

# Accommodation and food services

...covers businesses that provide accommodation, and businesses such as cafes, restaurants, takeaway stores, pubs, clubs, taverns and bars that provide food and beverage services.

This suite of Industry Snapshots complements *Future Focus*, the 2013 National Workforce Development Strategy. These snapshots provide additional information and analysis on each industry to assist stakeholders in planning for the future of their industry or sector. It should be noted that the longer term data contained in this publication is based on AWP's four scenarios for Australia to 2025 and is not intended to be compared to other data sources or projections.

## Key points

- ▶ Accommodation and food services employs approximately 796,500 people, accounting for around seven per cent of the total Australian workforce.
- ▶ Employment growth in accommodation and food services has exceeded the national average over the past five years.
- ▶ More than half (51 per cent) of the industry workforce is employed in small enterprises (i.e. those that employ less than 20 workers), with a further 28 per cent employed in medium-sized enterprises (i.e. those that employ between 20 and 199 workers).
- ▶ 39 per cent of employment in accommodation and food services occurs in regional and remote areas—slightly higher than the all-industry average of 37 per cent.<sup>1</sup>
- ▶ The industry workforce is primarily female (at 56 per cent) and has a high proportion of part-time workers, at 57 per cent compared to 30 per cent for all industries.
- ▶ Accommodation and food services has one of the youngest age profiles of all industries, with only 22 per cent of workers aged 45 years or older compared to 38 per cent for all industries, and almost half aged 24 years or younger.<sup>2</sup>
- ▶ The majority of workers in accommodation and food services (61 per cent) do not hold post-school qualifications, reflecting the industry's role as an entry point to the labour market for school leavers, students and part-time workers.
- ▶ A detailed employment profile for accommodation and food services (including information on its workforce, industry and occupational characteristics) can be found at [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au).

## Industry outlook

The accommodation and food services sector is an important industry within the Australian economy, contributing 2.5 per cent (\$34.5b) to the Australian economy in terms of total industry value added in 2011–12.<sup>3</sup>

<sup>1</sup> Regional and remote areas are defined as those outside state capital cities.

<sup>2</sup> ABS (2013) *Labour Force Australia*, detailed quarterly report, February 2013, cat. no. 6291.0.55.003.

## Short-term growth

Employment growth in the accommodation and food services sector has exceeded the average for all industries over the past five years, with most of these gains reported in the Food and Beverage Services subsector.

**Table 1 Current and past employment in the accommodation and food services industry**

Industry	Current employment		Past growth: five years	
	'000	% of total	'000	%
<b>Accommodation and food services</b>	<b>796.5</b>	<b>6.9</b>	<b>88.4</b>	<b>12.5</b>
Accommodation	114.1	1.0	1.6	1.4
Food and Beverage Services	687.7	6.1	94.0	15.8
<b>All industries</b>	<b>11,588.7</b>	<b>100.0</b>	<b>798.1</b>	<b>7.4</b>

Note: Data for industry subsectors may not sum to the industry total because data for each subsector have been separately seasonally adjusted and trended and at the higher levels include 'not further defined' categories. Source: ABS (2013) *Labour Force Australia*, February, cat. no. 6291.0.55.003 (DEEWR trend).

## Long-term growth

Australia needs to position itself in a world where work is changing rapidly. Technological innovation, globalisation, the Asian century and new patterns of work are impacting on the demand for skills and the speed of change is making it hard to predict and plan for the future.

To deal with this uncertainty, AWPA has adopted a scenario planning approach to help us overcome these limitations in making projections about the future. Scenarios are alternative visions of potential futures, and provide a means to make decisions that take account of uncertainty.

AWPA developed four possible, plausible scenarios for Australia to 2025.

- ▶ In the **Long Boom** scenario, the high demand for resources traded with China and other countries continues. Industries challenged by the high terms of trade undertake structural adjustment. This results in a scenario of sustained prosperity and a restructured economy.
- ▶ In **Smart Recovery**, the challenges facing Europe and the United States affect financial markets. This means low growth for Australia to 2014–15. Growth then improves and Australia benefits from industry and government strategies to implement a knowledge economy.
- ▶ In **Terms of Trade Shock**, resource prices fall mainly due to increased supply from other countries, the Australian dollar falls and we move to a broader-based economy.
- ▶ **Ring of Fire** is a risky world with multiple economic and environmental shocks resulting in ongoing lower growth.

