



FOREWORD

The Australian restaurant industry, known for its ingenuity and creativity, is always evolving.

But ongoing **economic pressures** mean restaurants across Australia are navigating a complex landscape:

- **Food prices** have risen **30%** since 2019, impacting restaurants reliant on the supply chain and squeezing their already-tight margins.
- Labour shortages plague the industry, with an estimated **21,400 additional workers needed** by 2028 to fill hospitality gaps. On top of getting customers in the door, restaurants struggle to find the staff needed to keep venue doors open.
- Years of rising inflation rates are finally starting to ease, but it could take **another three years** for wages to catch up to pre-inflation levels and for Australia's cost of living to return to normal. In the meantime, **30%** of Australians are **eating out less** — with **10%** stopping entirely.

Profitability also remains a constant challenge, with many operators forced to rethink how they run their businesses.

In response to these challenges, the industry's optimism endures. Toast research has shown that a whopping **42%** of Australian restaurateurs still plan to expand their operations in the year ahead, even as they face these headwinds.

Restaurateurs also continue to view technology as an essential tool for driving efficiency, boosting productivity, and securing long-term growth.





FOREWORD

In fact, over **67%** of **casual dining venues** in Australia now use QR or app-based ordering systems. More and more owners are turning to these — and similar — digital solutions to strengthen operations, do more with fewer staff, and keep pace with changing consumer expectations.

Today, the spirit and adaptability of the Australian restaurant industry is stronger than ever, as restaurant leaders look to balance current challenges with a forward-looking confidence in their ability to thrive.

That's certainly how Ben Liebmann, Founder of Understory, sees it.

This report, which is based on research from over 200 Australian restaurants, provides context and a data-rich overview of how restaurateurs are feeling about the state of the hospitality industry in Australia. We hope you find it insightful.

“The Australian hospitality industry is one of the most vibrant and exciting in the world. Our industry is rich in creativity, diversity, and talent. At the same time, the past three years have tested restaurants like never before: through the pandemic, shifting consumer habits, and the pressures of inflation and rising costs of living. To move forward, we need to support the industry in full. From the kitchen, front, and back-of-house teams who care for us daily, to the owners working to keep their businesses alive. Technology can't solve everything, but when it helps lighten the load, cut through the noise, and give people more time to do what they love, it becomes part of the foundation that keeps this industry and the community more broadly strong.”



Ben Liebmann
Founder | Understory
Former COO | Restaurant Noma
Former CEO | Shine 360°



INTRODUCTION

In the 2025 Voice of the Australian Market Report, we explore how Australian restaurant owners are navigating the current hospitality landscape and the challenges they face.

Focusing mainly on restaurants with a high Gross Merchandise Value, the report details insights from over 200 Australian restaurants.

We'll explore the findings from our survey and shed light on Australian restaurant business outlook, business goals and pain points, as well as how restaurant owners are responding to external economic pressures like inflation.

In this report, you'll find:

