



Catering Sector Skills Summary

Contents

Hinonga Kōkiri / Head Start Project	1
Catering Sector Snapshot	2
Sector Consultation Insights	4
1. The impacts of COVID-19 on the catering sector	4
2. The response to date as a result of COVID-19	6
3. Key drivers of future success for the catering sector	8
4. Skills needed to support the catering sector recovery	11
5. Skills initiatives and solutions to support the sector over the next two years	13

Hinonga Kōkiri / Head Start Project

The Hinonga Kōkiri / Head Start Project is an initiative from ServicelQ that brings together service sector stakeholders from industry, employers, schools, tertiary education providers, and iwi throughout Aotearoa New Zealand to reflect on the impacts of COVID-19.

The purpose of the project is to hear stakeholder perspectives on:

- ▶ how COVID-19 has reshaped vocational pathways and business, and
- ▶ what people and skills, training, and learning pathways are needed to get a head start to COVID-19 recovery.

The stakeholder consultation began in October 2020 and concluded in January 2021. In total, 321 sector representatives attended 41 focus group sessions in 10 regions throughout New Zealand. Their perspectives shaped the creation of online surveys, resulting in 488 responses that provided further views on how COVID-19 impacted the service sectors, and what support is needed for recovery.

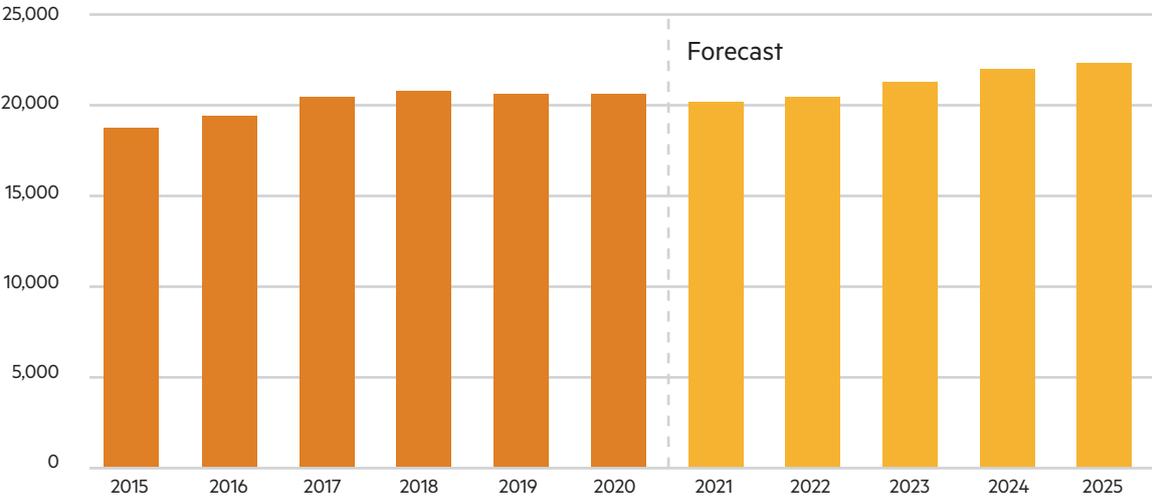
The consultation results have been combined with industry insights, data and forecasting to produce nine sector skills summaries, one for each sector represented by ServicelQ in our capacity as a Transitional Industry Training Organisation for the Services Workforce Development Council. This skills summary is for the catering sector. There are eight other summaries for the aviation; accommodation; cafés, bars and restaurants; clubs; quick service restaurants; retail and retail supply chain; travel; and tourism sectors.

From this research ServicelQ will produce a workforce strategy for the Services Workforce Development Council Establishment Board. The strategy will include industry, employer, schools, provider, and iwi voices. In this way the project gives service sector stakeholders an opportunity to shape vocational education in Aotearoa New Zealand.

The report is structured into five main areas to show what impacts COVID-19 has had on the sector; the sector response to COVID-19; key drivers of future success; skills needed to support sector recovery; and skills initiatives and strategies.

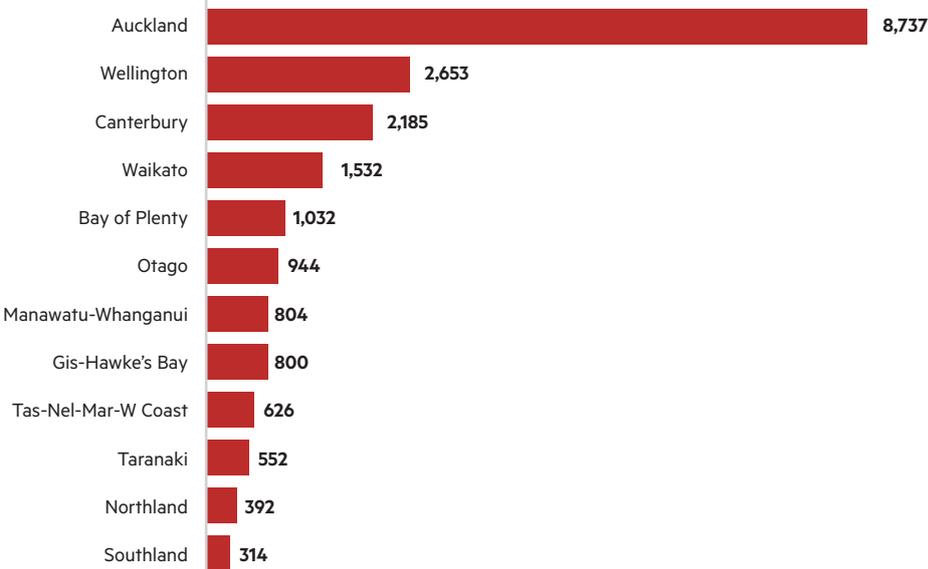
Catering Sector Snapshot¹

Catering sector jobs



- ▶ Prior to COVID-19 there were 20,571 catering sector jobs and the sector was forecast to grow 19.2% between 2020 and 2025. Infometrics now forecasts job losses of 411 or 2.0% of the sector workforce in the year to March 2021, then 1.5% growth (293 jobs) in year to March 2022 and 3.8% growth (778 jobs) the following year to reach pre-COVID-19 job levels in 2023. By 2025 the catering sector workforce is forecast to reach 22,293.

