

Submission to Department of Labour on proposal to change Chef Skill Shortage classification.

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Submitted by: Hospitality Standards Institute
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New Zealand Hotel Council
New Zealand Chefs Association
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Introduction

Thank-you for the opportunity to respond to your email of 30 March 2010. In this correspondence you sought to get the view of the industry on whether the Chef occupation should remain on the Long Term Skill Shortage List (LTSSL) or be moved to the Immediate Skills Shortage List (ISSL).

You noted that in 2008/09 3,776 chefs were granted work permits and 435 obtained residence as skilled migrants and you have been asked to provide advice to the Department on whether chefs are more appropriately included on the ISSL rather than the LTSSL. Inclusion on the ISSL would preserve the facility to recruit chefs on work permits, while removing any risk that the LTSSL classification currently present as a "loophole" to access spousal work permits and free education for dependants.

Background

The hospitality industry employs over 120,000 people in over 20,000 businesses. There were 14,028 (12%) employees who identified as either chef or cook in the 2006 census.

The shortage of skilled chefs has been with the industry for some years now, but was exasperated during 2002-2007 when labour shortages were acute across the industry. In response to these shortages the Department of Labour approved in 2005 the industry proposal that chefs be upgraded from the Short-term Skill Shortage List to the Long-term List.

Proposal

After consulting widely with the industry we are strongly of the opinion that the Chef occupation remains on the LTSSL. There are four areas we have considered before arriving at this conclusion.

1. Current industry demand
2. International demand for chefs
3. Future demand
4. Current training provision for cooks & chefs

The data paints a realistic and relevant picture that the current shortage of chefs is still acute in New Zealand and will remain so for the foreseeable future. The research shows that this situation is not confined only to NZ but that an international shortage exists.

The industry has invested heavily in training programmes to support a steady supply of trained chefs into the industry but this supply is not yet meeting the labour demands of employers .

Future demand for skilled chefs is expected to be strong, with a buoyant international visitor market and the upcoming Rugby World Cup expected to support the increased demand for a high level of culinary skills.

Based on the current shortage of chefs and the ongoing long-term demand for their services we strongly advocate that chefs remain on the Long-Term Skill Shortage List.

Areas of Consideration

1. Current industry demand

The Restaurant Association of New Zealand conducted a survey in early April 2010 on the issue of Chef Shortages. Over 350 businesses participated in this survey – spread over the memberships of the following organizations: Restaurant Association of NZ, HANZ, New Zealand Chefs Association, New Zealand Hotel Council.

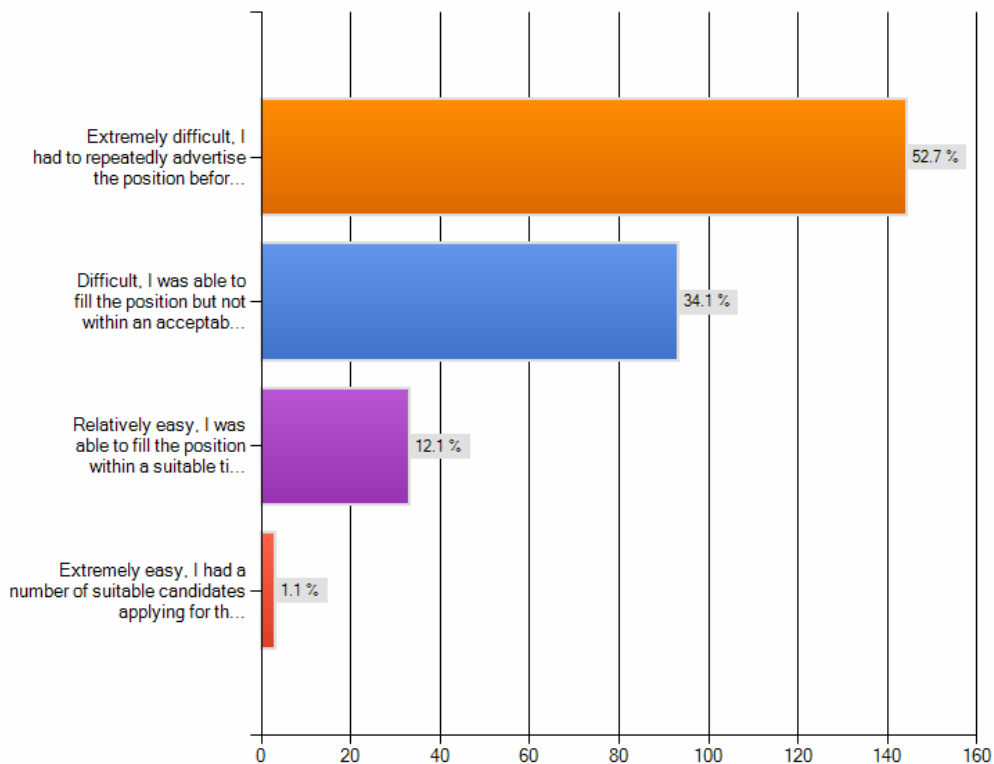
A summary of survey results shows:

