

## Information note—

# Accommodation and food services (Hospitality Award) and COVID-19

*This is a background document only and does not purport to be a comprehensive discussion of the issues involved. It does not represent the view of the Commission on any issue.*

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## Introduction

1. This note provides information on the characteristics of employees and businesses operating in the *Hospitality Industry (General) Award 2020* (Hospitality Award), including the recent effects of the COVID-19 pandemic.
2. This industry has been significantly impacted due to the restrictions on social gatherings, with few businesses operating as normal and a large decline in employment.
3. There are 4 levels within the Australian and New Zealand Standard Industrial Classification (ANZSIC) structure: division, subdivision, group and class. The most readily available data are at the division level (or 1-digit level) and much of the data are presented at this level. In this instance, the relevant division of ANZSIC is Division H: Accommodation and food services. However, the ABS 2016 Census provides detailed data at the 4-digit level, which is also used to provide information on the Hospitality Award.
4. The following presents the subdivisions, groups and classes within the Accommodation and food services sector:
  - 44 Accommodation
    - 440 Accommodation
      - 4400 Accommodation
  - 45 Food and beverage services
    - 451 Cafes, restaurants and takeaway food services

- 4511 Cafes and restaurants
- 4512 Takeaway food services
- 4513 Catering services
- 452 Pubs, taverns and bars
  - 4520 Pubs, taverns and bars
- 453 Clubs (Hospitality)
  - 4530 Clubs (Hospitality).

## Employee characteristics

### Employee profile

5. The ABS data of direct relevance to the Hospitality Award are limited. A paper<sup>1</sup> by Commission staff provides a framework for ‘mapping’ modern award coverage to the ANZSIC. Under this framework, the Hospitality Award is ‘mapped’ to 6 separate ANZSIC industry classes:
  - 4400—Accommodation;
  - 4511—Cafes and restaurants;
  - 4513—Catering services;
  - 4520—Pubs, taverns and bars;
  - 9201—Casino operation; and
  - 4123—Liquor retailing.
6. The aggregation of these industry classes is referred to as the ‘Hospitality industry’.
7. The Census is the only data source that contains employment characteristics for the Hospitality Award.
8. The most recent data from the Census, for August 2016, show that there were around 446 000 employees in the Hospitality industry. Table 1 compares certain characteristics of employees in the Hospitality industry with employees across ‘all industries’.
9. The profile of employees in the Hospitality industry differs from the profile of employees across ‘all industries’ in five aspects:
  - employees in the Hospitality industry are more likely to be female (54.9 per cent compared to 50.0 per cent of employees across all industries);
  - almost 3 in 5 (58.1 per cent) employees in the Hospitality industry are employed on a part-time basis (i.e. work fewer than 35 hours per week), compared with only 34.2 per cent of employees across all industries;

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<sup>1</sup> Preston M, Pung A, Leung E, Casey C, Dunn A and Richter O (2012) ‘Analysing modern award coverage using the Australian and New Zealand Industrial Classification 2006: Phase 1 report’, Research Report 2/2012, Fair Work Australia.

- almost one quarter (24.0 per cent) of employees in the Hospitality industry work 1–15 hours per week, around double the 11.6 per cent of employees across all industries;
- over one third (36.4 per cent) of employees in the Hospitality industry are aged between 15 and 24 years compared with only 16.6 per cent of employees across all industries; and
- around 3 in 10 (30.1 per cent) employees in the Hospitality industry are students (23.9 per cent are full-time students and 6.3 per cent study part time) compared with 13.7 per cent of employees across all industries.