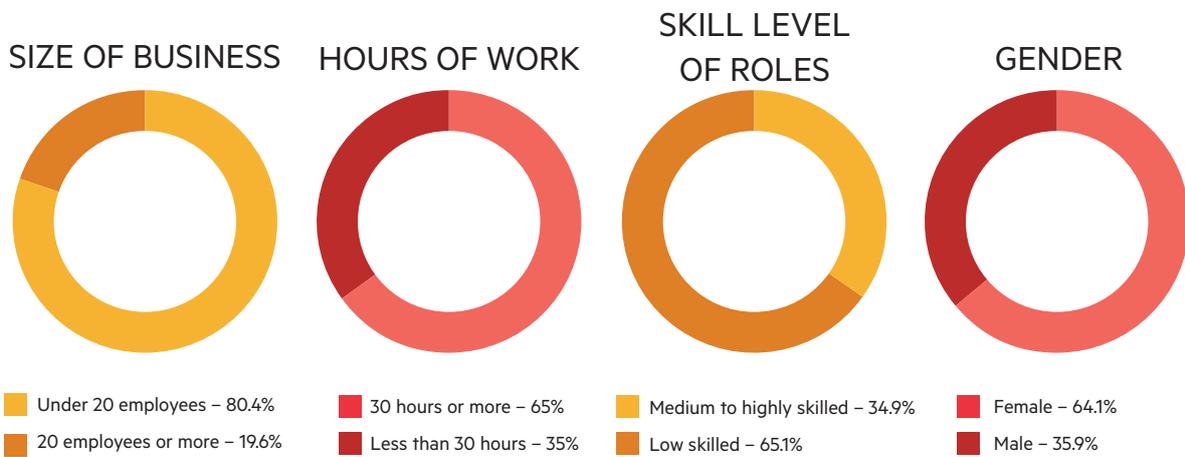
2020 Regional employment



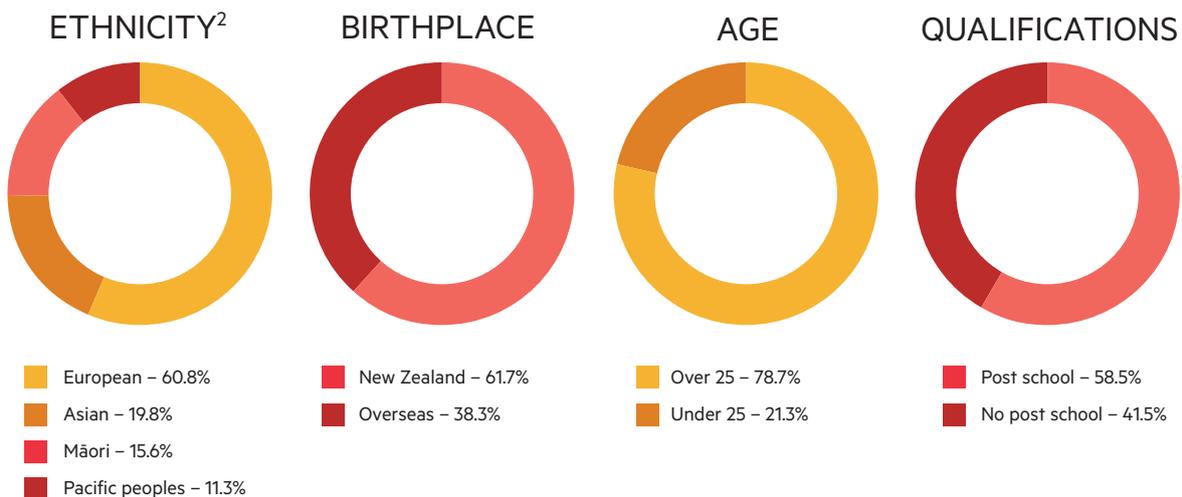
- ▶ There were 959 catering businesses employing one or more people, with an average of 7.3 jobs per business unit.
- ▶ Main occupations are kitchenhands, chefs, cooks, café/restaurant managers, café workers and waiters.

¹Sector data and forecasts supplied by Infometrics February 2021. N.B. 2020 sector data is as at end of March 2020

2020 Sector data



Sector demographic data from 2018 Census



► In the 2018 Census, 43.8% of the Auckland catering sector workforce was born in New Zealand and 25% in Asia.

²Employees may identify with more than one ethnicity

Sector Consultation Insights



1. The impacts of COVID-19 on the catering sector

Customers

Catering operations have continued where possible for the catering sector throughout different alert levels. During Alert Level 4 catering was an essential service in hospitals, aged care facilities, halls of residence, defence force facilities and cafeteria services for other essential services that continued to operate e.g. Police, primary industries. New costs were incurred such as health and safety measures and extending hours e.g. where workplaces extended their hours to accommodate distancing requirements and lengthened cafeteria hours for staff breaks where there were fewer people at a time.

Catering venues had to deal with cancellations, with no conferences as the corporate market stopped, and all events ceased with venues closed at Alert Levels 3 and 4. Restrictions on group sizes also meant operating at Alert Level 2 was difficult for catering businesses. Catering for functions and events, at council leisure venues, retail cafés and airline lounges all had a significant decline in revenue.

