

2nd Quarter 2026 Hospitality Dashboard

The state of hospitality, recruitment insights and Association activity over the quarter

State of Hospitality

Sales sources: Hospitality Data Portal and Stats NZ. Business confidence source: RA member survey

Industry at a glance...

(latest sales data through to June 2026)

39%	Business confidence Q2 2026 39% believe business conditions will improve over the next 12 months (37% say conditions will remain the same).
43%	Q2 revenue ↓ 43% say that their revenue over the Q2 trading period was lower than in the same quarter last year.
\$16.6B	Hospitality annual sales ↑ for year end March 2026 4.7% YoY change
\$859m	June 2026 sales ↑ instore spending +1.2% YoY change
65%	Top challenge 65% identify managing food costs as their most significant challenge in Q2.

Overview of: 2nd quarter 2026

Sales flat in real terms, profitability the industry's top concern, but staff shortages easing and confidence stabilising

The second quarter of 2026 brought little relief from rising costs for hospitality businesses or their customers, while global uncertainty added further volatility to trading conditions. Hospitality sales in June were only 1.2% higher than in June 2025 and with restaurant meals and ready-to-eat food prices increasing 3.1% over the same period this points to a decline in real sales.

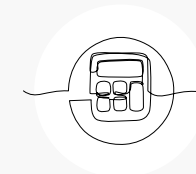
However, the impact was not felt evenly, with some regions faring better than others. The Association's Q2 Business Survey reflected this mixed picture: 43% of surveyed operators reported lower quarterly revenue than a year ago.

Profitability remains the greatest concern. Two-thirds of survey respondents said their business was less profitable than a year ago, with managing food costs the most commonly identified top challenge, followed by customer downturn, wage costs and consumable price increases.

There are some encouraging signs: general staff shortages have eased and 39% expect business conditions to improve over the coming year. Nevertheless, 40% say their wellbeing is currently worse than usual.

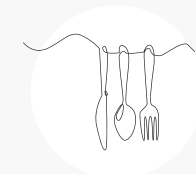
The Restaurant Association is helping businesses through these challenging conditions. This includes the release of a new mental health and wellbeing system - *ResilienceOS*, developing practical new business resources, and improving industry access to data. Work is also underway to roll out *Kai Keepers* nationally, helping businesses reduce food waste and costs. Alongside this work, our *2026 Election Manifesto* brings together member feedback into practical actions across regulation, workforce and skills, tourism, productivity and safety. It identifies where collaboration with government can help hospitality businesses contribute more strongly to Aotearoa's economic growth.

Most regular feedback



Costs Outpacing Revenue

Operators report that increases in food, wages, rent, fuel surcharges, and other operating costs are continuing to erode margins—even where sales are slightly ahead of last year.



Menu Price Change Caution

Businesses are reluctant to pass rising costs on to customers while discretionary spending remains subdued.



Mounting Regulatory Costs

Increasing council charges, licensing fees and regulatory levies are becoming harder to absorb alongside other rising business costs.



Health & Wellbeing

Nationwide in Q2 40% of owners indicate their health & wellbeing is impacted. 44% say it is sitting about where it usually does.

Recruitment spotlight

Source: Restaurant Association member business survey

At a glance...

75%	Staffing levels ↑ Percentage of survey respondents that say their business is currently fully staffed .
29%	Recruitment difficulty Percentage of respondents that say overall recruiting for staff has improved over past 3 months.
21%	Recruitment activity The number of operators who have been recruiting for mid-senior roles over the past 3 months (this reflects fewer employers recruiting for senior roles in Q2).
73%	Senior roles Percentage of employers saying it is Difficult or Extremely Difficult to recruit for mid-senior roles .
32%	Junior roles Percentage of employers saying it is Difficult or Extremely Difficult to recruit for junior roles (54% had recruited for a junior role over Q2).

Q2 recruitment overview

Recruitment activity has slowed considerably. Only 21% of the Association's Q2 Business Survey respondents had recruited for a mid-to-senior position during the previous three months, while 55% had recruited for a junior role. This partly reflects improved staffing levels, with 75% reporting they are fully staffed, but likely also indicates that subdued trading and profitability are limiting business growth and hiring.

The challenge has also become more concentrated. Of those recruiting for mid-to-senior roles, 73% found it difficult or extremely difficult to secure a suitable candidate, compared with 32% recruiting for junior positions. This suggests that while general labour availability has improved, access to experienced chefs, managers and other senior staff remains a structural workforce issue.

