



Australian Government



# Employment Outlook for **Accommodation, Cafés and Restaurants**



July 2008

**SkillsInfo** 

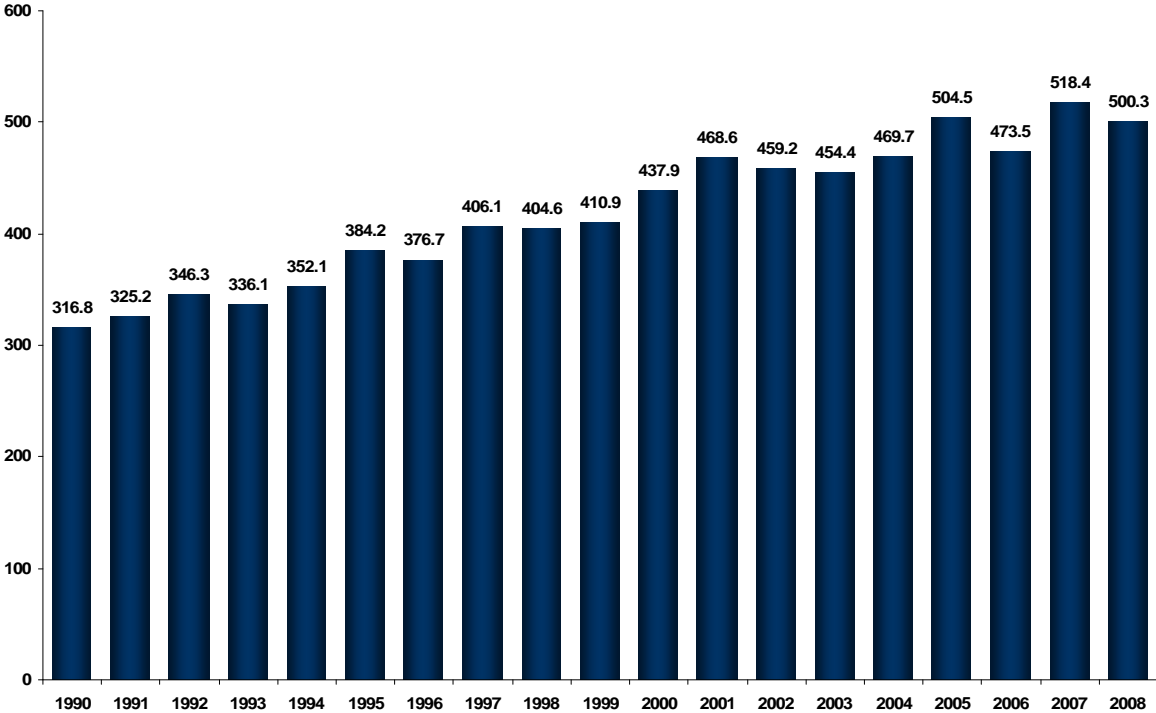
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The Accommodation, Cafés and Restaurants industry employs over half a million workers in Australia and accounted for 4.7 per cent of the total workforce as at February 2008. The industry is roughly divided into four sectors and includes Accommodation, Pubs, Taverns and Bars, Cafés and Restaurants and Clubs (Hospitality)<sup>1</sup>. The discussion below focuses on employment characteristics, trends and prospects in the Accommodation, Cafés and Restaurants industry, and highlights specific sectors where job growth is strongest. The analysis of characteristics includes workforce ageing, employment share by gender, educational profile, weekly earnings, average hours worked, regional and occupational employment.

**Employment Growth**

Over the last decade, employment in the Accommodation, Cafés and Restaurants industry has shown strong long-term growth. In the ten years to February 2008, employment in the industry rose by 95 700 (or 23.6 per cent) to 500 300 (see Figure 1). This represents an average annual growth rate of 2.1 per cent.

**Figure 1: Accommodation, Cafés and Restaurants - Employment Level ('000)  
February 1990 to February 2008**



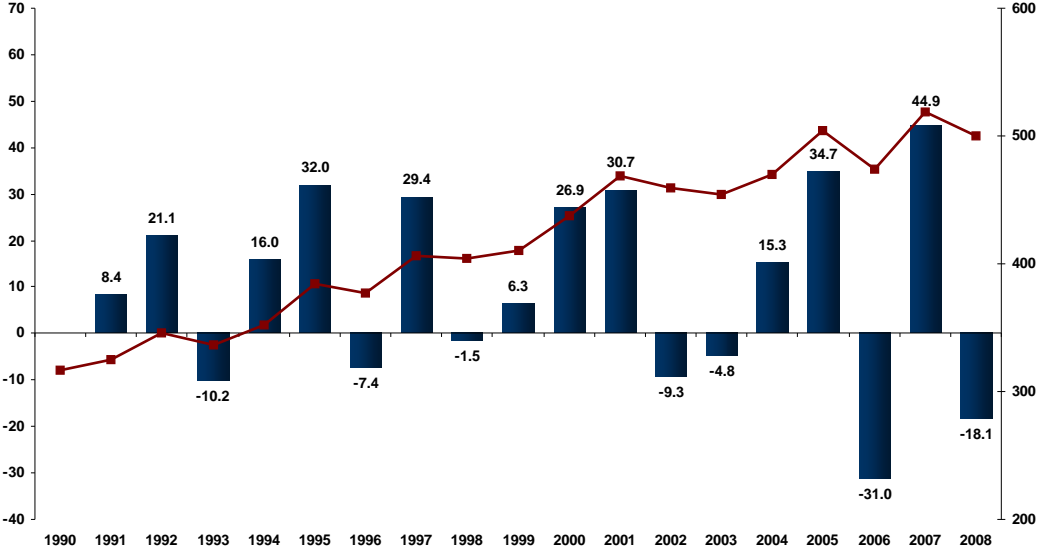
Source: ABS Labour Force Survey (DEEWR trend data)

While long-term job growth in the Accommodation, Cafés and Restaurants industry has been strong, annual employment changes highlight the vulnerability of the industry to economic forces, including a fall in jobs of 31 000 in the year to February 2006. Employment in the Accommodation, Cafés and Restaurants industry is influenced not only by international economic and geopolitical factors, but it is also sensitive to the discretionary income of Australian residents. Consequently, interest rates and higher oil prices impact on employment

<sup>1</sup> According to the Australian Bureau of Statistics (ABS) Australian and New Zealand Standard Industrial Classification (ANZSIC), Cat. No. 1292.0.

in the Accommodation, Cafés and Restaurants industry. Oil prices have a dual effect, through travel costs as well as the level of discretionary income.

