

restaurant association of new zealand

3rd Quarter 2026 Hospitality Dashboard

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

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www.restaurantnz.co.nz

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State of Hospitality

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

Industry at a glance...

41%

Business confidence

Business expectations are mixed - 41% expect conditions to improve over the next 12 months; 46% expect them to remain the same.

48%

Q3 revenue

48% say revenue over July–September 2026 was lower than in the same quarter last year.

$16.8B

Hospitality annual sales

for year end June 2026
4.8% YoY change

$1.1b

August 2026 sales

instore hospitality spending
-0.4% YoY change

63%

Top challenge

63% identify reduced customer demand/spending among their three biggest challenges.

Overview of: 3rd quarter 2026

An uneven quarter, with household spending pressures continuing to constrain trade and cost pressures impacting profitability

Hospitality trading was uneven through the third quarter of 2026, as pressure on household budgets continued to constrain discretionary spending. A strong July was followed by August and September sales below the same months last year. So, while annual sales were up 4.8% overall (year ended June 2026), many businesses are still waiting for a consistent improvement.

The recovery also remains uneven across regions. Member feedback points to stronger trading in parts of the South Island, while many North Island operators continue to face subdued trading. A sustained lift in Auckland will be particularly important to strengthening the industry's overall performance.

For many businesses, the challenge remains turning revenue into profit. The Association's Q3 member survey found half of respondents were less profitable than a year earlier. With customers watching their spending and wage, food and other operating costs remaining difficult to absorb, businesses have limited room to rebuild margins—even where sales have improved.

There are nevertheless pockets of stronger performance, with around a third reporting higher revenue and a similar proportion reporting improved profitability. These experiences show that some businesses are finding opportunities, although the benefits of recovery are not yet being felt consistently across the industry.

Looking ahead, operators remain cautiously hopeful rather than confident of a significant turnaround. While 41% expect conditions to improve over the next year, a larger proportion anticipate little change.

Attention now turns to summer, with businesses hoping the seasonal lift will carry through into a better start to 2027.

Most regular feedback



Customer spending remains constrained

Reduced customer demand is the most commonly selected challenge for RA members.



Operating costs continue to squeeze margins

Wage costs, food costs, consumables and fixed operating costs remain significant pressures.



Keeping costs under control

Members are reviewing costs and improving business systems to protect margins. Even where sales have increased, higher operating costs are limiting the benefit.



Health & Wellbeing

Among survey respondents in Q3 28% rated their wellbeing poor or very poor; 43% rated it fair and 30% good or very good.

Recruitment spotlight

Source: Restaurant Association member business survey

At a glance...

68%	**Staffing levels** ↓ Percentage of survey respondents that say their business is currently **fully staffed**.
38%	**Recruitment difficulty** Percentage of respondents that say overall **recruiting for staff** has improved over past 3 months.
48%	**Recruitment activity** The number of operators who have been **recruiting for mid-senior roles** over the past 2 months.
67%	**Senior roles** Percentage of employers saying it is **Somewhat or Very Difficult to recruit for mid-senior roles**.
9%	**Junior roles** Percentage of employers saying it is **Somewhat or Very Difficult to recruit for junior roles** (this is a considerable improvement on Q2).

Q3 recruitment overview

Recruitment was generally easier in the third quarter, with 38% of respondents to the Association's Q3 member survey reporting an improvement over the previous three months. However, quieter winter trading and businesses continuing to operate with lean teams are also likely to have influenced staffing needs.

The survey found 68% were fully staffed—a relatively high proportion for the industry. While encouraging, this does not necessarily mean businesses are expanding their teams or have capacity to spare.

Finding experienced people remains more challenging. Among those answering the question about mid-to-senior recruitment difficulty, 67% found it somewhat or very difficult to secure a suitable candidate. This is well below the levels above 90% often reported in the industry, although member feedback continues to highlight gaps in experienced chefs and front-of-house staff.

The trend towards easier junior recruitment also continued. Just 9% reported difficulty finding a suitable candidate, an unusually low figure even for entry-level roles. Employers appear to have more choice when filling these positions, while access to experienced staff remains a concern as summer approaches.

Member commentary

"We are about to begin recruiting and I feel the challenges of the previous years have passed somewhat."

