

2023
Queensland Club
Management
**Employment and
Salary Report**

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For many years DWS has produced the Queensland club industry employment and salary report, which amongst other DWS reports like the industry benchmark report, the DWS salary report has become a key industry reference for senior management employment in the Queensland club industry.

Like inflation hopefully the rise in remunerations and salaries is levelling out, but I don't see anything on the horizon at the moment that's going to help our labour shortage, which was obviously one of the significant drivers for the remuneration increases.

In our November 2021 newsletter, in my article about pending inflation <https://dws.net.au/the-genie-is-out-of-the-bottle/>, I indicated that I believed management salaries would increase at least by up to 20% in the next 12 to 18 months. That prediction has turned out to be reasonably close. As always Chefs have been the most difficult recruitment challenge but is now closely followed by People and Culture Managers, and as always Duty Managers.

Recruitment inducements along with work life balance requests, are two key factors in assisting

successful recruitment. Working from home and fringe benefits are another two key elements which are now also playing a major role particularly in management recruitment. It's all about doing a deal that meets the needs of both parties. As I've said on numerous occasions good people choose where they work, a saying probably more relevant today than it's ever been.

I also wrote an article in June 2021 about how the employment wheel had turned, (<https://dws.net.au/how-the-employment-wheel-has-turned/>) and that it was now driven by employees. I set out some key strategies for improving the opportunity to attract and retain good staff. Further in this report I've repeated some of those strategies.



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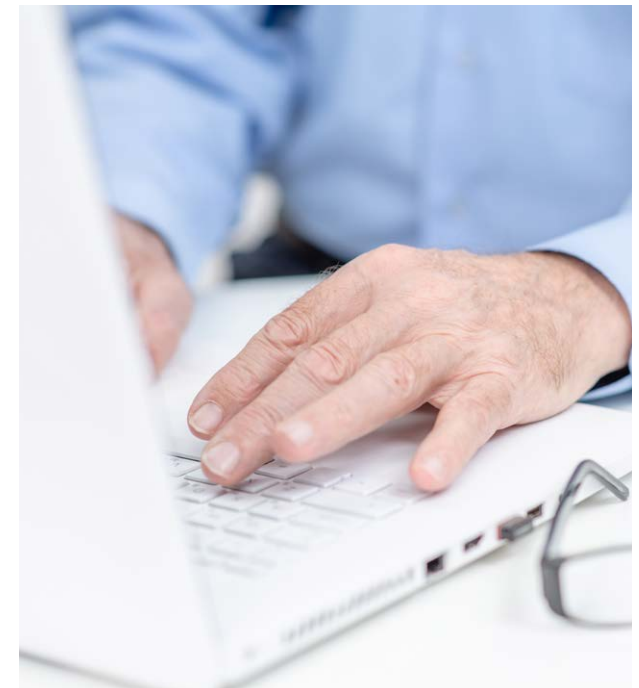
The increase in remuneration expectations of senior club executives means that greater care and time should be taken in ensuring the selection of the best possible candidate. In the present environment it's an employee's market and if you are looking for qualified experienced senior management then you will need to be prepared to meet the market remuneration. One complication this is creating, is that paying greater levels of remuneration to new staff can upset the club's existing salaries rationale. Accordingly, it would be prudent for club senior management and Committees/Board's to review all of their senior management remunerations to ensure that they are not lost to competitors by underpaying, which unfortunately has been happening a lot in the last 18 months, and do we need to mention the casino management staff requirements again?

A word of caution when using the salary metrics, clubs should take more than just EGMs and membership into consideration. Experience and stability are two key attributes that should be considered when assessing new candidates,

and certainly the club's growth and financial performance should be considered when reviewing existing staff.

This is why for the first time we've introduced an additional adjustment metrics applying EBITDARD benchmarks to CEOs and GM salaries, recommending levels of reduction or increase to salaries depending on the management's performance against the industry's EBITDARD benchmark.

Before finalising and publishing this senior management remuneration metrics I circulated it to several key industry managers and received 28 responses which allowed me to somewhat reconcile my figures with current actuals being paid or expected to be paid in the industry. As Queensland's largest club management recruitment firm we are also able to test the remuneration metrics against what is actually being paid currently for new management appointments in the Queensland club industry.



2023 Queensland club industry remuneration metrics. To the best of our endeavour we have included all benefits and superannuation in to these salary estimates.

CLUB SIZE	SMALL	MEDIUM	MEDIUM/LARGE	LARGE	MAJOR
Machines	0-50	51-130	131-175	176-220	221+
Members	0-10,000	10,000-20,000	20,000-30,000	30,000-40,000	40,000+
CEO (Multiple Venues)			\$230,000	\$320,000	\$370,000
General Manager	\$140,000	\$175,000	\$195,000	\$260,000	\$310,000
Operations/Assistant Manager		\$90,000	\$130,000	\$140,000	\$160,000
Financial Controller	\$85,000	\$95,000	\$115,000	\$125,000	\$135,000
Executive/Head Chef	\$90,000	\$90,000	\$105,000	\$120,000	\$140,000
Marketing Manager	\$70,000	\$75,000	\$85,000	\$110,000	\$120,000
Gaming Manager		\$85,000	\$90,000	\$100,000	\$110,000
People and Culture Manager		\$85,000	\$90,000	\$110,000	\$120,000
Gaming Host		\$75,000	\$75,000	\$80,000	\$85,000
Senior Duty Manager		\$75,000	\$75,000	\$85,000	\$95,000
Functions Manager		\$70,000	\$75,000	\$85,000	\$95,000
Duty Manager	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000

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As performance should naturally be a key consideration in any senior management remuneration then the club's EBITDARD performance should be considered in determining management salaries. The following metrics are the percentage that DWS believes management remuneration should be adjusted by.

