

2025 Industry Benchmarking Report

Hospitality remains one of Australia's largest small business sectors, employing hundreds of thousands of Australians and contributing significantly to tourism, local economies and community life.



Restaurant & Catering Industry
Association of Australia Inc.



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Industry Snapshot

- 49% of hospitality businesses report declining profitability over the past three years.
- 19% of businesses reported operating at a loss in the previous financial year.
- 76% of businesses report difficulty filling staff vacancies, with more than one-third experiencing extreme difficulty.
- Wages, salaries and superannuation represent approximately 38% of total business turnover.
- December remains the strongest trading month for hospitality businesses.
- 71.8% of hospitality businesses are family-operated.

This snapshot highlights some of the key insights from the Restaurant & Catering Australia 2025 Industry Benchmarking Report.

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Chapter 01.

Executive Summary

About Restaurant & Catering Australia

Restaurant & Catering Australia (R&CA) is the peak national industry body representing more than 57,000 restaurants, cafés and catering businesses across Australia.

Hospitality's Role in the Australian Economy

Hospitality is one of the country's largest small business sectors, employing hundreds of thousands of Australians and playing a vital role in local economies, tourism and community life. As one of Australia's largest small business employers, the sector makes a significant contribution to communities across the country. The pressures outlined in this report therefore have broader economic implications beyond individual businesses.

Purpose of the Benchmarking Report

The R&CA 2025 Industry Benchmarking Report provides a comprehensive snapshot of the operating environment facing hospitality businesses today. Drawing on insights from operators across the country, the report highlights the key trends shaping the sector, including rising operating costs, workforce shortages and ongoing pressure on business profitability.

Industry Resilience Under Pressure

While operators continue to manage tight margins amid rising costs across wages, energy, rent and supply chains, the industry has once again demonstrated resilience and adaptability. Businesses continue to evolve their operations, respond to changing consumer expectations and invest in the experiences that make Australia's hospitality sector one of the most dynamic parts of the economy.

Supporting Industry Advocacy

This report provides important evidence to support industry advocacy and policy development. The insights captured in this benchmarking report will help inform discussions with government, industry stakeholders and business leaders, supporting practical solutions that strengthen the sustainability and long-term success of Australia's hospitality sector.



Message from our National President

Operating Environment for Hospitality Businesses

The past year has again tested the resilience of Australia's hospitality industry. Operators across the country have continued to navigate rising operating costs, workforce shortages and increasing regulatory complexity, while maintaining the high standards of service and quality that customers expect.

Despite these pressures, hospitality businesses continue to adapt and evolve. The sector remains one of the most dynamic parts of the Australian economy, driven by passionate operators, strong community connections and a commitment to delivering great experiences.

The insights in this year's benchmarking report provide a clear picture of the realities facing operators today. Tight profit margins, rising wage costs and workforce challenges continue to place pressure on businesses across the country. At the same time, the report highlights the strength of the sector, which is built on independent and family-run businesses that play a vital role in local economies and communities.

Restaurant & Catering Australia remains committed to ensuring the voice of the industry is heard and that the challenges facing operators are clearly understood by government and decision makers.

The Importance of Industry Advocacy

Running a hospitality business in today's environment is not easy. Strong advocacy and practical support for our members and partners have never been more important. I thank the many operators who contributed their time and insights to this report. Their participation ensures this benchmarking report continues to provide a valuable evidence base for industry, government and stakeholders.



"Our role remains clear – to advocate for the hospitality industry using evidence and real industry insight to support strong and sustainable businesses across Australia."

John Hart OAM

A handwritten signature in black ink, appearing to read 'John Hart', written over a light blue horizontal line.

National President
Restaurant & Catering Australia (R&CA)

Chapter 02.

Profile of Respondents



**Over
71%**

were family
operated



**29%
operated**

in metropolitan
suburbs



**Over
80%**

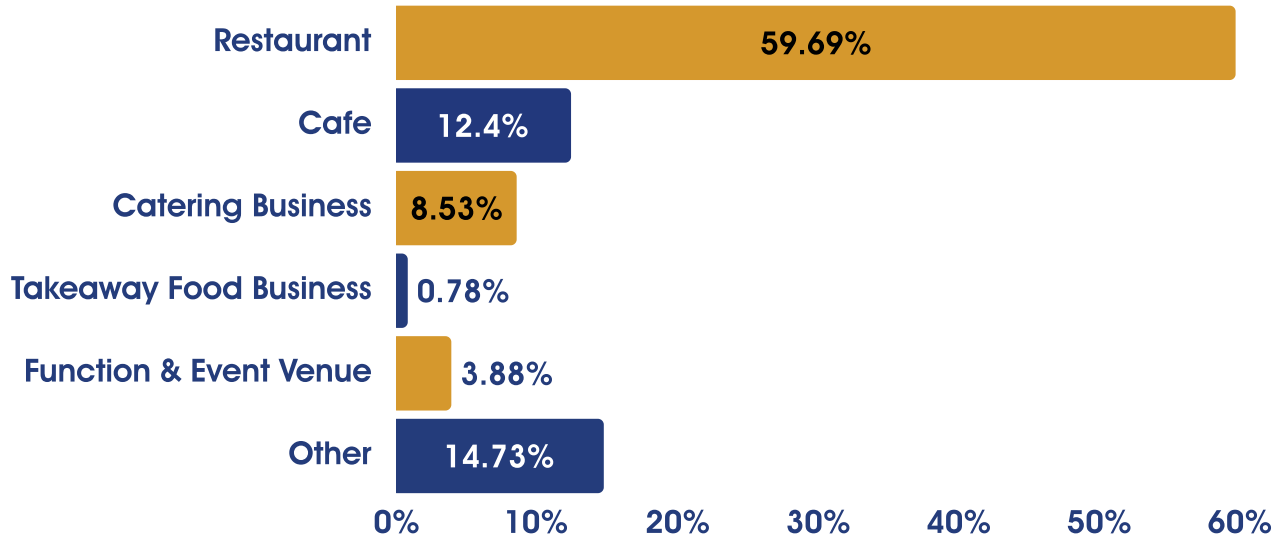
have worked
in the industry
for 10 years



Which of the following best describes your business?

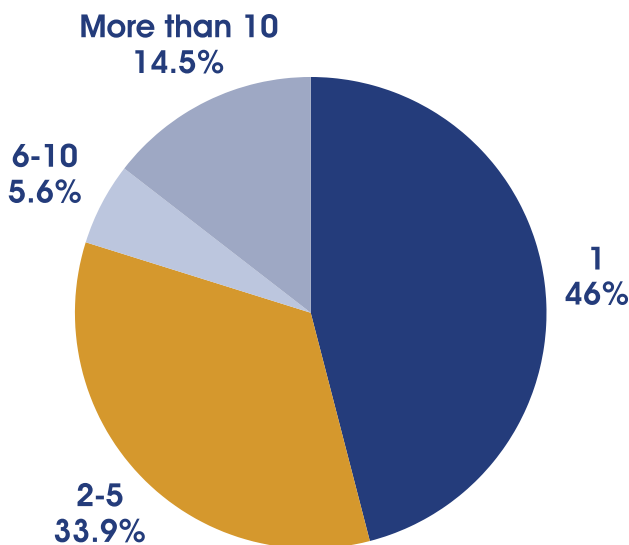
Independent Businesses Drive the Sector

Australia's hospitality sector continues to be dominated by small and independently operated businesses. Many venues operate as single-location businesses, often run by owner-operators who are closely involved in day-to-day operations. This structure highlights the importance of hospitality as a small business industry, where individual operators play a significant role in shaping local dining culture and employment.



How many individual venues within your business do you operate?

Single-Venue Businesses Dominate

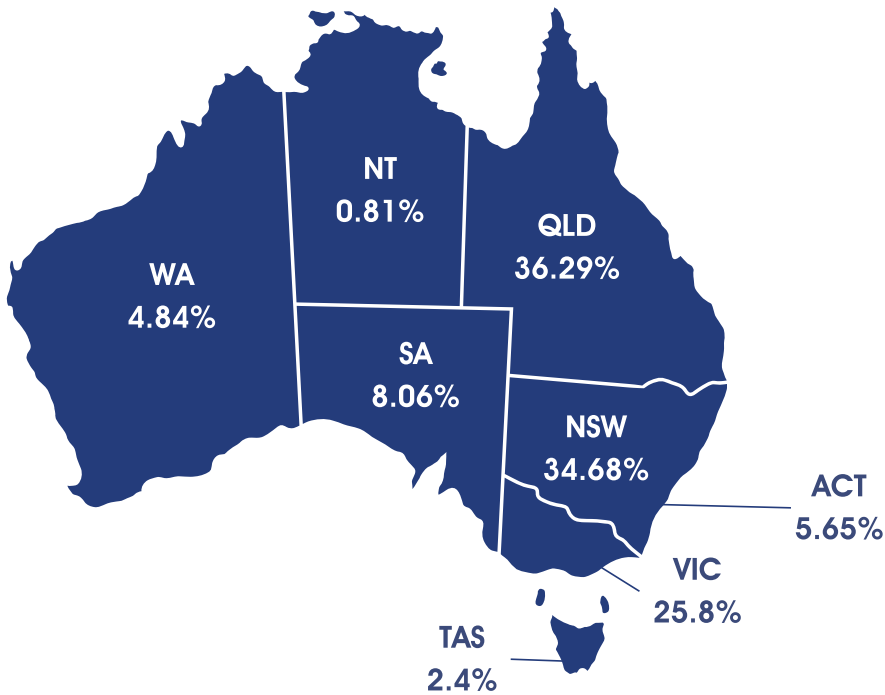


Restaurants account for nearly 60% of respondents, & 46% of businesses operate a single venue, reinforcing the sector's strong small-business profile.

In which state or territory does your business operate?

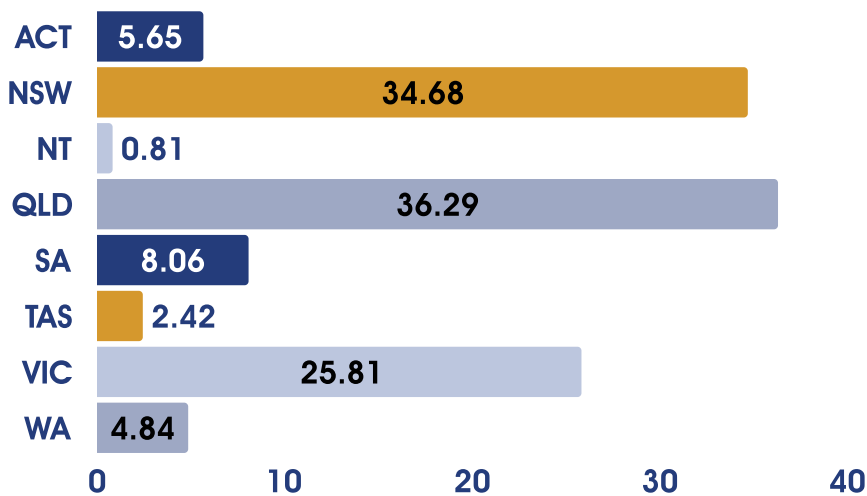
Respondents Represent Businesses Across Australia

Respondents represent hospitality businesses operating across Australia, providing a national perspective on industry conditions across multiple states and territories.



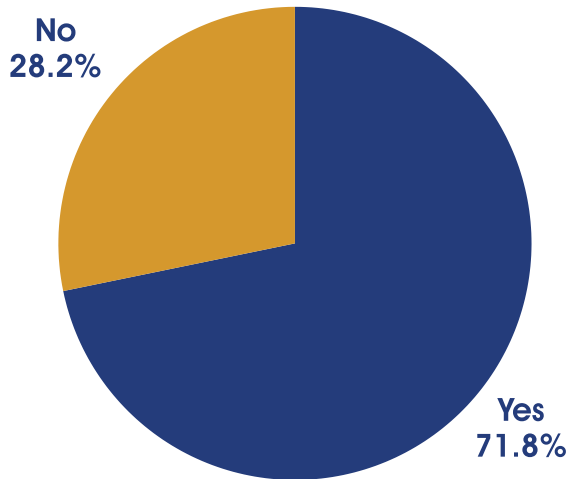
The largest share of responses came from Queensland (36.29%) and New South Wales (34.68%), reflecting the strong concentration of hospitality businesses in these states.

Which best describes where your business is located?



Are you a family operated business?

The results highlight the structure of hospitality businesses and the typical size of their workforce.

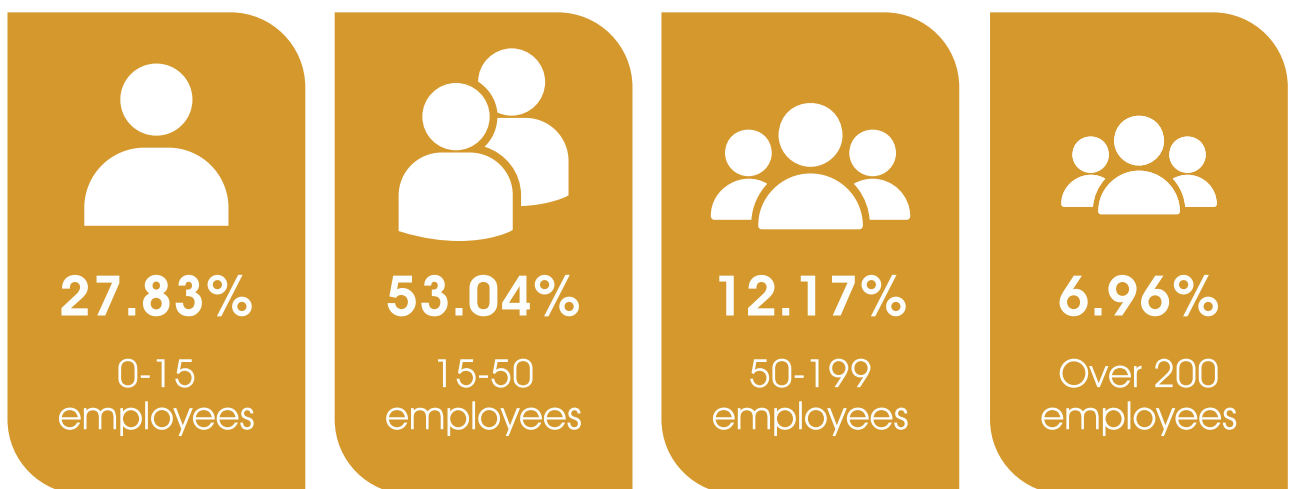


People remain the foundation of hospitality success. Operators ranked staff quality and workplace culture as the most important factors in running a successful hospitality business, ahead of marketing, atmosphere and sustainability.

How many staff does your business employ?

Typical Workforce Size in Hospitality

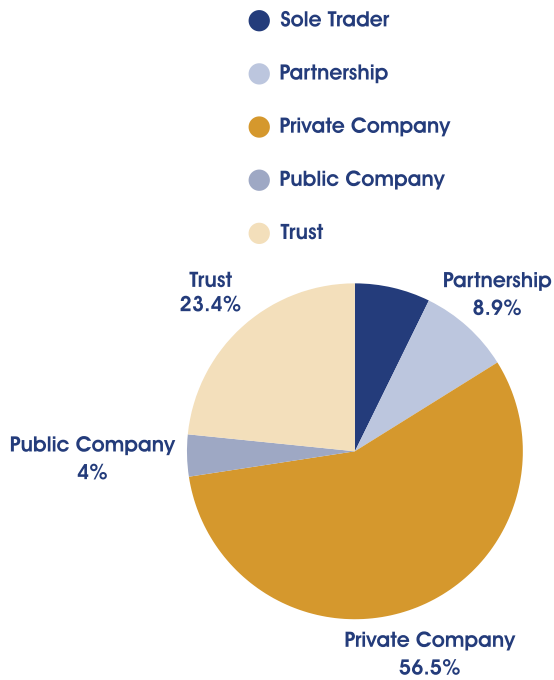
71.8% of hospitality businesses are family operated, while more than half employ between 15 and 50 staff, demonstrating the sector's reliance on small-to-medium sized teams.



Which ownership structure best describes your business?

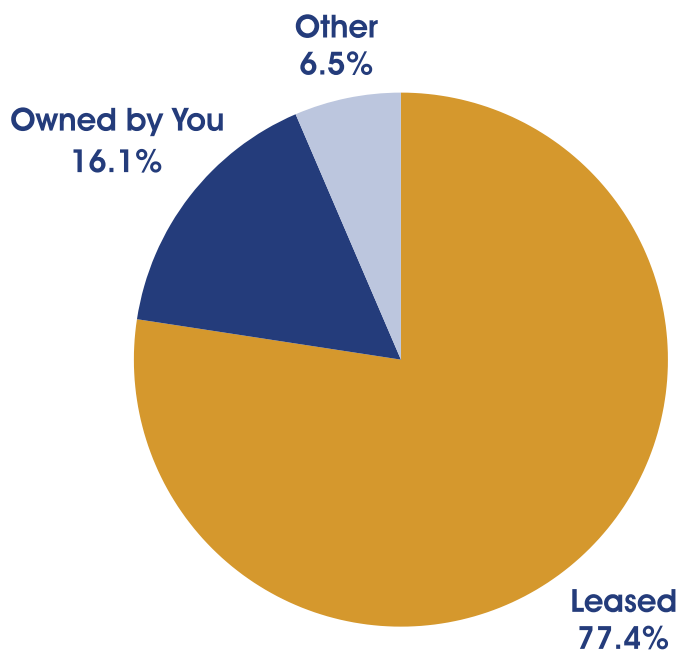
Business Ownership Structures in Hospitality

Hospitality businesses operate under a range of ownership structures and premises arrangements depending on business size and operating model.