**Table 1: Employee characteristics of Hospitality industry, 2016**

	Hospitality industry		All industries	
	(No.)	(%)	(No.)	(%)
<b>Gender</b>				
Male	200 868	45.1	4 438 604	50.0
Female	244 835	54.9	4 443 125	50.0
Total	445 703	100.0	8 881 729	100.0
<b>Full-time/part-time status</b>				
Full-time	179 036	41.9	5 543 862	65.8
Part-time	248 077	58.1	2 875 457	34.2
Total	427 113	100.0	8 419 319	100.0
<b>Highest year of school completed</b>				
Year 12 or equivalent	311 158	70.6	5 985 652	68.1
Year 11 or equivalent	42 638	9.7	856 042	9.7
Year 10 or equivalent	63 600	14.4	1 533 302	17.4
Year 9 or equivalent	14 980	3.4	273 180	3.1
Year 8 or below	6 593	1.5	112 429	1.3
Did not go to school	2 001	0.5	26 356	0.3
Total	440 970	100.0	8 786 961	100.0
<b>Student status</b>				
Full-time student	105 696	23.9	715 436	8.1
Part-time student	27 712	6.3	491 098	5.6
Not attending	309 672	69.9	7 618 177	86.3
Total	443 080	100.0	8 824 711	100.0
<b>Age (5 year groups)</b>				
15–19 years	61 894	13.9	518 263	5.8
20–24 years	100 154	22.5	952 161	10.7
25–29 years	73 998	16.6	1 096 276	12.3
30–34 years	55 260	12.4	1 096 878	12.3
35–39 years	36 683	8.2	972 092	10.9
40–44 years	29 689	6.7	968 068	10.9
45–49 years	26 812	6.0	947 187	10.7
50–54 years	23 551	5.3	872 485	9.8
55–59 years	19 257	4.3	740 822	8.3
60–64 years	12 168	2.7	469 867	5.3
65 years and over	6 234	1.4	247 628	2.8
Total	445 700	100.0	8 881 727	100.0
<b>Average age</b>	32.3		39.3	
<b>Hours worked</b>				
1–15 hours	102 363	24.0	977 997	11.6
16–24 hours	80 810	18.9	911 318	10.8
25–34 hours	64 906	15.2	986 138	11.7
35–39 hours	64 105	15.0	1 881 259	22.3
40 hours	45 732	10.7	1 683 903	20.0
41–48 hours	30 648	7.2	858 120	10.2
49 hours and over	38 556	9.0	1 120 577	13.3
Total	427 120	100.0	8 419 312	100.0

Note: Part-time work is defined as employed persons who worked less than 35 hours in all jobs during the week prior to Census night. Totals may not sum to the same amount due to non-response. For full-time/part-time status and hours worked, data on employees that were currently away from work (that reported working zero hours), were not presented.

Source: ABS, *Census of Population and Housing*, 2016.

## Forms and conditions of employment

10. The ABS defines casual employees as employees without paid leave entitlements.<sup>2</sup> Almost half of all employed persons (48.6 per cent) in Accommodation and food services were casual employees in May 2020, much higher than the 17.2 per cent of employees across 'all industries' (Table 2).

**Table 2: Employed persons by status of employment in main job, May 2020**

	Accommodation and food services		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
Employee	560.3	85.6	83.1
<i>With paid leave entitlements</i>	242.6	37.1	66.0
<i>Without paid leave entitlements</i>	317.7	48.6	17.2
Owner manager of enterprise with employees	65.6	10.0	6.2
Owner manager of enterprise without employees	26.6	4.1	10.4
Contributing family worker	1.8	0.3	0.2
<b>Total</b>	<b>654.3</b>	<b>100.0</b>	<b>100.0</b>

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

11. When considering only employees in Accommodation and food services, almost two-thirds of employees were part time and almost six in ten (56.7 per cent) were casual employees, both higher than for employees across 'all industries' (Table 3). Full-time employees in Accommodation and food services were more likely to be employed with paid leave entitlements (77.4 per cent), however, this proportion was lower than for employees across 'all industries' (90.3 per cent). Part-time employees in Accommodation and food services were more likely to be casual employees (around three quarters), compared to under half of part-time employees across 'all industries' (46.9 per cent).