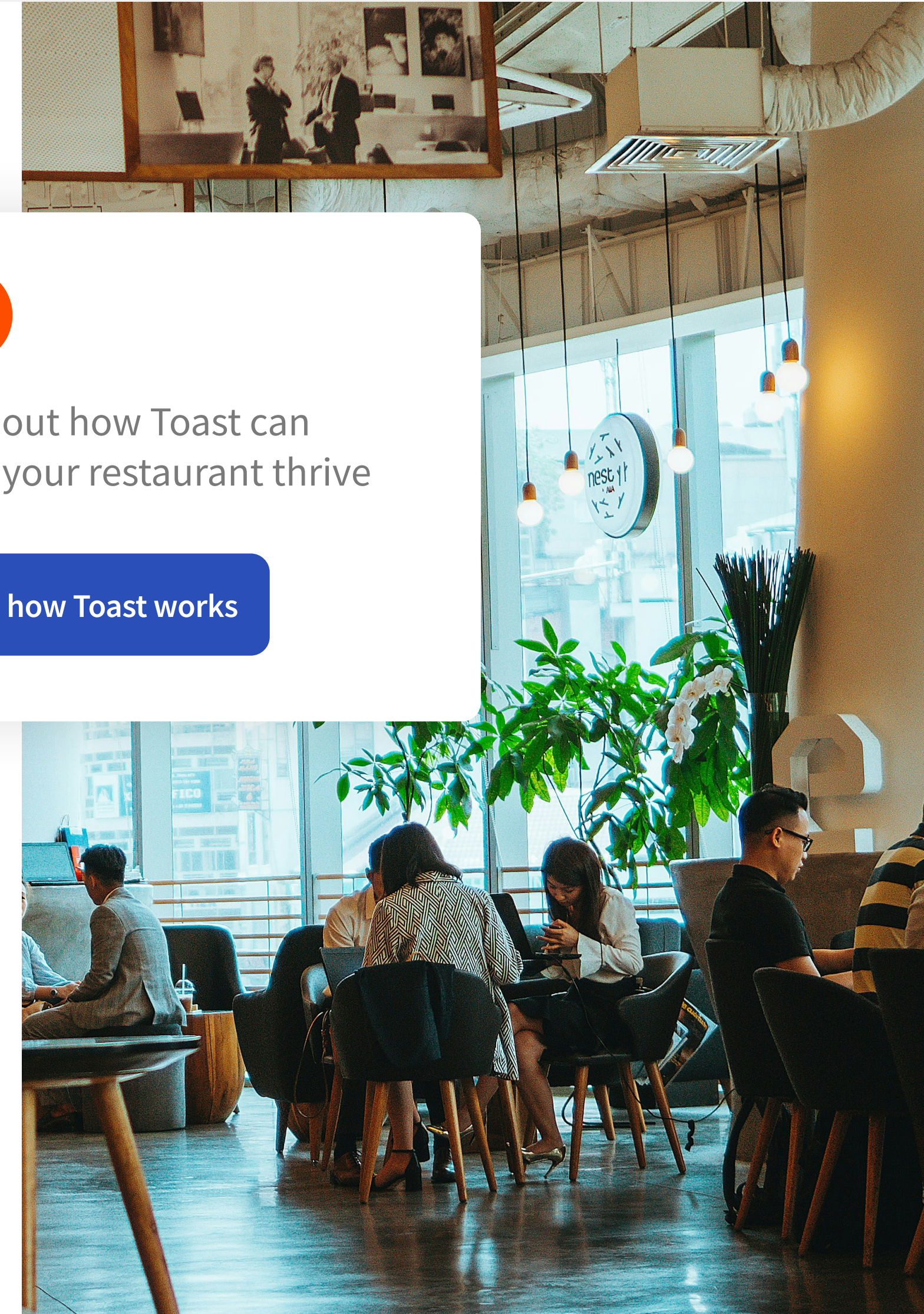
- 5** 7 Key insights from Toast's 2025 market survey
- 6** An overview of the Australian restaurant market's challenges, goals, and business priorities
- 11** Australian restaurant consumer trends and expectations
- 12** Australian restaurant technology trends overview

Let's take a look at the data.



Find out how Toast can help your restaurant thrive

[See how Toast works](#)





KEY FINDINGS

7 Key insights from Toast's 2025 market survey

The Australian restaurant industry is cautiously optimistic, with many owners confident about staying open and even planning expansion in the year ahead. Profitability and revenue growth remain top priorities, but inflation and rising costs continue to weigh heavily. To navigate these pressures, restaurateurs are increasingly turning to technology to drive efficiency and results.

- 1 Australian restaurants are optimistic about staying open through 2025**
85% of our survey's respondents stated that their restaurant is at least somewhat likely to be open in the next year. This optimism aligns with broader consumer confidence trends, with [OECD data](#) showing Australia's confidence levels running higher than in many peer economies.
- 2 There has been a jump in the number of Australian restaurants planning to expand their operations in the next 12 months**
42% of restaurant operators said they were very likely to expand their operations this year, up from 39% in 2023. This expansion intent comes at a time when labour shortages remain a persistent challenge in Australia, suggesting owners are seeking growth strategies that balance headcount with productivity gains.
- 3 Australian restaurants still expect sales to increase over the next year**
80% of our survey's respondents said that they expected their restaurants' sales to increase, despite the challenging economic circumstances that they're operating in. This optimism might be because inflation is finally dropping after years of near-record highs—or because, despite cost-of-living constraints still felt throughout the country, younger Australians [regularly spend](#) on restaurant and takeaway meals.
- 4 The need to increase sales and revenue is a top-of-mind pain point for restaurants in Australia**
When asked about the biggest pain points associated with running a restaurant, 44% of our survey respondents ranked increasing sales and revenue as their top challenge.
- 5 Improving profitability is a primary business goal for Australian restaurateurs**
36% of Australian restaurateurs cited profitability in their top three business goals over the next year.
- 6 Inflation is of particular concern among Australian restaurateurs**
When asked whether inflation was having an impact on their business, 93% said that inflation had proven to be a challenge to some degree.
- 7 Restaurateurs prioritise investing in technology that gets results**
67% of Australian restaurateurs anticipate their restaurant technology spend will increase in the next year as they aim to better run their businesses.



The Australian restaurant market overview in data

What business challenges are most pressing for Australian restaurants in 2025?