<sup>3</sup> 'Industry value added' is the measure of the contribution by industry to gross domestic product (GDP) at basic prices. ABS (2012) *Australian System of National Accounts*, cat. no. 5204.0, Table 11.

Economic modelling against each of these four scenarios was undertaken by Deloitte Access Economics (DAE) to determine the skills demand for the economy into the future.<sup>4</sup>

As Table 2 shows, average annual employment growth to 2025 for the accommodation and food services industry is expected to be in line with the national average for the Terms of Trade Shock and Ring of Fire scenarios, and slightly below average for Long Boom and Smart Recovery. This reflects a softening of the sector following a period of relatively high growth over the past five years.

While employment growth in the Food and Beverage Services subsector is expected to be steady whichever future world eventuates, employment in Accommodation is predicted to experience a decline across all four scenarios.

**Table 2 Average annual industry employment growth in four scenarios, 2011–15 and 2011–25 (% per annum)**

Industry	Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
	2018	2025	2018	2025	2018	2025	2018	2025
<b>Accommodation and food services</b>	<b>1.1</b>	<b>1.5</b>	<b>1.3</b>	<b>1.2</b>	<b>2.0</b>	<b>1.6</b>	<b>0.9</b>	<b>0.5</b>
Accommodation	-1.3	-1.2	-1.2	-1.5	-0.4	-1.1	-1.6	-2.1
Food and Beverage Services	1.5	1.9	1.7	1.6	2.4	2.0	1.2	0.9
<b>All industries</b>	<b>2.1</b>	<b>2.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.7</b>

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results.

## Occupation outlook

### Key occupations

The top ten accommodation and food services occupations account for almost three quarters (74.2 per cent) of industry employment as a whole. The largest occupations in the industry are Waiters; Kitchenhands; and Bar Attendants and Baristas, which together comprise more than one third of the entire workforce.

<sup>4</sup> A description of the scenarios and the Deloitte Access Economics modeling of employment in each, with state and territory breakdowns, is available at the AWPA website [www.awpa.gov.au](http://www.awpa.gov.au).

**Table 3 Top ten accommodation and food services occupations**

Occupation	People employed	Industry employment
	'000	% of total
4315 Waiters	105.5	13.7
8513 Kitchenhands	81.5	10.6
4311 Bar Attendants and Baristas	80.0	10.4
6211 Sales Assistants (General)	74.1	9.6
3513 Chefs	69.6	9.1
1411 Cafe and Restaurant Managers	52.5	6.8
8511 Fast Food Cooks	32.3	4.2
1421 Retail Managers	29.4	3.8
3514 Cooks	25.3	3.3
1413 Hotel and Motel Managers	20.6	2.7
<b>Total accommodation and food services</b>	<b>768.9</b>	<b>74.2</b>

Source: ABS (2013) *Labour Force Australia*, detailed quarterly report, 2012 average of four quarters, cat. no. 6291.0.55.003.

### Short-term growth

Table 4 shows current employment and past growth for the occupations that feature prominently within the industry. **Note that the figures refer to the expected number of people in these occupations across all industries, not just in the accommodation and food services sector.**

Growth within key occupations of the accommodation and food services sector has been variable over the past five years, with Bar Attendants and Baristas; Kitchenhands; Waiters; and Fast Food Cooks all experiencing increases in employment well above the national average. Conversely, employment growth of Chefs has been very low, while Retail Managers have experienced a decline of around 17,000 workers during this period.

