



**RINGA HORA**

**Services**

Workforce Development Council



# Hospitality & Food Services WORKFORCE ACTION PLAN

## A shared roadmap to develop the workforce

The Service sector is fundamental to New Zealand and New Zealanders. The future of the Service sector is exciting and has people at its centre.

Ringa Hora has worked with people from across industry to develop a shared roadmap to transform the Service sector workforce from its current state to the future that we aspire to.

The Workforce Development Plan looks across the Service sector and sets out the major factors shaping the sector and an overarching vision for the future.

Against that context, this Action Plan focusses on the characteristics and dynamics of the Hospitality & Food Services industry and its workforce. It describes what the future could look like for this workforce, the current challenges faced by the industry, and sets out the actions we can take to tackle this wero | challenge.



## Future Vision for Hospitality & Food Services

Ringa Hora's Service Sector Workforce Development Plan is based on four aho | strands. Each of these aho will strengthen the workforce, but when woven together, as a taura whiri | rope, we can achieve real transformation of the workforce:

- Māori succeeding as Māori
- Attracting and retaining the future workforce
- Developing broad skills for the future
- Creating mana-uplifting jobs and opportunities.

The Hospitality & Food Services sector will continue to act as a gateway for many kaimahi entering the workforce or looking to change careers. The nature of the industry is vast and diverse, offering a range of opportunities for people to advance and gain valuable life-long experience which will serve them wherever they go; whether that be marketing, culinary roles, front of house, management, or beyond.

This future vision amplifies opportunities not just for Māori in the industry, but for everyone by sharing the unique identity of Aotearoa through hospitality & food. There are already every day opportunities to give life to and experience Te Ao Māori values, such as, manaakitanga.<sup>1</sup>



## About the Hospitality & Food Services Industry

Hospitality & Food Services provides the people of Aotearoa with opportunities to come together and experience something positive. From both an economic and social perspective, the Hospitality & Food Services industry is essential. It contributed \$6.9 billion dollars to GDP in 2022, while providing the backdrop to the memories and experiences that many visitors and locals alike enjoy every day.

The Hospitality & Food Services industry includes a wide range of businesses from hotels, to cafes, to fast food restaurants. With such a wide range of businesses, there is also a variety of jobs, including many that are entry points into the workforce. Hospitality businesses offer many rangatahi their first chance of employment, and the skills they gain will equip them for the rest of their life.

The industry dovetails neatly with our Tourism and Accommodation sectors, so it is relevant to consider the Government backed Tourism Industry Training Plan (ITP). This ITP establishes a set of operating principles for businesses to sign-up to assist with attraction and retention. Widespread adoption of such an accord may assist with identifying and providing examples of what good workplace culture and best practise looks like for both industries. In the long term, such an initiative may then drive better employment conditions for kaimahi <sup>2</sup>.

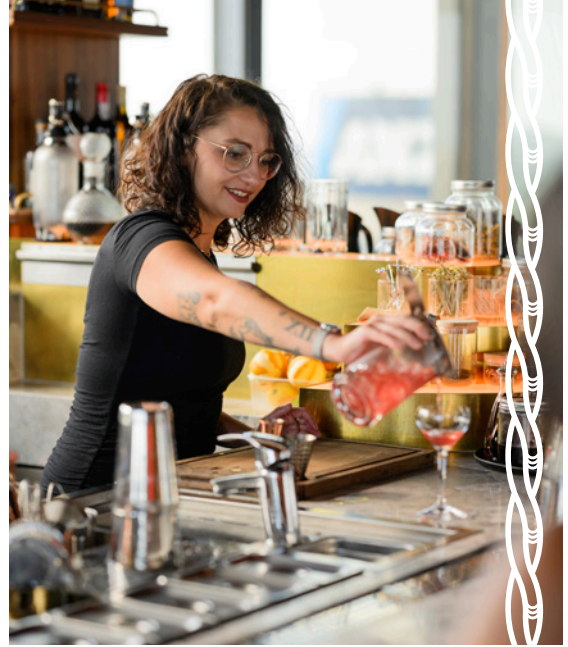
<sup>1</sup> Te Amokura Consultants (2022) Voices of the Service sector – what we've heard

<sup>2</sup> MBIE (2023): Tourism Industry Transformation Plan



# Top of mind

To help us get to the desired future state, we need to understand and tackle the challenges that the Hospitality & Food Services sector faces, while also seizing the opportunities that already exist or are on the horizon. We've heard that the factors having a significant impact on workforce development for the Hospitality & Food Services industry include skills and labour shortages, staff burnout, the need for fit-for-purpose training and career pathways, and the impact of rising operating costs and inflationary pressures.



## Addressing skills and labour shortages

The Hospitality & Food Services industry is currently facing a skills and labour shortage at unprecedented levels. In a recent survey, the Restaurant Association published that up to 62% of business respondents had to temporarily close due to ongoing staffing shortages. In addition, they reported that 80% of members are running establishments that are not fully staffed, and 56% of respondents indicated that recruiting for junior roles was challenging<sup>3</sup>.