Toast's restaurant market research revealed that the top three reported business challenges that restaurateurs in Australia are grappling with in 2025 are:



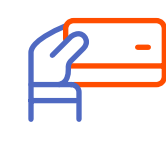
1

Profitability



2

Employee Management



3

Increasing Sales & Revenue

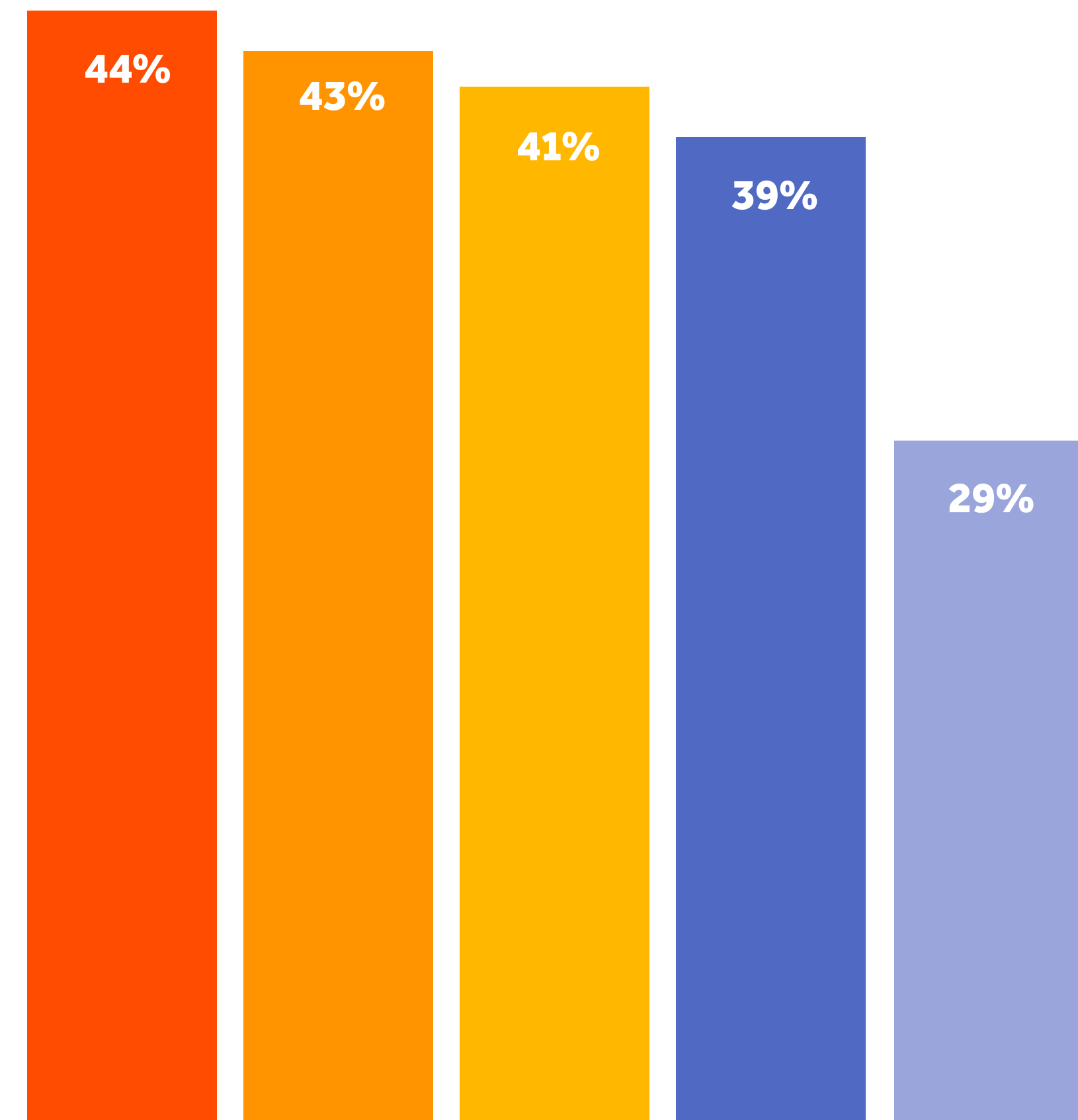




What are Australian restaurateurs' biggest business pain points?

Current pain points for restaurateurs are varied across profits, employee management, compliance, and more — highlighting the operational complexity many owners face while also keeping their businesses financially stable.

- Profitability
- Employee management
- Increasing sales and revenue
- Managing restaurant tech
- Compliance with regulations