**Table 4 Current and past employment in key occupations**

Occupation	Current employment (all industries)		Past growth: five years	
	'000	% of total	'000	%
4315 Waiters	120.2	1.1	18.6	18.3
8513 Kitchenhands	122.9	1.1	20.9	20.4
4311 Bar Attendants and Baristas	91.3	0.8	20.1	28.2
6211 Sales Assistants (General)	492.5	4.4	12.0	2.5
3513 Chefs	66.2	0.6	0.4	0.6
1411 Cafe and Restaurant Managers	55.8	0.5	1.5	2.8
8511 Fast Food Cooks	39.6	0.4	6.6	19.9
1421 Retail Managers	223.1	2.0	-17.0	-7.1
3514 Cooks	40.0	0.4	2.5	6.7
1413 Hotel and Motel Managers	21.0	0.2	0.7	3.2
<b>All employed</b>	<b>11,588.7</b>	<b>100.0</b>	<b>798.1</b>	<b>7.4</b>

ABS (2013) *Labour Force Australia*, February, cat. no. 6291.0.55.003 (DEEWR trend).

## Long-term growth and job openings

Table 5 indicates the long-term net job growth per annum expected in these occupation groups, according to Deloitte Access Economics' economic modelling of the scenarios.

Over the longer term, all key occupations are predicted to grow, with the exception of Cooks, who are expected to see a decline in employment in the years to 2018 across all scenarios, and to 2025 under Ring of Fire.

Key occupations with growth above the national average across all scenarios to 2025 include Fast Food Cooks; Chefs; Café and Restaurant Managers; Waiters; and Bar Attendants and Baristas.

**Table 5 Average annual occupation growth in four scenarios, 2011–18 and 2011–25 (%pa)**

Industry	Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
	2018	2025	2018	2025	2018	2025	2018	2025
4315 Waiters	2.0	2.1	2.0	1.8	2.8	2.2	1.5	1.0
8513 Kitchenhands	1.5	1.7	1.3	1.3	1.9	1.6	0.8	0.6
4311 Bar Attendants and Baristas	2.5	2.1	2.4	1.8	3.1	2.1	2.1	1.1
6211 Sales Assistants (General)	1.2	1.1	0.9	0.7	1.3	0.7	0.8	0.2
3513 Chefs	3.0	2.3	2.9	2.0	3.2	2.2	2.4	1.4
1411 Cafe and Restaurant Managers	1.3	2.2	1.2	1.8	1.8	2.2	0.7	1.2
8511 Fast Food Cooks	2.3	2.7	2.1	2.3	2.7	2.6	1.7	1.6
1421 Retail Managers	1.5	1.6	1.1	1.2	1.4	1.2	0.8	0.6
3514 Cooks	-0.5	0.7	-0.8	0.2	0.1	0.6	-1.5	-0.9
1413 Hotel and Motel Managers	2.2	1.5	2.2	1.1	2.8	1.4	1.7	0.5
<b>All occupations</b>	<b>2.1</b>	<b>2.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.7</b>

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results.

As noted, the data in Table 5 concerns employment growth in an industry. The number of total **job openings** which includes both employment growth and **the replacement resulting from individuals leaving the occupation net of those re-entering** can also be estimated. This replacement requirement is particularly significant in industries where there are high numbers of people retiring or leaving the occupation.

Table 6 shows the average annual job openings projected in key accommodation and food services occupations to 2025. Most occupations are forecast to experience higher than average proportions of job openings under all four scenarios, with the exception of Cooks; Chefs; and Retail Managers.

**Table 6 Average annual job openings per annum, 2011 to 2025, in four scenarios**

Occupation	Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
	('000)	%	('000)	%	('000)	%	('000)	%
4315 Waiters	10.2	7.6	9.6	7.3	10.5	7.7	8.3	6.5
8513 Kitchenhands	11.7	7.9	10.9	7.5	11.6	7.8	9.6	6.7
4311 Bar Attendants and Baristas	8.1	7.4	7.8	7.1	8.3	7.5	6.9	6.5
6211 Sales Assistants (General)	35.7	6.3	33.3	6.0	33.5	6.0	30.6	5.4
3513 Chefs	2.6	3.1	2.3	2.8	2.5	3.0	1.8	2.2
1411 Cafe and Restaurant Managers	4.6	4.3	4.3	3.9	4.6	4.3	3.7	3.3
8511 Fast Food Cooks	5.3	12.5	5.0	12.1	5.3	12.4	4.6	11.4
1421 Retail Managers	11.6	3.8	10.3	3.4	10.5	3.4	8.6	2.8
3514 Cooks	1.7	2.6	1.4	2.1	1.6	2.5	1.1	1.0
1413 Hotel and Motel Managers	1.0	4.1	0.9	3.7	1.0	4.0	0.8	3.1
<b>All occupations</b>	<b>576.4</b>	<b>4.4</b>	<b>500.9</b>	<b>3.9</b>	<b>513.3</b>	<b>4.0</b>	<b>391.4</b>	<b>3.1</b>

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results. Net replacement demand by AWPA (2013).