Workforce priorities



Progression Within Hospitality
Gaps in experienced front-of-house staff highlight the need to develop people already working in hospitality. Clear progression, mentoring and management training can help team members build careers and move into more senior roles.



Training That Reflects Industry Needs
Development of the new Hospitality Food & Beverage secondary school subject offers an opportunity to introduce more students to hospitality careers. Connecting classroom learning with practical experience will help prepare them for their first industry roles.



Recognising Skills and Experience
Retaining experienced migrant workers matters alongside recruitment. The Hospitality Summit Report calls for immigration pathways that better recognise practical experience and career progression.

Association Advocacy

www.restaurantnz.co.nz/advocacy

Q3 advocacy at a glance...

3

Submissions & Policy Feedback

www.restaurantnz.co.nz/advocacy

The Association provided feedback on:

- Interchange fees on commercial cards
- AEWV labour market testing requirements
- Food safety verification processes

1

Consultation

The Association is part of the consultation group developing the new secondary school hospitality subject, helping ensure it reflects industry needs and builds clearer pathways into hospitality careers.

6
key media themes

Key Media Commentary

www.restaurantnz.co.nz/ra-in-the-news

The Association represented hospitality across national news and industry media, including RNZ, 1News, the NZ Herald and The Post. Key topics included:

- Trading conditions and profitability
- Business closures and liquidations
- Regulatory costs and reform
- Workforce and training pathways
- Changing dining habits
- Safety and security

Association advocacy snapshot

- **Hospitality Summit Report:** The Association and Hospitality New Zealand released Serving Success: Hospitality Summit Report 2026 in September. The Report's recommendations cover employment and immigration, alcohol policy, tourism, regulatory compliance, and skills and training. The report provides a basis for continued engagement with Government on the changes hospitality businesses need.
- **Hospitality Sector Regulatory Review:** Following extensive Association input, the Ministry for Regulation released its final review in September. Its 24 recommendations propose changes to food safety, alcohol licensing and wider regulatory processes. The focus now shifts to implementation and ensuring the recommendations deliver simpler, more consistent requirements and lower compliance costs.
- **Election Manifesto:** The Association released its 2026 Election Manifesto, outlining priorities across six areas. These include workforce development, recognition of hospitality within the visitor economy, regulatory reform, business capability and safer town centres. The Manifesto sets out practical actions political parties can take to support the industry.
- **Immigration and Recruitment:** Our submission on AEWV labour market testing drew on member feedback about Work and Income engagement requirements. We support a streamlined process, while seeking better candidate matching, clearer timeframes and stronger understanding of hospitality roles.
- **Food Safety:** The Association submitted feedback on proposed changes to food safety verification processes. This work sits alongside our wider push for requirements that protect food safety while being practical and proportionate for hospitality businesses.
- **School Pathways:** The Association continued contributing to the development of hospitality within the new secondary school curriculum, helping ensure the subject reflects industry needs and supports clearer pathways into hospitality careers.

On the radar for Q4 2026



Hospitality Action Plan

The Government's planned Hospitality Action Plan will bring together priorities from the Summit Report and Regulatory Review. The Association will advocate for industry involvement in its development and a focus on practical improvements for operators.

2026 Election

The election is a key focus in Q4, with businesses looking for certainty around the policies affecting their operations. The Association's Election Manifesto sets out industry priorities across workforce, regulation, tourism and business support.



Food Control Plan Changes

Proposed changes to the Simply Safe & Suitable Food Control Plan are on the radar in Q4, with a submission due in November. The Association will seek member input to help identify where requirements can be clearer and easier to use.

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Association Activity

At a glance...

126 — Hospo Start training
Through to September 2026 126 students completed the Association's Hospo Start hospitality employment readiness training (in partnership with MSD).

944 — Business support
The Restaurant Association Helpline received 944 member enquiries during Q3, supporting hospitality employers with their day-to-day operations.

14 — RA Professional development
Over Q3, the RA delivered 14 workshops and webinars, including first aid, immigration, food safety and leadership development.

17 — ServiceStart customer service training
Seventeen students took part in the two-week Canterbury ServiceStart programme in September.

200 — Kai Keepers food waste programme
The national expansion of the Kai Keepers programme aims to recruit 200 businesses, providing practical support to reduce food waste and associated costs.