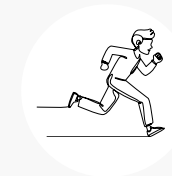
Member commentary

"Immigration is not a priority to us. More important is upskilling New Zealand residents who are currently unemployed."

"We have tried to connect with schools on multiple occasions but have never received a response. Hospitality businesses should be considered by schools for practical learning opportunities."

"To encourage school leavers into hospitality and help them earn qualifications, it would be ideal to combine one day of external learning with four days of on-the-job training. This could support retention, morale and reduced burnout."

Most regular feedback



Building the Local Skills Pipeline

Businesses want stronger connections with schools and flexible training that combines formal learning with practical hospitality experience. The Association is responding by expanding its schools programme, *Hospo KickStart*, with a regional roadshow in the second half of 2026.



Immigration Pathways and Processing

Operators want faster and more practical pathways that allow experienced hospitality workers to remain in Aotearoa and recognise their industry skills and experience.



Employment Law and Leave Legislation Reforms

Operators indicate that they welcome progress towards replacing the Holidays Act. Clear guidance and practical support will be critical to the transition success when implementing the new leave system.

Association Advocacy

www.restaurantnz.co.nz/advocacy

Q2 advocacy at a glance...

Association advocacy snapshot

On the radar for Q3 2026

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Submissions & Policy Feedback

www.restaurantnz.co.nz/advocacy

The Association provided feedback on:

- Employment leave
- Fuel prioritisation
- Hospitality Sector Review
- Tourism Policy Statement feedback
- Modern Slavery
- Food Safety qualification review

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Government Workstreams

The Association has engaged with government on the Hospitality Summit recommendations, Hospitality Sector Review, Tourism Policy Statement, future workforce modelling and sector AI use.

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Key Media Commentary

www.restaurantnz.co.nz/ra-in-the-news
Commentary on behalf of the industry over Q2 included these key themes:

- business closures /trading conditions
- rising costs
- Budget 2026
- immigration settings,
- MICHELIN Guide
- wider industry trends.

- **Hospitality Summit 2026:** Following the Hospitality Summit held at Parliament in March, the Association consulted further with industry to confirm and prioritise its recommendations. To be released in Q3, the updated recommendations will provide a practical programme of work across regulation, workforce, tourism, business capability and other industry priorities.
- **Hospitality Sector Review:** The Association has been engaging with the Ministry for Regulation on the review of hospitality regulation, including targeted engagement on food safety and the alcohol licensing system. Reducing information duplication and more consistent and proportionate compliance requirements are included in the Association's recommendations for system change.
- **Tourism Policy Statement:** The Association contributed to the development of the Government's Tourism Policy Statement, advocating for strong recognition of hospitality, culinary tourism and regional food experiences. With the Statement now released, the Association is seeking to contribute to the development and implementation of its action plan.
- **MICHELIN Guide and Culinary Tourism:** The inaugural MICHELIN Guide has created a significant opportunity to strengthen Aotearoa's international culinary reputation. The Association is engaging with industry on how to maximise the Guide's value and advocating for ongoing activity that delivers benefits across the wider hospitality industry and regions.
- **Regional Tourism:** During Q2 the Association partnered with regional tourism organisations with their Tourism Boost campaigns, connecting visitors, using the Association's gift voucher programme and dinefind website with local hospitality businesses.



Election 2026

With the general election approaching, the Association will release its Election Manifesto in Q3 and seek to engage with political parties on the policy settings needed for hospitality businesses to invest, grow and contribute more strongly to Aotearoa's economic growth.



Release of the Hospitality Summit Report 2026

Held with the support of the Minister for Tourism and Hospitality, the 2026 Summit brought together a cross-section of the industry to identify the actions needed to support hospitality's future. The report will present the industry's updated priorities and provide a basis for continued engagement with government.



Workforce and Qualifications

The Association is advocating for hospitality to be recognised within the new secondary school framework, helping young people access pathways to the industry. We will also provide further input into the Industry Skills Board's review of food safety qualifications.

Association Activity

At a glance...

149	Hospo Start training Through to June 2026 149 students completed the Association's Hospo Start hospitality employment readiness training (in partnership with MSD).
753	Business support The Restaurant Association Helpline responded to 753 member enquiries during Q2, supporting hospitality employers with their day-to-day operations.
12	RA Professional development Over Q2, the RA's programme saw industry-specific workshops and webinars delivered - 12 professional development sessions held..
67	Secondary students introduced to hospitality Through two <i>Hospo KickStart</i> programmes delivered in May.
2	New regional training programmes The Association launched a new customer service focused programme, <i>Service Start</i> , in Q2 - pilots ran in Christchurch & Whangarei.