- 7% of survey's respondents have advertised for a *senior* chef position over the past year.
- 87% have had difficulty (over half of the survey respondents had extreme difficulty) finding a suitable candidate.

- All regions indicated major difficulty in recruiting for senior roles with Auckland, Wellington and Central North Island businesses having the greatest difficulty (over 90% found it extremely difficult or difficult to recruit in these regions).
- Over 69% of the survey respondents have advertised at least once over the past year for a *junior* chef position. Again, around 73% had difficulty in recruiting for a junior position.
- Confirming the long term difficulty in finding suitable staff for chef roles, 84% of survey respondents have found the recruitment process as difficult, or even more difficult, over the past 12 months.

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Degree of difficulty in finding a suitable candidate (Senior Chef position)



Full surveys results are provided in a supporting document.

Job Sites

The findings above re skill shortages at the higher level are supported by a scan of chef and cook jobs currently advertised on the job vacancy site, Seek. A search of Chef vacancies reveals 111 current listings - a similar search for cooks reveals 15 vacancies.

2. International demand for chefs

HSI have a strong relationship with our counterparts in Australia (Service Skills Australia), and have also built relationships with UK qualification bodies. We have been in contact with them and also researched international data to assess whether the shortage of skilled chefs is an international trend.

Australia

Service Skills Australia has recently completed an analysis of Chef and Cook Labour and Skills Shortages in Australia. The analysis provides different sources of data in regards to skill shortages of cooks and chefs. There is a common theme amongst the data that identifies that a shortage of qualified chefs does exist.

In one analysis, research was undertaken by the Department of Education, Employment and Workplace Relations (DEEWR) using the Australian Standard Classification of Occupations (ASCO) to define occupations. The analysis reveals that shortages have been identified in Victoria, Queensland, Tasmania and regional areas of Western Australia. Information on New South Wales had been requested but is not yet available. The below table shows the labour market rating by state.

State	Date	Labour market rating
South Australia	September 2009	Chef – No shortage Cook – No shortage
NSW		
Victoria	October 2009	Chef – Shortage Cook – Shortage
Queensland	October 2009	Chef – Shortage Cook – Shortage
Western Australia	September 2009	Chef – Metropolitan - No Shortage, Regional – Recruitment difficulty Cook – Metropolitan – No shortage, Regional – Recruitment difficulty
Tasmania	August 2009	Chef – Shortage Cook – Shortage
ACT	August 2009	Chef – No shortage Cook – No shortage
Northern Territory	September 2009	Chef – No shortage Cook – No shortage

The full report is available on request.

United Kingdom

In September 2008 the UK Migration Advisory Committee approved the role of chefs and cooks for the Shortage Occupation List. In a comprehensive piece of research undertaken by People 1st, 89% of catering establishments confirmed that the threat to withdraw work permits from non-EU workers would have a detrimental impact on their business.

The category is listed on the UK Shortage Occupation List as below

Chefs, cooks (5434)	ONLY the following job in this occupation code: • skilled chef where: the pay is at least £8.45 per hour after deductions for accommodation, meals etc; and the job requires three or more years relevant experience
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<http://www.ukba.homeoffice.gov.uk/sitecontent/documents/workingintheuk/shortageoccupationlist.pdf>

3. Future Demand

There are a number of indicators that make us believe the demand for skilled chefs will continue.

Visitor Arrivals

Tourism forecasts are for visitor arrivals to New Zealand remained unchanged at 2.45 million in 2009 (Review of Forecasts – Ministry of Tourism 2009-2015) despite the worst global recession in over 50 years. A decline of 4.2% had been forecast. Long-term forecasts are still optimistic that visitor numbers will grow by about 2.5% per annum to reach nearly 3 million arrivals per annum by 2015.