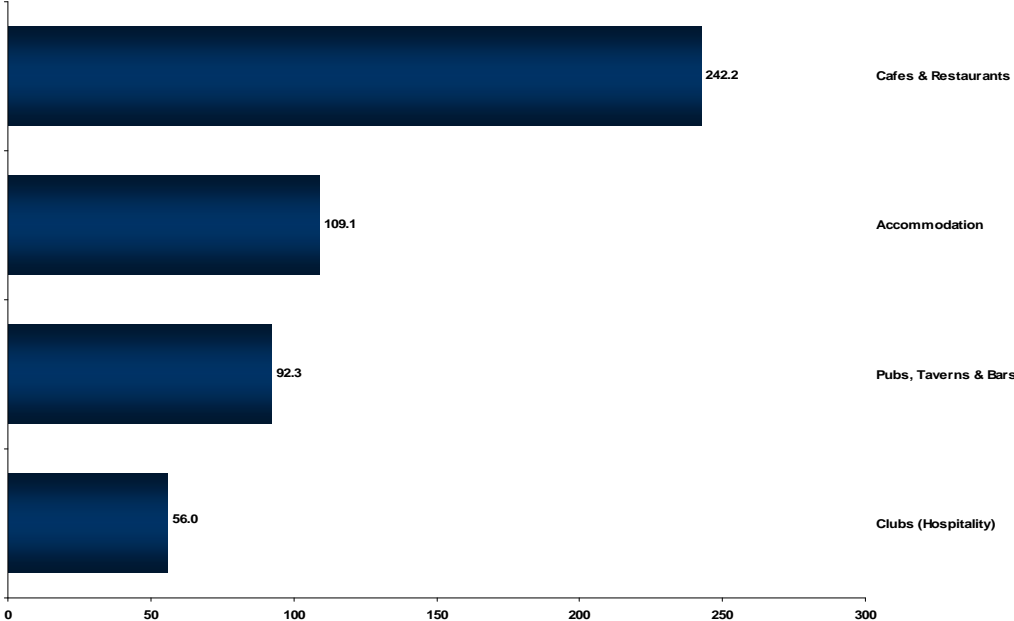
**Figure 2: Accommodation, Cafés and Restaurants - Employment Level (line RHS) and Annual Change ('000) in year to February (cols LHS)**



Source: ABS Labour Force Survey (DEEWR trend data)

The Cafés and Restaurants sector dominates employment in the Accommodation, Cafés and Restaurants industry, accounting for 242 200 workers or 48.5 per cent of industry employment as at February 2008 (see Figure 3). Accommodation was the second largest source of employment, employing 109 100 workers (or 21.8 per cent). A smaller proportion of employees (56 000 workers or 11.2 per cent) were employed in Clubs (Hospitality).

**Figure 3: Accommodation, Cafés and Restaurants Sectors - Employment Level ('000) – February 2008**



Source: ABS Labour Force Survey (DEEWR trend data)

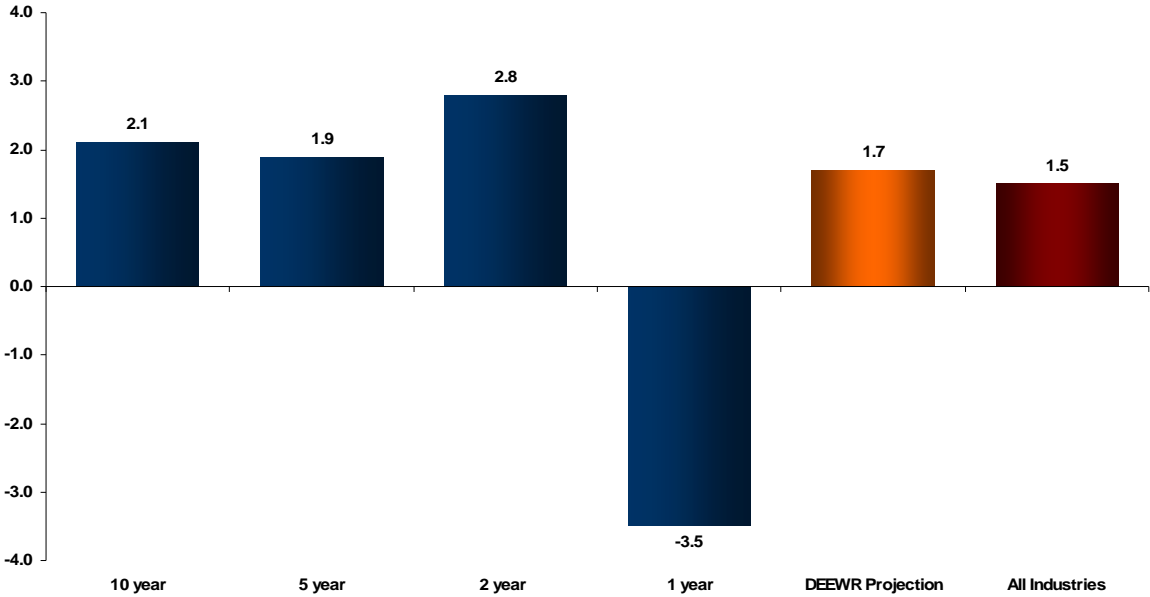
**Employment Prospects**

As noted previously, there has been long-term employment growth in Accommodation, Cafés and Restaurants, despite some variability in annual employment growth. Accommodation, Cafés and Restaurants faces continuing challenges in the future, including from economic and international developments. The Department of Education, Employment and Workplace Relations (DEEWR) prepares annual updates of employment projections for industries for the next five years. These are based in part on the Monash model developed by the Centre of Policy Studies at Monash University, but also take into account recent employment trends and prospective industry developments. It should be noted that a certain degree of uncertainty is attached to these employment projections, especially for sectors within the broader Accommodation, Cafés and Restaurants industry.

In the five years to 2012-13, employment in Accommodation, Cafés and Restaurants is expected to grow at an average rate of 1.7 per cent per annum (see Figure 4), which equates to around 44 100 new jobs.

- Employment across all industries is forecast to grow at an annual average growth rate of 1.5 per cent over the same period.