Association activity snapshot Q2

- **Kai Keepers rollout preparation:** Planning progressed for the national rollout of *Kai Keepers*. The pilot saw participating business achieve a 16.4% reduction in food waste per cover. The expanded programme will include supported business cohorts and practical self-guided tools, helping more operators reduce avoidable food waste and associated costs.
- **Employment pathway programmes:** During the year to June 2026, 149 people completed the Association's *Hospo Start* employment-readiness programme, gaining practical skills, qualifications and connections to hospitality employment. Two Service Start pilots were also delivered, extending employment-readiness and customer-service training into roles across hospitality, retail and tourism, with further programmes planned.
- **Hospo KickStart regional planning:** Work commenced on expanding *Hospo KickStart* through a regional roadshow for secondary-school students. The programme gives young people practical exposure to kitchen and front-of-house skills, employer expectations and career opportunities in hospitality.
- **Online LCQ launched:** The Association launched its online Licence Controller Qualification, making LCQ training more accessible to hospitality workers nationwide. The programme allows learners to complete the required training around work commitments while supporting businesses to develop and retain qualified duty managers.
- **ResilienceOS released:** The Association launched *ResilienceOS* in partnership with HNZ, providing hospitality leaders and teams with practical mental health, wellbeing and workplace-culture resources. The platform includes tools to support healthier workplaces, stronger leadership and early action when people are struggling.
- **Member support and capability:** Members continued to access day-to-day advice, practical resources and professional development across their business operations. Regional meetings and training also provided opportunities for operators to learn, connect and raise local issues directly with the Association.

On the radar for Q3 2026

Digital Capability Support

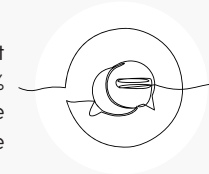
The Association is expanding practical guidance and training to help members keep pace with rapid developments in AI, automation and digital systems. This support will help businesses identify opportunities to improve productivity and customer experience while staying informed about cybersecurity, responsible use and emerging risks.

Stability and Profitability

The first half of 2026 was more volatile than expected, with cost-of-living pressures and global disruption contributing to uncertainty around demand and operating costs. The Association will continue providing practical tools to help operators manage difficult conditions and maximise returns as growth strengthens.

Preparing for Summer Staffing

Many businesses have kept teams lean through subdued trading, but Q3 is when planning begins for the busier summer months. The Association will support operators to assess their workforce needs early and provide training and connections to work-ready candidates.



On the Frontline

Member spotlight



Pete Dodds & Jessica Patterson

Owners

Francesca's Mobile Pizza, Central Otago

Check out Francesca's
www.francescasmobilepizza.nz

For more than a decade, Francesca's Mobile Pizza has served wood-fired favourites across Central Otago. What began as Francesca and James Voza's venture in Wānaka has found a permanent home in Queenstown under owners Pete Dodds and Jessica Patterson.

Jessica shares what drew her to hospitality, why people remain central to the business and what she has learned from operating in one of Aotearoa's most distinctive visitor regions.

What drew you into hospitality?

Our love of great food and the ever-changing nature of hospitality. It is challenging and rewarding at the same time. Every day brings something different, and that keeps us energised. There is always a new problem to solve or opportunity to improve.

Who or what inspires you most?

People are my driving force. It is important that our staff feel valued, included and essential to the operation. That helps us maintain the quality of our food and service and encourages customers to return. If our team and customers are happy, then Pete and I are too.

What do you love about Central Otago's hospitality scene?

We love the food and drinks, but mostly we love hearing people's stories—where they are from and what keeps them here. Living in one of the most beautiful parts of the South Island means access to amazing produce and wine, but most importantly, we are surrounded by fabulous people from Aotearoa and around the world.

What is the secret to your success?

People. It is about finding the right people to work with—those who share similar values and genuinely want to offer amazing hospitality. It is a simple secret, really: our people are our most valuable asset.

What advice would you give others in the industry?

Don't try to do too much. If you have a business plan, keep it simple. Do a few things really well and execute them properly. Quality over quantity, always.

Francesca's Mobile Pizza continues to serve the Queenstown community at events and locations throughout the region, with its focus on quality food, genuine hospitality and a strong team keeping customers coming back.



Quarterly Hospitality Dashboard
2ND QUARTER 2026



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www.restaurantnz.co.nz
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