



Restaurant and Foodservices

Introduction

All restaurant and foodservices clients are represented in the rate group 919. This includes caterers, takeout -foodservices, taverns, bars and nightclubs, licensed and unlicensed restaurants, fast-food restaurants, and those who supply labour to restaurants and caterers.

Economic Trends

Total estimated sales of the restaurants, caterers and taverns industry reached \$3.6 billion in December, a 9.4% increase over December 2005 on a year-over-year basis. The increase in sales, at the national level, was due to higher sales at limited service (+12.6%) and full service restaurants (+7.7%). These two sectors account for almost 85% of the sales for the industry. Sales were also up at food service contractors (+19.2%) and caterers (+7.6%), which accounted for almost 9% of the sales for the industry in December.ⁱ

Employment in Canada's foodservice industry advanced 3.1% in 2006 to 1,040,300 employees after a 2.7% decline in 2005. The foodservice industry created one in ten new jobs in Canada in 2006 and represents 6.3% of total Canadian employment.

Despite solid job gains in 2006, chronic labour shortages remain a significant impediment to growth in Canada's foodservice industry. There is an estimated shortage of more than 34,000 employees in the foodservice industry today, based on forecasts by the Canadian Tourism Human Resource Council and data from Statistics Canada. The labour shortage is felt most acutely in Western Canada where thousands of foodservice positions go unfilled because the supply of workers can't keep up with demand.ⁱⁱ

Here's a look at the foodservice employment highlights of 2006:

- As a major source of entry-level and part-time jobs, the foodservice industry employed more than 460,800 young Canadians between the ages of 15 and 24 in 2006. Youth represent 44.3% of all foodservice workers and the industry employs nearly one in five working Canadians under the age of 25.
- People 45 years of age or older were the fastest growing foodservice employee group with a 16.0% increase. Since 1990, the share of foodservice workers 45 years of age or older has jumped from 17.0% to 22.5%.

- While foodservice employment in Central and Western Canada rose 3.9% and 2.5% respectively, a decline in the number of units led to a 0.3% drop in jobs in Atlantic Canada.
- The number of part-time foodservice employees rose by 3.4% compared to a 2.9% increase in full-time employment. Fully 57.2% of foodservice employees work full-time.
- Healthy sales growth at limited-service restaurants led to a 6.8% increase in the number of counter attendants. The number of supervisors and cooks rose by 8.5% and 6.7% respectively.
- The share of female foodservice employees climbed to 61.9% in 2006 compared to 59.0% in 1996.ⁱⁱⁱ

Social & Demographic Trends

Restaurants are making a significant change to their menu. The challenge of attracting and retaining quality employees and management continues to trouble the restaurant and foodservices sub-sector and the new ways of introducing young people to the industry.

A&W Food Services of Canada has laid claim to being the first national hamburger chain to offer “zero or significantly lower” trans fat menu items. Trans fats, listed on food labels as partially hydrogenated vegetable oil, are though to boost “bad” cholesterol and decrease “good” cholesterol. A&W began working to reduce trans fats a year ago.^{iv}

McDonald’s Corp. has said it has selected a new trans-fat free oil for cooking but did not say when the oil would be introduced in restaurants. Burger King Holdings Inc. said it has begun testing oils without trans fats with plans for a roll-out by late next year. Among other fast food chains, Wendy’s International Inc. introduced a zero-trans fat oil in August, and Yum Brands Inc.’s KFC and Taco Bell say they will cut trans fats from many of their foods. Starbucks Corp. recently said it was halfway through a plan to purge trans fat from its U.S. menu.^v

It is more difficult now than ever to find great candidates who are dedicated to the demands of the restaurant industry. Mid-to-upper level managers are leaving the hospitality industry to go into other industries after learning the great systems, disciplines and transferable skills from these demanding jobs. Many companies are seeking outside professional hiring help from recruiting firms or other third parties.^{vi}

Cara Foods is partnering with Hamilton School Board to prepare students for a career in food services, chefs and they get academic credits and training in food safety.^{vii} Another program that has been initiated for student engagement is Field to Fork, a one day event in October 2006 introduced 1,600 students and teachers from 5 GTA school boards to career options in the food industry. Field to Fork was organized by some 35 companies in the food industry and offered students a plethora of options should they decide on a

career in good services, from research and manufacturing to distribution, operations and marketing.^{viii}

Technology & Industry Trends

The restaurant and foodservices sub-sector has experienced: a new threat from a traditional retailer expanding its offerings, online reservations for restaurants still not popular, an innovation that results in cost savings for restaurants and a bacterial contamination that has a new source.