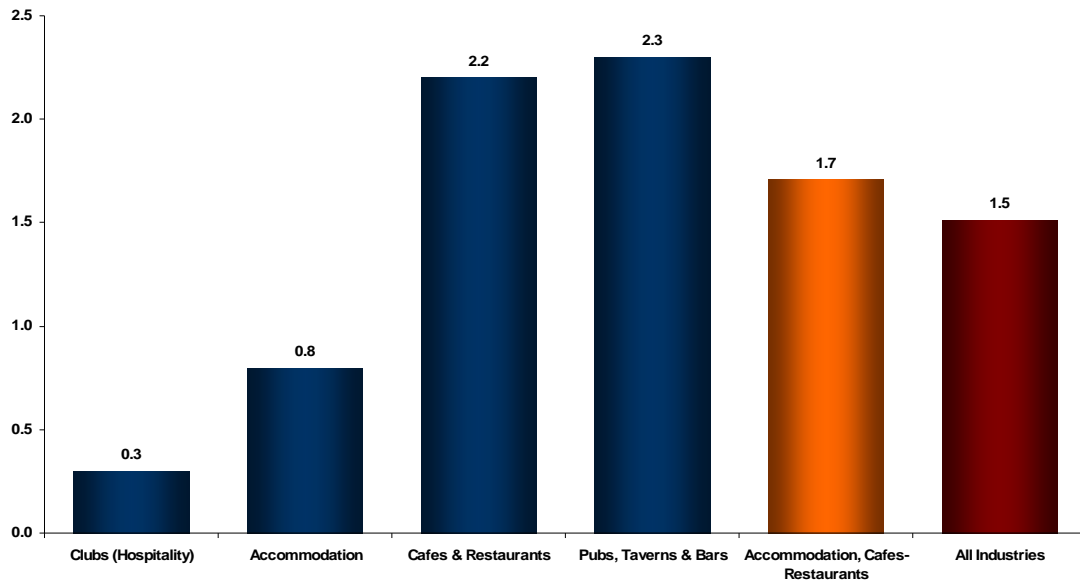
**Figure 4: Accommodation, Cafés and Restaurants - Recent and Projected Employment Growth (% pa) to February 2008 (past) and 5 years to 2012-13 (projected)**



Source: ABS Labour Force Survey (DEEWR trend data); DEEWR projections

Employment growth is expected to vary somewhat across the four specific Accommodation, Cafés and Restaurants sectors (see Figure 5). Pubs, Taverns and Bars (up by 2.3 per cent per annum) and Cafés and Restaurants (up by 2.2 per cent per annum) are forecast to grow at a faster rate than the Accommodation, Cafés and Restaurants industry as a whole. However, employment growth in Clubs (Hospitality) and Accommodation is expected to be somewhat subdued (up by 0.3 and 0.8 per cent per annum respectively).

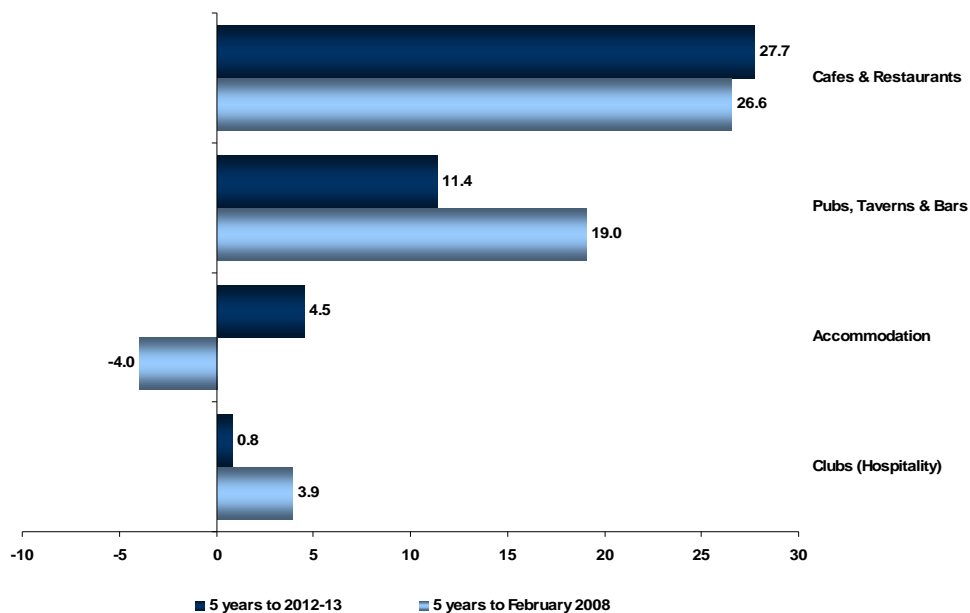
**Figure 5: Accommodation, Cafés and Restaurants Sectors - Projected Employment Growth (% pa) to 2012-13**



Source: DEEWR projections

When employment growth in the Accommodation, Cafés and Restaurants industry is broken down into specific sectors, the main contributors of growth can be identified (see Figure 6). In the five years to February 2008, Cafés and Restaurants and Pubs, Taverns and Bars experienced the largest employment gains (up by 26 600 and 19 000 respectively), while employment fell for Accommodation (down by 4000). In the five years to 2012-13, the largest number of new jobs is expected to come from Cafés and Restaurants (27 700) and Pubs, Taverns and Bars (11 400). Some growth is also expected for Accommodation and Clubs (Hospitality) over the same time period (4500 and 800 new jobs respectively).

**Figure 6: Accommodation, Cafés and Restaurants Sectors - Recent and Future Employment Growth ('000) 5 years to February 2008 (past) and to 2012-13 (projected)**

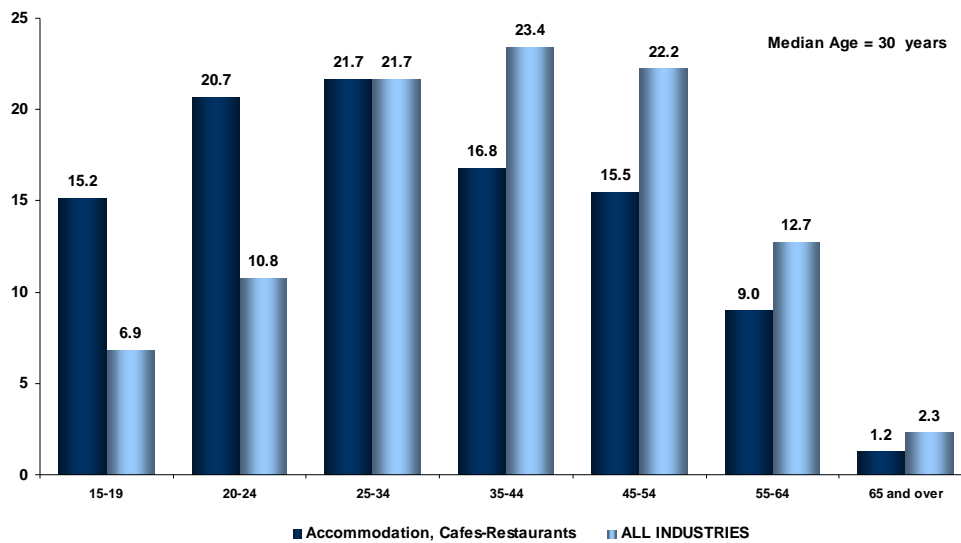


Source: ABS Labour Force Survey (DEEWR trend data); DEEWR projections

## Workforce Ageing

Accommodation, Cafés and Restaurants has a relatively young workforce, with more than one third (35.9 per cent) of workers aged 15 to 24 years, compared with the average of 17.7 per cent for all industries (see Figure 7). The impact of population ageing is more through the effect of ageing on tourism growth (including more retirees with higher incomes) than workforce challenges. Nevertheless, there is a challenge to increase the involvement of mature age workers in the industry, one that typically requires workers across the seven days of the week, and in many instances, evenings.