**Table 3: Employees with and without paid leave, May 2020**

	Full time (%)	Part time (%)	Full-time		Part-time		All employees	
			With paid leave (%)	Without paid leave (%)	With paid leave (%)	Without paid leave (%)	With paid leave (%)	Without paid leave (%)
Accommodation and food services	36.0	64.0	77.4	22.6	24.1	75.9	43.3	56.7
<b>All industries</b>	70.6	29.4	90.3	9.7	53.1	46.9	79.3	20.7

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

<sup>2</sup> ABS, *Characteristics of Employment, Aug 2018*, Catalogue No. 6333.0, Explanatory notes.

## Business characteristics

### Business profile

12. As at June 2019, there were 60 100 employing small businesses in Accommodation and food services, which accounted for (63.1 per cent) of all businesses in the industry (Table 4).
13. Across all businesses, a significantly higher proportion of businesses in Accommodation and food services were small and medium-sized businesses compared with the proportion of all businesses across all industries. This is mainly due to the lower proportion of non-employing businesses in Accommodation and food services.
14. Small businesses accounted for 88 per cent of employing businesses in Accommodation and food services, lower than across all industries.

**Table 4: Percentage of businesses by business size, June 2019**

	Accommodation and food services (%)	All industries (%)
<b>All businesses</b>		
Non-employing	28.4	62.8
Small	63.1	34.7
Medium	8.2	2.4
Large	0.4	0.2
	100.0	100.0
<b>Employing businesses</b>		
Small	88.0	93.1
Medium	11.4	6.4
Large	0.5	0.5
	100.0	100.0

Note: Small businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. The publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2015 to Jun 2019*, Catalogue No. 8165.0.

### Business impacts of COVID-19

15. This section discusses the impact of the COVID-19 pandemic on businesses in hospitality based on survey data published by the ABS.<sup>3</sup>
16. Between 10 June 2020 and 17 June 2020, only 4 per cent of businesses in Accommodation and food services were operating as normal (the lowest proportion across industries) compared with 24 per cent of businesses across all industries (Table 5). That is, 96 per cent of businesses were operating under modified conditions (i.e., shifting more operations online, or

<sup>3</sup> ABS, *Business Indicators, Business Impacts of COVID-19, various*, Catalogue No. 5676.0.55.003.

operating with a reduced workforce) compared with 73 per cent of businesses across all industries.

**Table 5: Operating conditions of businesses, 10–17 June 2020**

	Operating as normal (%)	Operating under modified conditions (%)
Accommodation and Food Services	4	89
<b>All industries</b>	<b>24</b>	<b>73</b>

Note: Modified conditions include shifting more operations online, or operating with a reduced workforce.

Source: ABS, [Business Indicators, Business Impacts of COVID-19, June 2020](#), Catalogue No. 5676.0.55.003.

17. Table 6 presents changes in revenue compared to the same time last year by industry. Around 93 per cent of businesses in Accommodation and food services reported a decrease in revenue compared to the same time last year, which is higher than for all industries (68.8 per cent).

**Table 6: Changes in revenue compared to the same time last year by industry, 10–17 June 2020**

	Decreased (%)	Stayed the same (%)	Increased (%)
Accommodation and Food Services	93.3	0.0	6.7
<b>All industries</b>	<b>68.8</b>	<b>22.9</b>	<b>8.3</b>