Competition has heated up with traditional retailer Wal-Mart moving into the foodservices sector. Wal-Mart plans on expanding their services to be even more comprehensive shopping experience with customer's with the launch of an expanded supercentre format that will offer customers fresh groceries. The Supercentres will blend Wal-Mart's traditional general merchandise with full grocery sections ranging in size from 30,000 square feet to 45,000 square feet, carrying fresh produce, meat, cheese, deli and bakery items, along with a comprehensive mix of organic and ethnic foods. The first 3 Wal-Mart Supercentres, located in the Ontario communities of Stouffville, London and Ancaster opened on November 8.^{ix}

Coyle Hospitality Group Survey finds that more than ¾ of the respondents (78%) replied that they have never booked a dining reservation online. Those who did generally cited positive experiences booking reservations online. Sixty-seven per cent of those polled indicated that the quality of a restaurant's personal website is indeed an indicator of the level of service they can expect to receive when dining there. When asked to rate the importance of website content such as online menus, prices, recent reviews, chef information and photos of the dining area, responses varied. The clear winner was availability of menus leading all other categories in both the 'Must Have' and 'Very Important' categories. Two-thirds of those surveyed felt that menus played a very important role. A restaurant having its own website was also deemed crucial with 86% putting it at or above 'Very Important'. Photos of the dining room were also cited by the majority as at least 'Very Important'. Recent Reviews are important, but only 10% listed them as a 'Must Have'. Sorry chefs, prospective diners placed little emphasis on staff bios.^x

For the past 3 years Jeff Martin, president of Martin Air Systems has been retrofitting a number of restaurants around the GTA with a system that captures otherwise wasted kitchen heat and uses it to pre-heat water and restaurant air. Total gas consumption drops 35 to 40 per cent, noting that half of all restaurant gas consumption is for food preparation.^{xi}

In 2006 there were a number of E-coli outbreaks in foods, of particular significance were the spinach and green onion outbreaks. The E. coli outbreaks linked to restaurants have caused illness with at least 63 people in six states. "This (the latest E. coli outbreak) is one of a series of outbreaks, which represent a change in the pattern of food-borne outbreaks," said Dr. Pascal James Imperato, chairman of the Department of Preventive

Medicine and Community Health and director of the Master of Public Health Program at SUNY Downstate Medical Center in Brooklyn, N.Y.^{xii}

These outbreaks are a newer development where the contamination occurs at the place where the food is produced rather than the place it is served. These outbreaks affected both fast food chains and higher end restaurants. Since growing and distributing vegetables has become an "agribusiness," with fewer but larger growers, processors and distributors, there's more chance of contamination, Imperato said. Contamination can occur from irrigation, which can spread E. coli from neighbouring animal grazing lots, and during the packaging in large plants. And that packaging increasingly relies on plastic bags, which create an ideal environment for bacteria such as E. coli to grow, he explained.

“Also in September, an outbreak of salmonella was traced to tomatoes served in restaurants. The outbreak sickened 183 people in 21 states, as well as two people in Canada.”^{xiii}

Legislation & Policy Trends

In the past year; there has still been a fight with the smoking ban, a new program to recover all wine and spirit bottles from landfill sites has been introduced and a new requirement for food handlers in Toronto.

The Canadian Restaurant and Foodservices continues to fight the smoking ban by asking that Ontario's bars, pubs and lounges receive the same opportunity as government-run casinos to build smoking shelters. Real sales in Ontario's bar, tavern and nightclub sector have dropped by 8% or \$21 million in the first five months of the provincial smoking ban that was implemented on June 1 of last year, according to Statistics Canada. Since 2001, the bar, tavern and nightclub sector has suffered a 24% or \$182-million drop in real sales, and an 18% drop in the number of establishments, due in large part to municipal smoking bans and the province-wide ban.^{xiv}

Beginning Feb. 5, 2007, all LCBO customers, including licensees, will pay a deposit of 10 to 20 cents on wine and liquor containers as part of Ontario's new deposit-return system. Brewers Retail Inc (BRI), also known as "The Beer Store", which will be responsible for providing refunds to licensees under Ontario's new deposit-return system, has announced further details for licensed operators.^{xv}

A new bylaw requires food handlers in Toronto restaurants to complete a training and certification course, and obtain a food handler certificate from Toronto Public Health. Under the new regulations, all foodservice premises must have at least one certified food handler working in a supervisory capacity during each shift. The bylaw applies to all foodservice establishments located in the city of Toronto, including hot dog carts and refreshment vehicles.^{xvi}

The new regulations will be phased in over five years, with individual compliance dates depending on the frequency of annual inspections. Operations that are currently inspected

three times per year must be the first to comply, with handler certification required by Oct. 31, 2007. Operators will be notified of exact compliance dates during their next health inspection.^{xvii}

Health & Safety

According to the Ministry of Labour, major hazards for this sub-sector include: slips and falls; mixers; electrical contact; heat stress; strains, sprains, and ergonomics; second hand smoke; lifting and carrying; minimum age; and violence.^{xviii}

Health and safety has been gaining attention recently in the foodservices industry due to the Ministry of Labour's High Risk and Last Chance initiatives. Franchisees are putting pressure on head offices to provide them with support to address these initiatives. While the Ministry of Labour's efforts promote immediate change, many companies are trying to build the infrastructure to support sustained reductions of their injury rates.