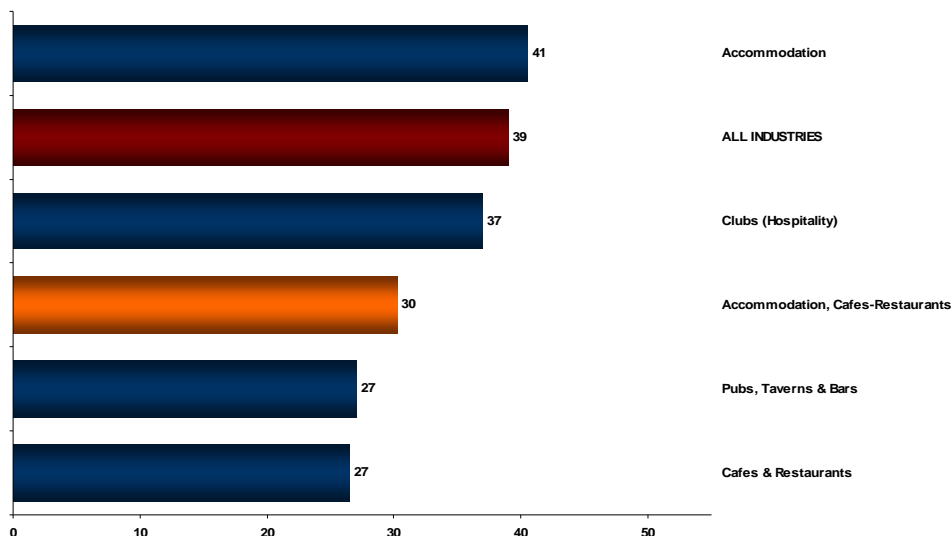
**Figure 7: Accommodation, Cafés and Restaurants - Employed Persons by Age Compared with All Industries (% share of employment) - 2007**



Source: ABS Labour Force Survey

In 2007, the median age of workers in Accommodation, Cafés and Restaurants was 30 years, which was significantly lower than the median age for all industries of 39 years (see Figure 8). The median age varied considerably within the industry, ranging from 41 years for Accommodation, down to 27 years for Pubs, Taverns and Bars and Cafés and Restaurants.

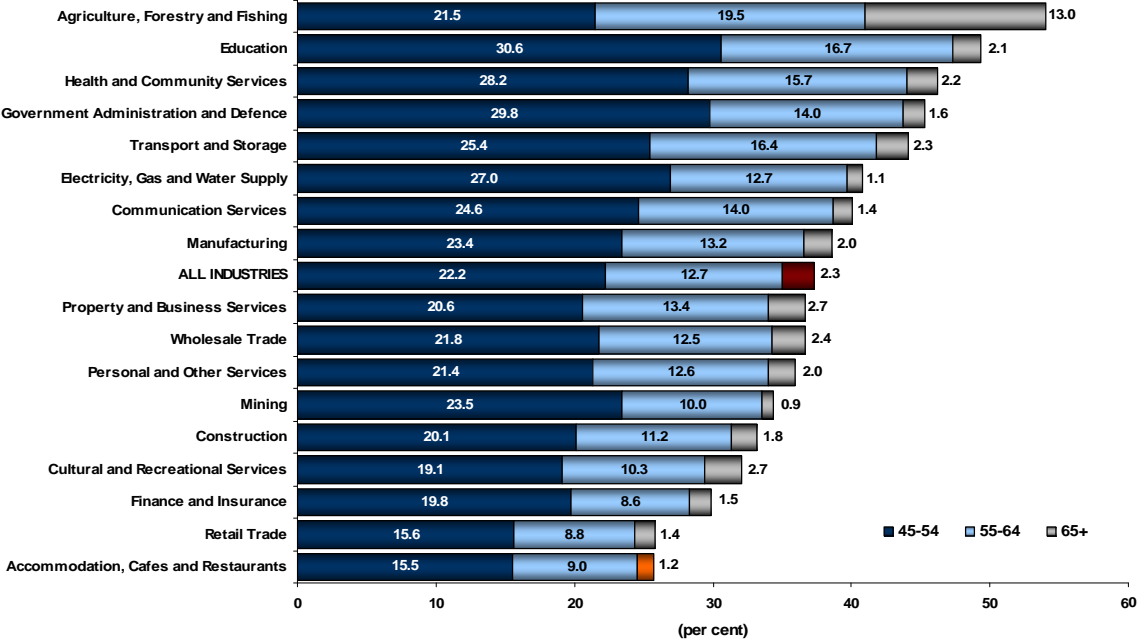
**Figure 8: Accommodation, Cafés and Restaurants Sectors - Median Age in years - 2007**



Source: ABS Labour Force Survey

Accommodation, Cafés and Restaurants has the lowest share of mature age workers (45 years and over) of all 17 broad Australian and New Zealand Industrial Classification (ANZSIC) industries. In 2007, just over a quarter (25.7 per cent) of workers in the industry were aged 45 years and over, compared with the average of 37.2 per cent for all industries (see Figure 9). In contrast, 54.0 per cent of workers in Agriculture, Forestry and Fishing, 49.4 per cent in Education and 46.1 per cent in Health and Community Services were aged 45 years and over in 2007. The Accommodation, Cafés and Restaurants industry also has a low share of workers aged 65 years and over (1.2 per cent compared with 2.3 per cent for all industries).

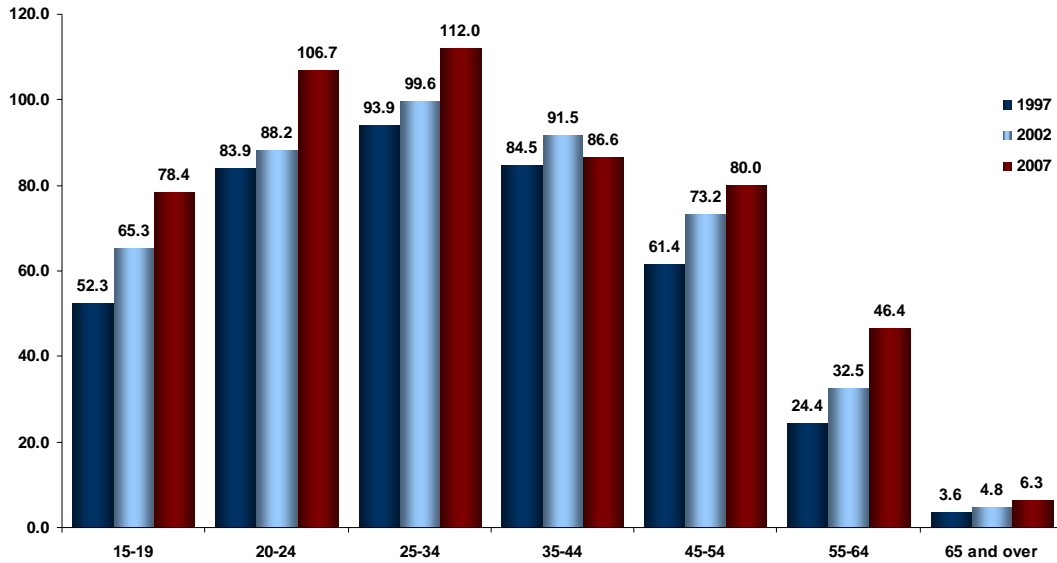
**Figure 9: Accommodation, Cafés and Restaurants - Mature Age Workers (45+ years) - % share of employment – 2007**