As Table 7 shows, the majority of job openings across all four scenarios are expected to be created by replacement requirements than by new growth. Given the young age profile of the industry, this is likely due to a high rate of job turnover in these occupations rather than other explanations for high replacement demand, such as the retirement of current workers. Only Chefs; Café and Restaurant Managers; and Cooks are expected to have a majority of job openings driven by growth than by replacement demand.

**Table 7 Total job openings (growth and net replacement) in four scenarios, 2011 to 2025****7.1 Long Boom**

Occupation	Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
	('000)	%	('000)	%	('000)	%
4315 Waiters	41.7	27.2	111.3	72.8	153.0	100.0
8513 Kitchenhands	45.7	26.1	129.3	73.9	175.0	100.0
4311 Bar Attendants and Baristas	38.9	31.9	82.9	68.1	121.8	100.0
6211 Sales Assistants (General)	97.7	18.2	438.5	81.8	536.2	100.0
3513 Chefs	28.5	73.0	10.5	27.0	39.0	100.0
1411 Cafe and Restaurant Managers	45.3	65.2	24.2	34.8	69.5	100.0
8511 Fast Food Cooks	18.7	23.5	60.7	76.5	79.3	100.0
1421 Retail Managers	86.3	49.7	87.5	50.3	173.8	100.0
3514 Cooks	14.1	56.2	11.0	43.8	25.1	100.0
1413 Hotel and Motel Managers	4.9	33.3	9.8	66.7	14.6	100.0
<b>All occupations</b>	<b>3,889.7</b>	<b>45.0</b>	<b>4,755.6</b>	<b>55.0</b>	<b>8,645.3</b>	<b>100.0</b>

## 7.2 Smart Recovery

Occupation	Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
	('000)	%	('000)	%	('000)	%
4315 Waiters	34.2	23.7	110.2	76.3	144.3	100.0
8513 Kitchenhands	37.2	22.7	126.5	77.3	163.7	100.0
4311 Bar Attendants and Baristas	34.4	29.5	82.2	70.5	116.6	100.0
6211 Sales Assistants (General)	69.4	13.9	429.9	86.1	499.3	100.0
3513 Chefs	24.3	70.1	10.4	29.9	34.7	100.0
1411 Cafe and Restaurant Managers	40.3	62.9	23.8	37.1	64.1	100.0
8511 Fast Food Cooks	15.9	21.1	59.6	78.9	75.5	100.0
1421 Retail Managers	70.0	45.1	85.2	54.9	155.1	100.0
3514 Cooks	10.9	50.4	10.7	49.6	21.7	100.0
1413 Hotel and Motel Managers	3.7	27.5	9.6	72.5	13.3	100.0
<b>All occupations</b>	<b>2,953.2</b>	<b>39.3</b>	<b>4,559.6</b>	<b>60.7</b>	<b>7,512.9</b>	<b>100.0</b>

## 7.3 Terms of Trade Shock

Occupation	Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
	('000)	%	('000)	%	('000)	%
4315 Waiters	42.9	27.2	114.8	72.8	157.7	100.0
8513 Kitchenhands	43.2	24.9	130.6	75.1	173.8	100.0
4311 Bar Attendants and Baristas	39.8	31.8	85.1	68.2	124.8	100.0
6211 Sales Assistants (General)	68.2	13.6	434.8	86.4	502.9	100.0
3513 Chefs	26.3	71.4	10.6	28.6	36.9	100.0
1411 Cafe and Restaurant Managers	44.4	64.4	24.6	35.6	69.0	100.0
8511 Fast Food Cooks	17.8	22.5	61.4	77.5	79.3	100.0
1421 Retail Managers	71.0	45.2	86.1	54.8	157.1	100.0
3514 Cooks	13.5	54.5	11.2	45.5	24.7	100.0
1413 Hotel and Motel Managers	4.8	32.5	9.9	67.5	14.7	100.0
<b>All occupations</b>	<b>3,080.4</b>	<b>40.0</b>	<b>4,619.3</b>	<b>60.0</b>	<b>7,699.6</b>	<b>100.0</b>