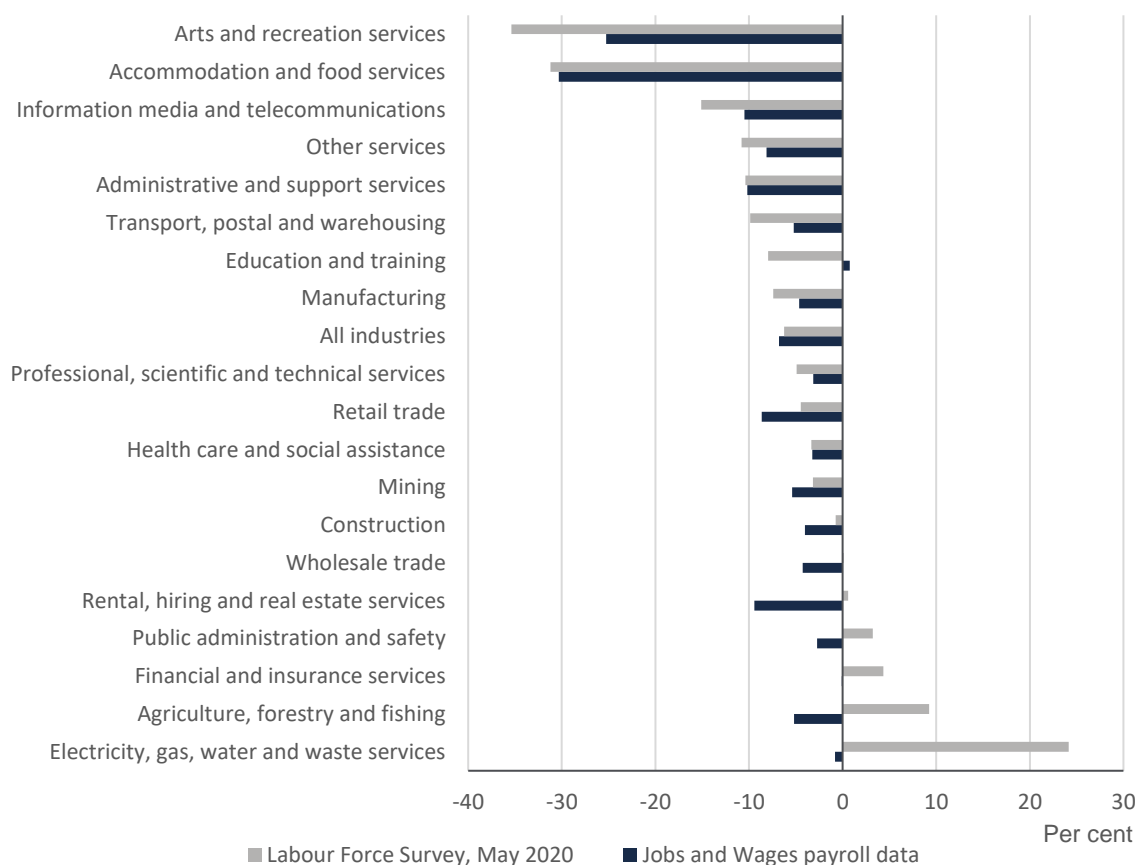
Note: These proportions exclude responses that did not know their change in revenue.

Source: ABS, [Business Indicators, Business Impacts of COVID-19, June 2020](#), Catalogue No. 5676.0.55.003.

18. Chart 1 compares the change in payroll jobs from *Weekly Payroll Jobs and Wages in Australia* between February and May 2020 (periods aligning with the *Labour Force survey (LFS)* reference periods) and the quarterly change in LFS employment in May 2020. The decline in payroll jobs (–6.8 per cent) and employment (–6.2 per cent) across all industries was broadly consistent between the data sources. Industries that experienced the largest decline in payroll jobs also experienced a similar decline in employment in May 2020.

19. Total payroll jobs declined by 30.3 per cent in Accommodation and food services between February and May 2020, while employment measured from the LFS declined by 31.2 per cent.<sup>4</sup>

<sup>4</sup> Data from *Jobs and Wages* are collected from administrative data while LFS data are collected through surveying individuals.