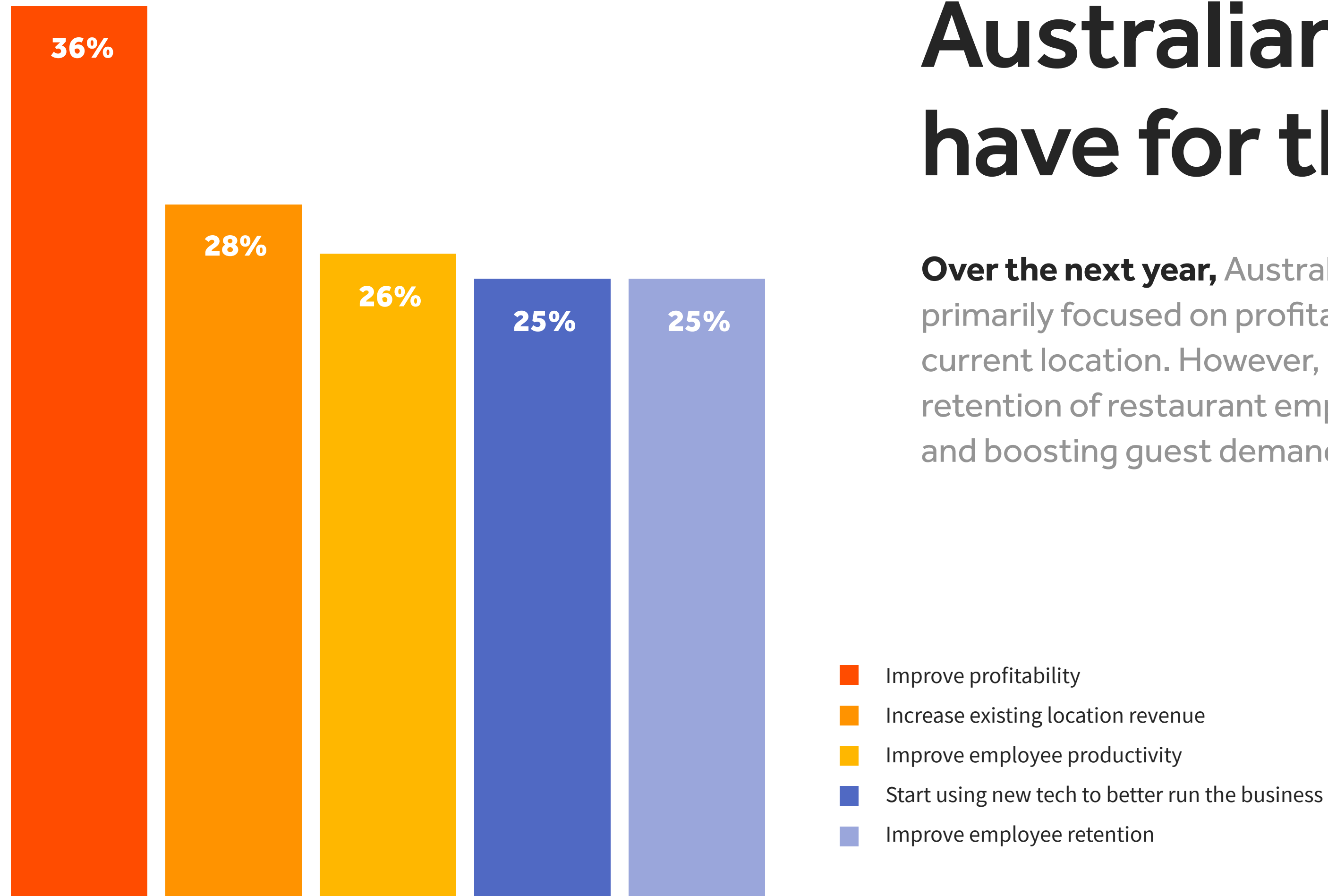
Managing your restaurant's technology is easier with Toast's all-in-one POS system

[Find out how](#)



What business goals do Australian restaurateurs have for their businesses?