Source: ABS Labour Force Survey

Figure 10 shows employment by age group for three calendar years: 1997, 2002 and 2007. This provides a guide to the changes in employment mix by age group in the industry. In response to the strong growth in employment, there has been an influx of new workers in the Accommodation, Cafés and Restaurants industry in most age groups in the past decade, especially in the past five years. Youth aged between 15 and 24 years experienced the strongest employment growth in the five years to 2007 (up by 31 600). Mature age workers also contributed to the job growth within the industry, with employment for workers aged 45 to 64 years increasing by 20 700 in the five years to 2007. This reflects existing workers taking their jobs with them as they move into mature age cohorts as well as new workers entering the industry.

**Figure 10: Accommodation, Cafés and Restaurants - Employed persons by age ('000) 1997, 2002, and 2007**

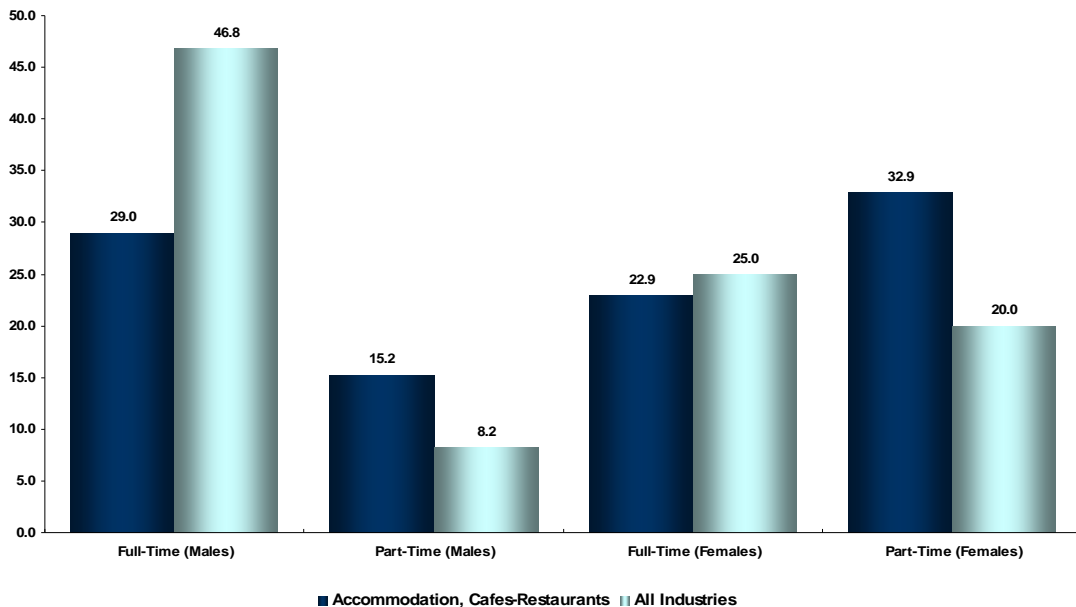


Source: ABS Labour Force Survey

### Employment by Gender and Full-time/Part-time

The Accommodation, Cafés and Restaurants industry provides good opportunities for part-time employment, with almost half of the jobs (48.1 per cent) in the industry being part-time – the highest proportion for any industry. In addition, the industry has a relatively high share of female employment (55.8 per cent share compared with 45.0 per cent for all industries) – see Figure 11. Such characteristics can be attributed to the nature of the industry, which requires flexible hours, evening and weekend work.

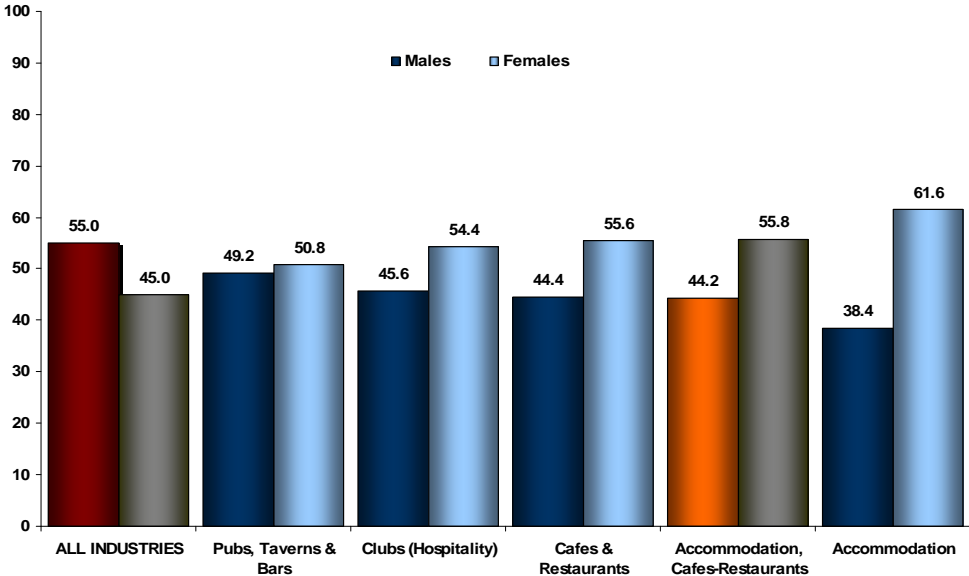
**Figure 11: Accommodation, Cafés and Restaurants - Employment by Gender and Full-time / Part-time – Year to February 2008 (% share)**



Source: ABS Labour Force Survey

In the year to February 2008, female employment had the majority share in all four sectors within the Accommodation, Cafés and Restaurants industry (see Figure 12). The Accommodation sector recorded the highest proportion of female employment (61.6 per cent), while the Pubs, Taverns and Bars sector had the highest percentage of male workers (49.2 per cent).