## 7.4 Ring of Fire

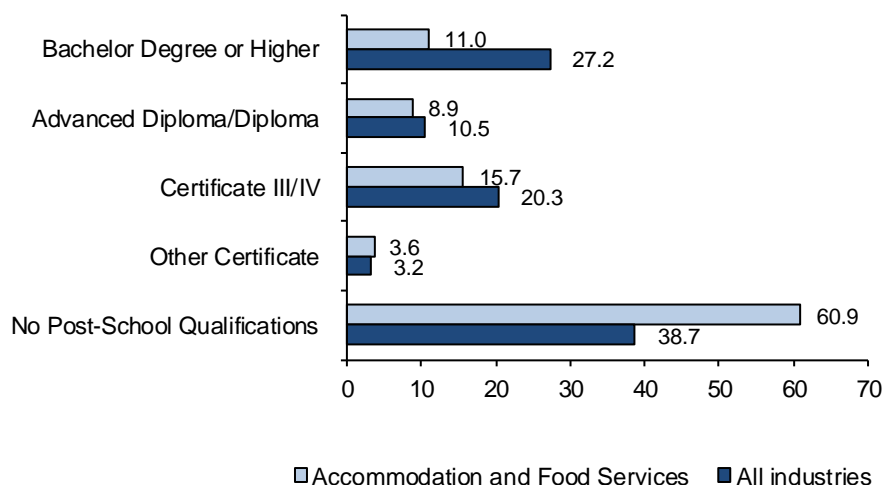
Occupation	Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
	('000)	%	('000)	%	('000)	%
4315 Waiters	19.7	15.7	105.5	84.3	125.2	100.0
8513 Kitchenhands	22.9	15.9	121.3	84.1	144.2	100.0
4311 Bar Attendants and Baristas	25.0	24.0	79.3	76.0	104.2	100.0
6211 Sales Assistants (General)	39.2	8.5	419.9	91.5	459.1	100.0
3513 Chefs	16.9	62.8	10.0	37.2	26.9	100.0
1411 Cafe and Restaurant Managers	32.4	58.7	22.8	41.3	55.2	100.0
8511 Fast Food Cooks	11.6	16.9	57.1	83.1	68.7	100.0
1421 Retail Managers	46.2	35.9	82.4	64.1	128.6	100.0
3514 Cooks	6.1	37.9	10.1	62.1	16.2	100.0
1413 Hotel and Motel Managers	3.0	24.4	9.3	75.6	12.3	100.0
<b>All occupations</b>	<b>1,532.9</b>	<b>26.1</b>	<b>4,338.5</b>	<b>73.9</b>	<b>5,871.4</b>	<b>100.0</b>

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results. Net replacement demand by AWPA (2013).

### Education and training profile

The accommodation and food services industry provides a flexible entry point to the labour market for school leavers, students and part-time workers. Consequently, there is little demand for post-school qualifications which is reflected in the education profile of the industry. The majority (60.9 per cent) of workers in this sector do not hold post-school qualifications, while the remainder hold a Certificate III/IV (15.7 per cent); a Bachelor degree or higher qualification (11.0 per cent); a Diploma or Advanced Diploma (8.9 per cent); or other certificate (3.6 per cent).

**Figure 1 Education profile of the accommodation and food services workforce (%)**



Note: Excludes 'Level of education not stated' from total.

Source: DEEWR (2012) *Australian Jobs 2012* (ABS 2011 Census data).



Figure 2 illustrates how demand for qualifications is expected to change over time. It shows the current education profile for each respective occupation: across all industries and within the accommodation and food services industry. It also shows projected levels of educational attainment to 2025 by each occupation group depending on which of the four scenarios eventuates.