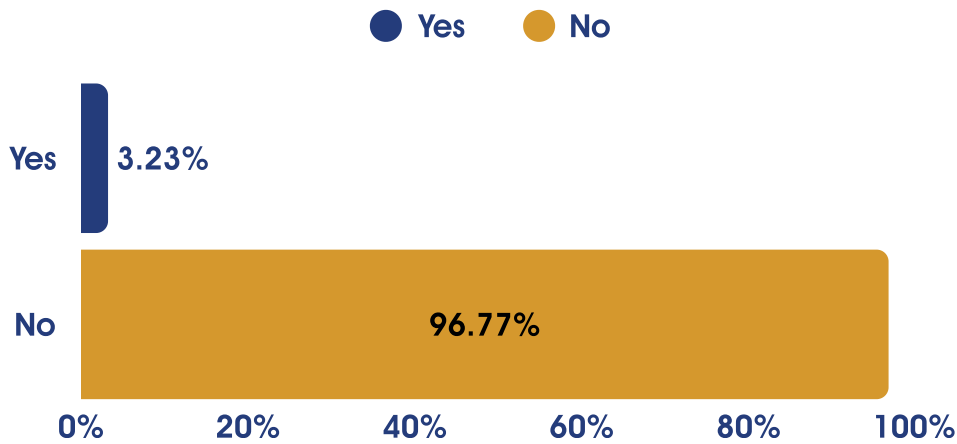


Most businesses operate as private companies (56.5%) and lease their premises (77.4%), highlighting the importance of rental costs in hospitality operations.

Is your premises either:



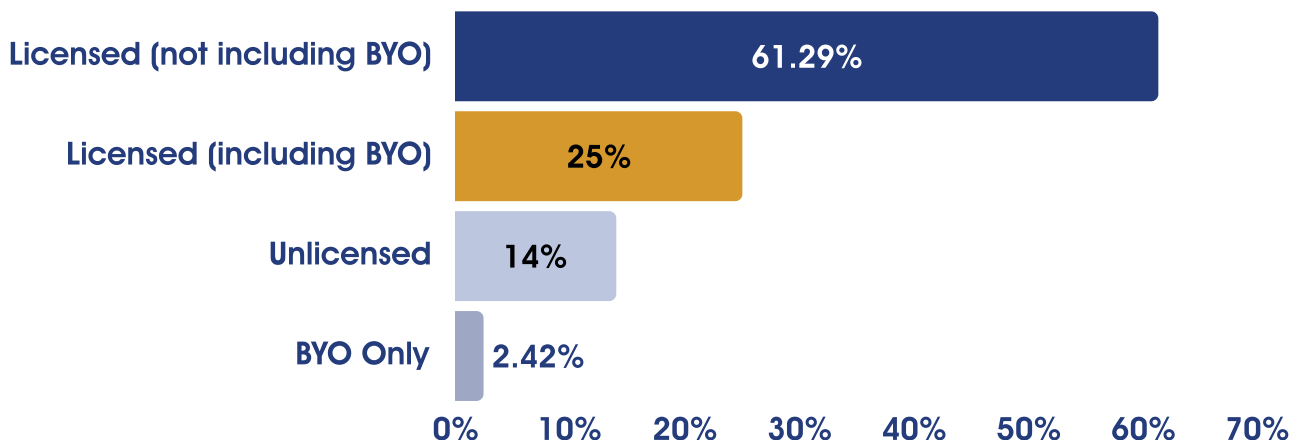
Is your business a franchise operation?



What liquor licensing arrangements do you have?

Liquor Licensing Across Hospitality Venues

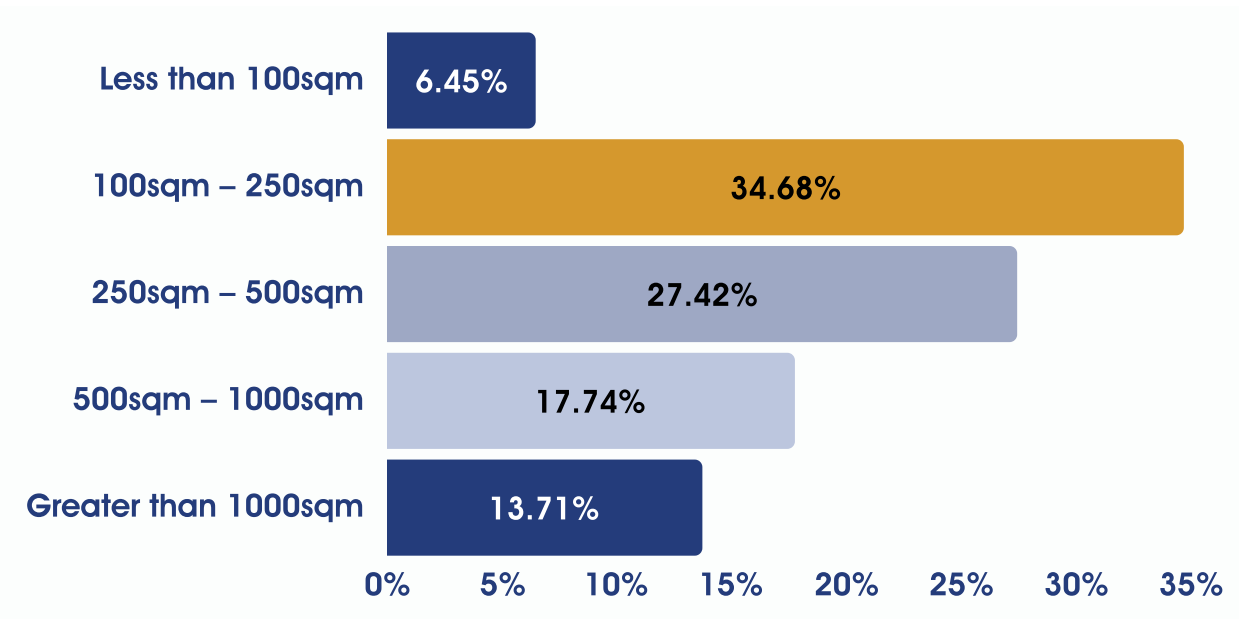
Licensing arrangements vary across the sector depending on venue type and business model.



61.29% of venues operate with a liquor licence, while only 3.23% of businesses report operating as part of a franchise, reinforcing the sector's independent nature.

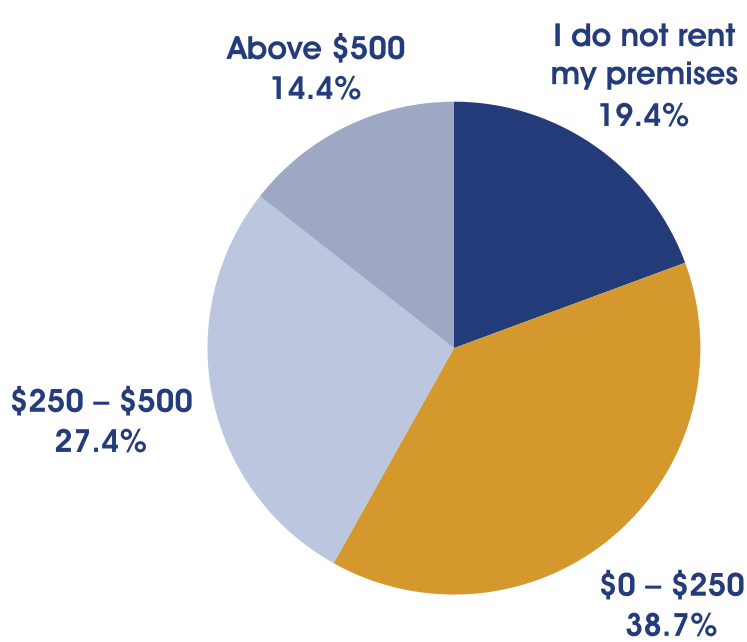
What is the estimated size (in square metres) of your business?

Venue Size and Rental Costs Across Hospitality Businesses



Venue size and rental costs vary significantly across hospitality businesses.

What is your estimated cost of rent per square metre per week?

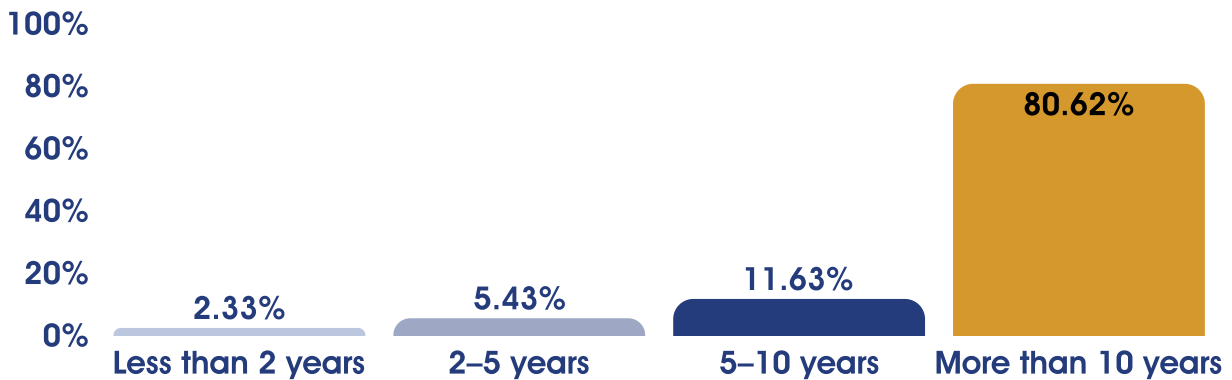


The most common venue size is 100–250 sqm (34.68%), while 38.7% of operators report paying between \$0–\$250 per sqm per week in rent.

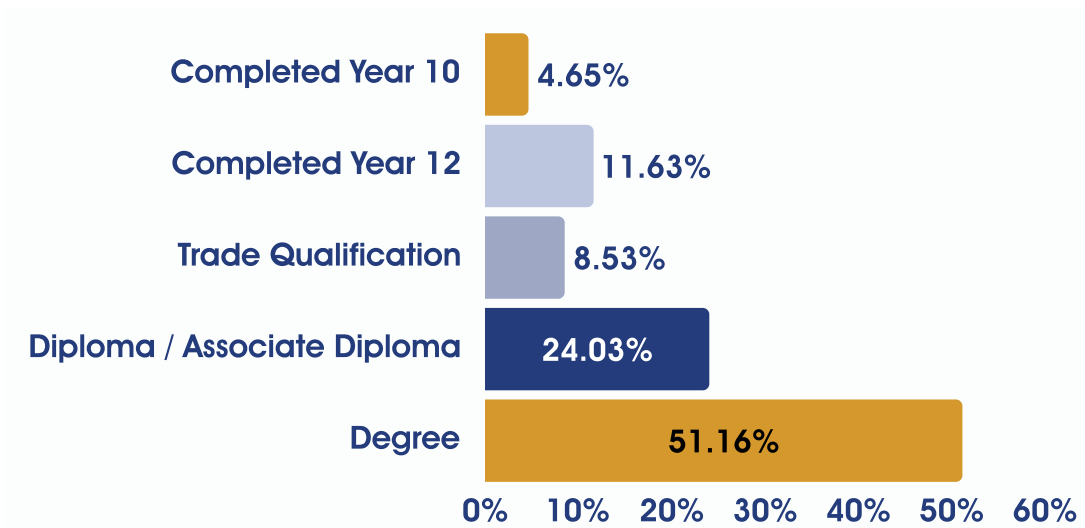
How many years have you worked in the hospitality industry?

Experience and Education of Hospitality Operators

The benchmarking results highlight the experience and education levels of hospitality operators. More than 80% of respondents have worked in the industry for over 10 years, and more than half hold a university degree, reflecting the strong professional experience across the sector.



What is the highest level of education you have completed?



More than 80% of respondents have worked in hospitality for over 10 years, and over half hold a university degree, reflecting the depth of experience across Australia's hospitality sector.

Structure of Hospitality Businesses

This chapter provides an overview of the businesses and operators represented in the benchmarking survey. The data highlights that Australia's hospitality sector continues to be dominated by independent, small to medium-sized businesses, many of which operate a single venue and are closely managed by owner-operators.

Family-Run Businesses Remain Central

Family-run businesses remain a defining feature of the industry, reflecting the strong role hospitality plays in local communities and small business economies. At the same time, the data shows a highly experienced cohort of operators, with the majority of respondents reporting more than a decade of experience working in hospitality.

Operational Realities of Hospitality Businesses

The results also demonstrate the operational realities of the sector. Many venues operate with relatively small teams, leased premises and modest venue footprints, reinforcing the importance of managing costs such as rent, staffing and compliance.

Context for the Benchmarking Results

Together, these findings provide important context for the benchmarking results throughout the rest of the report, highlighting the structure and operating environment of businesses across Australia's hospitality sector.

Chapter 03.

Success Factors and Industry Challenges

Drivers of Success and Challenges in Hospitality

The benchmarking results highlight the key factors influencing success across hospitality businesses. Operators consistently identify staff capability, food quality and the ability to meet customer expectations as the most important drivers of business performance. At the same time, operators continue to face significant operational challenges, including rising operating costs, workforce shortages and increasing regulatory complexity.



What are the most important factors in running your business successfully?

Drivers of Success in Hospitality Businesses

Hospitality success continues to be driven by people, product and experience. The benchmarking results show that operators consistently identify staff capability, food quality and the ability to meet customer expectations as the three most important factors in running a successful hospitality business.

Top factors influencing business success

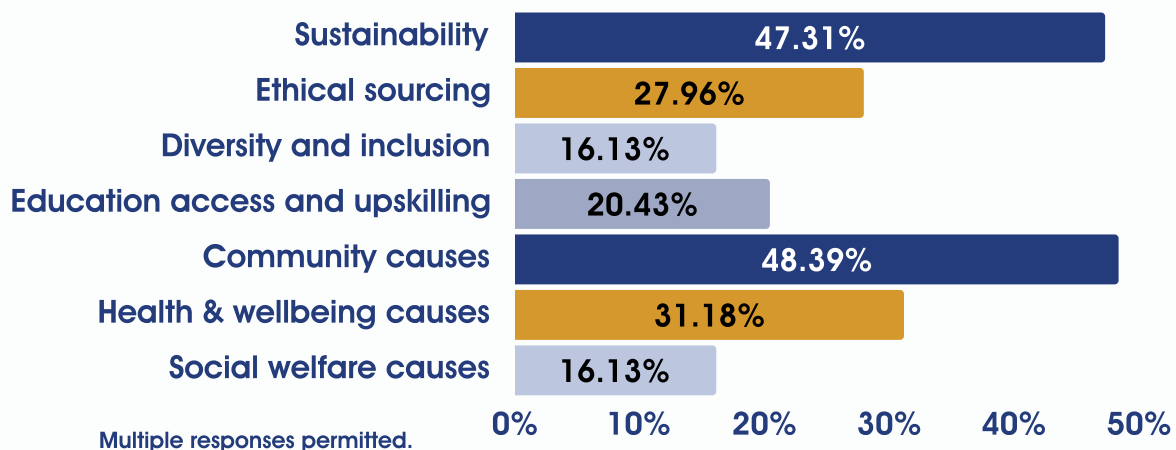


The data reinforces the idea that hospitality remains a service-led industry where the quality of the team directly influences the customer experience and business performance. At the same time, the results show that customers are increasingly interested in supporting businesses that contribute to community initiatives and sustainability efforts.

This reflects a shift in consumer expectations, where hospitality venues are seen not only as places to dine, but also as businesses that play an active role in their communities.

Which of the following social or charitable topics would your customers be interested in supporting through your business?

Community causes (48.39%) and sustainability (47.31%) emerge as the two areas customers are most interested in supporting through hospitality businesses.



Chapter 04.

Business Expenditure and Turnover

Financial Pressures Facing Hospitality Businesses

The benchmarking results highlight the financial realities facing hospitality businesses across Australia. Rising operating costs, wage pressures and supply chain challenges continue to impact profitability. In response, many operators are adjusting pricing, menus and operating models to manage revenue, costs and overall financial performance in a challenging operating environment.



December

identified as the strongest trading month for 34% of hospitality businesses.



Almost 81%

expected a rise in menu and meal prices in the next 12 months



One in five businesses

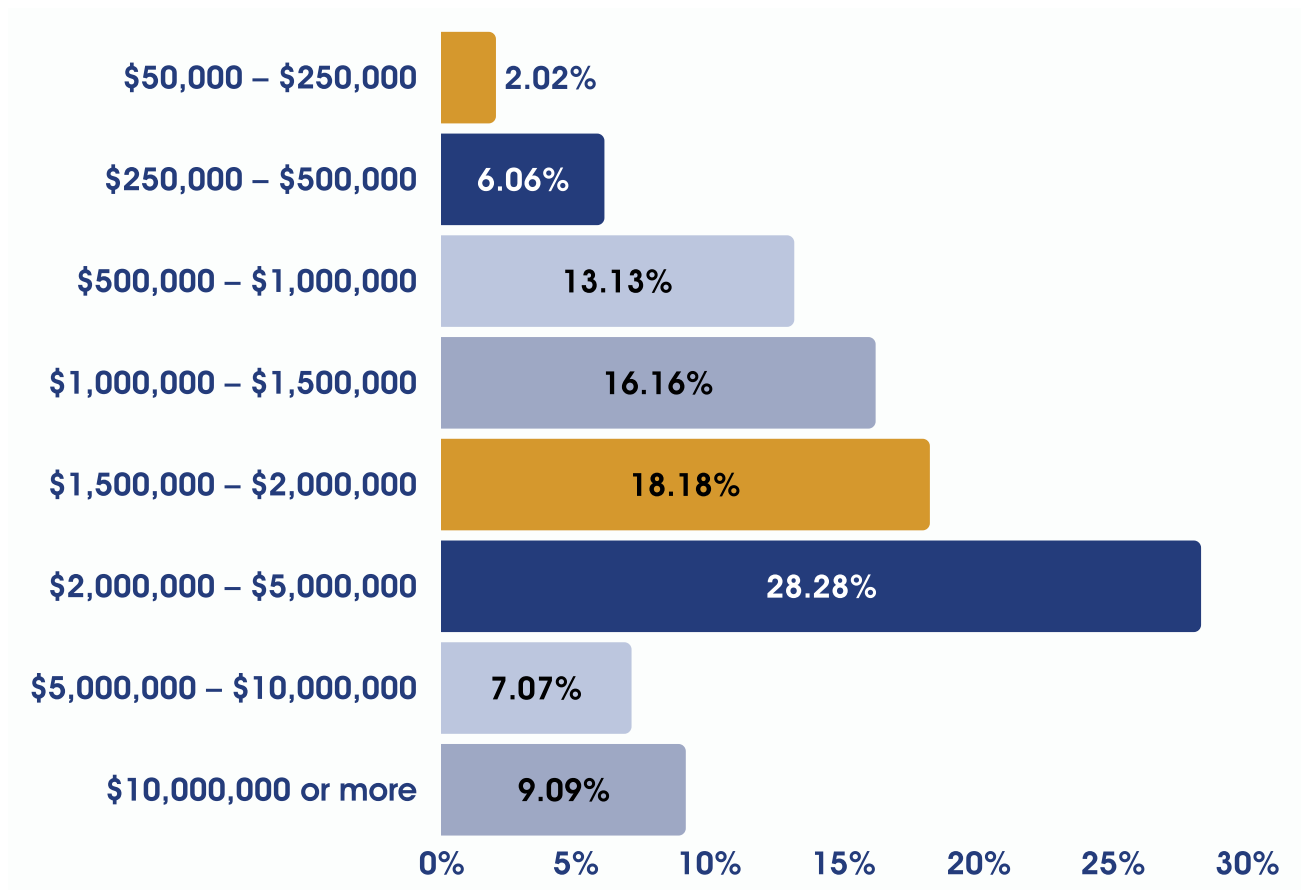
Almost one in five businesses reported making a loss in the previous financial year.