At Alert Level 1 there has been a good recovery with the customer base returning to retail catering sites although more people working from home is affecting this. Events have been well attended, but there are still fewer corporate events, even with a boost from rescheduled events. Regions who have previously been key meeting locations are reporting cancellations with holding conferences over the next two years seen as risky. There are no international conferences and a lack of overseas artists (music, literary, artists, acts etc.), which impacts catering businesses who support these events. There is a feeling that catering venues have been forgotten in terms of support, compared with events and tourism.

Regions with MIQ and MSD accommodation contracts are finding this is impacting major events as people from outside the region cannot find accommodation to attend them.

Staff

The wage subsidy was helpful in supporting businesses, but there was some reluctance from employees who were expected to come in to work, particularly if they felt they were at risk or those who had been paid to be at home at higher alert levels. Vulnerable staff could not work, others needed to take leave. There has been some loss of migrant workers in the catering sector.

Where possible staff members were redeployed, to other locations (e.g. from airline lounges to DHBs) or other roles (e.g. some locations had an oversupply of catering staff, but more cleaning was needed). Rostering has been challenging and staff have been asked to step up and down to help out where they are most needed. Skills have been uncovered within the existing workforce.

There was a reduction in casuals after the second wage subsidy ended and many catering businesses restructured their staff and management. Retaining skilled staff has been challenging.

For catering venues there has been a loss of capability and institutional knowledge. There were some large restructures but with a good bounce back there is now some rehiring.

There are examples of cafés, bars and restaurant staff who have moved into the catering sector for more job security and better hours. Chef shortages have resulted in moving staff around, including those on visas to ensure they work enough hours.

Staff wellbeing teams have been established to support staff as there has been an increase in employee stress due to COVID-19 and uncertainty.

Communication / Technology

During lockdown, a lot of work done was done remotely, including coordinating work at sites where there was no access. Rostering was done online, and online training was developed to enable training to continue remotely.

Effective communication has been key to keeping staff informed. Examples include weekly email communications, online management meetings, managing director communications, WhatsApp, text, Zoom meetings, daily safety meetings. Teams were motivated with online social catch ups and hospitality livestreams from around the world.

There was a lot of communication and consultation when restructures were taking place, with staff feedback taken onboard, and the process being done as kindly as possible.

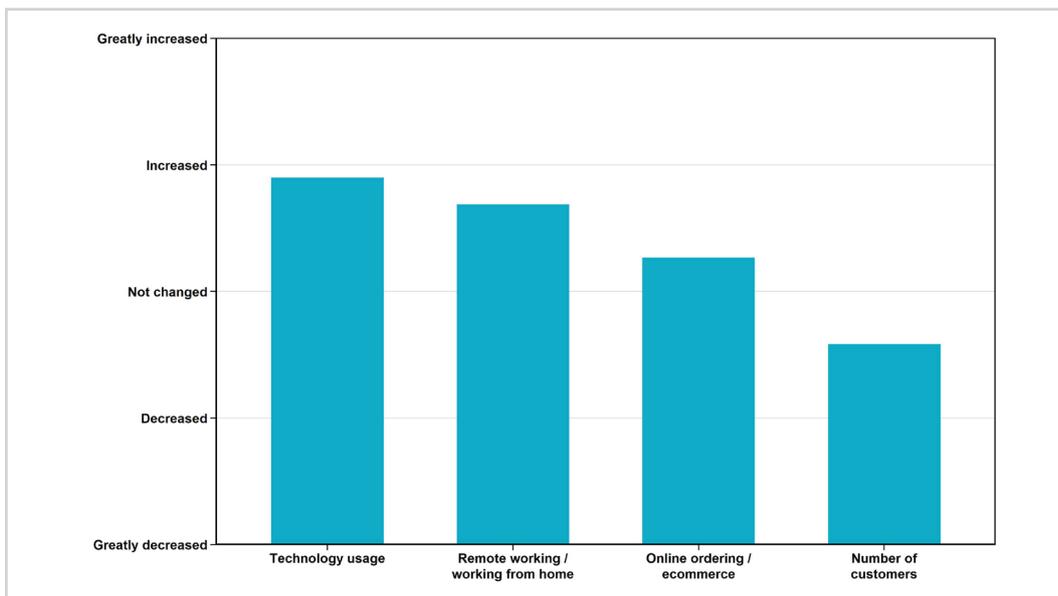


Figure 1. The extent to which COVID-19 influenced behaviour in the catering sector.*

Operational / Process

Back up teams were established in case of COVID-19 outbreaks leading to entire staff on shifts needing to self-isolate. Staff safety was paramount. To minimise the risk, teams worked in bubbles, staff health declarations were required, and cleaning protocols were ramped up. Separate kitchen teams and kitchen staff kept separate from people facing teams e.g. ward teams in hospitals. There were some increased costs for PPE supplies.

New policies and guidelines have been developed, e.g. COVID-19 restrictions guidelines, health and safety guidelines, internal guidelines on intranets. Catering businesses are now all well prepared for any alert level changes.

Industry Associations provided good advice around Alert Level guidelines e.g. EVANZ, Restaurant Association and HospitalityNZ.

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

2. The response to date as a result of COVID-19

Customers / Products / Services

Catering organisations have explored other revenue streams e.g. they are now diversifying into public events or providing catering services for MIQ facilities. One innovation is acting as a recruitment agency for other events (casual staff), supplying event trained staff to support smaller venues (with leaner teams), plus event hire e.g. crockery. This is good for peaks and troughs. Other innovations have included cooking for the community and catering deliveries in collaboration with local suppliers e.g. butcheries. Commercial kitchens have been used for cooking classes, kitchen shops, inhouse dining events and meal bags.

There have been product changes, taking into consideration supply, pricing and substitution options.

There were hot meal delivery initiatives when there were no events, which kept staff busy. At higher alert levels, there was production of jar products and freezing fresh food for future use e.g. chutney. There is increased use of prepared frozen food.