Competition for employees within the industry and with other industries is at a peak, with many fighting for the same pool of available workers. Anecdotally, Hospitality workers were willing to change employers for an extra \$1-\$2 per hour.

Businesses are increasing their reliance on migration to help fill existing labour shortages. However, immigration settings have also impacted on the ability to recruit skilled kaimahi. Chefs are a particularly in-demand occupation, yet it is hard to fill this gap through migration.

## Promoting worker retention

Worker retention is a significant issue for the industry, with only a third of workers making it to a year of tenure. Good working conditions, paying a competitive wage and investing in training and professional development are strategies recommended to prevent staff leaving and joining other businesses.

## Addressing staff burnout

With the ongoing staff shortages, many staff employed in the sector have had to work longer hours in recent years, including often covering multiple roles. Business owners and management staff have also been active in assisting with front of house operations given staff shortages. Dealing with such episodes, low staffing and long hours are all contributing factors that have reportedly had a significant toll on the workforce and contributed to burn out and stress.

## Developing fit-for-purpose training and career pathways

The Hospitality & Food Services industry needs to create consistent pathways for kaimahi within the industry. This would encourage more employees to work in the sector for longer and build their skills and knowledge as they progress. Sufficient and fit for purpose training is essential to this. However, many small businesses within industry often have limited time, administrative capacity or resource to offer this training due to the frequently small staff cohort and relatively flat structure.

## Recognising the impact of increasing operating costs

Many businesses in the industry have been reducing opening hours (due to staff shortages) and at the same time, inflation has been rising and incurring greater costs on fresh produce and consumables impacting on profit margins. These inflationary pressures further limit the ability of businesses to hire more staff, offer appropriate training or more competitive wages.

<sup>3</sup> Monthly Hospitality Dashboard, Restaurant Association, August 2022: <https://www.restaurantnz.co.nz/trends/monthly-hospitality-dashboard-august-2022/>

# About the Workforce

New Zealand's Hospitality & Food Services workforce truly provides the 'face' of our nation.

Our Hospitality workers are to be found everywhere, from the most remote regions, to right across every restaurant, bar, club and café in our urban centres. It is a large workforce of 169,300 people, whose expertise, experiences and skills contribute to a lasting impression of professionalism and standards of service that is the backbone of much that we provide socially and as an international destination.

Embracing and celebrating diversity makes businesses more attractive to potential kaimahi and customers, as well as creating economic and social benefits for employers, the workforce, and the wider community.

Using workforce participation data as a starting point shows that there is work to be done in the Hospitality & Food Services industry to realise the aspirations and potential of Māori, Pacific peoples, and tāngata whaikaha | disabled people:

**14%** of the workforce identify as **MĀORI**

901 businesses identified as dedicated Māori business interests (2021). Within the sector there are a range of vocations, however, many Māori are concentrated in roles within catering, clubs and pub spaces with fewer focused on cafes and accommodation. It is important that Māori within the workforce feel accepted and reflected within the industry.

**6%** of the workforce identify as **PACIFIC PEOPLES**

Despite the relatively low proportion of Pacific peoples in the industry, the number accounts for over 10% of all Pacific peoples employed in the Service sector. Recently, Government has been promoting and supporting Pacific entrepreneurship through the Pacific Economic Action Plan, resulting in the growth of Pacific-owned restaurants, cafes, and catering businesses. It is important that these government initiatives continue to be available and enable Pacific peoples to create careers and business opportunities that reflect their cultural values and aspirations.

**2.4%** of the workforce identify as **TĀNGATA WHAIKAHA**

Tāngata whaikaha includes physical, mental, intellectual, or sensory impairments which can impact a person's life to varying degrees and in different ways. We acknowledge that data on tāngata whaikaha is limited and it is important that we create more growth opportunities within the sector for our tāngata whaikaha workforce.



# HOSPITALITY & FOOD SERVICES

References:

1. Workforce demographic, businesses, and economy data is from Infometrics and relates to 2022 unless noted
2. Education and training data is from TEC administrative data and relates to 2022.

## WORKFORCE



### 1. Number of workers

The total workforce in Hospitality & Food Services is about 6.3% of the NZ total workforce.

#### Workforce change

The workforce in Hospitality and Food Services has increased by 1.5% since 2021, but still remains marginally lower than 2019, before COVID.

### 2. Proportion of rangatahi (aged 15-24)

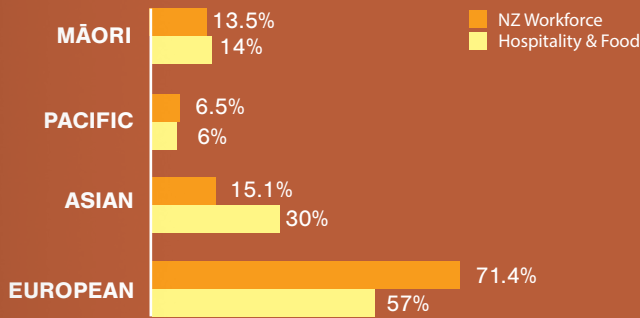
**36%**

The percentage of rangatahi in Hospitality & Food Services is considerably higher than the 14% in the wider New Zealand workforce.