The data highlights three key realities facing operators. December remains the strongest trading month for many venues, contributing the largest share of annual revenue. At the same time, rising costs are forcing businesses to review pricing strategies, with more than 80% expecting menu prices to increase over the next year. Despite these adjustments, almost one in five businesses reported making a loss in the previous financial year.

What was your yearly turnover for the last financial year?

Turnover Levels Across Hospitality Businesses

The benchmarking data confirms the scale at which most hospitality businesses operate.

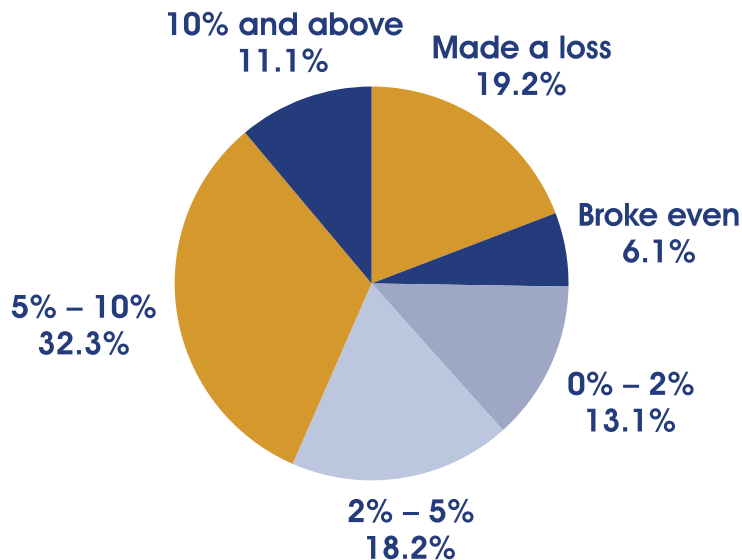


Most hospitality venues generate annual turnover of under \$5 million, with the largest share reporting between \$1 million and \$5 million. This reinforces that hospitality is largely made up of small and independent businesses that operate with relatively modest revenue levels while managing rising operating costs.

What is your yearly net profit after tax expressed as a (%) of your yearly turnover for the last financial year?

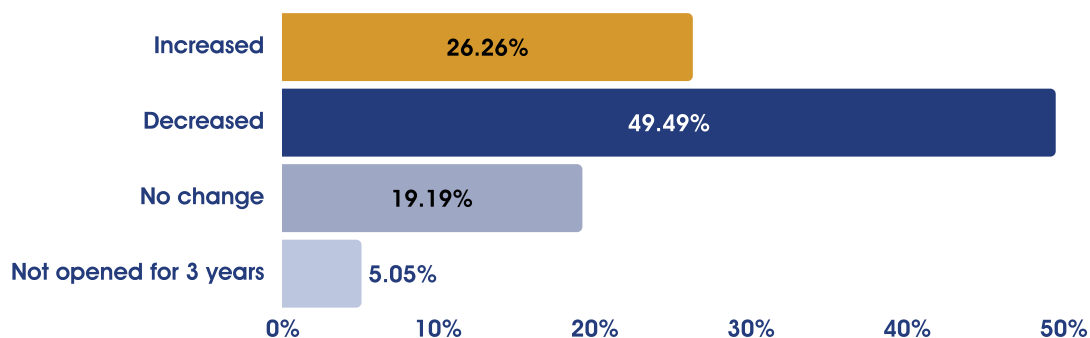
Profitability Across Hospitality Businesses

Profitability remains one of the most significant challenges for hospitality businesses.



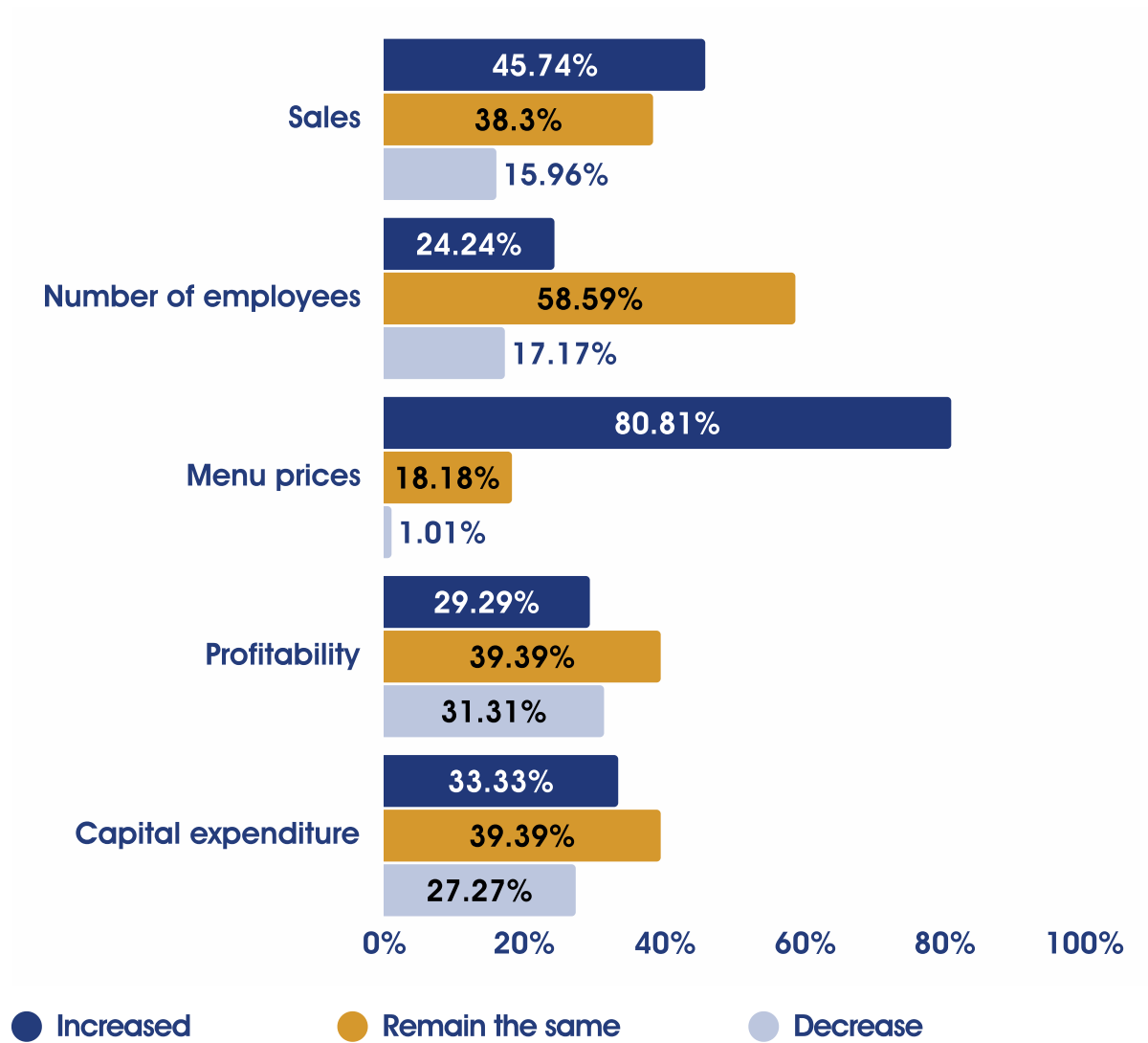
Most venues report net profit margins of 5%–10%, while a significant proportion operate with margins below 5%. More than a quarter of businesses reported either making a loss or breaking even in the previous financial year. Looking at longer-term trends, nearly half of operators report that their profitability has declined over the past three years, reflecting the growing impact of rising labour and operating costs.

Over the past 3 years, has your net profit:



How do you expect your business to trend in the next 12 months in relation to the following?

Despite ongoing cost pressures, many operators remain cautiously optimistic about the year ahead.



Prices are rising faster than profitability.



More than 80% of businesses expect menu prices to increase over the next 12 months, reflecting ongoing cost pressures across the sector. While many operators anticipate growth in sales and capital investment, expectations around profitability remain more moderate, suggesting that rising costs may continue to offset revenue growth.

Which months contribute the most and least to your annual revenue?

Hospitality revenue continues to be strongly influenced by seasonal trading patterns.

	MOST	LEAST
January	20.20%	26.26%
February	2.02%	27.27%
March	5.05%	4.04%
April	1.01%	8.08%
May	2.02%	7.07%
June	3.03%	7.07%
July	10.10%	10.10%
August	4.04%	6.06%
September	1.01%	2.02%
October	3.03%	0.00%
November	14.14%	1.01%
December	34.34%	1.01%



December is clearly the strongest trading month, with 34.34% of businesses identifying it as their highest revenue period. February is most commonly identified as the quietest trading month, highlighting the strong seasonal peaks that influence hospitality performance.

What percentage of turnover do the following direct expenses represent?

Direct Operating Costs in Hospitality

Labour and occupancy costs remain the largest expenses across the hospitality sector.

	2024-25	2023-24	2022-23	2021-22	2020-21	2018-19	2016-17	2015-16
Wages, super and salaries	40.25%	27.91%	37.00%	35.00%	34.40%	32.00%	39.60%	37.00%
Rates & Taxes	16.01%	3.08%	9.00%	12.00%	9.30%	9.60%	5.70%	4.80%
Rent	10.79%	7.05%	13.80%	13.00%	10.40%	13.40%	8.30%	7.50%
Energy	10.54%	4.56%	7.00%	7.00%	4.60%	9.70%	5.10%	3.40%
Equipment depreciation & lease	7.94%	2.34%	6.00%	5.00%	3.60%	4.80%	3.60%	3.60%
Interest	7.69%	1.14%	4.00%	3.00%	2.30%	2.70%	1.70%	1.80%
Insurance	7.48%	2.63%	5.00%	5.00%	3.50%	4.30%	2.60%	1.30%
Staff on costs	6.13%	3.02%	7.00%	9.00%	5.40%	7.80%	6.70%	5.30%
Advertising and Promotions	6.07%	1.63%	3.00%	3.00%	3.50%	3.60%	3.40%	2.70%
Accounting and Management	5.98%	1.43%	4.00%	4.00%	3.10%	4.30%	2.60%	2.50%
Repairs, maintenance and replacement	5.47%	2.66%	5.00%	4.00%	3.90%	4.90%	3.60%	2.90%
Staff training	5.23%	1.14%	3.00%	2.00%	2.00%	3.00%	1.80%	1.70%
Printing and Stationery	4.53%	0.69%	2.00%	2.00%	2.00%	2.10%	1.50%	1.50%
Cleaning, laundry and rubbish removal	4.08%	1.96%	4.00%	3.00%	3.00%	3.30%	2.20%	2.10%
Telephone and Postage	3.30%	0.62%	2.00%	2.00%	1.90%	2.30%	1.80%	1.40%
Credit Card Charges	0.90%	0.62%	2.00%	2.00%	2.10%	2.50%	2.00%	1.90%
Travel (including motor vehicles)	.32%	0.63%	2.00%	2.40%	2.80%	3.50%	2.40%	1.70%

Labour remains the largest cost in hospitality businesses, accounting for more than 40% of turnover in 2024–25.

Rates and taxes, rent and energy are the next largest operating expenses, highlighting the structural cost pressures facing hospitality operators.

The True Cost of Running a Hospitality Business

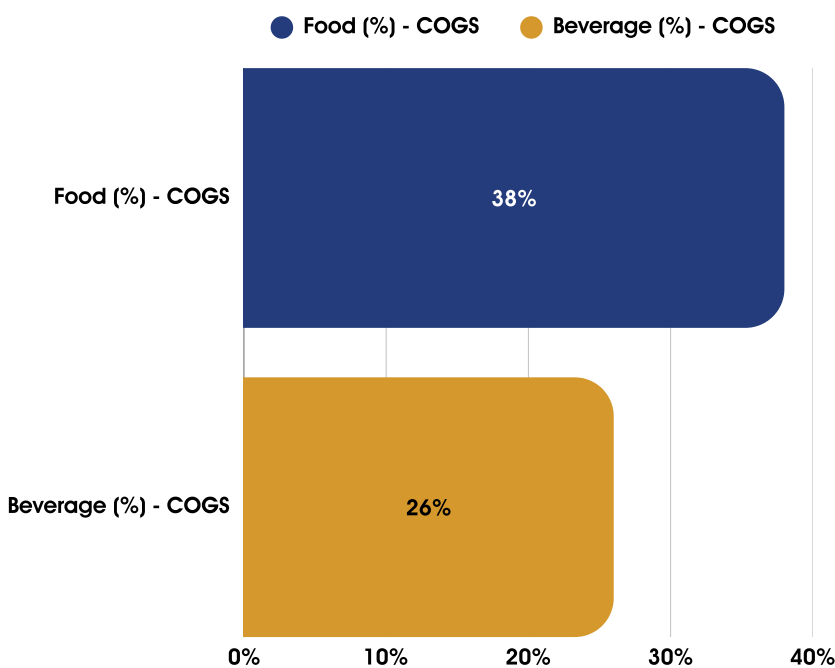
Cost of Goods Sold

Food and beverage purchase costs represent a significant share of turnover for hospitality businesses, sitting alongside labour as one of the sector's largest operating expenses.

Benchmarking results show that food costs average 38% of turnover, while beverage costs average 26% of turnover. Combined, the cost of goods sold accounts for a substantial portion of revenue before any overhead expenses are applied.

When viewed alongside labour costs — which account for more than 40% of turnover — the data highlights the scale of the financial pressure facing operators. Together, labour and cost of goods alone can account for more than 75% of turnover for many businesses, leaving limited margins to absorb further increases in rent, energy, insurance, and other operating costs.

This reinforces why more than 70% of operators identified reduced costs for produce, electricity and gas as the single change that would make the biggest difference to their business performance, and why pricing decisions remain one of the most critical levers available to operators managing ongoing cost pressures.



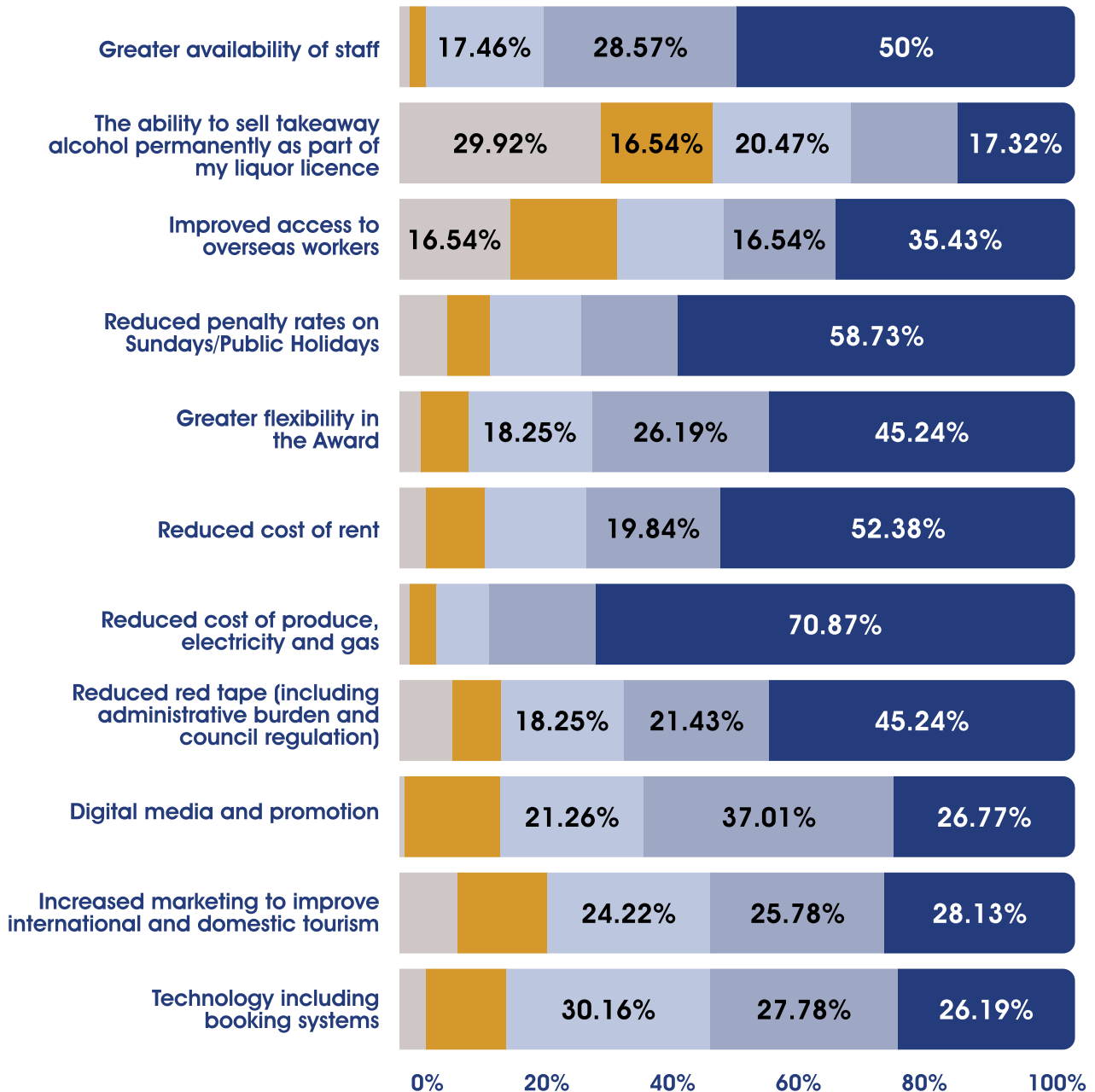
Food costs average 38% of turnover and beverage costs average 26% of turnover. Combined with labour, cost of goods and wages can account for more than 75% of turnover — leaving little room to absorb rising overheads.