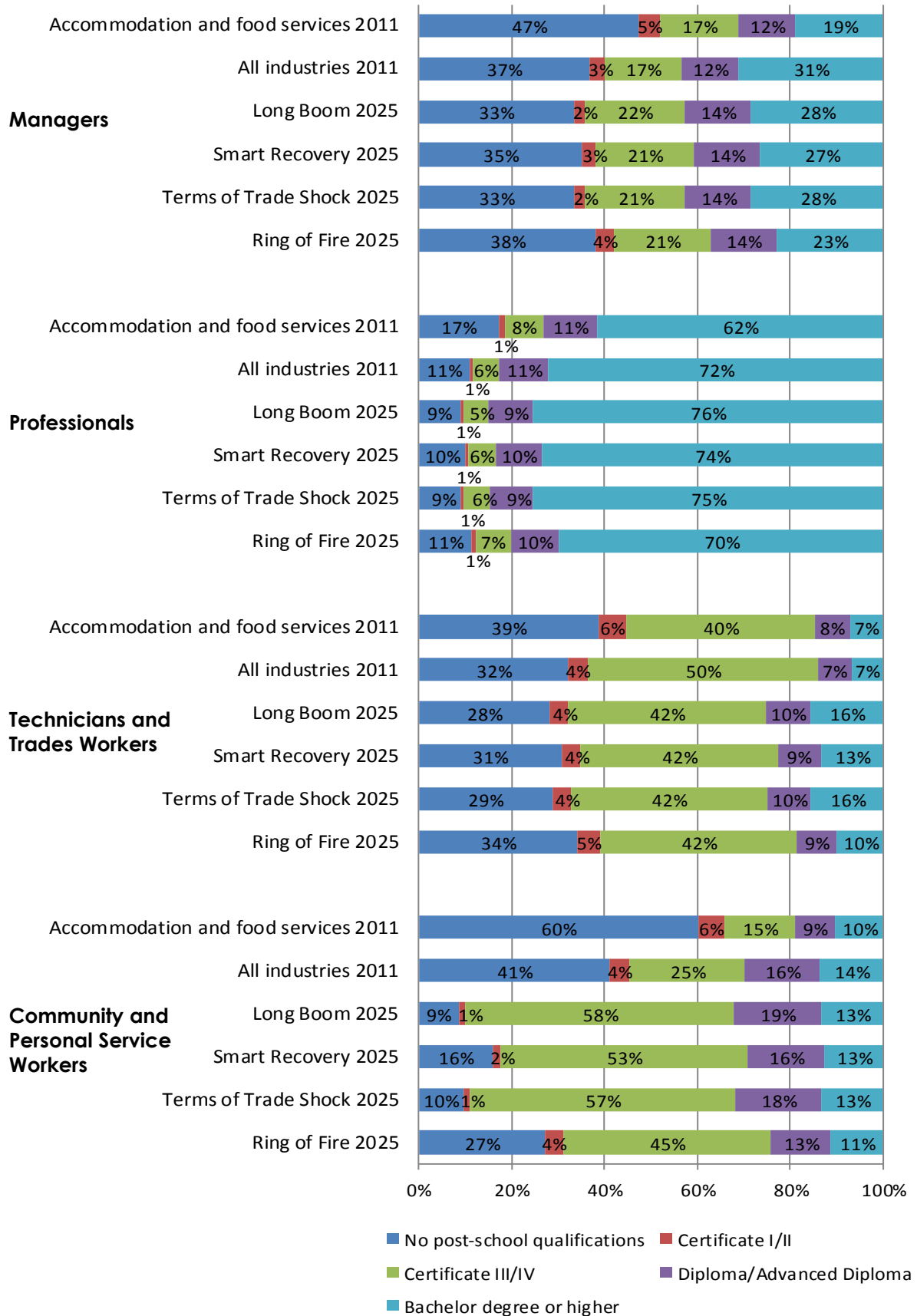
As Figure 2 shows, managers upskill progressively, with the share of those with a Bachelor degree or higher qualification expected to increase from 19 per cent in 2011 to between 23 and 31 per cent across the four scenarios to 2025.