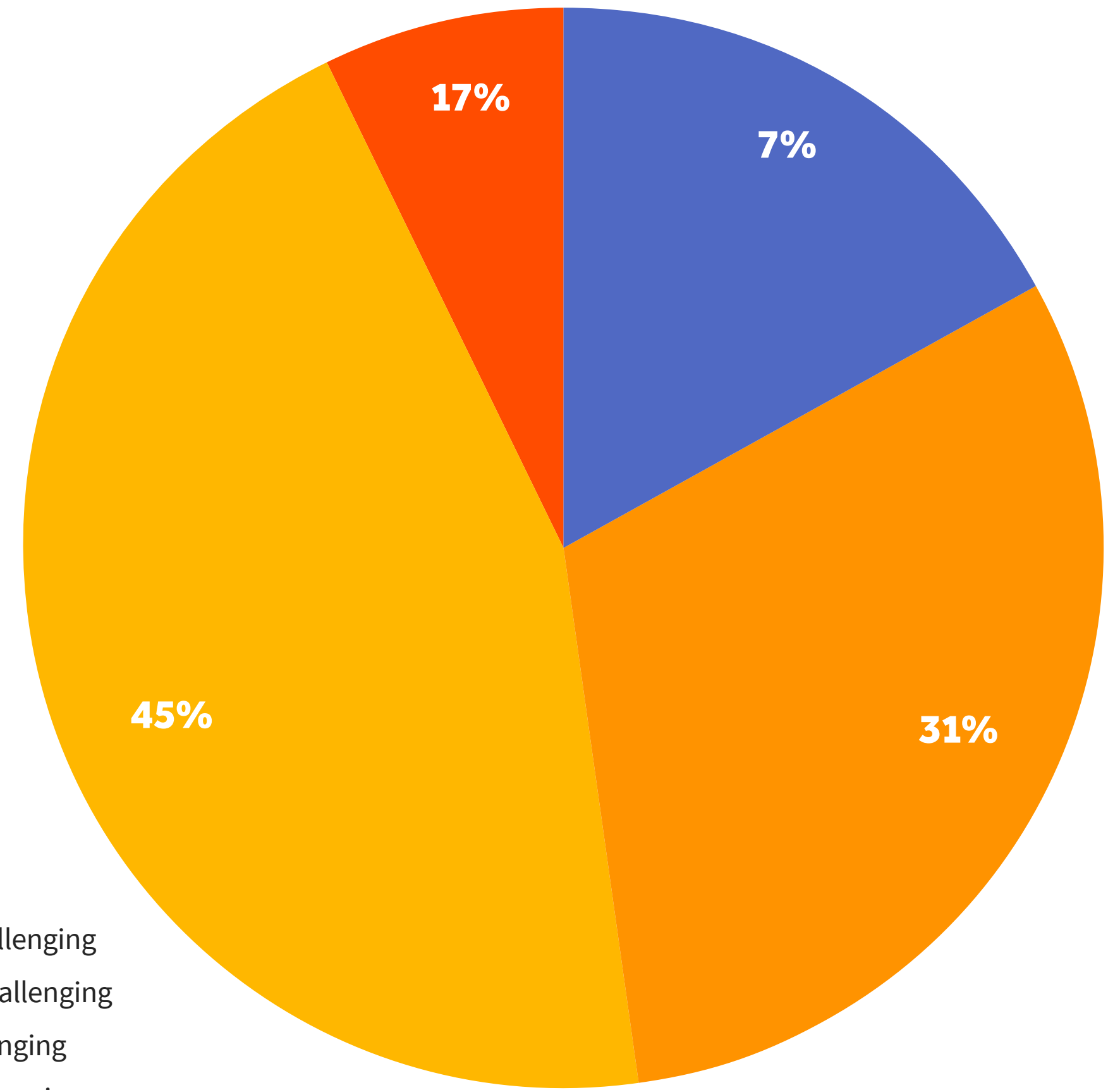
Over the next year, Australian restaurant owners are primarily focused on profitability — especially for the current location. However, goals tied to the success and retention of restaurant employees, using new technology, and boosting guest demand are also top of mind.





How acutely are Australian restaurants feeling the impact of inflation?

Rising food and supply costs have exposed Australian restaurants to higher-than-usual levels of inflation. As a result, **93%** of restaurateurs we surveyed reported that their business had found the impacts of inflation at least somewhat challenging.



- Extremely challenging
- Moderately challenging
- Slightly challenging
- Not very challenging