Which of the following would make the biggest difference to your business success?

Key Changes That Would Improve Hospitality Business Performance

Operators were asked which changes would make the biggest difference to improving business performance.

● Not very useful ● Somewhat useful ● Useful
 ● Very useful ● Extremely useful

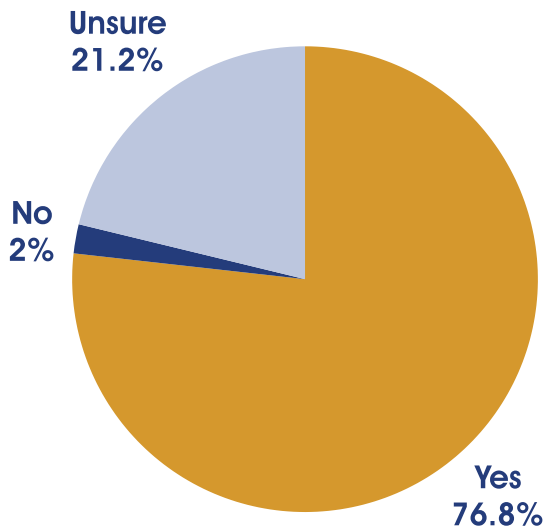


Rising operating costs emerged as the most significant issue facing operators, with more than 70% identifying lower costs for produce, electricity and gas as the change that would make the biggest difference to business performance. Reduced rent, improved workforce availability and greater workplace flexibility were also identified as key factors that would support hospitality businesses.

Do you expect your business to still be operating in 12 months?

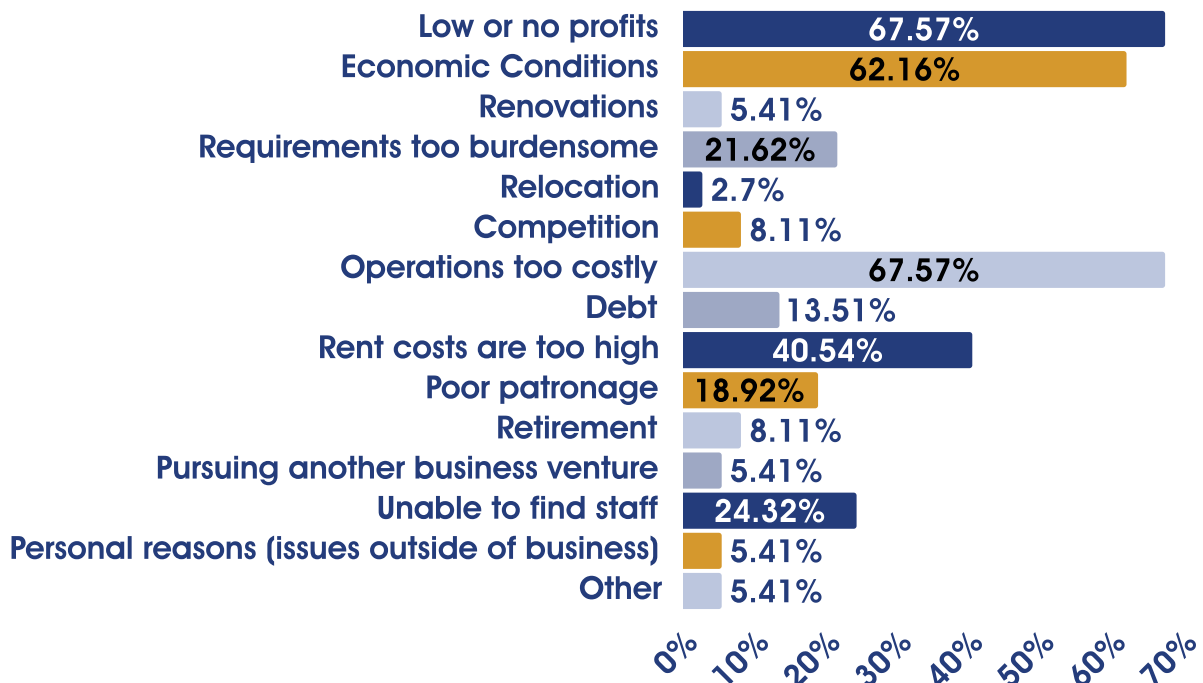
Business Outlook for the Next 12 Months

Operators who were uncertain about their future identified several key risk factors affecting business viability.



More than three quarters of operators expect their business to still be operating in 12 months. However, more than one in five remain uncertain about their future, highlighting the ongoing financial pressures facing hospitality businesses.

Why do you believe your business may not still be operating in 12 months?



Profitability pressure is being driven by operating costs.

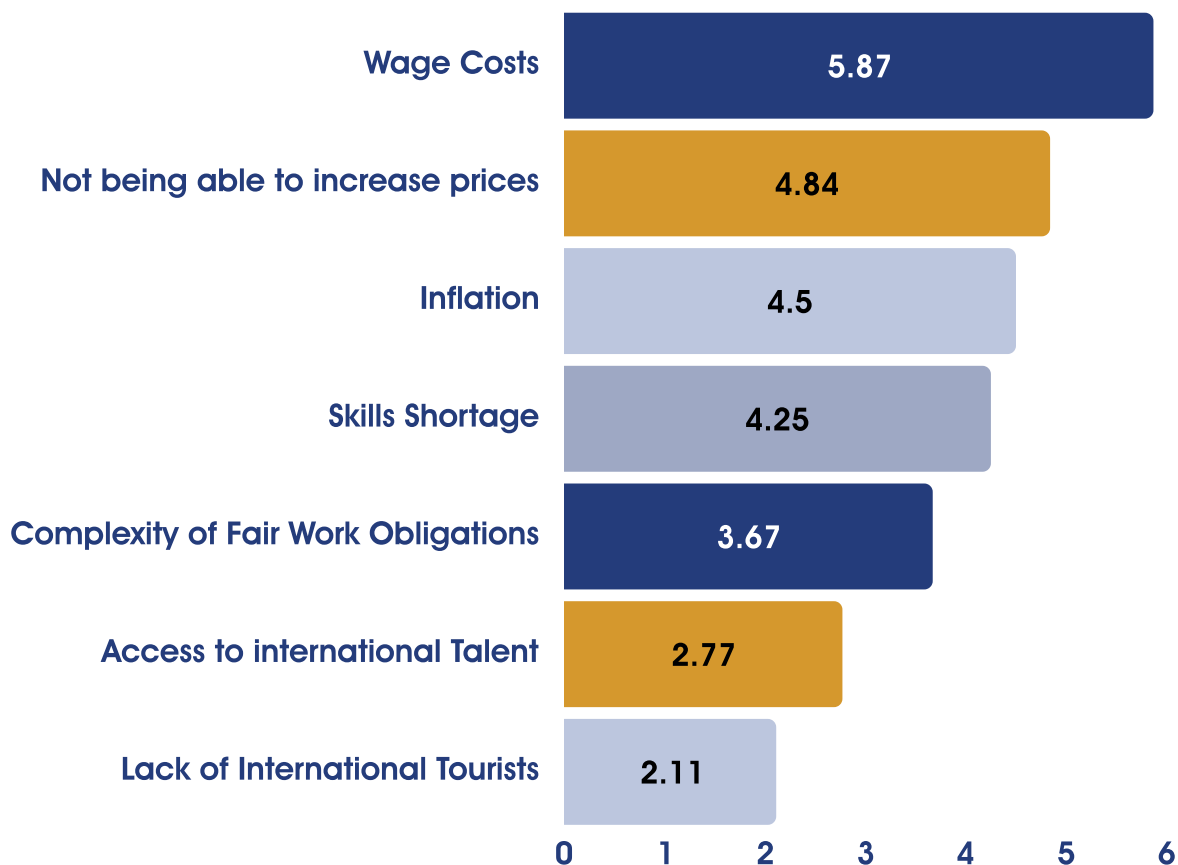


Low profitability and rising operating costs were the most common reasons cited by businesses that may not continue trading. Economic conditions and high rent costs were also identified as significant pressures on business viability.

Rank the following industry issues in order of importance (1 being the most important).

Key Industry Pressures Facing Hospitality

Operators were asked to rank the issues having the greatest impact on their businesses.



Scores represent the average ranking assigned by respondents.

Wage costs were identified as the most significant issue affecting hospitality businesses, followed by the inability to increase prices in line with rising costs. Inflation and ongoing skills shortages were also ranked among the most significant challenges facing the sector.

Financial Environment Facing Hospitality Businesses

The findings in this chapter highlight the challenging financial environment facing hospitality operators. While the sector continues to demonstrate resilience, many businesses are managing increasingly tight margins. The benchmarking results confirm that the industry is largely made up of small and independent businesses, with most venues generating annual turnover of under \$5 million.

Profitability Pressures

Profitability remains under pressure across the sector. Many venues report net profit margins of between 5% and 10%, while a significant number operate below this level. Nearly one in five businesses reported a loss in the previous financial year, and almost half reported a decline in profitability over the past three years.

Rising Cost Pressures

Labour continues to represent the highest cost for hospitality businesses, accounting for around 40% of turnover on average. When combined with rent, energy, rates and other operating expenses, these costs significantly reduce the financial flexibility available to operators and limit their ability to absorb further increases.

Seasonal Revenue Patterns

Seasonality also plays an important role in hospitality revenue. December remains the strongest trading month for many venues, while quieter periods throughout the year highlight the uneven nature of hospitality trading conditions.

Industry Outlook

Overall, the results highlight an industry continuing to adapt under sustained financial pressure. Operators are managing rising operating costs while working within tight profit margins, leaving many businesses financially exposed to further increases in costs or shifts in trading conditions.

Chapter 05.

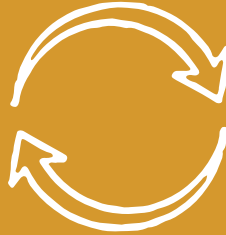
Superannuation and Insurance

Cost and provider confidence continue to influence superannuation and insurance decisions.



HOSTPLUS

remains the most widely used superannuation fund across the hospitality sector



25.2% of businesses have considered switching workers' compensation providers.



Over 80%

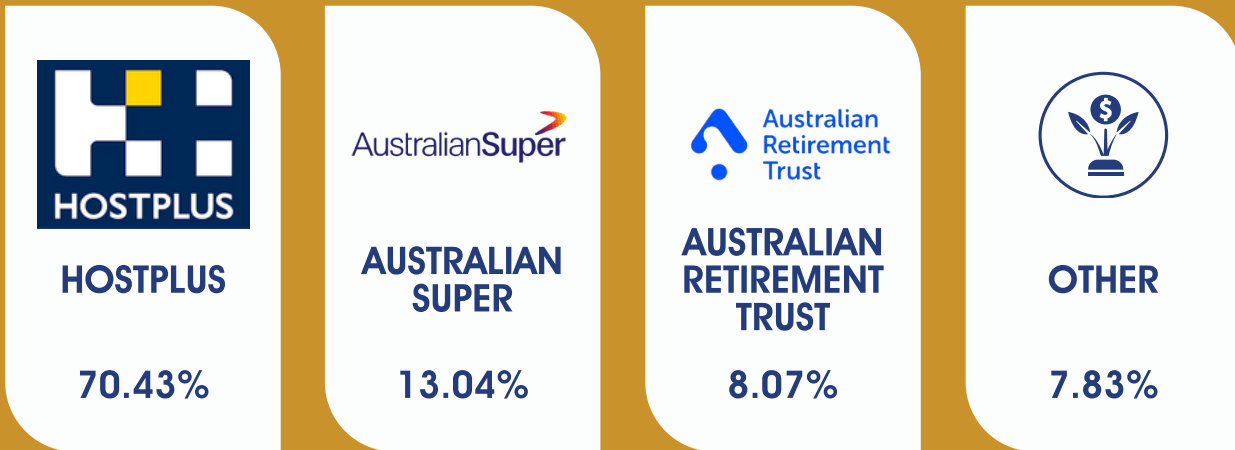
of operators identify low fees as the most important factor when choosing a WorkCover provider

Superannuation and Insurance Trends in Hospitality

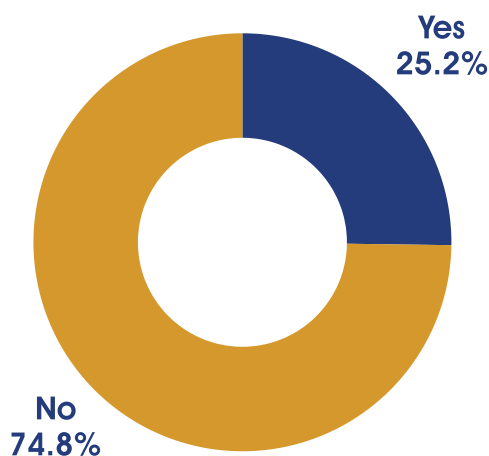
Superannuation and workers' compensation remain important operational considerations for hospitality businesses, particularly as operators manage rising overheads and assess value from providers.

Which superannuation fund is most popular within your business?

The results highlight a strong concentration of superannuation provider usage across the hospitality sector.



Have you ever considered switching to another workers compensation provider?



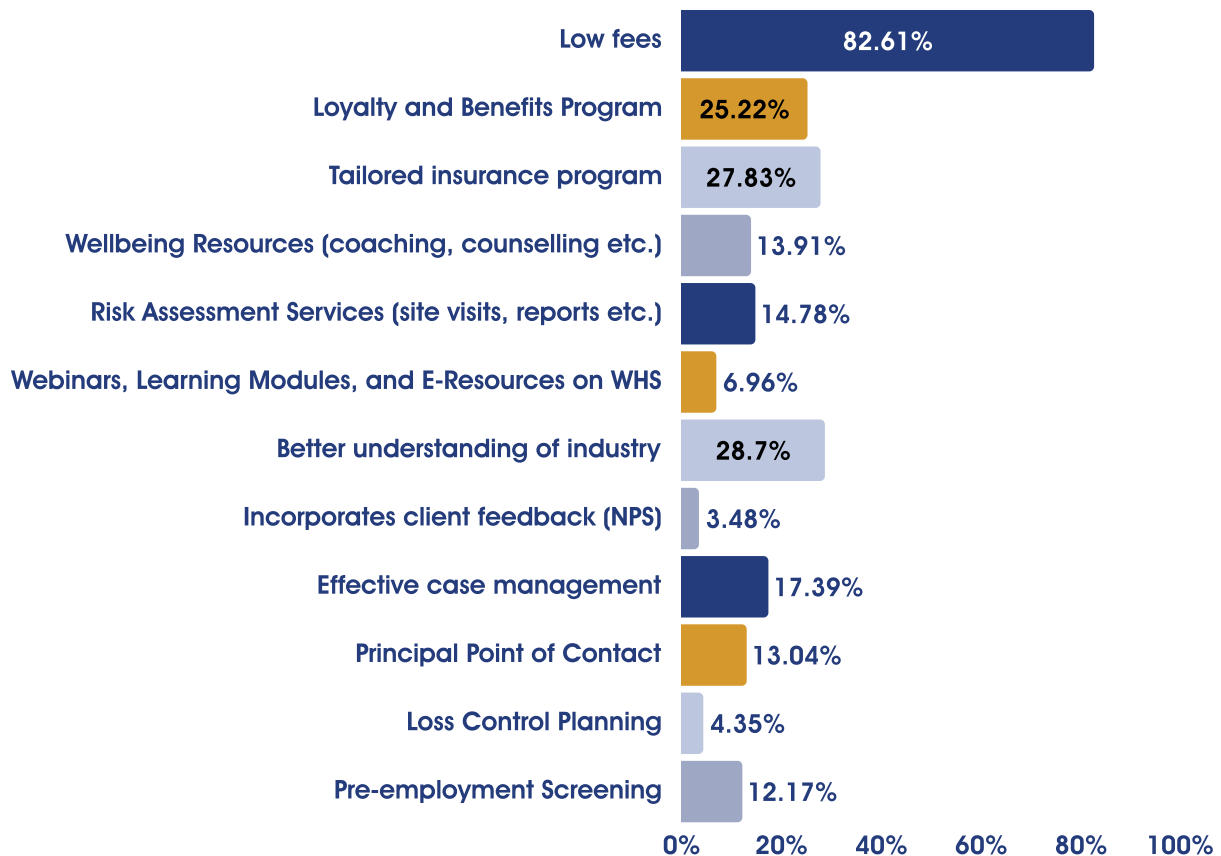
Hostplus continues to dominate the hospitality sector, used by more than 70% of businesses surveyed. This reflects a strong level of familiarity with an industry-aligned superannuation fund.