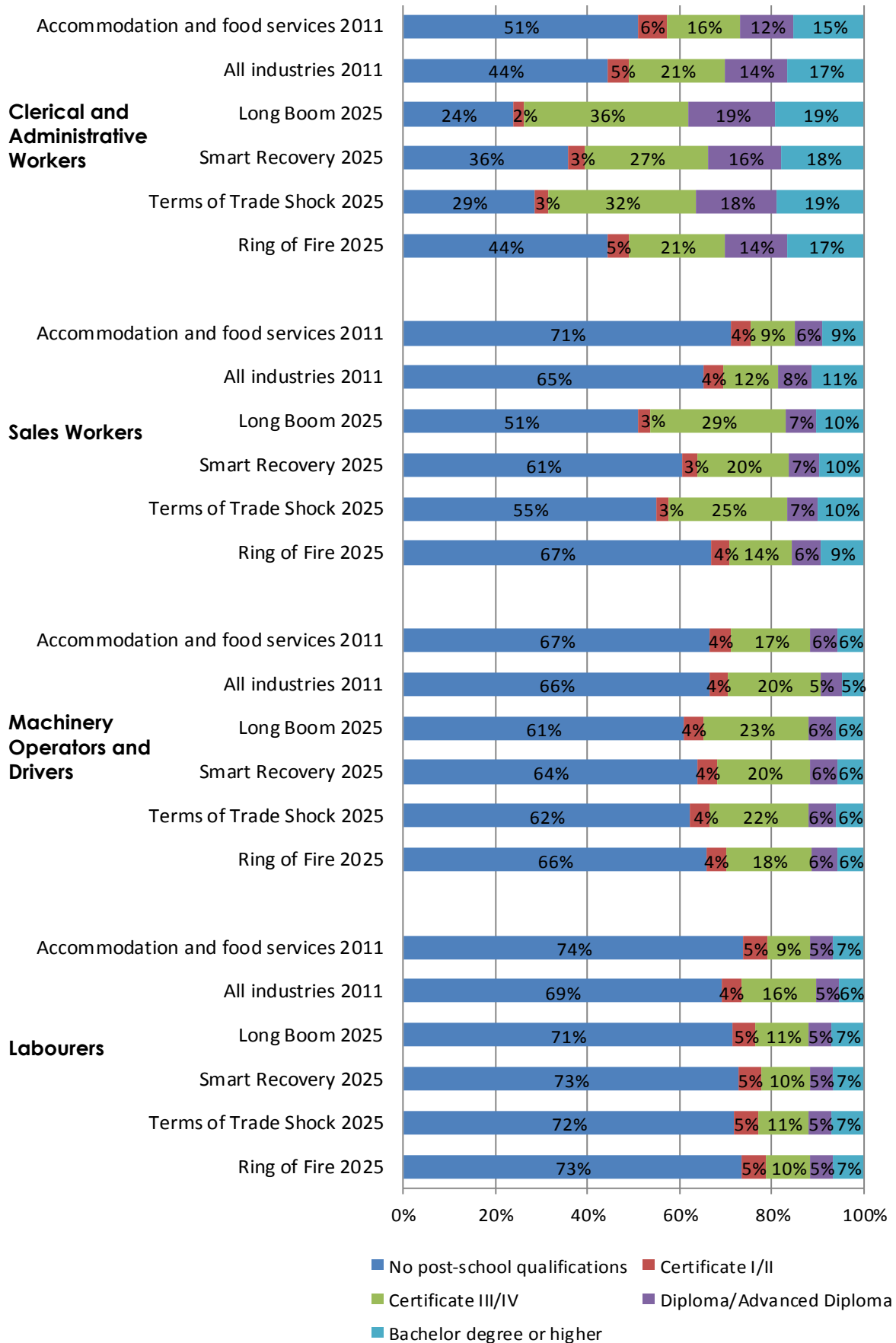
The proportion of managers with a Bachelor degree or higher is anticipated to grow by at least 10 percentage points in the years to 2025 whichever scenario eventuates. This trend of upskilling is also evident among technicians and trades workers and among clerical and administrative workers.

The proportion of sales workers without post-school qualifications is forecast to decrease substantially under the three higher growth scenarios, with most of the growth in qualification holding expected to be at the Certificate III/IV level.