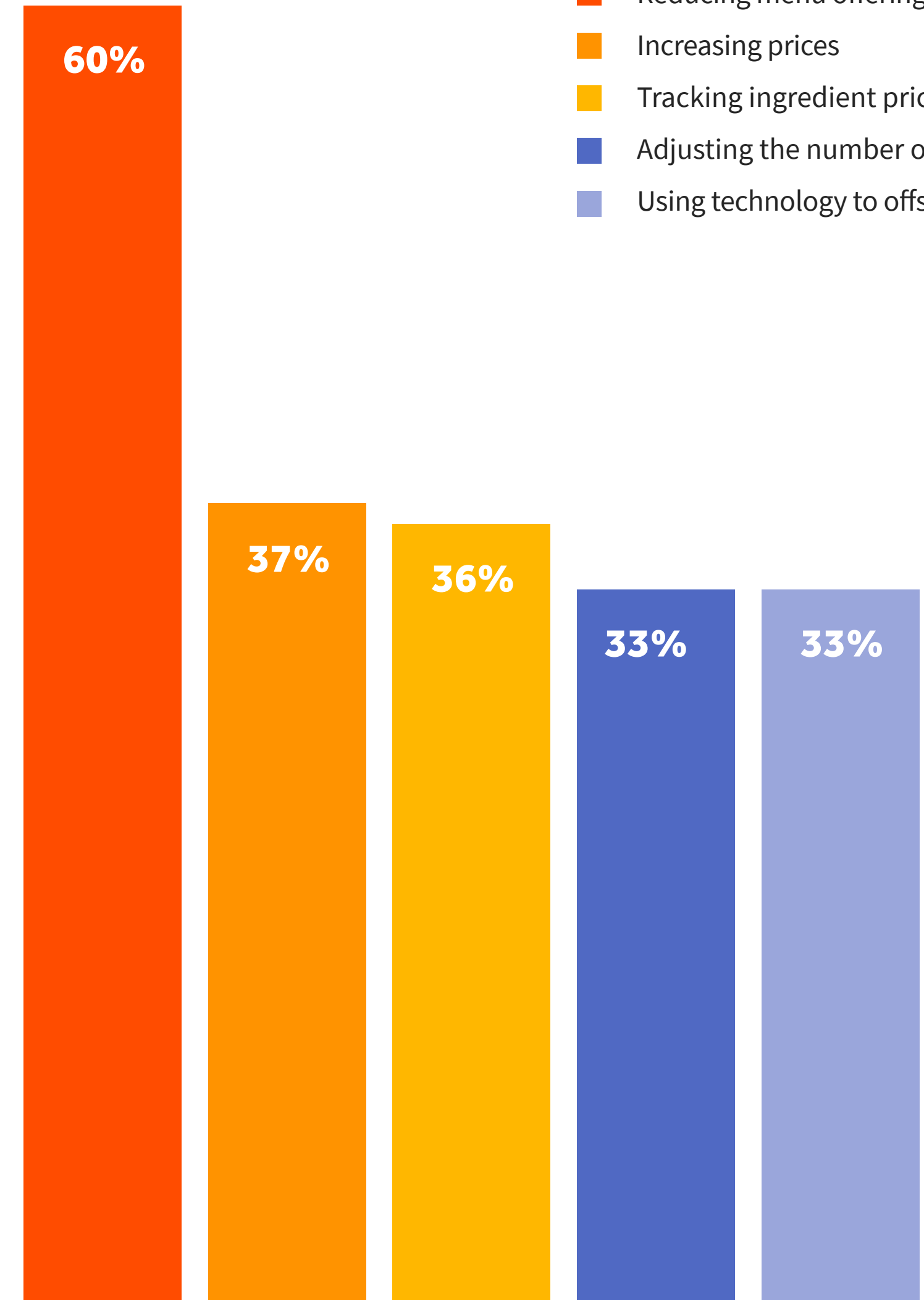




How are Australian restaurants responding to inflationary pressures?

The threat of inflation is causing Australian restaurant owners to be more agile with their pricing and menu offerings. Here are the top methods they're using to combat the impact of inflation:

- Reducing menu offerings
- Increasing prices
- Tracking ingredient prices
- Adjusting the number of suppliers
- Using technology to offset labour costs



"In the face of rising inflation, tighter margins mean that we're striving to make more mindful, efficient, and smarter business decisions every day."



Mel Davis
Director
Graze Craze Alexandria



TRENDS AND EXPECTATIONS

Australian restaurant consumer trends and expectations

Australian diners are increasingly seeking **value** amid rising cost-of-living pressures. According to recent research, **67%** of consumers say they've **reduced their spending** at restaurants, takeaways or delivery in the past year. In turn, restaurant operators are responding: nearly all report expanding their value offerings through loyalty programs, promotions, and special deals to retain customers.

There's a strong **generational divide** in how people are eating out. Gen Z Australians are dining out more often than older cohorts — **19%** report going out more than once a week, compared to just **5%** of Baby Boomers

— and many in Gen Z are spending more than they did a year ago. Meanwhile, older generations show more restraint, favouring familiar, budget-friendly venues over experimental or premium ones.

Casual and community-centric dining formats are gaining ground. Many diners now prefer cafes, pubs, fast-casual spots, and neighbourhood venues over large chains. They expect a seamless experience — efficient service, tech (online reservations/order, loyalty, etc.), authenticity, and a sense of connection with the venue.

67%

of Australians are eating out less frequently in 2025 as part of cost-of-living cutbacks

[The Australian](#)

Over 65%

of Australians now use QR code and app-based ordering at casual dining venues

[Hospitality Hub](#)

78%

of Australians say they prefer meals made with locally sourced ingredients

[Hospitality Hub](#)

30%

Online food ordering represented 30% of total restaurant sales in 2022

[Modor Intelligence](#)

+0.4% MoM

Hospitality spending growth slowed to +0.4% month over month in May 2025 and +0.1% in June 2025, showing softer momentum mid-year

[NAB \(May and June 2025\)](#)

30%

Restaurant meal inflation was about 3% annually, while household spending on dining out grew slightly faster — suggesting consumers are eating out more often (or trading up on occasion)

[Hospitality Magazine](#)



What technology challenges are Australian restaurateurs coming up against?

In 2025, Australian restaurant owners reported their top restaurant technology challenges as:



1

Managing Loyalty and Email Marketing



2

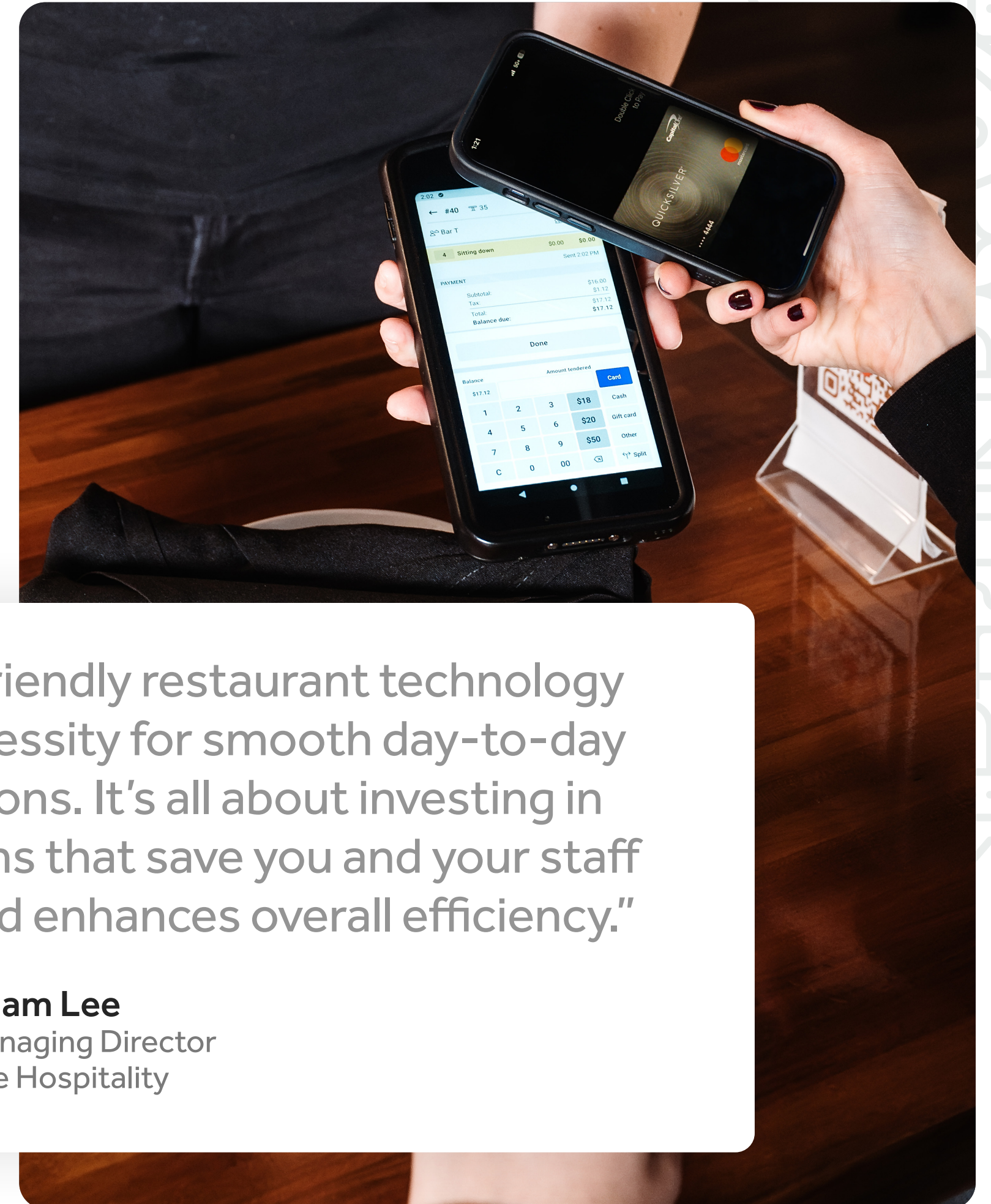
Menu Set Up & Management



3

Interpreting Data for Decision Making

Other pain points included issues replacing/maintaining hardware, managing multiple locations, and navigating internet and wifi outages.



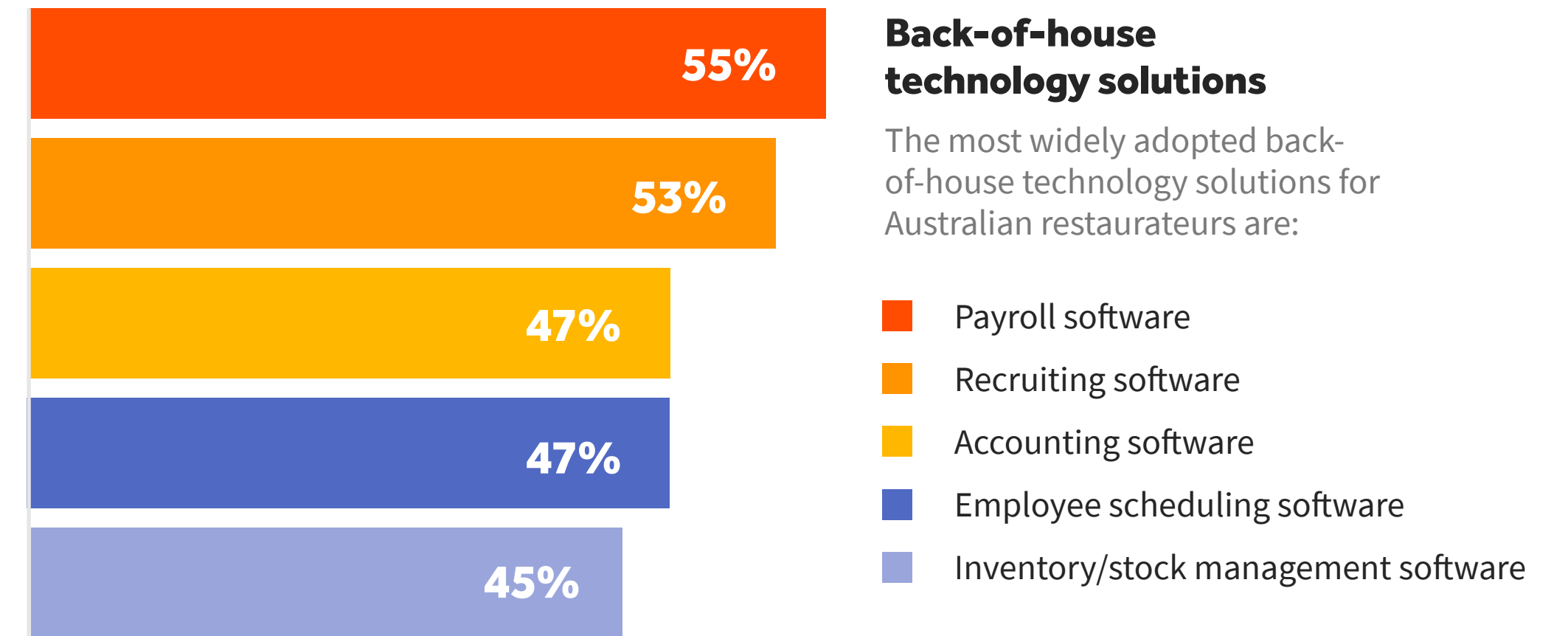
“User-friendly restaurant technology is a necessity for smooth day-to-day operations. It’s all about investing in solutions that save you and your staff time and enhances overall efficiency.”