Buffets, ham carveries and salads are all less common even at Alert Level 1. Food is more likely to be packaged and plated in kitchens with lids on. These new ways of doing things are expected to continue ongoing. Some businesses offered table service for the first time and staff training/workshops were needed to help develop this capability and see new ways to provide services.

Strategic reviews have taken place. COVID-19 has provided the opportunity to review contracts and rationalise, exiting some less profitable contracts.

Staff

There has been more multiskilling/ cross skilling with staff being upskilled, so that they are trained in more than one area. More generalists are being employed to cover more roles (except for chefs and sales roles) and new broader job descriptions are now being used when rehiring. For some catering organisations multiskilling needs to be negotiated with unions and pay rates are based on qualifications.

Staff are now more generalist e.g. doing a mix of hosting, bar, kitchen, cleaning, and there are more casuals. The change in roles has created comradery and this is now a strength for businesses, with people prepared to do whatever needs to be done.

There have still been new trainees signing up to on-job training and more training took place during the second Auckland lockdown as there was greater online capability. This included food safety and service training. Online guidance has been important for food safety.

There has been a loss of skills, capability, and institutional knowledge through restructures. Venue catering businesses are now running a flatter broader structure; management teams have been streamlined and are now more efficient. It is likely that this was needed but COVID-19 was the catalyst.

Catering businesses have been liaising with MSD for new staff and have been finding some good people e.g. multisite retail managers. There are examples of head chefs from restaurants that have closed or downsized applying for commis chef roles and duty managers applying for front of house with catering organisations. Some Air New Zealand employees have been redeployed into aged care catering. Defence Force catering has had good staff retention and increased recruitment enquiries.

Communication / Technology

Digital communication has been embraced, including Zoom meetings, Microsoft 365, Teams. Zoom and Teams have replaced videoconferencing in a room. They have been used for both internal meetings and connecting with clients, especially those with vulnerable people such as hospitals and aged care facilities. Remote working and online meetings have continued for some or all the time where possible. Flexi working has become more accepted as good productivity while working remotely was demonstrated during lockdown. Working online can be harder for hands-on practical people e.g. chefs.

Suppliers

Catering organisations have supported local food and beverage suppliers wherever possible. There has been good support from suppliers who are also pivoting.

Caterers are a conduit between suppliers and catering sites, and they liaise with suppliers to ensure they comply with site requirements. This has been vital since COVID-19 restrictions commenced.

Caterers have been reviewing food substitutes with emerging supply issues. This is complex due to many dietary requirements, especially for hospital catering as there is a need to know every ingredient in every product.

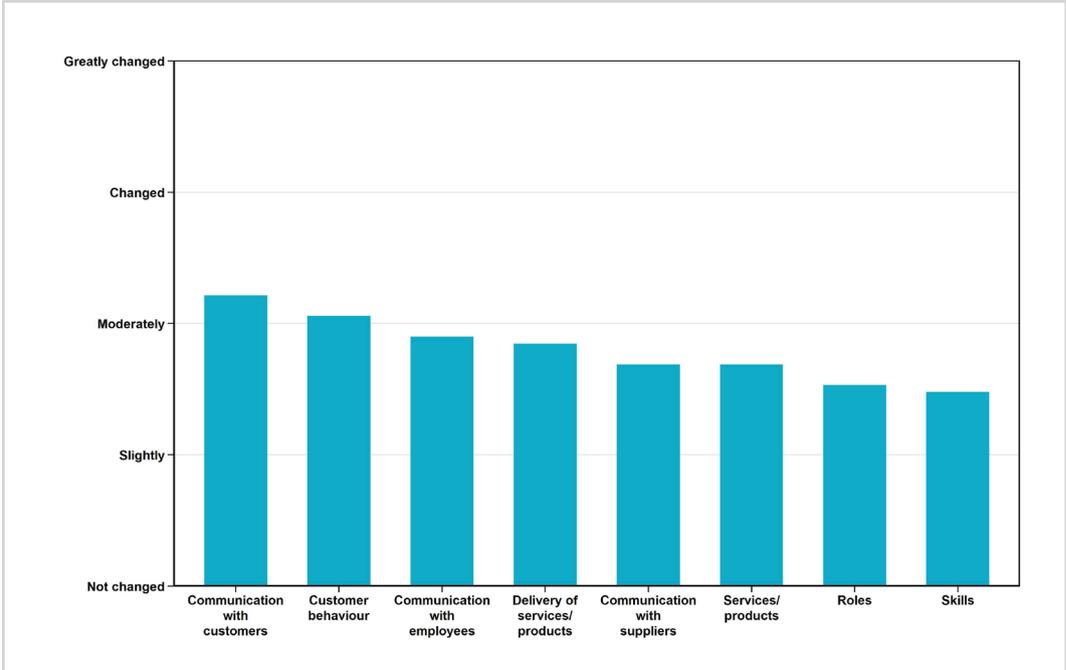


Figure 2. The extent of change the catering sector has felt since the arrival of COVID-19.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

Operational / Process

Back up plans were developed in case of COVID contact e.g. alternative commercial premises.

Alert Level guidelines were clear for catering and new standard operating procedures developed. E.g. at Alert Level 2 people worked with different armbands, working in different areas.

Catering organisations are operating more efficiently and controlling costs. Budgets have been trimmed while still needing to maintain high standards.

Catering in accommodation facilities had to change from self-service to serving every item. During Alert Level 2 this also required spaced tables, sanitising between customers and extended dining times.

Infection control measures were introduced/upgraded although there were already strict controls e.g. in aged care and DHBs. Health and safety checklists are used to ensure protocols are followed. Online health and wellbeing checks are being done for both safety and support, including staff testing e.g. aged care and DHBs)

Safe Sphere is an example of a programme that catering organisations are using as a way of auditing and providing certification to bring customers back, feeling safe and confident to do so. MPI now does food control audits remotely.

