get rewarded weekly with an increase in wages if we meet KPI targets.

We have increased pay rates on wages and salaries every 2-3 months over the past year and a half in order to retain existing and hire new staff. Salaries have increased between 15 - 20%.

We pay the living wage, however the latest increase to \$26/hr due Sept is going to be a real struggle for us to commit to as it is a significant increase along with other large increases in our costs.

We used to easily keep wage costs to around 30% turnover, now they're creeping up to over 40%. Our staff numbers/hours vary greatly summer to winter. We have increased all wages proportionally to minimum wage increases. I am very concerned about outcomes from FPA discussions eg penal rates at weekends & Set hours.

We've increased our pricing and staff wages to try keep up with increase in rent, minimum wage, and inflation - however it's been super tough when economy is down and people spending less on dining out.

While we currently have a good staff level, we are finding it extremely difficult to replace staff when anyone leaves.

With the increase in minimum wage and the demand for chefs, it is becoming more and more difficult to operate with the rising wage cost % . Would love to increase pay rates however with the cost of goods going through the roof as well, at what stage does the consumer in the provinces push back.

Restaurant Association of New Zealand

EXECUTIVE SUMMARY 2023 Remuneration Survey



The following positions were surveyed in the 2023 Restaurant Association Remuneration Survey.

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

The 2023 Hospitality Industry Remuneration Survey was compiled by the Restaurant Association of New Zealand. If you have any questions, please contact us here:

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