Adam Lee
Managing Director
Lee Hospitality



What kinds of restaurant technology are owners investing in this year?



Restaurant service solutions

Handheld POS devices provide on-the-go flexibility for taking payments and orders and can improve the overall guest experience. **49%** of the restaurants we surveyed just use handhelds to collect payments, while **37%** use them to take orders and payments. **13%** use handhelds for taking orders only. There were no survey respondents who reported not using handhelds in any capacity at their restaurant.

When it comes to choosing a **POS system**, ease of installation, price, and finding an “all-in-one” solution came out as top priorities for restaurant owners.

Guest management solutions

With food delivery continuing to grow in Australia, restaurants are increasingly turning to guest management tools to capture and retain customers. Our research showed **loyalty program** management software as the most commonly used guest management solution, with **51%** of those surveyed currently using them in their restaurant.

Our survey also revealed that **49%** of restaurants are using marketing software, and **44%** are using 3rd party online ordering or delivery software, demonstrating a strong industry-wide focus on reaching more customers through flexible options



The bottom line: Australian restaurateurs are looking for reliable tech to future-proof their operations

Looking ahead, the demand for restaurant technology tools and software that helps owners streamline each aspect of their businesses is clear. 67% of restaurants in Australia expect their tech spend to increase over the next twelve months, with top planned solutions including management and pooling software, inventory and stock management software, and **kitchen display systems** (KDS).

It's telling that Australian restaurant owners also cited the need for POS integrations and the importance of having an 'all-in-one solution' as key consideration factors when picking the right POS system. Australian restaurateurs clearly want a technology suite that helps them deliver exceptional experiences to their customers.





How Toast can support your restaurant through tough economic times

At Toast, we know that when every dollar counts, each outgoing must prove its worth. That's why our all-in-one restaurant operations suite is built to streamline service, drive revenue and create exceptional customer experiences.

Toast can help your restaurant:



Simplify the payment process

Offer seamless payments for guests & staff, integrate POS and payment tools, and automate payment reconciliation.



Improve front and back of house communication

Increase efficiency with a digital **kitchen display system** (KDS) and productivity metrics.



Keep tabs on business performance

Access real-time restaurant specific reports across sales, labour, & product mix across one location or many.



Drive revenue with tailored email marketing

Reach the right guest with the right message at the right time. With just a few clicks, you can send relevant offers and incentives to help bring guests back.



Take orders more efficiently

Use the Toast all-in-one handheld **POS devices** to speed up guest ordering and checkout, and turn tables more quickly.



Integrate your restaurant tools

Bring reservations, inventory, labour management, ordering & delivery, loyalty, and more into one system.



Build strong guest relationships

Automatically recognize and reward repeat customers across all of your channels with **Toast Loyalty**.



Get tech help 24/7/365

Work with our team of restaurant experts from onsite installation and training to ongoing support.

Get a demo



METHODOLOGY

To get insights into the rapidly changing restaurant industry and its technology landscape, Toast conducted a blind survey of 202 Australian restaurant decision-makers operating 25 or fewer locations in Australia from March 10th, 2025 to May 2nd, 2025.

Respondents include a mix of both full-service and quick-service restaurants. In this report, we focus on restaurants with a Gross Merchandise Value of over \$700k. The restaurants surveyed were from a mix of geographic regions, including Sydney and Melbourne.

Respondents were not made aware that Toast was fielding the study. Panel providers granted incentives to restaurant respondents for participation. Using a standard margin of error calculation, at a confidence interval of 95%, the margin of error on average is +/- 5%.