Association activity snapshot Q3

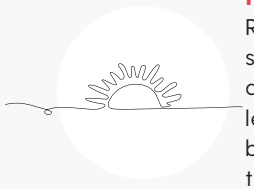
- **Kai Keepers rollout preparation:** Government funding was secured to extend the Association's Kai Keepers food waste programme nationwide. Work over the quarter focused on preparing the expanded programme, giving more hospitality businesses access to practical support to reduce waste and manage food costs.
- **HospoStart delivery and expansion:** Twenty-six participants completed the August HospoStart programme, with another 26 in September. Alongside Auckland delivery, a new Bay of Plenty contract was confirmed for up to 96 participants annually. Planning and facilitator recruitment progressed ahead of the first Tauranga programme later in the year.
- **ServiceStart Canterbury:** Seventeen students took part in the two-week ServiceStart programme in September. The programme develops customer-service and employment-readiness skills for roles across hospitality, retail and tourism, extending the Association's work to connect people with local employment opportunities.
- **Practical professional development:** Fourteen workshops and webinars were delivered during Q3. Regional first aid sessions and management workshops provided opportunities for members to build skills close to home. In-person food safety qualification workshops were also introduced, adding another option for businesses training their teams.
- **School connections:** Hospo KickStart planning continued, including preparation for a national roadshow. Engagement at school careers events generated interest in future training days, helping introduce students to hospitality and the practical skills needed in the industry.
- **Day-to-day member support:** The Helpline received a growing number of enquiries over the quarter, reflecting the continued need for advice on running a hospitality business. Weekly member updates also kept operators informed about regulatory developments, training, resources and industry news.

On the radar for Q4 2026



Summer Trading and Profitability

Businesses will be looking to summer for stronger sales after an uneven winter. However, higher turnover will not necessarily mean better margins. The Association's practical resources, training and business advice will help operators manage costs and make the most of the busier months.



Preparing teams for Summer

Recruitment pressures have eased, but summer will test staffing levels as demand increases and teams take leave. The Association will support businesses with employment guidance, training and connections to work-ready candidates, while encouraging operators to plan early.



Managing Business Pressures

A busier season can bring some financial relief, but also longer hours and greater pressure on owners and teams. Alongside day-to-day Helpline support, the Association's ResilienceOS resources provide practical tools to help businesses manage workloads, support wellbeing and build healthier workplaces.

On the Frontline

Member spotlight



Helen Turnbull

Owner / Chef
50-50 Restaurant
22 MacLean Street, Paraparaumu Beach

Check out 50-50 Restaurant
www.50-50.co.nz

For Helen Turnbull, hospitality has always been about teamwork. After working in kitchens overseas, she opened 50-50 on the Kāpiti Coast, creating a restaurant where the kitchen, front of house and guests feel connected.

Helen shares what keeps her excited about hospitality, the meaning behind 50-50 and why watching her team grow remains her proudest achievement.

What first drew you into hospitality?

I got a café job when I was about 14, then worked full-time in a Wellington kitchen after school. I loved the teamwork—everybody coming together to make something really delicious for the guest. That team vibe got me 100%.

What's behind the name 50-50?

The best guest experience and team experience happen when front of house and back of house work together. That's why I called it 50-50. When a team is going really well, every guest can feel it and wants to be part of it.

What did you want to create?
A place where people felt they were coming to my place for dinner. Working in open kitchens in Japan showed me that chefs could be part of the dining experience. I wanted to know my guests and build a community. That's happened, and it's the best thing about having 50-50.

What has running a business taught you?
You need a team around you, whether that's your dishwasher, front-of-house leader, accountant, business coach, or the Restaurant Association. It can feel lonely as an owner. Asking questions and bringing people in helps you feel stronger and can lead to little changes that improve the business.

What makes you proudest?
Watching a team member grow, then having a guest say, "I remember that person when they first started—look at them now." Being part of someone's development and seeing them succeed is the buzz that keeps giving.

What advice would you give someone starting out?
Be curious and keep asking questions. Work somewhere with people you genuinely want to learn from. Don't be afraid of hard work or making mistakes—they become part of your story. I still ask questions.

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Quarterly Hospitality Dashboard

3RD QUARTER 2026

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