The relatively small share held by other providers suggests limited fragmentation in this part of the market.

On the workers' compensation side, most businesses have not considered changing providers, indicating overall stability, although around one in four operators have explored alternatives.

What factors most influence your choice of workers' compensation insurance provider?

Low fees remain the primary driver of provider choice, although businesses also value strong industry understanding. When selecting a workers' compensation insurance provider, hospitality businesses are primarily focused on cost, but they also look for providers that understand the operational realities of the sector.



Low fees remain the most important factor influencing provider choice, highlighting the strong cost pressures facing hospitality businesses. Beyond price, businesses also value providers that understand the hospitality sector and offer insurance programs tailored to the specific risks and operating pressures of the industry.

Practical Approach to Superannuation and Insurance

The findings in this chapter show that operators take a practical and commercially disciplined approach to superannuation and insurance decisions. Superannuation arrangements remain relatively stable, with Hostplus continuing to dominate the sector, while workers' compensation decisions are shaped primarily by cost, value and provider relevance.

Cost Pressures Driving Provider Review

Although most operators have not considered switching providers, the fact that one in four businesses has done so highlights the ongoing pressure for operators to review every overhead and assess whether existing providers continue to deliver value.

A Sector Focused on Cost Discipline

Overall, the data shows a sector that values trusted providers but remains highly focused on controlling costs in an increasingly challenging operating environment.

Chapter 06.

Outdoor Dining and Surcharges

Operational strategies adapting to rising operating costs



OVER 70%

OVER 70% offer outdoor dining, with space limitations the main barrier for venues without it



10%

Is the typical public holiday surcharge applied by venues



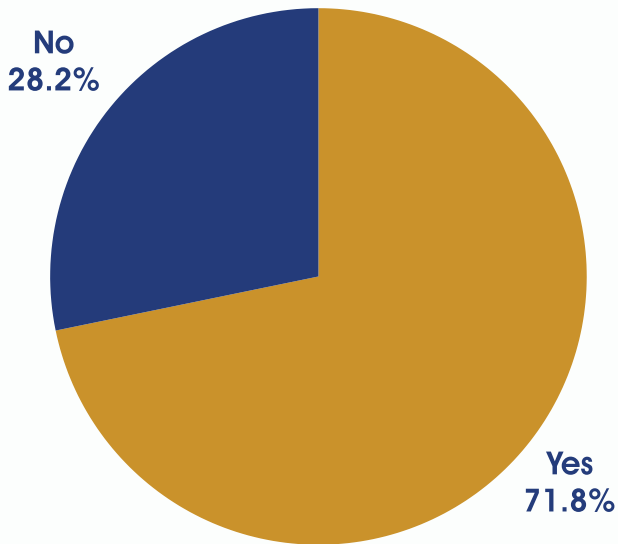
Over 80%

of venues apply a surcharge for credit card payments

Outdoor dining has become a key feature for many venues, with more than 70% of businesses offering an outdoor dining area. At the same time, surcharges have become a widely used strategy for managing rising operating costs. More than 80% of venues apply a surcharge for credit card payments, while public holiday surcharges typically average around 10%. These practices reflect how operators are balancing cost recovery with maintaining viable trading conditions.

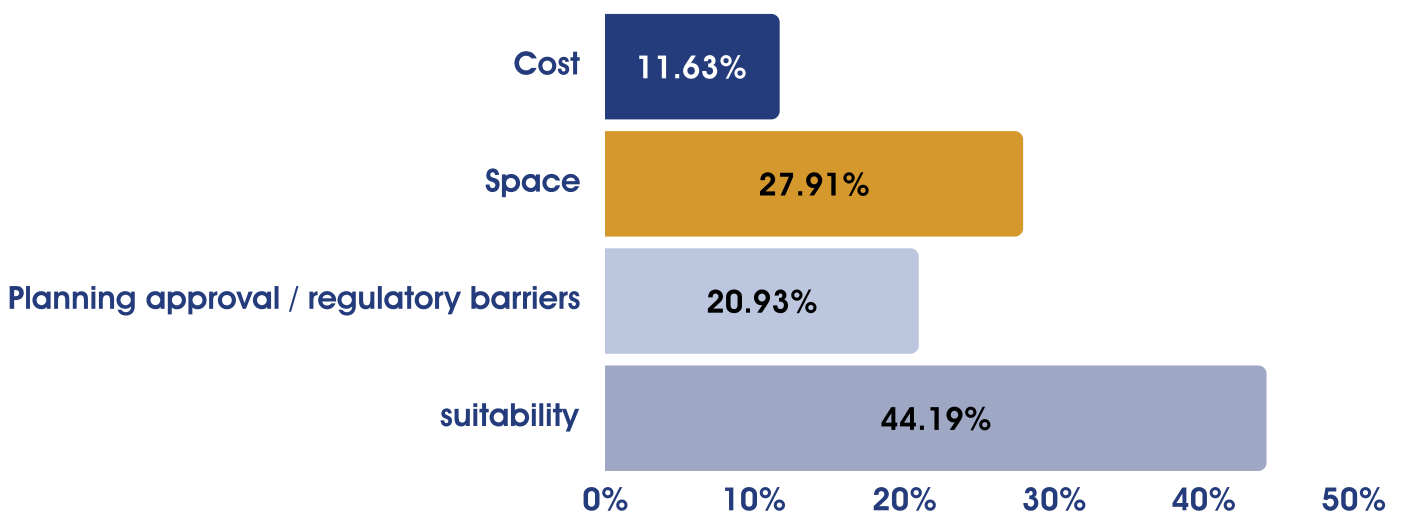
Do you currently have an outdoor dining area at your venue?

Outdoor dining remains widely adopted across the sector, although space constraints remain the biggest barrier for venues without it.



More than 70% of businesses offer outdoor dining, highlighting its importance in attracting customers and increasing seating capacity. Among venues that do not offer outdoor dining, limited space is the most common barrier, followed by operational suitability and cost considerations.

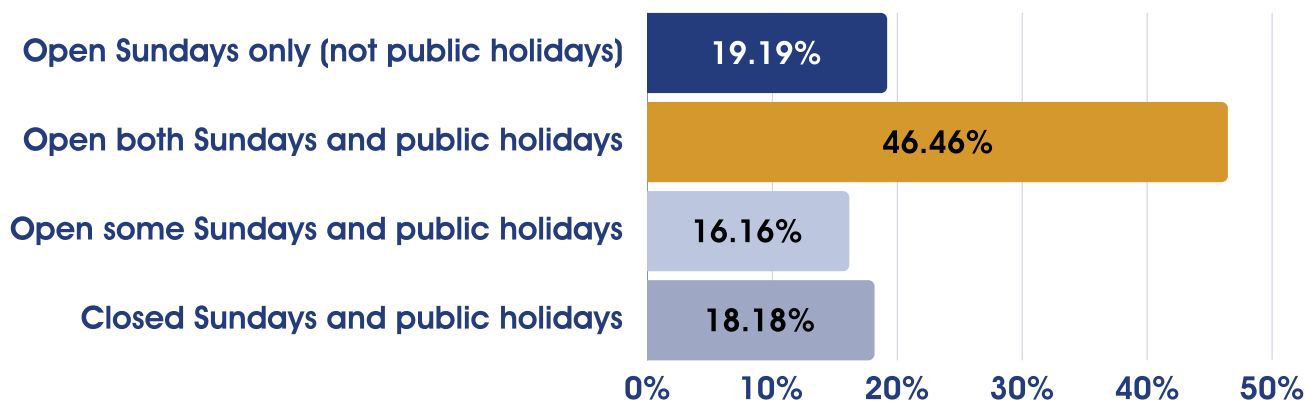
What is the main reason your business does not offer outdoor dining?



For venues without outdoor dining, the primary barriers relate to physical suitability and available space rather than cost.

Are you open on Sundays and public holidays?

Trading patterns vary significantly between Sundays and public holidays across the hospitality sector.



Which of the following public holidays do you trade on, and what services do you provide?

	Breakfast	Lunch	Dinner	Not Trading
Easter Friday	17.89%	40.00%	37.89%	49.47%
Easter Saturday	30.93%	58.76%	54.64%	29.90%
Easter Sunday	26.09%	48.91%	38.04%	44.57%
Easter Monday	23.91%	43.48%	32.61%	46.74%
Anzac Day	19.35%	40.86%	38.71%	43.01%
Australia Day	19.35%	44.09%	41.94%	45.16%
Christmas Day	9.30%	19.77%	15.12%	76.74%
New Years Day	18.89%	36.67%	28.89%	56.67%
Christmas Eve	25.00%	54.35%	39.13%	39.13%

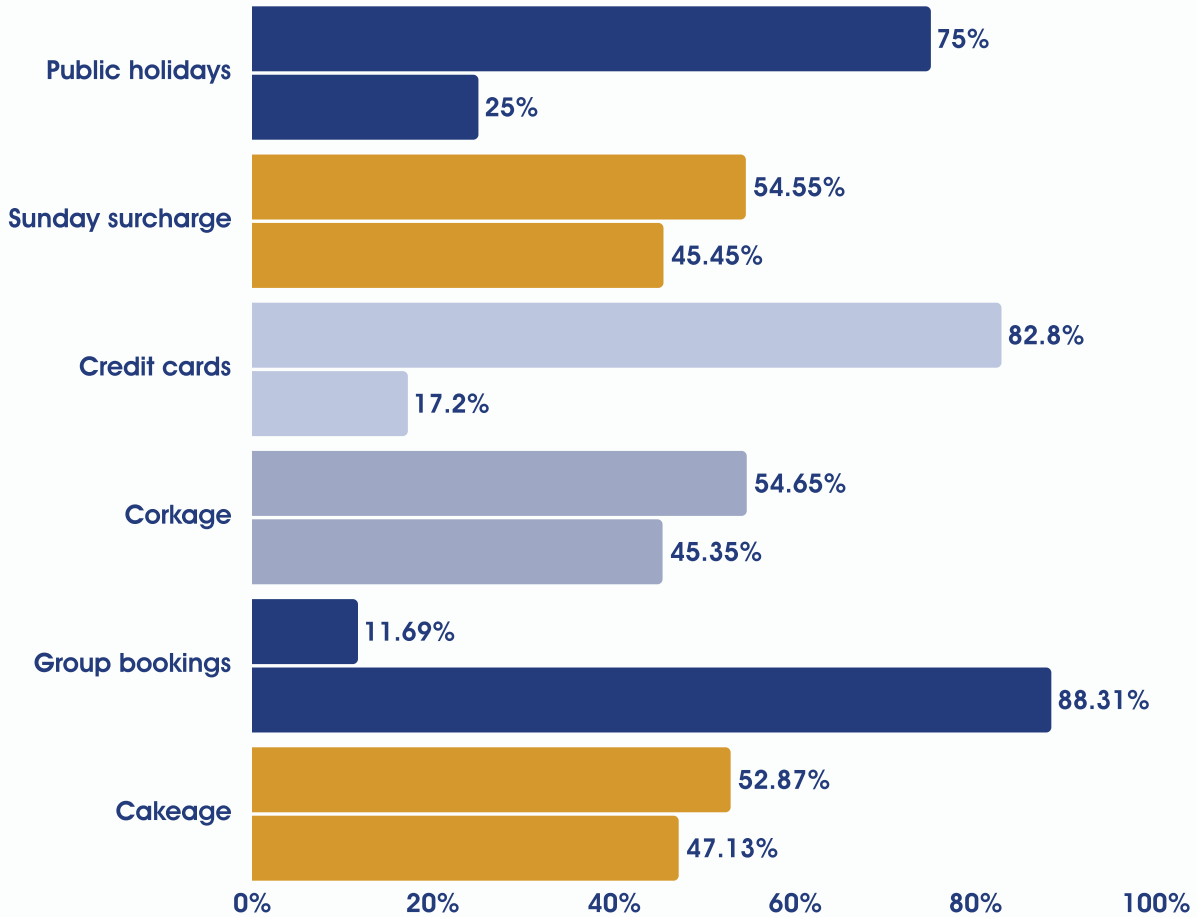


Cost Pressures Influencing Trading Decisions

Almost half of businesses trade on both Sundays and public holidays, while others limit trading due to cost pressures. Major holidays such as Christmas Day see the highest proportion of venues choosing not to trade, reflecting the impact of higher labour and operating costs.

Do you surcharge for any of the following?

Surcharges are increasingly used by hospitality businesses to manage rising operating costs.



Surcharges Becoming a Standard Cost-Recovery Tool

Public holiday surcharges are widely used, with around three-quarters of businesses applying them. Credit card surcharges are even more common, used by more than 80% of venues, while Sunday surcharges are applied by around half of venues. This highlights how surcharges are increasingly used to help offset rising labour costs and transaction fees.



Adapting Trading Models to Rising Costs

The findings in this chapter highlight how businesses are adapting their trading models to address rising costs and operational constraints.

Outdoor Dining Supporting Capacity and Customer Demand

Outdoor dining has become a common feature across the sector, providing additional capacity and customer appeal, although space limitations prevent some venues from adopting it. At the same time, trading decisions around Sundays and public holidays continue to reflect the balance between customer demand and higher labour costs.

Surcharges as a Cost-Recovery Strategy

The widespread use of surcharges on public holidays, credit card payments, and other services demonstrates that operators are increasingly relying on targeted pricing measures to manage rising expenses while maintaining viable business operations.

Chapter 07.

Staffing and Training

Workforce shortages continue to challenge hospitality businesses



7 hours

on average
invested in training
apprentices and
trainees



19%

International
students make
up an average
of 19% of the
hospitality
workforce



77%

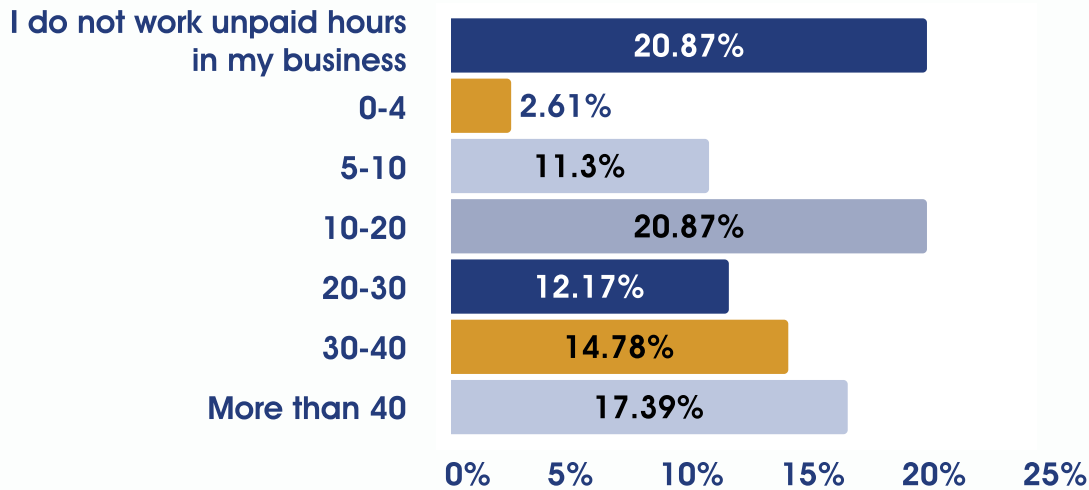
of businesses
report difficulty
filling staff
vacancies, with
over a third
experiencing
extreme difficulty.

Workforce availability remains one of the most significant challenges facing hospitality businesses. Operators continue to report difficulty filling skilled roles, highlighting the importance of workforce development, training pathways and migration settings that support the sector's labour needs.

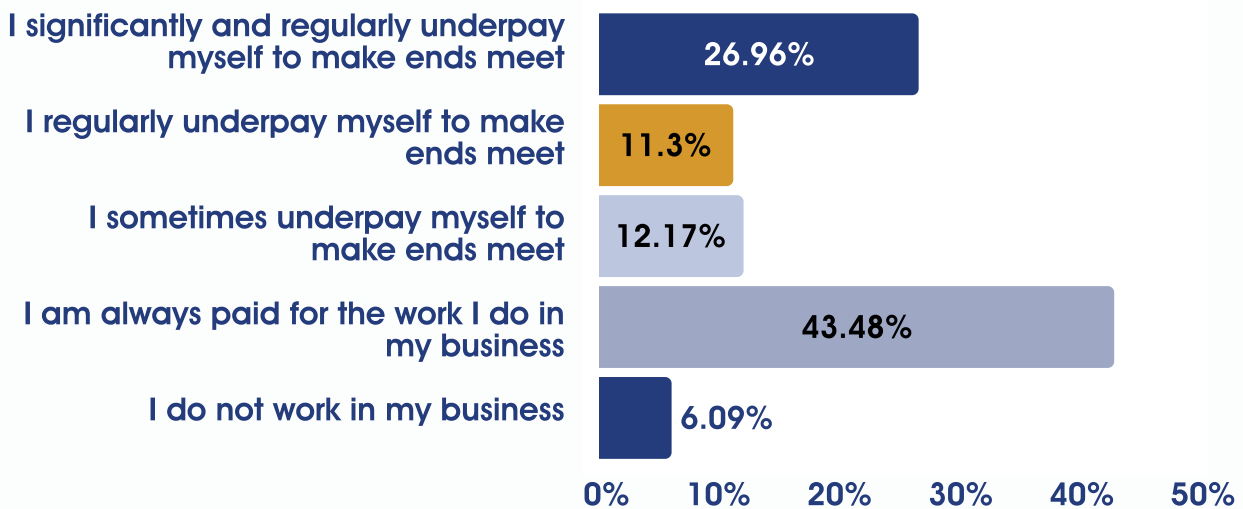
How many unpaid hours per week do you work in your business?

Owner Workload and Unpaid Labour

Many hospitality businesses rely heavily on owners' direct involvement to maintain daily operations.