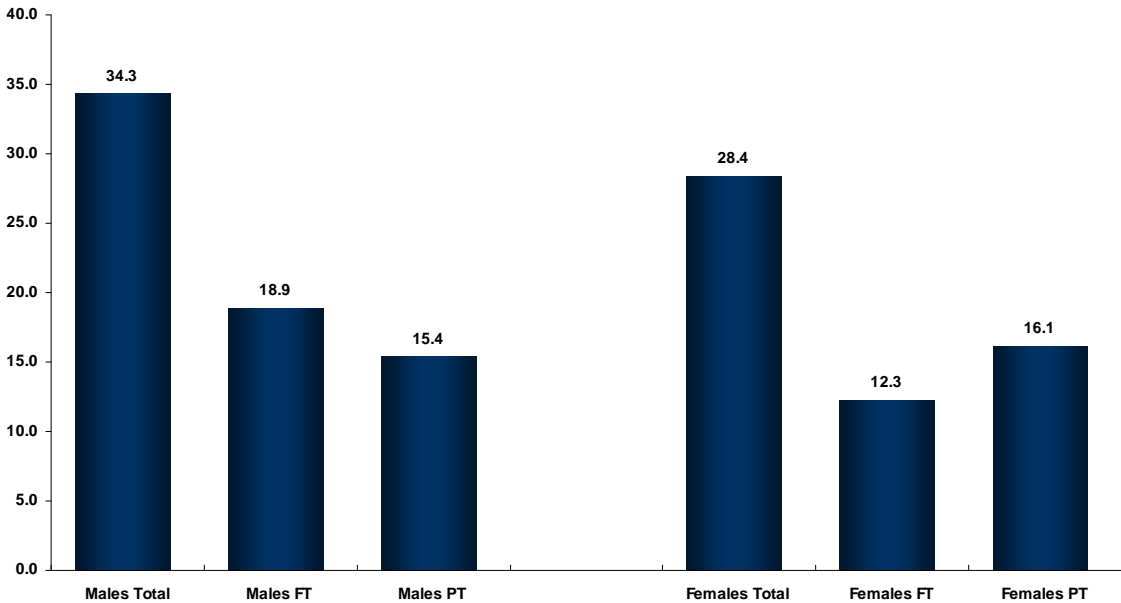
**Figure 12: Accommodation, Cafés and Restaurants Sectors - Employment by Gender, Year to February 2008 (% share)**



Source: ABS Labour Force Survey

In the five years to February 2008, Figure 13 shows that male and female employment in Accommodation, Cafés and Restaurants increased (up by 34 300 and 28 400 respectively). The largest increase over the period was for male full-time workers (up by 18 900).

**Figure 13: Accommodation, Cafés and Restaurants - Employment Growth by Gender (5 years) Full-time / Part-time, Year to February 2008 ('000)**

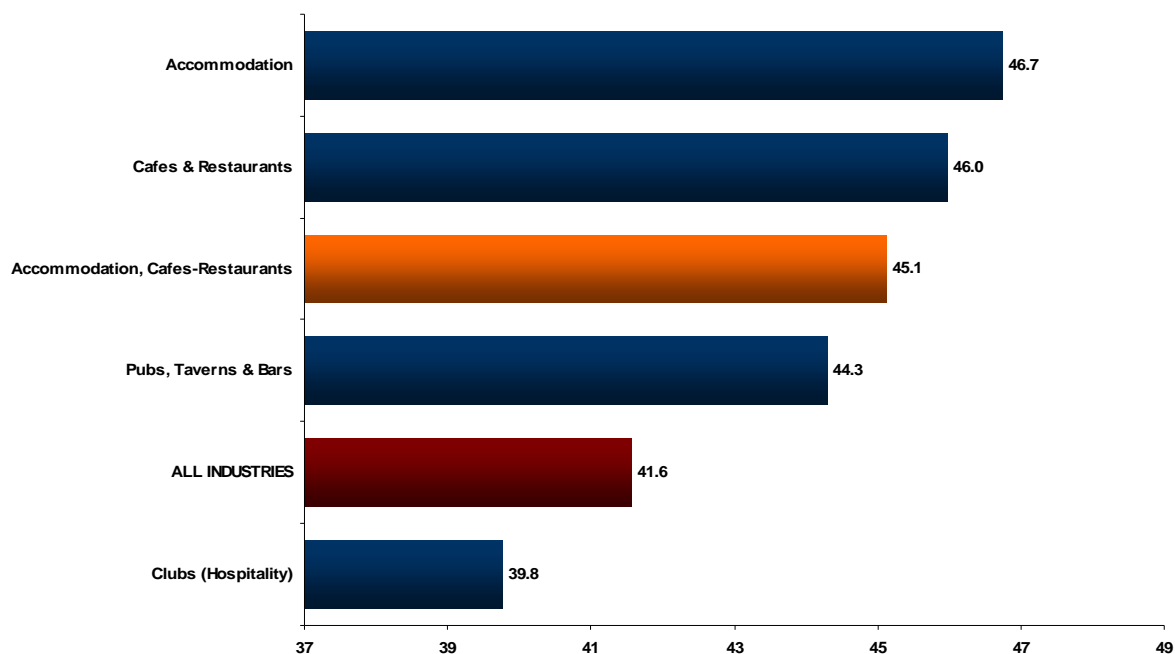


Source: ABS Labour Force Survey

## Hours Worked

In 2007, the Accommodation, Cafés and Restaurants industry recorded the second highest average full-time weekly hours of all 17 broad ANZSIC industry groups (45.1 hours compared with 41.6 hours for all industries). Full-time workers in the Accommodation and Cafés and Restaurants sectors worked the longest average work week within the industry (46.7 hours and 46.0 hours respectively). The Clubs (Hospitality) sector recorded the lowest average full-time weekly hours (39.8 hours).

