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restaurant industry snapshot

This one page document aims to provide a picture of the industry, as determined by reliable third party sources (predominantly the ABS) and then provide basic detail of the industry strategies to correct that picture. Restaurant Snapshot will be prepared quarterly by Restaurant & Catering Australia for distribution to Federal parliamentarians, the media and industry commentators.

The last four months of the 2007/08 financial year were consecutive months of negative growth with June 2008 being 5.3% down on June 2007.

Turnover for the 2007-08 year was \$15.56 Billion for cafes and restaurants compared to \$13.59 Billion in the 2006-07 year. The current financial year performance was most positively impacted by October – December 2007 that was the strongest trading performance for the industry ever.

The State by State result shows the very different picture at the State level. In 2006/07 NSW showed strong growth with most other States / territories flat or declining. The reverse has been true in the 12 months to June 2008. The data, for the period until June 2008 shows that variations in turnover leading to the current almost flat growth. In summary the evident trends were NSW in the last financial year was 5% down (for the financial year on financial year), Victoria was flat and Queensland 9.3% up.

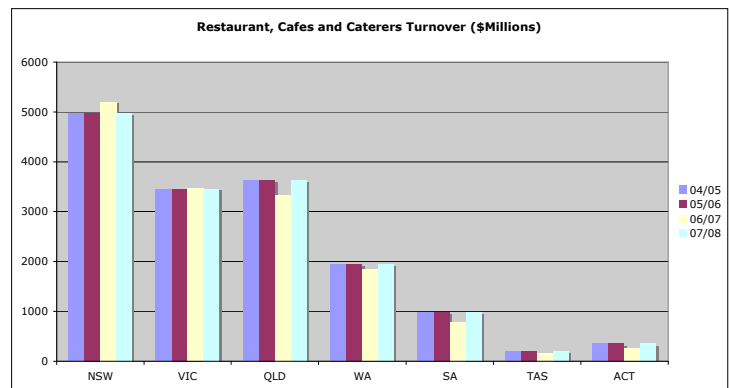


Figure 2 – Café, Restaurant and Caterers Turnover (annual \$ Million 04/05-07/08)

A report released by the Australian Bureau of Statistics¹ in April 2008 shows a slowing in restaurant profits (as forecast by the R&CA) with over 50% of businesses (the businesses employing less than 0-4 people) generating an average LOSS of .03%.

Restaurant & Catering Australia policy priorities for 2008 are:

- promoting the need for urgent unskilled migration and more streamlined skilled migration;
- ensuring that the process of setting new minimum conditions (in the standard and new awards) is as relevant as possible to the needs of the industry;
- that there is an education process in relation to new IR arrangements;
- that Labor Market programs continue to provide prospective employees for the industry;
- that the industry is as well represented through the Skills Council process as possible;
- to implement an industry relevant Environmental Certification program;
- promote the importance of the industry recognition of training;
- encourage the withdrawal of food safety plan standards (defining caterers for FSPs), and;
- encourage the removal of unnecessary restrictions on green prawn imports.

For any further advice do not hesitate to contact John Hart on (02) 99660055

¹ Cafes and Restaurants Industry Survey, ABS 8655.0