3. Key drivers of future success for the catering sector

Industry

Key drivers for industry include:

- ▶ Maintaining high standards to help business stability which will reassure both customers and staff.
- ▶ A respectful workplace culture, where there is understanding of the whole person.
- ▶ Structured pay rates aligned to demonstrated skill level. Wage management, cost control and pricing accordingly (i.e. pricing may need to increase).
- ▶ Greater use of technology, (e.g. one app for all restaurants/venues) but also valuing person to person contact at catering venues.
- ▶ Remote working where possible and managing flexible working effectively.
- ▶ Building connections within the industry to build capability across the catering workforce (e.g. creating a Level 3 qualified mobile trained workforce who are trained in hand hygiene, diet, infection control).
- ▶ A sustainability focus including reduced food waste and environmentally friendly packaging, and greater use of locally produced products.
- ▶ New food innovations, e.g. vegan foods, plant-based cookery.
- ▶ Attracting a diverse workforce; new ideas and innovation will come in an inclusive environment.

Government

Government support is needed to promote hospitality so that it is seen as a viable career option, to help get New Zealand workers into hospitality. This includes changing the perception of the catering industry, through highlighting career pathways, and supporting internships, and scholarships.

The catering sector needs support to attract people into the sector, including from other professions. This could include pay parity and living wage support.

Reopening borders and sorting out visa and immigration issues (where there are skills shortages) are key factors in the future success of the catering sector.

On-job training

Catering industry sustainability can be supported through developing an educated professional workforce. Lack of training was already an issue prior to COVID-19. COVID-19 has led to more cross training, multiskilling and staff retraining on new ways of doing things and new roles. It has helped staff understand the business better, and it is important for staff to understand that this is the expectation to enable the workplace to be adaptable and agile. Cross trained and multiskilled staff can meet changing needs, can be easily redeployed and this also provides variety for staff. Relevant training, development and a wellbeing focus all help in attracting and retaining staff.

Managers, team leaders and supervisors all need to develop capability as people leaders who can train, develop, motivate, and support staff. Training is especially needed where a staff member has moved from being in a team to leading it.

Digital innovation has created the need for training in digital skills including using apps and engaging in online training.

Training is needed to ensure compliance to health and safety processes.

Training providers

Working closely with local training providers can help bridge students directly from their courses into the catering industry. Communication between providers and the sector is vital to ensure that hospitality programmes meet their needs and that there are work experience and job opportunities. Awareness of the industry standards and expectations will ensure providers are producing graduates that are industry ready on completion of their qualification. Guest speakers from the hospitality sector strengthens course content and makes it real for learners. Field trips, work experience placements, practicum placements and internships all add value and realism to graduates. Providers would like to encourage more formalised working groups with industry employers.

Training providers need help to understand how the expectations of an employer have changed since the arrival of COVID-19. They aim to train both vocational and employability skills, blending practical and people skills. Soft skills are embedded in vocational training to prepare students to be adaptable and cope with change, develop a work ethic, problem solve and think critically.

Schools

Schools vary in their approach to encouraging students into hospitality sectors, so they would benefit from a bigger picture of hospitality career paths, including catering.

Regular collaboration between hospitality teachers and industry employers would help them to refresh and learn new skills, keep teaching industry relevant and ensure students learn what industry requires.

Unit standards need to be fit for purpose with teaching resources that are helpful for teachers and engaging to students.

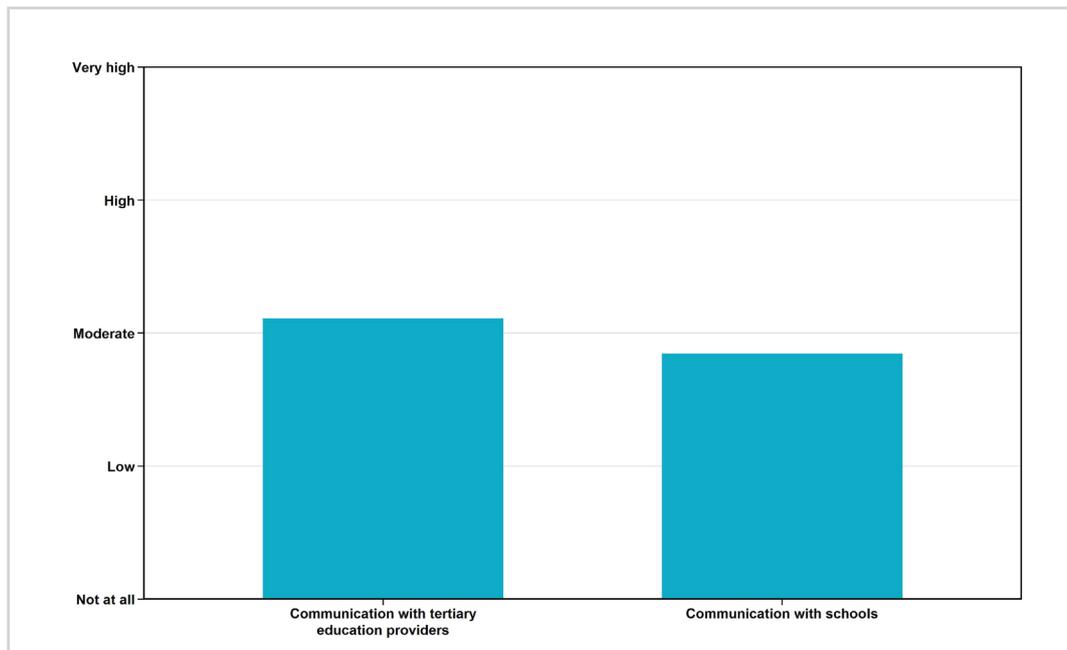


Figure 3. The communication level the catering sector has with tertiary education providers and schools.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

4. Skills needed to support the catering sector recovery

Changes in skills and roles

Staff have been redeployed from less busy to busy areas or, in the case of multisite employers, to busier locations. In some cases, this has been a complete change of environment e.g. from an airline lounge to a hospital site. There has been a need for flexibility to change roles, adaptability and agility. Roles have become more generalist and employees have been brought on with transferable skills.