**Figure 14: Accommodation, Cafés and Restaurants – Average Full-Time Weekly Hours - 2007**



Source: ABS Labour Force Survey

## Employment Characteristics

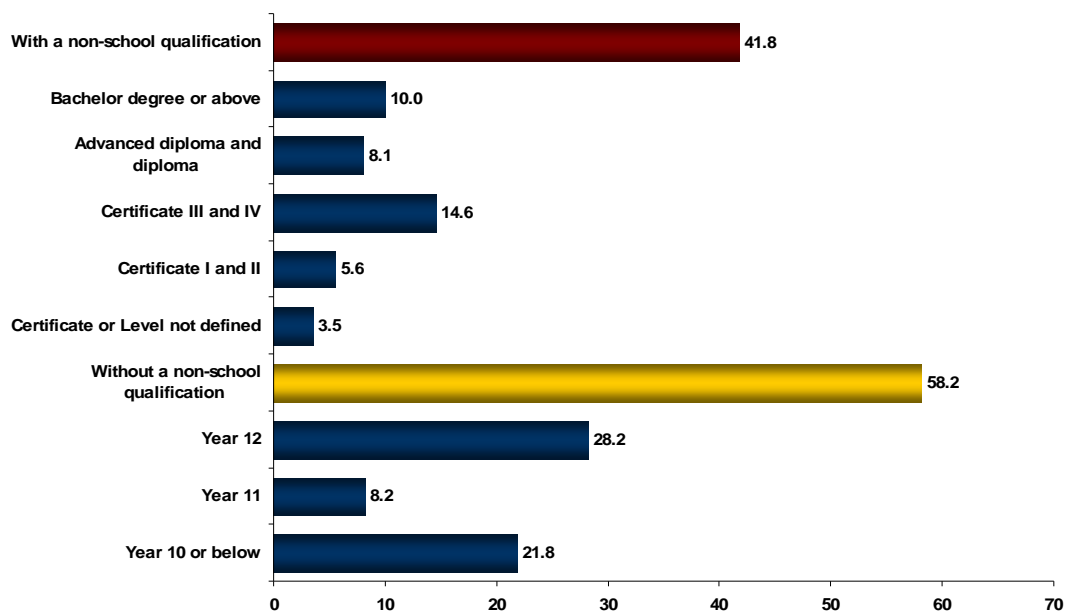
### Educational Profile

Accommodation, Cafés and Restaurants is a relatively low skilled industry. Although there is a stronger emphasis now on formal qualifications in the industry, 58.2 per cent of workers were without a non-school qualification as at May 2007 (compared with 41.0 per cent for all industries) and 21.8 per cent had only obtained an educational attainment of Year 10 or below<sup>2</sup> - see Figure 15. In part, this reflects the younger age profile in the Accommodation, Cafés and Restaurants industry, including students working while studying.

Nevertheless, long-term employment growth in the Accommodation, Cafés and Restaurants industry has provided many job opportunities for first-time jobseekers and low skilled workers. Over two fifths (41.8 per cent) of workers in the industry had completed a non-school qualification. The most prevalent non-school qualification was a Certificate III/IV (14.6 per cent), especially reflective of Chefs and Cooks.

<sup>2</sup> Year 10 or below includes no educational attainment.

**Figure 15: Accommodation, Cafés and Restaurants - Educational Attainment  
Share of Employment (%) - May 2007**

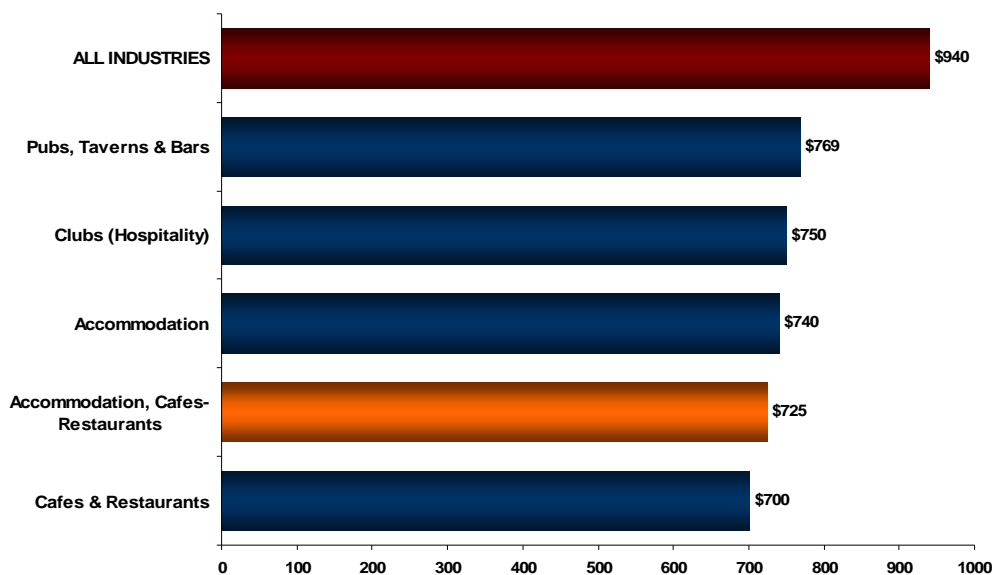


Source: ABS Education and Work, cat. no. 6227.0

### Median Weekly Earnings

Earnings in the Accommodation, Cafés and Restaurants industry vary with the large range of occupations. In May 2007, median weekly earnings for full-time workers in this industry were \$725, compared with \$940 per week for workers in all other industries (see Figure 16). The lower earnings in the Accommodation, Cafés and Restaurants industry can be attributed in part to the relatively young age and lower skill level of workers. The median full-time weekly earnings of workers within the industry ranged from \$769 for Pubs, Taverns and Bars, down to \$700 for Cafés and Restaurants.

**Figure 16: Accommodation, Cafés and Restaurants - Median weekly earnings  
May 2007 (full-time and before tax)**

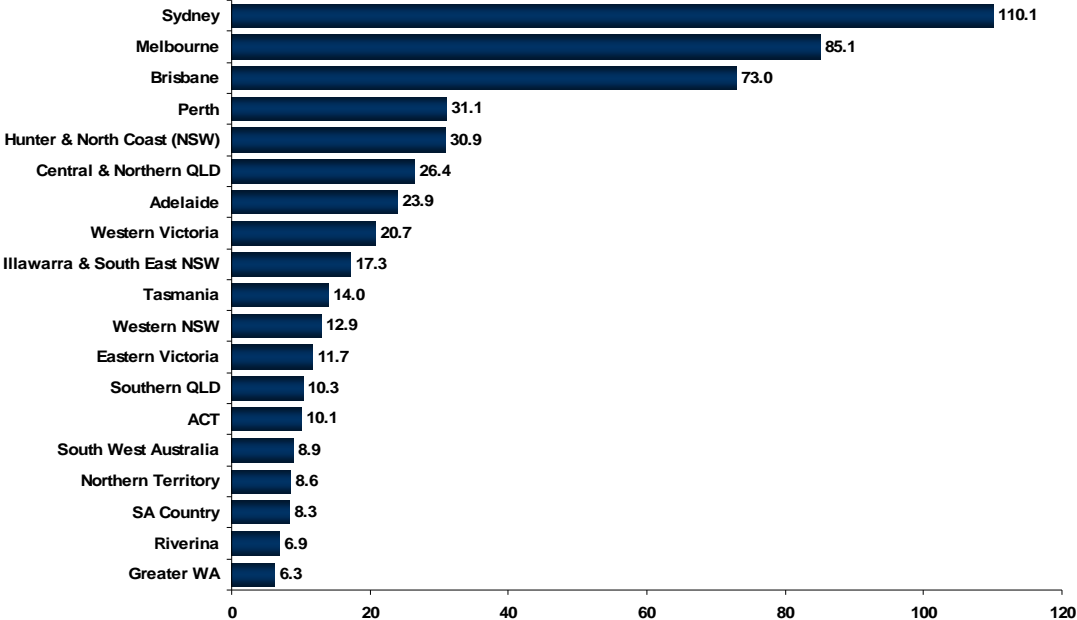


Source: ABS Employee Earnings, Benefits and Trade Union Membership, Cat. no. 6310.0

**Employment by Region**

Employment in the Accommodation, Cafés and Restaurants industry is concentrated in the major capital cities in Australia, reflecting the large population base in these cities. In the year to November 2007, the majority of workers in the industry were employed in Sydney (110 100), followed by Melbourne (85 100), and Brisbane (73 000).