Rugby World Cup 2011

In September/October 2011 over 85,000 international visitors will descend on New Zealand for the Rugby World Cup. This is the third largest sporting event in the world and attracts immense media attention. The Government has made a significant investment of funds into the Cup to support world-class delivery of products and services.

The industry is working hard to ensure it has an appropriate supply of trained and skilled staff to meet demand for a high level of food and service, particularly over this time. It would be premature and potentially devastating if we were to limit the access to a critical supply of skilled chefs that the current listing on the long-term shortage list currently provides.

4. Current training provision for cooks & chefs

The government and industry have invested heavily to develop relevant and suitable training programmes for New Zealanders to build career paths as cooks and chefs. Current data on training provision includes:

- a. There are approximately 340 modern apprentices presently training towards the National Certificate in Cookery Level Four. The cookery apprenticeship pathway is a well-recognised and creditable pathway for developing qualified chefs.
- b. There are currently about 250 trainees in workplaces undertaking national qualifications in cookery, from Level Two to Level Four.
- c. 12562 domestic students undertook cookery training in NZ in 2008, through Institutes of Technology & Polytechnics, or Private Training Establishments.

It's worth noting here some comments in regards to transition post-training:

- Currently about 40%-50% of modern apprentices and trainees complete their training programmes. There are a number of reasons for non-completion. Career/ changes, employer changes, moving overseas, or changes to personal circumstances are the most common.
- There were 1,449 completions from ITPs and PTEs in 2008. The link between enrolments and completions in the data is not fully clear as some enrolments in 2008 may have not completed that year (e.g. they may have been on a two-year programme into the following year). If we took the 2008 completions as a % of 2008 enrolments the completion figure would be 37%. Anecdotally we hear it's probably higher than this and closer to a 50% completion rate, similar to industry training figures.

There is currently little data on transition from training institutions into workplaces. An optimistic estimate is that 70% of learners move into the industry on completion of their programme. Based on a churn rate (those leaving the industry) of 8% per annum, after five years 40% of these would leave the industry. Therefore for every 100 cookery graduates we end up with about 42 still in the industry after five years.

The industry is committed to developing New Zealanders as chefs. There are solid career pathways in place, and these are promoted widely through schools and industry. NZSkillsConnect is a careers portal launched in 2009 that gives ready access to career pathways and information. Access to training is widely available in all regions through workplaces, ITPs and PTEs.

¹ Hospitality Industry Employment & Training Profile HSI, March 2010

Qualification Requirements for entry under LTSSL

We acknowledge your comments in regards the Level Four qualification requirements are perceived as too low for a classification of the LTSSL.

We argue however that the qualification level is appropriate, consistent with other Trade Occupations on the LTSSL, and representative of the skill levels required for a competent and skilled Chef.

We have reviewed the current wording in regards to the classification and propose the following change::

Current criteria for a chef to enter under LTSSL:

Either National Certificate in Hospitality (Professional Cookery) Level 4 OR National Certificate in Hospitality (Cookery) Level 4 plus National Certificate in Hospitality (Basic Cookery) (Level 3) OR a Level 5 Diploma (specialising in the area of professional cookery) AND a minimum of five years combined experience in establishments offering a la carte/banqueting or commercial catering, with a minimum of two years at Chef de Partie (Section Leader level or higher)

We have removed the reference to Basic Cookery at Level 3, and the Proposed criteria is now:

Either National Certificate in Hospitality (Professional Cookery) Level 4 OR a Level 5 Diploma (specialising in the area of professional cookery) AND a minimum of five years combined experience in establishments offering a la carte/banqueting or commercial catering, with a minimum of two years at Chef de Partie (Section Leader level or higher)

Summary

As noted in the proposal at the beginning of this paper, the data paints a realistic and relevant picture that the current shortage of chefs is still acute for employers in New Zealand and will remain so for the foreseeable future. The research shows that this situation is not confined only to NZ but an international shortage of chefs exists.

The industry has invested heavily in training programmes to support a steady supply of trained chefs but this supply is not yet meeting the labour demands of employers. This is recognised in data such as in 2008/09 when 3,776 chefs were granted work permits and 435 obtained residence as skilled migrants.

Current demand for skilled chefs is expected to be strong, with a buoyant international visitor market and the upcoming Rugby World Cup expected to support the increased demand for a high level of culinary skills. Based on the current shortage of chefs and the ongoing long-term demand for their services we strongly advocate that chefs remain on the Long-Term Skill Shortage List.