Changes in the importance of skills

Skills that have increased in importance include:

- ▶ Empathy (with customers and colleagues).
- ▶ Personal self-discipline to comply with new rules.
- ▶ Following health and safety practises (can implement things learned from other businesses).
- ▶ Management skills including:
 - ▶ People management.
 - ▶ Developing leadership and management capability to bring out the best in staff (especially those entering with transferable skills).
 - ▶ Recognising and utilising skills (this shows respect and treating staff well helps retention).
 - ▶ Helping employees enjoy their workday and find value in their work.
 - ▶ Better HR skills for supervisors and leaders.
 - ▶ Managing conflict resolution, difficult conversations.
 - ▶ Supporting staff wellbeing/mental health.
 - ▶ Running staff meetings, facilitation.
 - ▶ Skills in managing an ageing workforce.
- ▶ Research and development skills for senior managers.
- ▶ Verified assessor skills for validating NZQA unit standards onsite.
- ▶ Onsite training skills (forklift drivers, barista, apprentices) with training facilities so that training can continue onsite (within bubbles if needed).

New skills needed

- ▶ Training and development is needed in basic IT skills, including using apps and technology platforms, digital training, understanding social media, and engaging in online learning.
- ▶ Online communication skills e.g. Zoom meetings, Teams meetings.
- ▶ Developing increased online visibility and setting up online offers such as delivery services.
- ▶ Developing innovative revenue generating solutions.
- ▶ Better financial skills, understanding the business, costs and revenue.
- ▶ Basic preparation skills where a supplier may have reduced capacity e.g. filleting fish.
- ▶ Understanding the source of products, supply chain.
- ▶ Catering to dietary requirements.
- ▶ Confidence and trust in managing a remote team, managing effectively from a remote location.
- ▶ Facilitation of online meetings and training; utilising Zoom etc to support apprentices in the workplace.

Skills shortages

The catering sector has a shortage of skilled chefs and senior front of house staff. Many businesses also report shortages of supervisors, managers, and qualified staff at all levels. Current migrant staff have visa uncertainty and there are no new overseas workers entering New Zealand. There is a lack of skilled and willing workers from the domestic market to fill these roles.

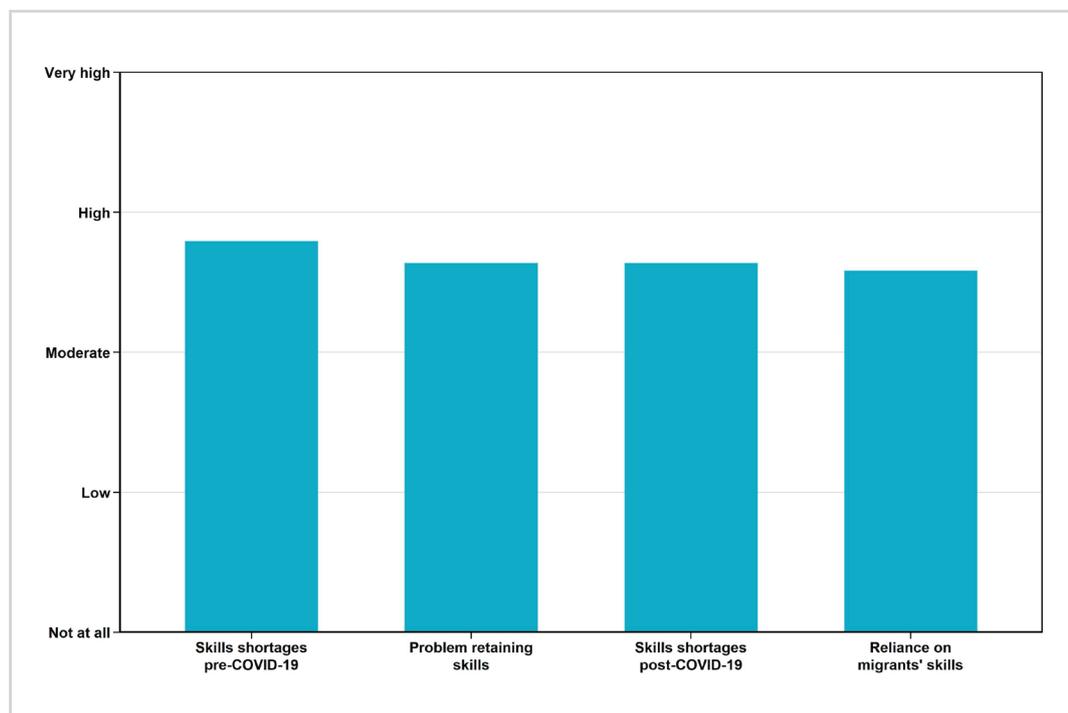


Figure 4. Rating of major skills shortages identified in catering sector focus groups.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

5. Skills initiatives and solutions to support the sector over the next two years

How to get the skills

- ▶ Employ entry level hospitality staff e.g. young people and provide broad training on the job e.g. front of house, bar and kitchen training, then pathways for retention/progression.
- ▶ Flexibility, learning on the job.
- ▶ Move apprentices around different parts of hospitality.
- ▶ Bite sized modules e.g. Hospo Safe.
- ▶ Bite sized training to learn a specific skill.
- ▶ Cost effective, easy to use training.
- ▶ Cookery lessons/videos online.
- ▶ Utilise technology to provide courses, especially for remote locations. Facilitated training online followed by an online assessment.
- ▶ Instant assessments.
- ▶ Group seminars e.g. LCQ as a group.
- ▶ A dedicated training facility with a real understanding of the training needed.
- ▶ Competitions for school and tertiary students (both cookery and static displays, including front of house) judged by industry, workplace experiences, mentoring, access to apprenticeship opportunities, job opportunities, more Gateway placements, virtual or live demonstrations of how a kitchen works, what the job looks like. Students visit industry for skills demonstrations, linking classwork to ‘real work’, career stories, careers and job seeking advice, learning employer expectations and making connections.