**Chart 1: Change in payroll jobs and employment in the May quarter, by industry**

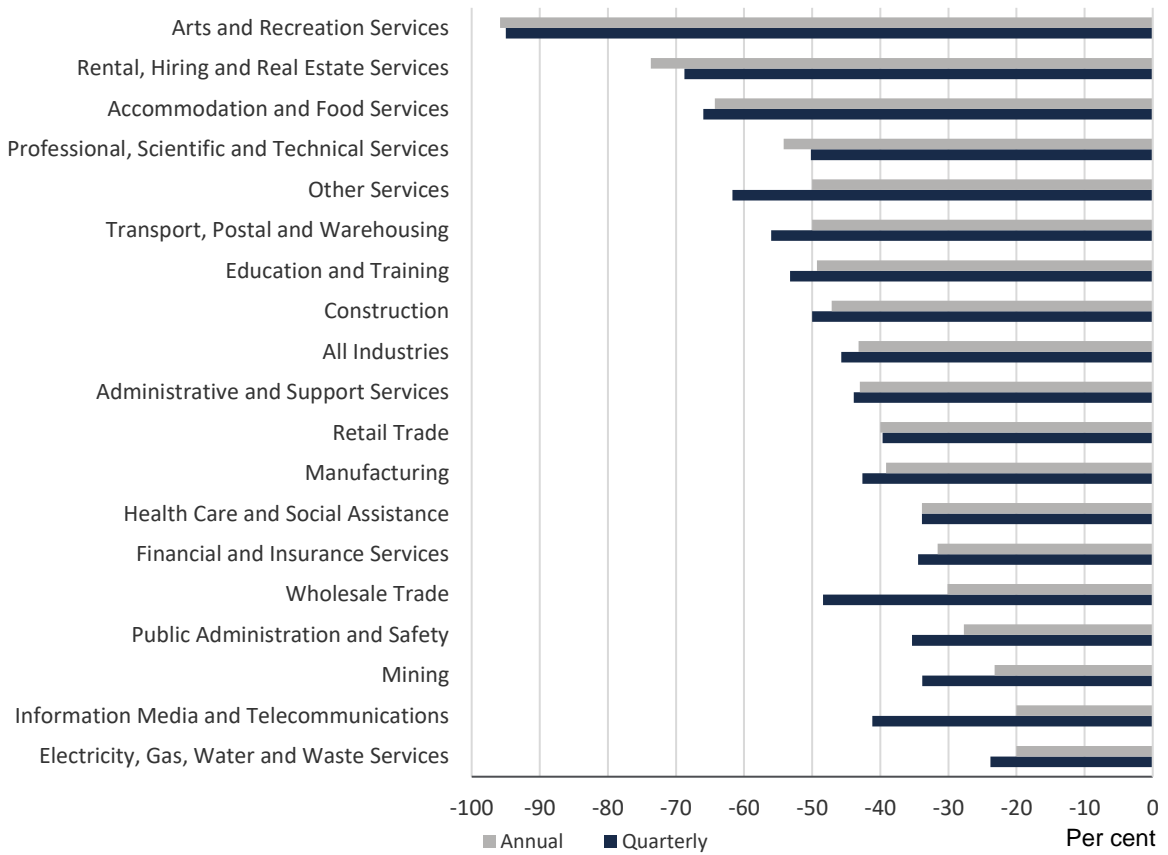
Note: Payroll data are in original terms. Labour force data are in seasonally adjusted terms. Payroll data calculated between 8 February and 9 May 2020 to align with the respective Labour Force survey reference periods.

Source: ABS, *Weekly Payroll Jobs and Wages in Australia, Week ending 30 May 2020*, Catalogue No. 6160.0.55.001; ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

20. Chart 2 presents change in job vacancies by industry in the May quarter 2020. Total job vacancies fell 45.8 per cent in the May quarter 2020 to be 43.2 per cent lower over the year. Vacancies in Accommodation and food services fell 66 per cent in the May quarter 2020 and 64.3 per cent over the year.



**Chart 2: Change in job vacancies, May quarter 2020**



Note: Data are in original terms.

Source: ABS, *Job Vacancies, Australia, May 2020*, Catalogue No. 6354.0.