Business owners underpaying themselves to stay viable



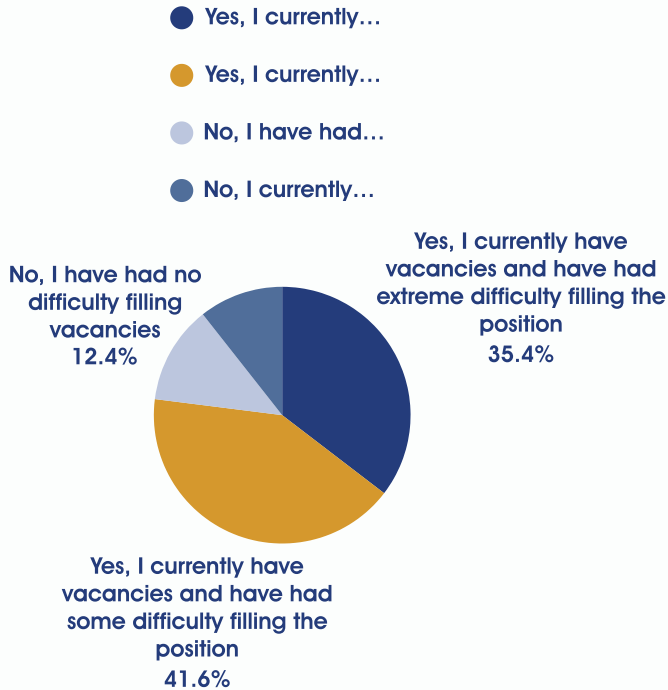
Financial Pressure on Owner-Operators

Many hospitality owners report underpaying themselves or working unpaid hours in order to keep their businesses operating.

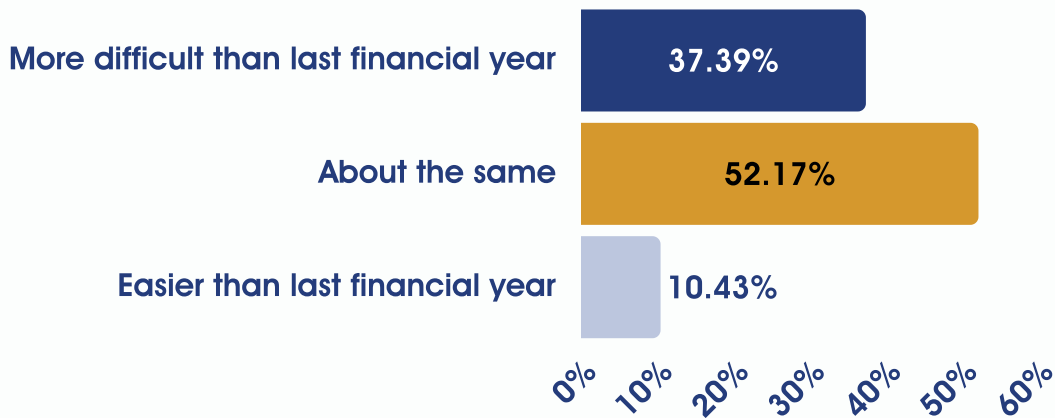
Do you have difficulty hiring staff?

Difficulty Filling Vacancies

Recruitment continues to be a major challenge across the hospitality sector.



Compared to the previous financial year, hiring staff has been



Ongoing Workforce Shortages

More than three-quarters of businesses report difficulties filling vacancies, and over half say hiring has become harder compared with the previous year. This reinforces ongoing workforce shortages across the industry.

In what employment capacity are the following roles most commonly engaged?

Employment Structure Across Hospitality Roles

	Full-Time	Part-Time	Casual	Contract	Labour Hire	NA
Chef	81.65%	4.59%	7.34%	3.67%	0.92%	1.83%
Cook	34.95%	15.53%	37.86%	1.94%	1.94%	7.77%
Restaurant Manager	7.96%	12.39%	75.22%	0.88%	0.88%	2.65%
Bar Staff	76.42%	5.66%	8.49%	2.83%	0.94%	5.66%
Waiter/Front of House	9.73%	16.81%	69.03%	0.88%	1.77%	1.77%
Kitchen Hand	6.00%	10.00%	70.00%	1.00%	2.00%	11.00%
Sommelier	23.16%	2.11%	23.16%	2.11%	1.05%	48.42%



Casual Service Teams and Full-Time Kitchen Leadership

Casual employment dominates many front-of-house roles, while chefs and bar staff are more commonly employed full-time. This reflects the operational structure of hospitality businesses, where stable kitchen leadership supports flexible service teams that adjust to trading patterns and demand.

How long do staff commonly remain in the following positions?

Staff Retention Across Key Hospitality Roles

Staff retention varies significantly across different roles within businesses.

	Less than 3 Months	3-6 Months	6-8 Months	8-12 Months	1 to 1.5 YRS	1.5 to 2 YRS	2 to 3 YRS	3 to 5 YRS	5 to 10 YRS
Chef	2.73%	1.82%	0.91%	9.09%	7.27%	12.73%	26.36%	21.82%	17.27%
Cook	0.00%	5.94%	5.94%	11.88%	5.94%	21.78%	28.71%	16.83%	2.97%
Kitchen H&	0.96%	4.81%	0.96%	3.85%	8.65%	15.38%	18.27%	24.04%	23.08%
Restaurant Manager	2.11%	11.58%	7.37%	14.74%	13.68%	20.00%	16.84%	12.63%	1.05%
Waiter / Front of House	3.60%	13.51%	8.11%	13.51%	13.51%	17.12%	16.22%	13.51%	0.90%
Bar Staff	3.74%	14.02%	8.41%	22.43%	16.82%	15.89%	11.21%	5.61%	1.87%
Sommelier	12.31%	4.62%	6.15%	10.77%	9.23%	15.38%	13.85%	12.31%	15.38%

Building the future chef workforce

- Increased government support for businesses 67.83%
- Government investment in vocational training 41.74%
- Wider selection of private education providers 20.00%
- Improving public perception of careers in the hospitality industry 65.22%
- Industry-informed curriculum and qualifications 37.39%
- Clear and accessible career pathways 47.83%
- Greater access to traineeships/apprenticeships 31.30%
- Greater support for current trainees/apprentices to enable completion of their training 33.91%

Difficulty filling key hospitality roles

The difficulty of filling vacancies varies widely across hospitality positions.

	Very Easy	Easy	Average	Difficult	Very Difficult	NA
Chef	1.77%	3.54%	19.47%	25.66%	38.05%	11.50%
Cook	1.85%	7.41%	25.93%	24.07%	24.07%	16.67%
Kitchen Hand	8.18%	20.91%	35.45%	15.45%	10.91%	9.09%
F&B Assistant	4.55%	17.27%	37.27%	24.55%	11.82%	4.55%
Supervisor	0.00%	2.75%	17.43%	20.81%	40.37%	19.27%
Cafe Restaurant Manager	0.00%	2.83%	10.38%	13.21%	42.45%	31.13%
Trade Waiter	0.97%	6.80%	24.27%	16.50%	19.42%	32.04%
Sommelier	0.00%	2.02%	13.13%	7.07%	14.14%	63.04%

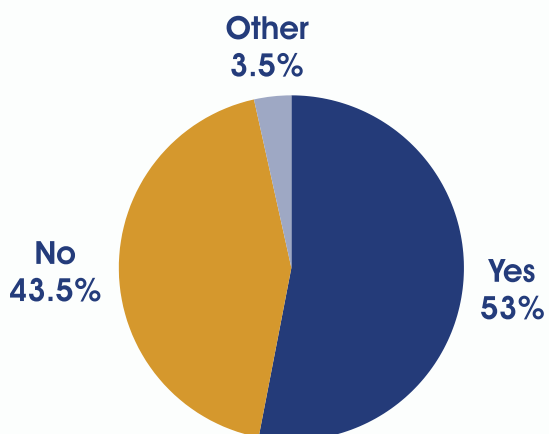
Leadership Roles Are the Hardest to Fill
 Chef, supervisor and management roles remain the hardest positions to fill, indicating a shortage of experienced leadership within hospitality businesses.

How successful have the following recruitment methods been over the past 12 months?

Venues rely on a wide range of recruitment channels to find new staff.

	Useful	Average	Not Useful	Have Not Used
Job Network (Government Employment Service)	1.80%	5.41%	30.63%	62.16%
Private Recruitment	12.73%	15.45%	26.36%	45.45%
Agencies	8.18%	10.91%	30.00%	50.91%
Newspaper	1.87%	7.48%	24.30%	66.36%
Advertising	16.82%	31.78%	16.82%	34.58%
Internet Advertising	33.03%	36.70%	13.76%	16.51%
Social Media	34.23%	36.04%	16.22%	13.51%
Overseas Workers	22.22%	22.22%	54.74%	39.81%
Word of Mouth	40.00%	43.64%	11.82%	4.55%

Does your business currently have a structured staff training program?



Informal Networks Remain the Most Effective Hiring Tool

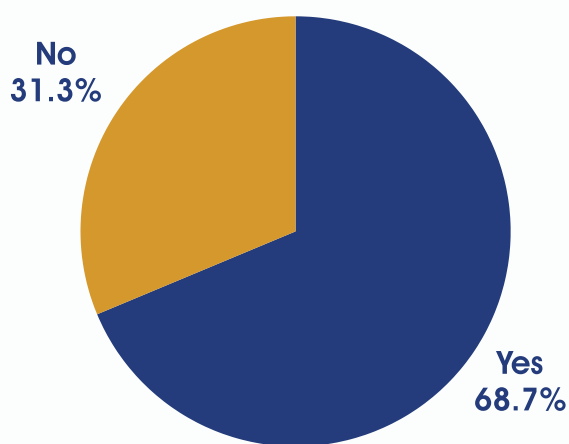
Word-of-mouth, social media and online job advertising remain the most effective recruitment methods, while traditional recruitment channels such as government job networks and newspapers are rarely used.

How much do you currently invest in training per month?

Training and onboarding remain critical in developing capable hospitality teams.

Onboarding Practices When Hiring Staff

Do you offer formal onboarding when you hire new staff?



On-the-Job Training Remains the Dominant Approach

Most venues provide some form of onboarding, but structured training programs remain less common. This suggests many businesses rely on practical, on-the-job training rather than formalised training frameworks.

Workforce age profile

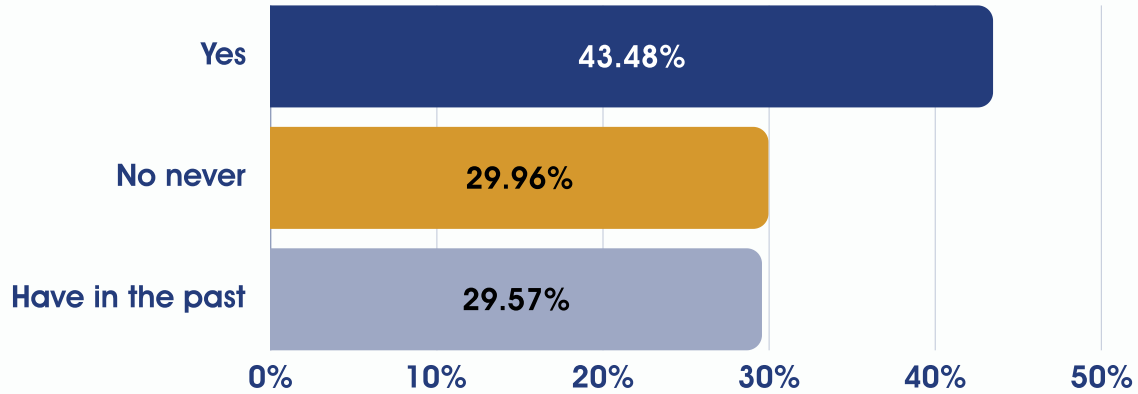
What proportion of your staff are under 20 years of age (incurring junior rates of pay)?

Hospitality continues to rely heavily on a mixed workforce model combining experienced staff with junior and student employees. Junior employees make up a modest share of the workforce, reflecting both regulatory wage structures and the operational need for experienced staff during service.

This reflects the operational reality of hospitality, where learning often happens on the job during service rather than through formal classroom training.

Do you employ trainees and apprentices in your business?

Apprenticeships and traineeships remain an important pathway for developing future hospitality professionals.

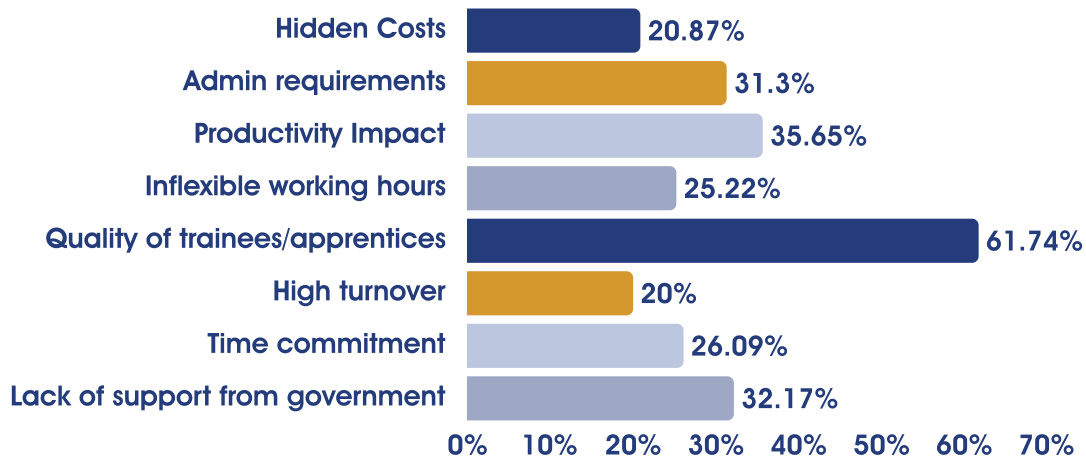


Apprenticeships remain an important but underutilised workforce pathway

While 43% of businesses currently employ apprentices or trainees, almost 30% have never taken one on and a further 30% have only done so in the past. This suggests that although apprenticeships remain important to workforce development, many operators remain cautious about committing to formal training programs.

Barriers to hiring apprentices and trainees

What are your primary concerns when taking on an apprentice or trainee?



Quality and productivity concerns influence decisions

Businesses most frequently cite concerns about the quality of trainees and apprentices, followed by productivity impact, administrative requirements and limited government support. These factors can discourage operators from taking on apprentices despite the long-term need for skilled workers.

These concerns highlight the operational pressures venues face when balancing training commitments with day-to-day service demands.



How many hours per week does your business invest in mentoring and training per apprentice or trainee?

While formal training hours vary widely between venues, the majority of mentoring occurs during service through practical, on-the-job development. This reflects the operational reality of hospitality businesses, where learning is embedded into daily kitchen and floor operations rather than delivered through structured classroom training.

What do you think needs to be done to get more people interested in a career as a chef?

Increased government support for businesses	67.83%
Government investment in vocational training	41.74%
Wider selection of private education providers	20.00%
Improving the public perception of careers in the hospitality industry	65.22%
Industry informed curriculum and qualifications	37.39%
Clear and accessible career pathways	47.83%
Increased work visas for skilled and semi-skilled food trade workers	43.48%
Greater access to traineeships/apprenticeships	31.30%
Greater support for current trainees/apprentices to enable completion of their training	33.91%

Did you experience any of the following issues when the working hour caps were reintroduced for international student visa holders?

International students remain an important part of the hospitality workforce.

Staff shortages	75.90%
Wage increases for students to afford cost of living	28.92%
Students leaving business for competitors who pay 'cash under table'	56.63%
Students leaving the business for legitimate higher paying roles	24.10%
Students impacted by cost-of-living pressures	55.42%
Students returning home due to cost of living pressures	40.96%
Reduced operating hours	13.25%
Strain on domestic employees	22.89%
Poorer output and productivity	20.48%



The reintroduction of work hour caps has created operational challenges for many businesses, contributing to staff shortages and increased pressure on domestic employees.

Workforce pressures remain widespread

The findings in this chapter highlight the continued pressure operators face in building and maintaining a stable workforce. Recruitment challenges remain widespread, particularly for skilled roles such as chefs and supervisors, with many operators reporting ongoing difficulty filling vacancies. At the same time, the data shows that businesses continue to invest significant time mentoring apprentices, trainees and junior staff, reflecting the industry's long-standing role in training and developing future talent.

A diverse workforce model

Hospitality teams are typically made up of a diverse workforce that includes experienced professionals, junior employees and international students. This balance allows venues to maintain operational flexibility while continuing to develop new entrants to the industry. However, workforce shortages, changing visa settings and the ongoing challenge of attracting people into hospitality careers continue to place pressure on operators.

Workforce development remains critical

Overall, the results reinforce that workforce development remains one of the most critical issues facing the hospitality sector. Supporting training pathways, improving perceptions of hospitality careers and ensuring businesses have access to a reliable workforce will be essential to the long-term sustainability of the industry.

Chapter 08.

Technologies and Online Platforms



Uber Eats

was the most popular delivery platform



OVER 78%

spend money on digital marketing



Over 70%

used an online booking provider



What takeaway or delivery services does your business provide?

Takeaway and delivery remain an important part of the hospitality business model, with venues using a mix of traditional pickup, in-house delivery and third-party platforms.

I use traditional pick-up/takeaway	48.96%
I employ drivers for the sole purpose of deliveries	3.13%
I use my staff to make deliveries	9.38%
I engage contractors to make deliveries (not through a third party platform)	1.04%
I use a third party platform for delivery (Uber Eats, Menulog, DoorDash etc.)	30.21%
I use a third party platform for collection (Uber Eats, Menulog, DoorDash etc.)	13.54%
I use a 'white label' delivery service	0.00%
I do not use delivery or takeaway in my business	35.42%



Traditional pickup remains the most common service (48.96%), while 30.21% of businesses use third-party delivery platforms, highlighting the continued role of aggregators in the hospitality sector.

Which online delivery platforms does your business use (if any)?

Hospitality businesses use a range of online delivery platforms, although a small number of major providers dominate the market.