A recent example of violence in the workplace highlights the need for more attention to workers safety. "A trio of bandits locked four Swiss Chalet employees inside the restaurant's freezer in an armed robbery in Georgetown."^{xix} Many businesses that stay open late have developed policies or practices for late night safety, such as providing taxi cabs for workers who do not have a ride home. Other practices include making sure late-night managers have cars, scheduling a minimum number of employees at closing time, and relaxing requirements for young employees to work late shifts.

In order to maintain successful health and safety programs, companies rely on training. Keeping staff trained is a constant challenge due to high turnover rates. Managers who are promoted from within the organization also sometimes lack health and safety knowledge.

ⁱ Stats Canada, "Restaurants, caterers and taverns: December 2006," *The Daily*, 28 February, 2007.

ⁱⁱ Canadian Restaurant and Foodservices Association, "Foodservice employment Rebounds in 2006," http://www.crfa.ca/research/2007/foodservice_employment_rebounds_in_2006.asp, 7 February, 2007.

ⁱⁱⁱ Canadian Restaurant and Foodservices Association, "Foodservice employment Rebounds in 2006," http://www.crfa.ca/research/2007/foodservice_employment_rebounds_in_2006.asp, 7 February, 2007.

^{iv} Canadian Press, "A&W reduces trans fat on the menu," *Toronto Star*, 4 January, 2007.

^v Associated Press, "Hoteliers latest on anti-trans fat bandwagon" *Toronto Star*, 5 February 2007.

^{vi} Restaurant News Resources, "Lucas Group Reports Specific Hiring Trends in the Restaurant Industry", <http://www.htrends.com/trends-detail-sid-26105.html> , 5 February 2007.

^{vii} Ontario Service Safety Alliance Restaurant and Foodservices Advisory Committee, Quarterly Meeting, 30 November, 2006.

^{viii} Radhika Panjwani, "Food industry keeps kids cookin," *Mississauga News*, 28 December, 2006.

^{ix} "Wal-Mart Supercentres open," *Canadian Retailer*, November-December 2006, pg 8.

^x Coyle Hospitality Group "Survey Finds Availability of Online Restaurant Menu Leads Lookers into Bookers," <<http://www.htrends.com/trends-detail-sid-26011.html> >, 30 January, 2007.

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- ^{xi} Tyler Hamilton, "Why waste heat?" *Toronto Star*, 18 December 2006.
- ^{xii} Canadian Press, "Officials Still Search for Source of Taco Bell E. coli Outbreak" *CBC New.ca*, <<http://www.cbc.ca/cp/HealthScout/061208/6120802AU.html>>, 8 December, 2006.
- ^{xiii} Canadian Press, "Officials Still Search for Source of Taco Bell E. coli Outbreak" *CBC New.ca*, <<http://www.cbc.ca/cp/HealthScout/061208/6120802AU.html>>, 8 December, 2006.
- ^{xiv} Canadian Restaurant and Foodservices Association, "Restaurant industry seeks level playing field with government casinos," 17 January, 2007.
[http://www.crfa.ca/issues/2007/restaurant_industry_seeks_level_playing_field_with_government_casinos.a
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- ^{xv} Canadian Restaurant and Foodservices Association, "Ontario's deposit-return system: information for licensees ," 15 January, 2007.
- ^{xvi} Toronto Public Health Website, "Food Handler Certificate Program,"
<http://app.toronto.ca/foodhandler/pub/pubIndex.jsp>.
- ^{xvii} Canadian Restaurant and Foodservices Association, "City of Toronto introduces new food handler certification bylaw,"
<http://www.crfa.ca/issues/2006/city_of_toronto_introduces_new_food_handler_certification_bylaw.asp>,
25 October, 2006.
- ^{xviii} Ontario Ministry of Labour, *Industrial Health and Safety Program, Sector Plan*, 2005/06.
- ^{xix} Canadian Press, "Swiss Chalet workers locked in freezer," *Toronto Star*, 19 February, 2007.