**Figure 17: Accommodation, Cafés and Restaurants - Main Employing Regions ('000) – Year to November 2007**



Source: ABS Labour Force Survey

## Main Employing Occupations

The Accommodation, Cafés and Restaurants industry offers a diverse range of career options. In the year to November 2007, the vast majority of workers in this industry were employed as Waiters (101 300), followed by Bar Attendants (53 600), Chefs (53 400) and Kitchenhands (45 300).

**Table 1: Accommodation, Cafés and Restaurants - Top 20 Employing Occupations ('000) – Year to November 2007**

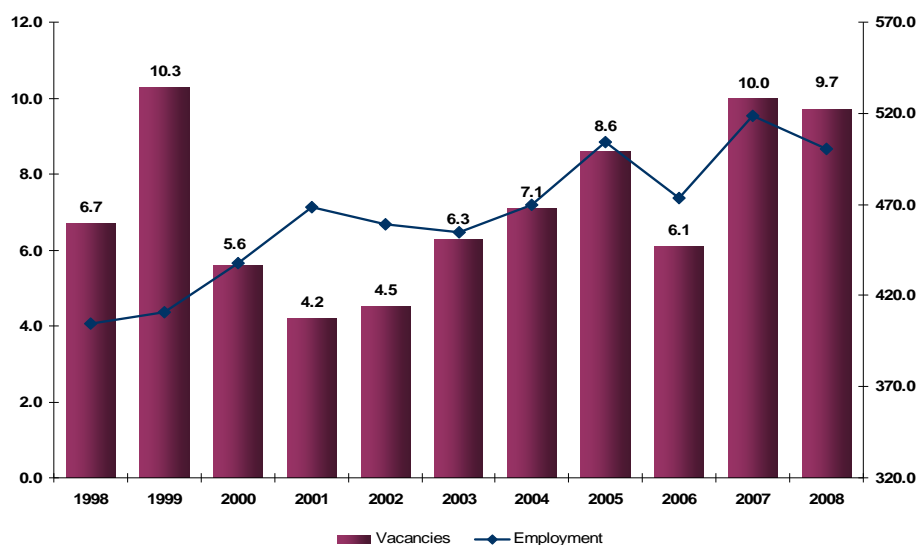
Occupation	Number Employed in Accommodation, Cafés and Restaurants ('000)
Waiters	101.3
Bar Attendants	53.6
Chefs	53.4
Kitchenhands	45.3
Restaurant and Catering Managers	37.1
Cooks	25.8
Hotel and Motel Managers	22.2
Service Assistants	19.7
Sales Assistants	18.8
Cleaners	18.6
Receptionists	13.3
Hostel and Retirement Village Managers	6.0
Project and Program Administrators	5.5
Hotel Service Supervisors	5.2
Club Managers (Licensed Premises)	5.0
General Labourers	4.2
Handypersons	4.1
Fast Food Cooks	3.6
Bookkeepers	3.0
Office Assistants and Office Managers	2.9

Source: ABS Labour Force Survey

## Vacancies

The ABS Job Vacancy Survey provides data on the number of vacancies for each industry. The data are based on an employer survey that estimates the number of vacancies available at a particular date. Figure 18 shows the number of vacancies in the Accommodation, Cafés and Restaurants industry in the past decade, compared with the trend in employment. Annual employment changes in the Accommodation, Cafés and Restaurants industry has been quite variable, highlighting the vulnerability of the industry to economic forces.

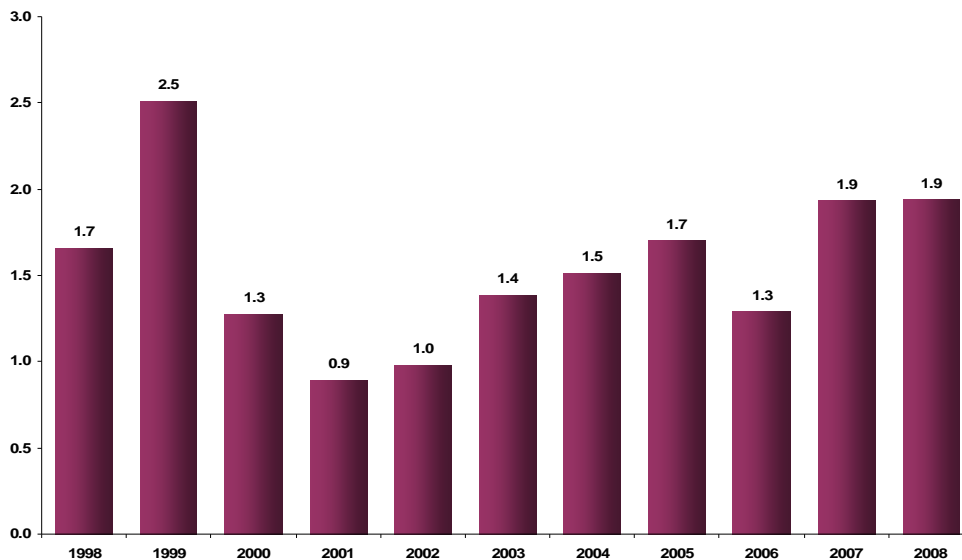
**Figure 18: Accommodation, Cafés and Restaurants - Employment Level (line RHS) and Number of Vacancies ('000s) - February 1998 to February 2008 (column LHS)**



Source: ABS Labour Force Survey (DEEWR trend data); ABS Job Vacancies, Cat. no. 6354.0

Vacancies expressed as a percentage of employment are a better guide to labour demand pressures. As shown in Figure 19, although vacancies expressed as a percentage of employment for Accommodation, Cafés and Restaurants has risen in the past two years, it has experienced some variation (up from 1.4 in February 2003 to 1.9 in February 2008).

**Figure 19: Accommodation, Cafés and Restaurants - Vacancies expressed as a percentage of employment - February 1998 to February 2008**



Source: ABS Labour Force Survey (DEEWR trend data); ABS Job Vacancies, Cat. no. 6354.0

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For further information on the Accommodation, Cafés and Restaurants industry (or other industries), visit the SkillsInfo website at [skillsinfo.gov.au](http://skillsinfo.gov.au). SkillsInfo provides a range of skills related information for industries and regions. The website offers a broad range of information on employment, careers, education and training and skills issues - including workforce ageing, skills in demand, labour force data, ICT and employability skills, as well as quick links to skills information. Data are sourced mainly from the ABS Labour Force Survey.

SkillsInfo also brings together a large collection of links to external industry and skills related websites.