CEO's & GM's EBITDARD Salary Adjustment

EBITDARD	17% or less	18% to 22%	23% or more
Adjustment	5% less	No adjustment	5% increase

Strategies to improve recruitment opportunities

Not being able to recruit staff is only one of the staffing issues in the current environment. We are constantly hearing there is no loyalty, no commitment, no responsibility, and no care from new staff members. We often hear the phrase *“There just isn’t anybody out there that’s worth hiring these days.”*

As usual, successful businesses will find their own way to overcome challenges rather than relying on others.

The low unemployment and the necessity to increase benefits requires the industry to have a hard look at its barriers to employment. In many cases we are not recognising the demands of our business, the customers and our staff. We are in the service industry and it’s not for everybody – the hours, the constant pressure to deliver, and in many cases not a good working and cultural environment. I’ve been saying for 40 years *“good staff will choose where they work”!* Managers

who recognise this will make staff relationships, remuneration and employment conditions attractive to the right staff. To quote a well-used phrase, but seldom understood or implemented, *“to become an employer of choice”*.

Following are seven of my key thoughts, ideas and experiences gained over the years employing hundreds of staff in businesses and making many mistakes.

Recognise The Challenges Of Our Industry For Employees

The hospitality industry is very exciting and progressive with global opportunities, but only for the right people. Another older true saying in the hospitality industry is *“always employ the personality not the skills”*. What we do is not rocket science. It can be easily taught, but you cannot teach personality, and a happy helping disposition, which are the keys to successful hospitality employment.



Employing The Right People

Have you documented the traits of the person you're looking for? Skills and licenses that are required for a position count for nothing if new employees do not have the right personality and aptitude for our business. Think more about what you can offer a new staff member, rather than what you want the new staff member to give you; why is it better to work at your establishment than another one down the road, or better to work in your locality rather than another? You need to think differently when trying to find the right people today.

Pay The Right Level Of Reward

If your first reaction when employing new staff is to look up the award, then you're on the wrong track; you should assess the role you need filled, the traits and talents you're looking for and assess what you would pay for the best person you could find. You will rarely get the best person for the value of the award. Always ask people what they're looking for in terms of remuneration. If the best person applying for the job asks for \$75,000, offer them \$85,000 so

they feel valued, privileged, respected and would look forward to being in your employment.

Make sure you have spent time documenting what you expect of a new staff member, and how you are going to evaluate and reward good performance.

Managing Staff Communication

Over the years in my consulting capacity, I've conducted many senior staff remuneration reviews and one of the constant feedbacks from senior management is they get little interaction from their superiors other than when something goes wrong. Sadly, this is very much the case with general managers when the board or committee doesn't take the time to sit down with a manager and thank them for all the good things that they've done and point out where they'd like to see some improvement; managers regularly tell me this is what they want. I know it is the same for all staff, but all too often reviews are seen as a negative by staff rather than a positive; a perspective which managers need to work on changing.



Support And Assistance

When we complain about the unemployment scenario, we really need to take a look at ourselves sometimes; what has our industry contributed to the promotion of the benefits of our industry and the education of our staff and school students? At board and committee meetings we become somewhat obsessed with the percentage of our turnover that we spend on promotions, entertainment, advertising, etcetera. Rarely do I hear boards, committees and managers talking about their education and training budget. We complain most loudly about the shortages of chefs, but how many apprentice chefs does your organisation employ? If you don't who else will? We can't complain too loudly about a problem we have contributed to. The same goes for school-based trainees; an example set by Arana Leagues and many others was up to 50% of their staff have come through their own school-based traineeship program, where they have cultivated loyalty and good culture to the venues.

Constantly Moving On The Poor Performers

We need to be careful we don't allow the current desperate situation to employ anyone and keep them on for the sake of numbers. Poor staff can have a detrimental impact on customers, positive staff and future business. Sometimes it may be better to look at restructuring the business to require less staff in the medium term and continue to deliver quality and service.

I learned very early when managing my first large hotel with 120 staff and the owner asked me to send him a list of all the staff I employed in order of how valuable or good I thought they were for the pub. I was curious at the time, but then I got a communication back from him some weeks later suggesting that I should let the bottom 10 staff find more suitable employment, as I was potentially stifling their opportunities by keeping them employed when they were not suited to the role. He also pointed out that poor performers can be vexatious to the spirit of high achievers



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and went on to point out I need to be constantly looking for new staff to employ as that is the only way I will find the new gems and provide exciting opportunities for the right employees. (That owner was the legendary hotelier and brewer Bernard Power).

We also need to remember we are dealing with a percentage of the population that has sadly been spoon-fed by the government and they are at a disadvantage when it comes to education about work. Whilst I have been criticised for it in some circles, I am a great supporter of McDonald's and KFC in teaching the basics of work.

For further information in relation to this report please contact John Dickson, Chairman DWS Hospitality Service on 0417 721 942 or at john@dws.net.au