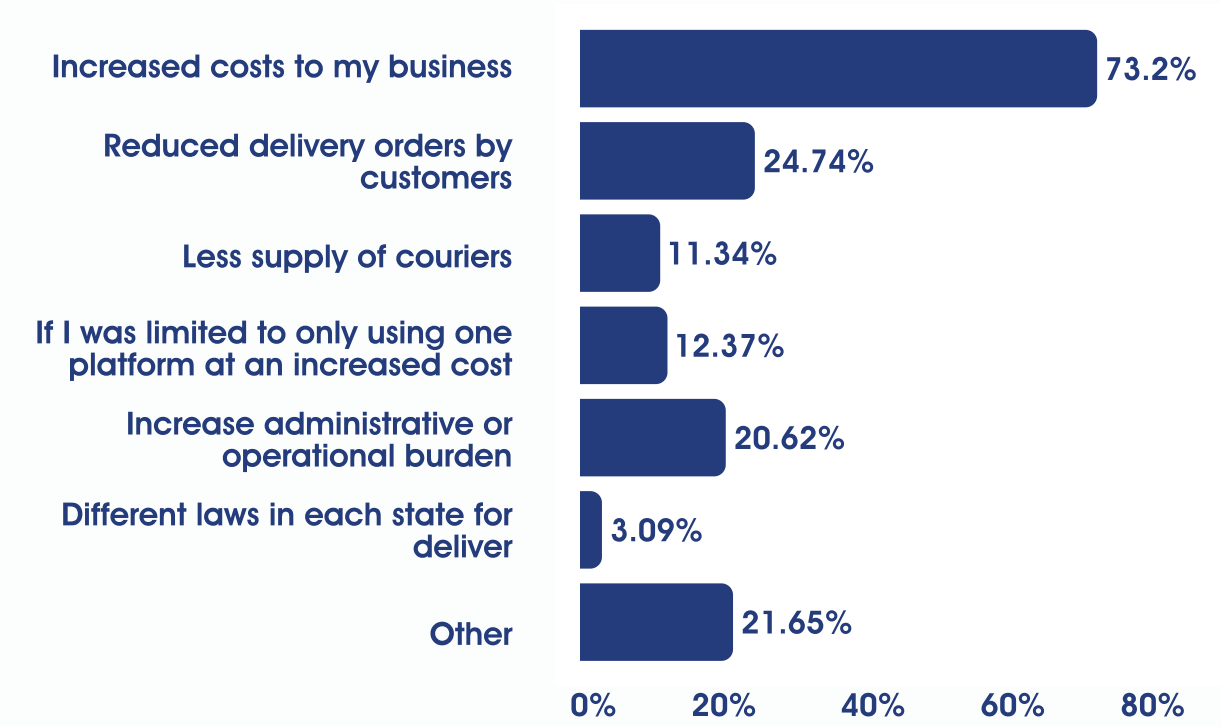
Menulog	11.34%
Uber Eats	36.08%
Hungry Panda	0.00%
DoorDash	18.56%
Deliveryangel.com	0.00%
OrderUp	3.09%
Me&U	6.19%
Easi	0.00%
Liven	1.03%
Foodora	2.06%
Hey You	1.03%
Bopple	3.09%
Mr Yum	2.06%
I do not use an online booking platform	47.42%



Uber Eats is the most widely used delivery platform (36.08%), followed by DoorDash (18.56%) and Menulog (11.34%).

What would cause your business to stop using on-demand delivery platforms?

Operators identified several factors that could lead them to stop using on-demand delivery platforms.



“Cost pressure drives business decisions”.



Rising costs are the biggest concern, with 73.2% of businesses saying increased platform fees would cause them to stop using delivery services.

What are the most important considerations when choosing to work with a delivery aggregator?

When choosing a delivery platform, hospitality businesses prioritise operational reliability and support, including customer service, account management and courier availability.

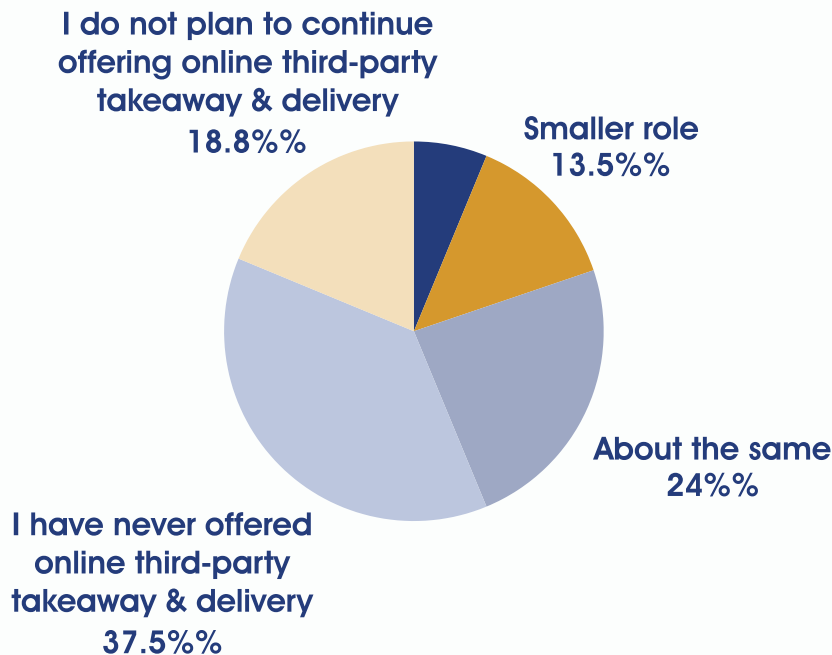
Factor	Average Score (/10)
Customer support	6.8
Account manager support	6.5
Supply of couriers	6.3
Integration with POS	5.9
Ease of use	5.7
Promotion of business	5.5
Commission rates	5.2
Local business	4.8
Technology	4.6
Environmental concerns	3.2



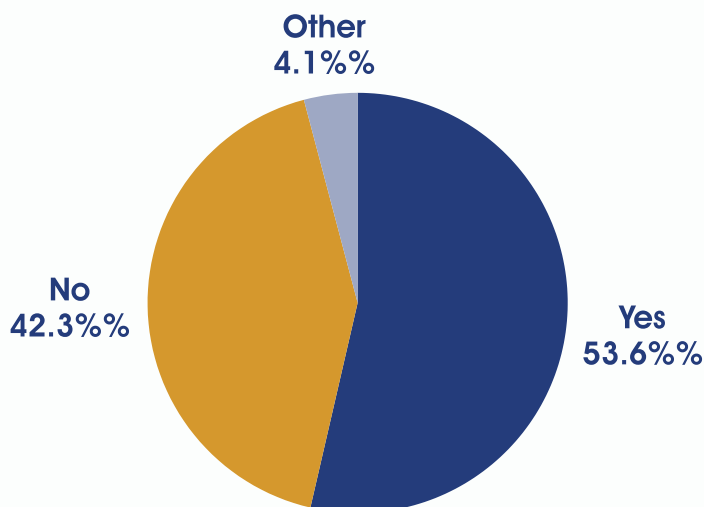
Customer support (6.8/10) and account management support (6.5/10) rank as the most important factors when choosing a delivery platform, followed closely by courier availability (6.3/10). This highlights the importance of reliable service and operational support for hospitality businesses using delivery platforms.

What role will third-party takeaway and delivery platforms play in your business over the next 12 months?

Businesses were asked how third-party delivery platforms are expected to influence their operations over the next 12 months.



Would you continue to sell or start selling takeaway or deliver alcohol if the ability to do so was made permanent?

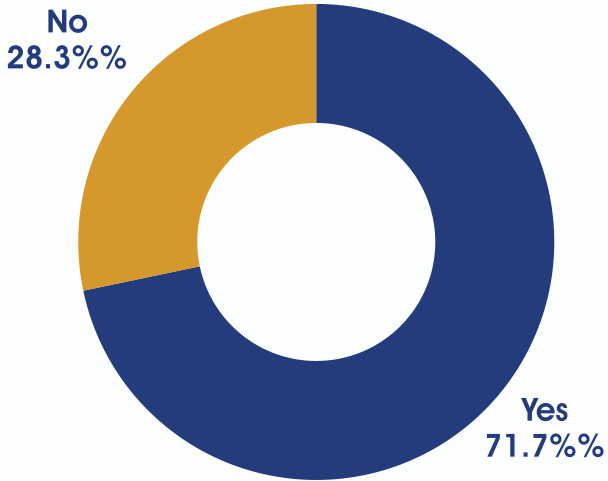


37.5% of venues have never offered third-party delivery. Among those that do, most expect delivery platforms to play a similar or smaller role in their business over the next 12 months.

Delivery platforms are now an established channel, but not one that operators are aggressively expanding.

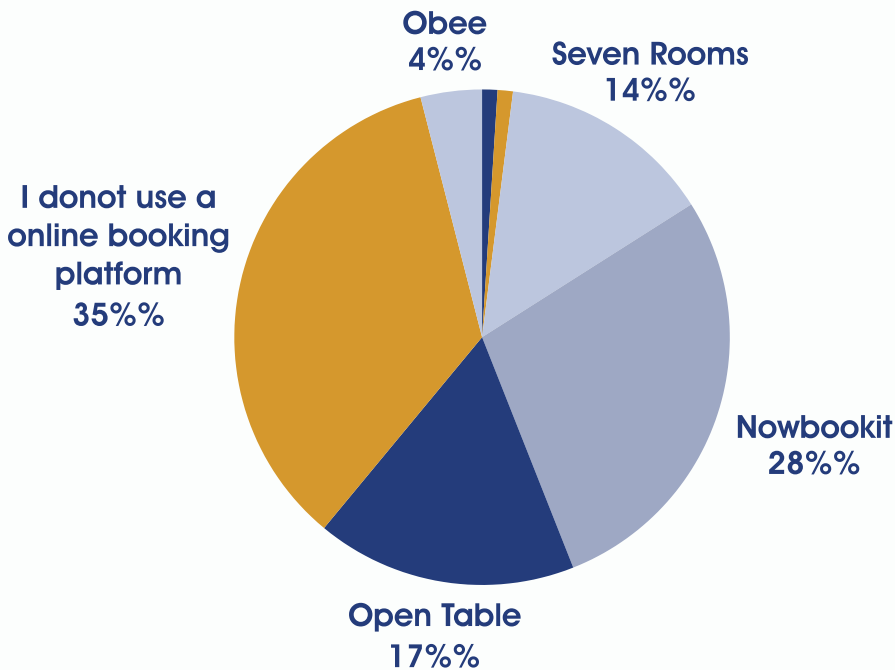
Do you currently use an online booking provider in your business?

Online reservation platforms are widely used across the hospitality sector, helping businesses manage bookings, customer flow and table availability.



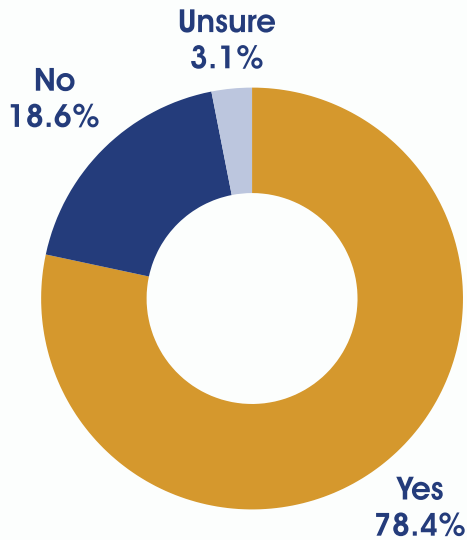
NowBookIt is the most widely used booking platform (28%), followed by OpenTable (17%) and SevenRooms (14%), while 35% of venues still do not use an online booking system.

Which platform/s do you use?

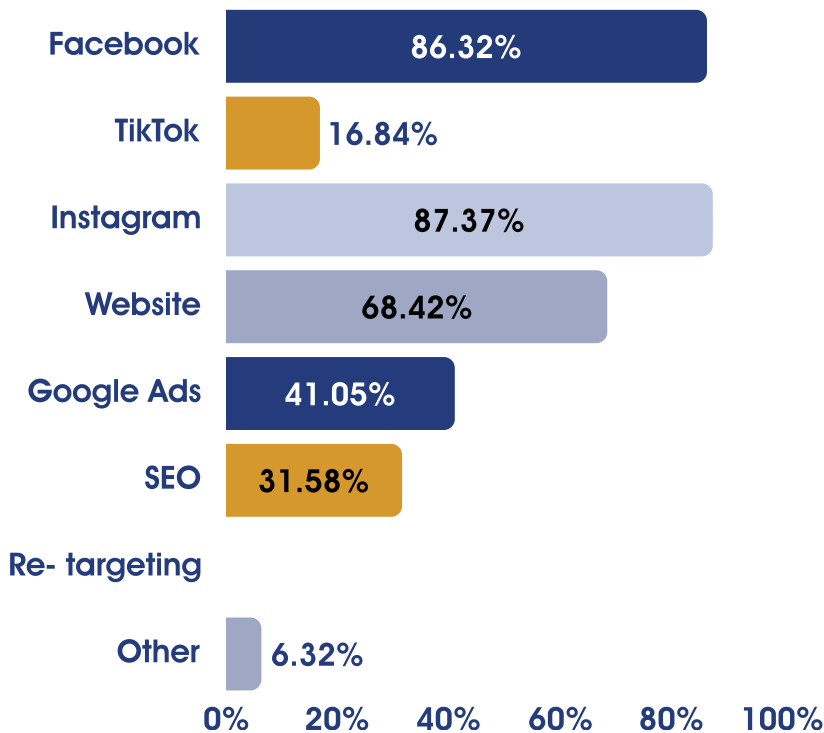


Do you spend money on digital marketing?

Digital marketing has become a key tool for businesses to reach customers and drive bookings.



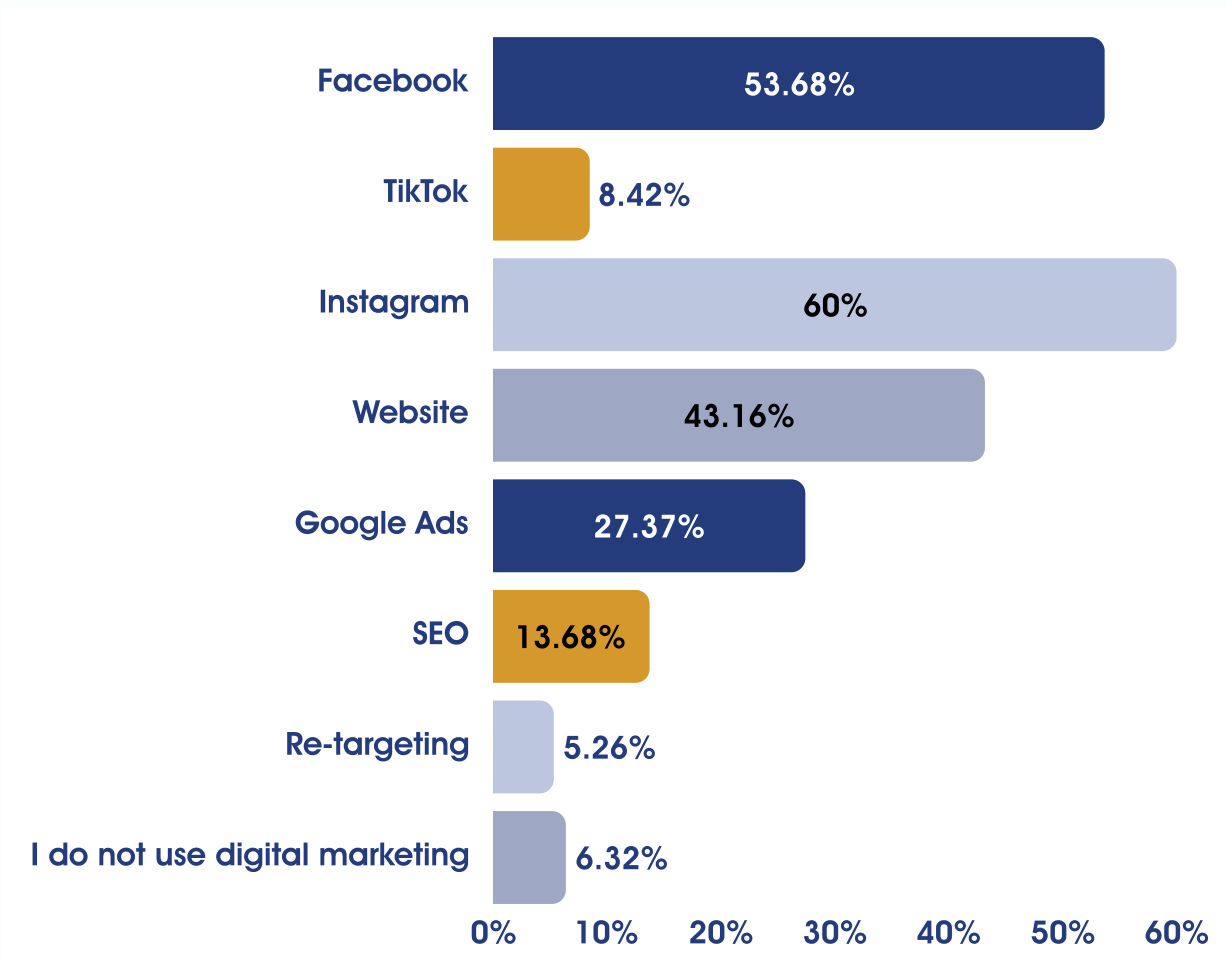
Which digital marketing channels do you currently use?



78.4% of businesses invest in digital marketing, with Instagram (87.37%) and Facebook (86.32%) the most widely used channels.

Which of the following channels have been the most effective at generating new business?