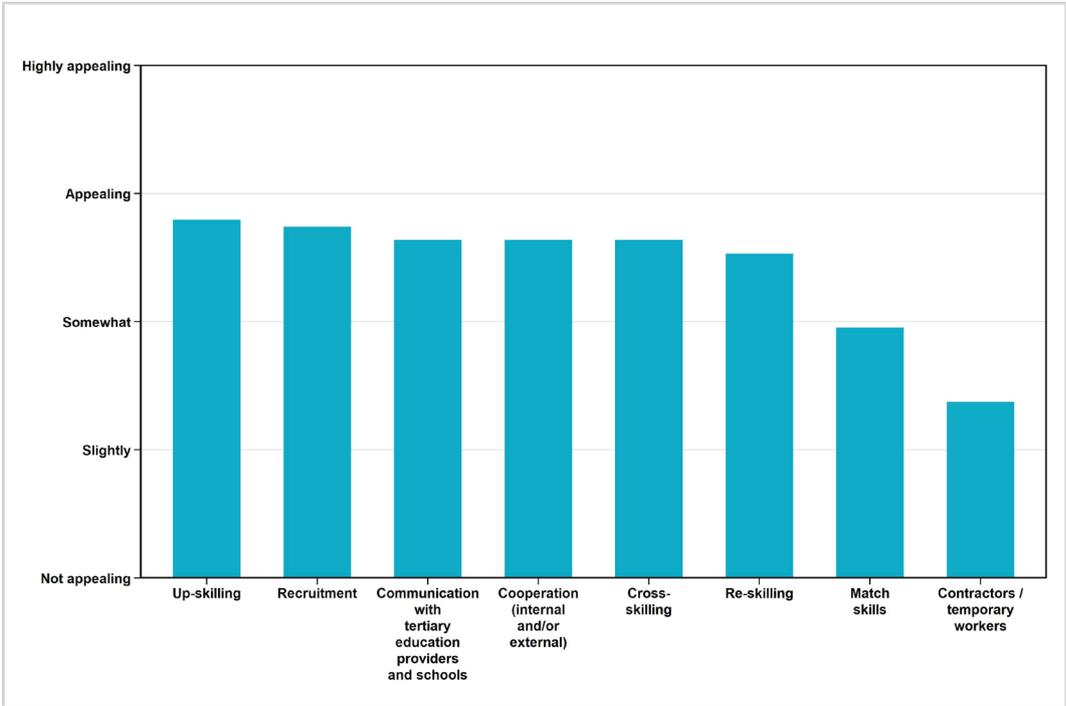


Figure 5.1. COVID-19 recovery strategies that will be considered by the catering sector.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

Support needed

- ▶ Staff training to maintain high standards.
- ▶ Train the trainer sessions.
- ▶ Group training so there are more workplace assessors.
- ▶ Development of better online learning, including service skills.
- ▶ Industry training organisations support employers to provide training and development of staff for capability and progression.
- ▶ Flexible learning, distance learning and block courses offering qualifications targeted to certain areas geographically, focusing on skills shortages in geographical locations and offering up solutions.
- ▶ Ensure industry and tertiary providers work closely together and support more in-work learning, more opportunities for work experience within industry using the skills they are learning or shadowing someone working in a role the learner aspires to.
- ▶ Paid work experience to improve communication skills.
- ▶ Develop a pool of trained, commercially competent casual staff in hospitality that can step into a business and contribute during peaks rather than having to put pressure on the rest of the team (and maybe compromising service).

Training needs

- ▶ Resilience training.
- ▶ Basic skills training on food safety, health and safety and teamwork.
- ▶ Food allergy training.
- ▶ Client driven initiatives: risk management and environmental sustainability.
- ▶ Training to support sustainability
 - ▶ Sustainability in hospitality.
 - ▶ Sustainability in food (whole animal).
 - ▶ Emerging food preferences and cooking plant-based foods.
 - ▶ Innovation and adaptability in hospitality.
- ▶ Increase management/supervisor capability with modularised learning including:
 - ▶ People skills.
 - ▶ Workplace culture.
 - ▶ Employment relationships.
 - ▶ Financial capability.
- ▶ Qualifications that reflect workplace tasks. More bespoke training that have a relevant mix to suit the role, with the option to choose unit standards that match actual tasks.
- ▶ Planning for workforce needs as when the borders reopen displaced workers may return to their original sector (e.g. aviation) so a pipeline is required to fill the gaps. Tertiary training needs to prepare the future workforce for when the numbers of events increase.
- ▶ Hospitality qualifications need to be broader to meet the needs of local areas or industry more closely. Some programmes are very rigid and wording of qualifications are not clearly understood by everyone.

- ▶ Effective collaboration to identify and eliminate limitations within current qualifications is required.
- ▶ Build industry experience and workplace training into future secondary school hospitality programmes.