The qualification profile of occupations with lower skills, such as machinery operators and drivers and labourers, is anticipated to remain relatively stable under all four scenarios, with a small decrease in the proportion of workers without post-school qualifications to 2025.

**Figure 2 Educational attainment in the accommodation and food services industry by occupation, 2011 and projections to 2025 (%)**





Source: ABS (2012) *Survey of Education and Work 2012*, cat. no. 6227.0; and DAE (2012) Unpublished data.

## Specialised occupations

In *Future Focus*, the 2013 National Workforce Development Strategy, AWPA has proposed that national planning for skills and industry workforce development should focus on **specialised occupations**. Specialised occupations are defined as those 'where specialised skills, learned in formal education and training, are needed at entry level and where the impact of market failure is potentially significant for the economy and/or the community.'

Specialised occupations demonstrate these characteristics:

- ▶ long lead time—skills are highly specialised and require extended learning and preparation time over several years;
- ▶ high use—skills are deployed for the uses intended (i.e. good occupational 'fit');
- ▶ high risk—the disruption caused by the skills being in short supply is great, resulting either in bottlenecks in supply chains or imposing significant economic or community costs because an organisation cannot operate; and
- ▶ high information—the quality of information about the occupation is adequate to the task of assessing future demand and evaluating the first three criteria.

Monitoring skills supply, especially for specialised occupations, will remain a critical element in meeting our workforce needs.

As the accommodation and food services sector consists primarily of retail and accommodation managers, hospitality workers, sales workers and labourers (such as cleaners and food preparation assistants), there are few 'specialised' occupations related to this industry.

This is primarily because the industry requires skills to be gained quickly in order to respond to the demands of consumers and the broader economy. Therefore the 'long lead time' requirement of the specialised occupations' criteria tends not to be as relevant to accommodation and food services as to other industries.

In the case of food trades workers, long lead time may be a requirement of training for the occupation. However, analysis has revealed a high rate of job turnover among food trades workers, resulting in a relatively low degree of occupational 'fit'.

While there are some management and professional occupations that may be loosely associated with the accommodation and food services industry (such as accountants), there is limited demand for post-school qualifications among the broader workforce at present. This is reflected in the current education profile of the industry (Figure 1). However, as Figure 2 shows, demand for qualifications within the sector may change over time, depending on which of the future scenarios unfolds.

More detailed information about specialised occupations is available in *Future Focus, 2013 National Workforce Development Strategy* at <http://www.awpa.gov.au>.

## Example workforce development initiatives

Investment in workforce development has been shown to maximise people's capabilities, lift productivity and increase workforce participation. Employee satisfaction levels and engagement also increase when enterprises make better use of their employees' skills.<sup>5</sup> Current workforce development initiatives in accommodation and food services include the following examples:

- ▶ The **Tourism and Hospitality Workforce Development Strategy** outlines the priority areas for achieving the overall goal of access to the number of skilled employees that the tourism and hospitality industry will require to be successful in the future. Further information can be found at [www.serviceskills.com.au](http://www.serviceskills.com.au).
- ▶ The **Food Processors Sustainability Seminars** are a series of interactive breakfast seminars hosted by the Industry Skills Council AgriFood Skills Australia. The seminars focus on business sustainability at a range of locations around Australia. The seminars are aimed at chief executives, managing directors and business owners and seek to provide detailed guidelines for 'future proofing' food processing businesses and workforces by making them more sustainable. Further information can be found at [www.agrifoodskills.net.au](http://www.agrifoodskills.net.au).
- ▶ The **Exemplar Project** aims to develop and pilot a new workforce development approach for food processors which is configured, hands-on and industry specific to meet resource efficiency, energy, carbon and water management challenges. The project is being joint managed by the Industry Skills Council, AgriFood Skills Australia in association with Energetics Pty Ltd, a climate change and sustainability consultancy firm. Further information can be found at [www.agrifoodskills.net.au](http://www.agrifoodskills.net.au).

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<sup>5</sup> Skills Australia (2012) *Better use of skills, better outcomes: A research report on skills utilisation in Australia*.