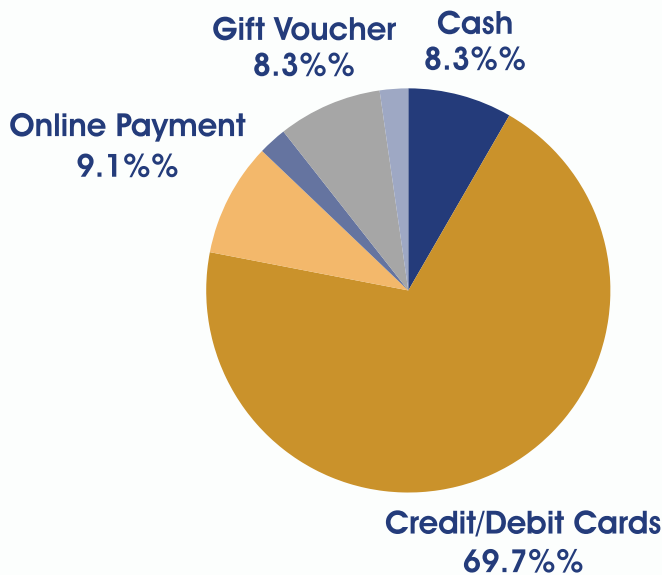
Operators were asked which digital channels generate the most new business.



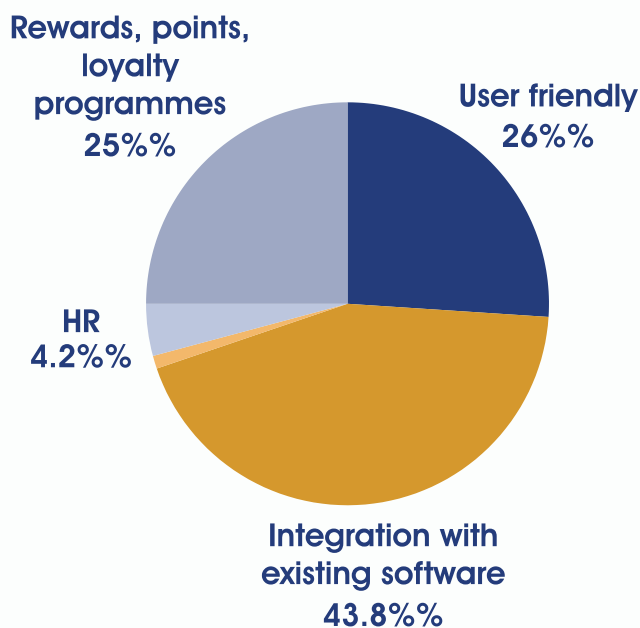
Instagram is the most effective channel for generating new business (60%), followed by Facebook (53.68%) and business websites (43.16%).

What is the most common payment method used by customers in your business?

Payment technology continues to evolve, but card payments remain the dominant transaction method in hospitality.



What are your priorities when considering payment methods to use in your business?



Credit and debit cards account for nearly 70% of transactions, making them the most common payment method used by customers.

Thinking about the hospitality apps and technology your business uses, which of the following are areas of focus for your business over the next 12 months?

Hospitality businesses are increasingly focusing on improving operational efficiency through technology.



Reducing payment costs (44.33%) and lowering technology commissions (39.18%) are the top technology priorities for businesses over the next 12 months.



Online reservations continue to expand across the hospitality industry

Online reservations are now a common feature across the hospitality sector, helping businesses manage bookings, improve guest flow and streamline front-of-house operations

Benchmarking results show that NowBookIt is the most widely used platform (28%), followed by OpenTable (17%) and SevenRooms (14%).

Despite the growing use of reservation technology, 35% of venues still operate without an online booking system, reflecting the diversity of operating models across the industry, particularly among smaller venues and businesses focused on walk-in trade.

Chapter 09.

Sustainability



OVER 65%

of operators report actively implementing sustainability initiatives within their business.



OVER 70%

are focusing on reducing food waste and improving resource management in daily operations.



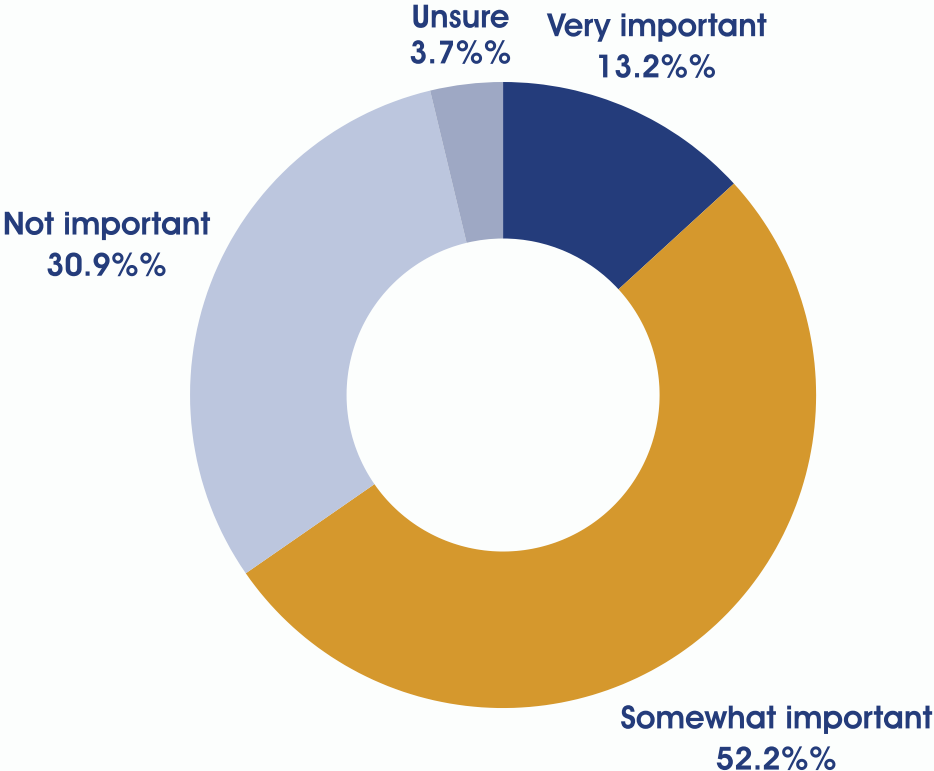
OVER 60%

say sustainability actions are driven by improving efficiency and reducing operating costs.



How important is sustainability to your customers when choosing where to dine?

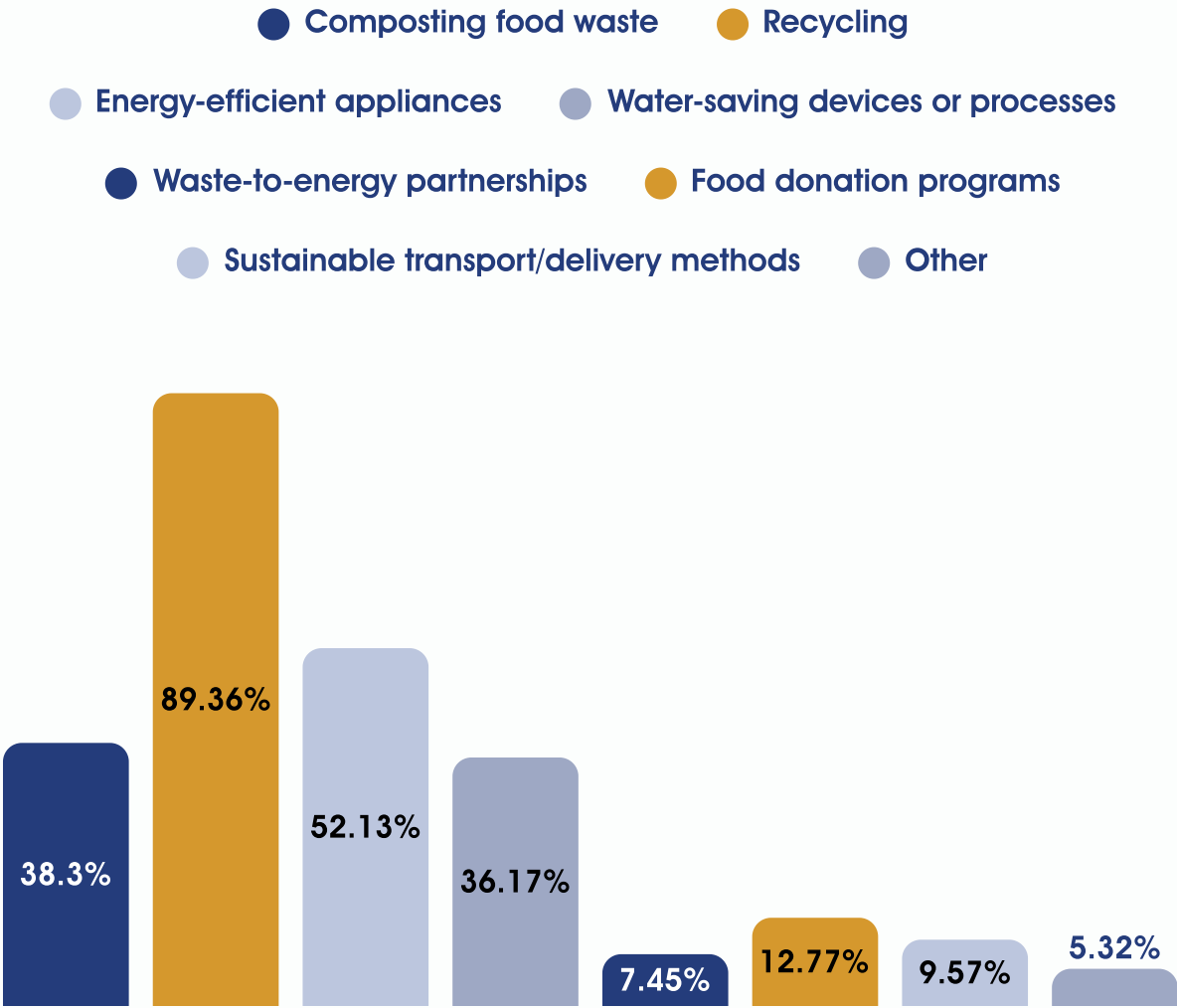
Sustainability is becoming an increasingly important consideration for diners, with 65.4% of businesses reporting that customers view sustainability as somewhat or very important when choosing where to dine. While it may not be the primary factor for all customers, the results suggest that environmental practices are increasingly influencing consumer expectations and decision-making.



65.4% of businesses report that sustainability is at least somewhat important to customers when choosing where to dine, reflecting growing consumer awareness of environmental practices in hospitality.

What sustainability practices does your business currently implement?

The results show that many businesses are implementing practical sustainability initiatives within their daily operations. Recycling is the most widely adopted practice, followed by the use of energy-efficient appliances and water-saving processes. Other initiatives, such as composting food waste, food donation programs and sustainable transport methods, are also being adopted as businesses look for ways to reduce environmental impact while improving operational efficiency.

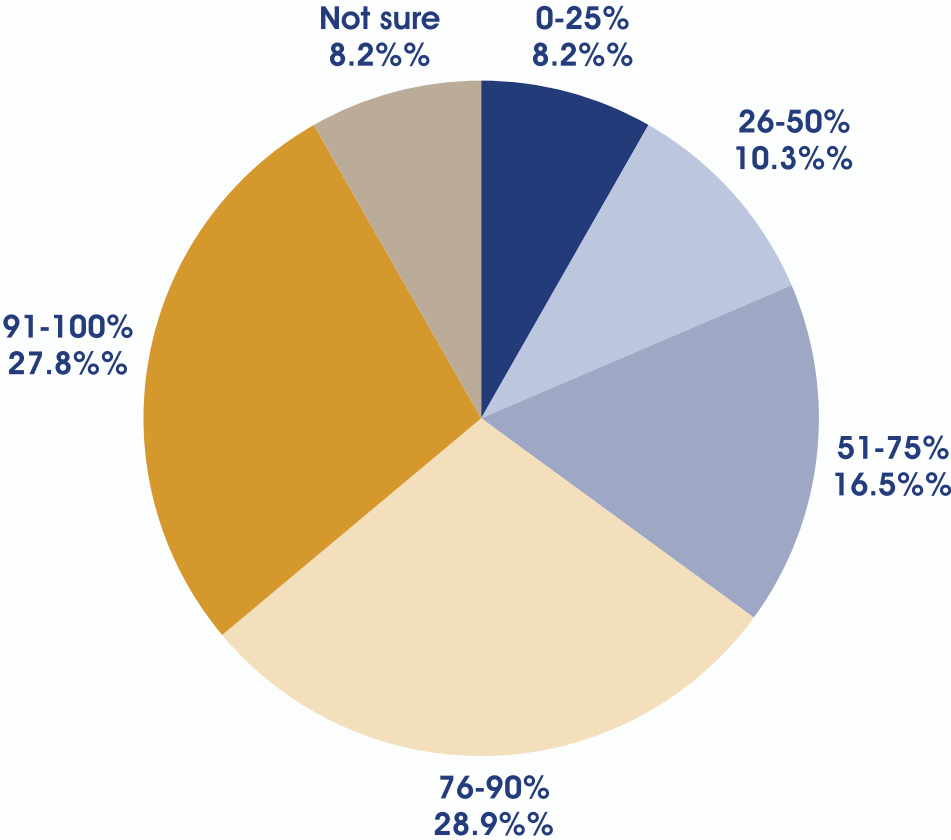


Additional practices:

- Milk bladders instead of bottles
- Solar panels
- Reduced chemical use, solar energy generation, ev chargers, organic farming, sourcing from ethical, sustainable profucers

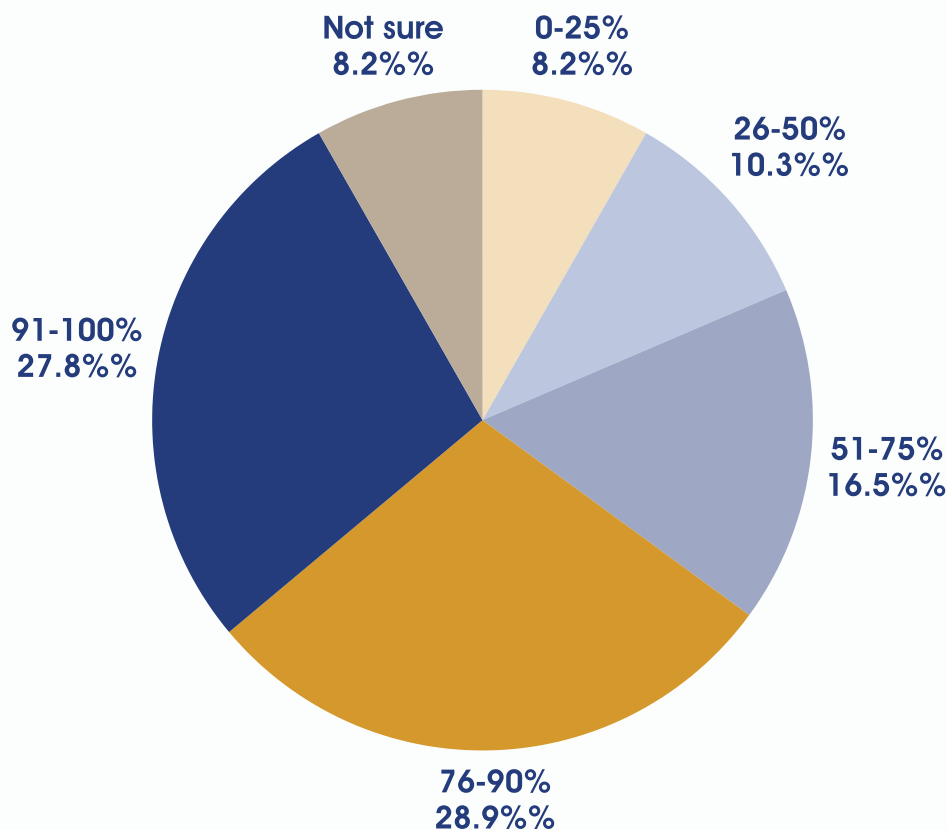
Do you have a formal sustainability policy or strategy in place?

While many operators are actively implementing sustainability practices, fewer have formal sustainability policies or strategies. The results indicate that sustainability initiatives are often integrated into day-to-day operations rather than structured through formal business policies. This reflects the practical approach many operators take as they balance environmental initiatives with the operational demands of running a hospitality business.



What proportion of your packaging is compostable, recyclable, or reusable?

Businesses are increasingly adopting compostable, recyclable and reusable packaging. The benchmarking results show that 73.2% of operators report that at least half of their packaging is sustainable, with over half of businesses indicating that more than 75% of their packaging meets these standards. This reflects the ongoing transition across the sector towards more environmentally responsible packaging.



Over 73% of operators report that more than half of their packaging is compostable, recyclable or reusable.

The Future of Hospitality

The findings of the 2025 Industry Benchmarking Report highlight a sector that continues to operate in a complex and challenging environment.

Hospitality businesses across Australia face growing pressure from rising labour costs, workforce shortages and increasing operating expenses. These challenges are shaping how operators manage teams, structure their businesses and plan for the future.

The data also reinforces the sector's structure. Hospitality remains largely driven by independent and family-run businesses that form the backbone of local economies and communities across the country. These businesses provide significant employment and play an important role in Australia's tourism and social landscape.

Workforce development remains a key feature of the industry. Hospitality remains one of the country's most important entry points into employment for young Australians, with many businesses investing in mentoring, apprenticeships and training programs.

Operators are also adapting their business models in response to changing market conditions. Adjustments to pricing strategies, operational efficiencies, digital systems and sustainability practices reflect the ways venues are responding to ongoing cost pressures.

The insights in this report provide an evidence base for understanding the realities of running a hospitality business in Australia today and support ongoing discussions between industry, government and stakeholders about the long-term sustainability of the sector.

Restaurant & Catering Australia will continue to use this benchmarking data to inform advocacy and policy discussions that support a sustainable and competitive hospitality industry.



Hospitality remains one of Australia's most important small business sectors, and ensuring its long-term sustainability will be critical to supporting jobs, communities and the broader economy.

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