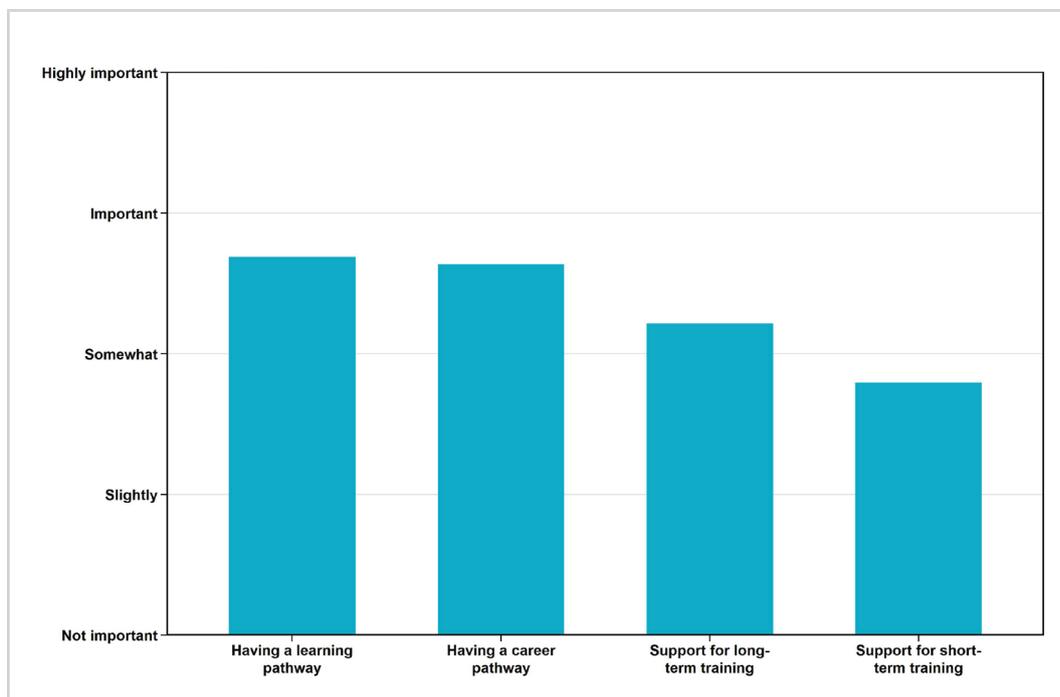


Figure 5.2. The importance of training and pathways.*

Learning pathways

Promote hospitality as a profession, with marketing that reflects the exciting and rewarding career opportunities and promotes it as a career industry rather than a student-based industry. This could include social media, incentives, examples of key players (e.g. celebrity chefs), and offering cooking competitions at an early level.

The catering sector needs to promote the range of jobs available within industry, and how to progress through the pathways. This will help promote understanding of the catering sector and the benefits of working within it. Gateway programmes are a way to help school students gain work experience while providing a pipeline of people to enter the catering sector.

Rates of pay and career progression play an important part in attracting people into the industry and retaining them. Learners engaging in on-job training need to see value in a qualification; this could include linking qualifications to pay and progression.

Management apprenticeships are needed that are affordable and accessible. Apprentice Boost is a current initiative that subsidises employers to support skills development.

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

Under-served groups

- ▶ Develop strategies to create and support a diverse workforce.
- ▶ Identify work opportunities for those with disabilities.
- ▶ Utilise MSD supported initiatives to employ and train staff who need extra support in the workplace.
- ▶ More sharing of knowledge between iwi, school, and training providers. Marae catering provides engagement opportunities and development of transferable skills. Valuable skills gained in a wharekai setting are great foundations for hospitality training.

Post COVID-19

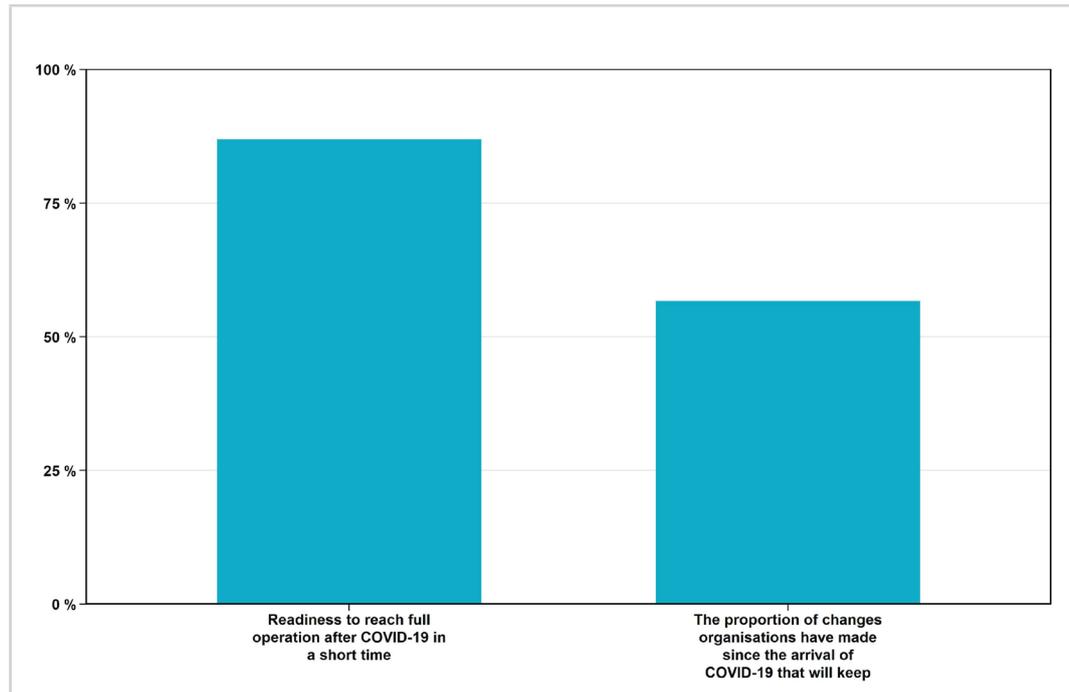


Figure 5.3. Operational stability and agility of the catering sector when COVID-19 border restrictions end.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Catering sector respondents

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