### 3. Participation of wāhine



### 4. Ethnicity



### 5. Tāngata whaikaha

**2.4%**

This is compared to 3.1% of tāngata whaikaha in the wider New Zealand workforce.

### 6. Average annual income

**\$34,500**

The average annual income in Hospitality & Food Services is much lower than New Zealand's \$65,800.

### 7. Average annual income growth (2011-2022)



### 8. Workforce by Region



## BUSINESSES



### 1. Number of businesses

There are around 25,700 businesses in Hospitality & Food Services, which is an increase of 3% since 2021.

### 2. Māori-owned business

Approximately 7% of businesses are Māori-owned.



## ECONOMY

**\$6.9 Billion**

In 2022, Hospitality & Food Services contributed \$6.9 billion to NZ's Gross Domestic Product (GDP)

## EDUCATION AND TRAINING



### 1. Number of learners

### 2. Proportion of workers with no post-school qualifications

**45%**

**New Zealand Certificate in Cookery (Level 3)**  
**291**

**New Zealand Certificate in Cookery (Level 4)**  
**836**

**New Zealand Certificate in Food and Beverage Service (Level 3)** with strands in Barista, Bar Services, Buffet Services, Café Services, Function Services, Quick Service Restaurant Services, and Restaurant Services  
**546**

**New Zealand Certificate in Food and Beverage Service (Level 4)** with strands in Restaurant Services, and Quick Service Restaurant Services  
**180**

**New Zealand Certificate in Hospitality (Level 2)**  
**574**

**New Zealand Certificate in Professional Wine Knowledge (Level 5)**  
**12**

**New Zealand Diploma in Cookery (Advanced) (Level 5)** with strands in Cookery, and Patisserie  
**277**

**New Zealand Diploma in Hospitality Management (Level 5)**  
**226**

**New Zealand Diploma in Hospitality Management (Level 6)**  
**90**



# Putting this into action for Hospitality & Food Services

Transformational change in the Service sector workforce will take time but to achieve that change we need to start taking action now. The following plan includes the key areas of focus, medium term actions and short-term initiatives. These initiatives and actions can be thought of as individual threads that weave together to achieve workforce transformation.

	Māori succeeding as Māori	Attracting and retaining the future workforce	Developing broad skills for the future	Creating mana-uplifting jobs and opportunities
<b>Actions:</b>  <b>Where we would like to be</b>	<ul style="list-style-type: none"> <li>Māori business and workforces have opportunities to connect.</li> <li>The Service sector and vocational education system understands and acts on Māori views of success.</li> <li>The vocational education system is shaped by a Mātauranga Māori lens.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the availability and use of high-quality information about Service sector businesses and workforce</li> <li>Improve participation of Māori, Pacific peoples, tāngata whaikaha, and other population groups.</li> <li>Industry is visible and promoted to a wide range of potential ākonga and kaimahi.</li> <li>Roles and responsibilities of system level players are understood and have arrangements in place to work well together.</li> </ul>	<ul style="list-style-type: none"> <li>Vocational education and training is flexible and adaptable to current and emerging industry requirements.</li> <li>Workforces and businesses are well prepared to adapt and innovate.</li> <li>Investment decisions are transparent and based on high quality advice.</li> </ul>	<ul style="list-style-type: none"> <li>Workplaces are accessible and attractive to the current and future workforce.</li> <li>The workforce is recognised, valued, and safe.</li> <li>The workforce and businesses move through the cycle of employment (recruitment, on-boarding, retention, and progression) in ways that suit them.</li> <li>The range of roles is articulated and available.</li> <li>Learning and skills development supports upwards and lateral progression.</li> </ul>
<b>Initiatives:</b>  <b>What we can do to get there</b>  <b>Service Sector Initiatives</b>	<ul style="list-style-type: none"> <li><b>R I</b> Establish and grow the Māori Service Sector Forum.</li> <li><b>R</b> Ohu Ahumahi collaboration (Rōpū Kaitakawaenga) to build relationships with iwi and hapū to better understand Māori aspirations.</li> <li><b>R I</b> Te Kāhui Mātauranga Māori to provide Mātauranga Māori lens to Ringa Hora product design and quality assurance approaches.</li> </ul>	<ul style="list-style-type: none"> <li><b>R</b> Undertake the Future Workforce project that aims to understand work, skills and training in New Zealand in 2040.</li> <li><b>I</b> Amplify work that aims to grow participation of particular groups such as Pasifika Navigators of Tomorrow or Jobs for Mums.</li> <li><b>R</b> Promote the use of Te Mata Raraunga, a collection of vocational education and workforce data.</li> </ul>	<ul style="list-style-type: none"> <li><b>R</b> Create a package of short, sharp, stackable credentials that meet industry need through Waihangatia te Āmua Ao   Shaping the Future of Service Skills project.</li> <li><b>R I</b> Amplify work that supports people to learn about broad skills for the Service sector, such as MBIE's Digital Boost initiative.</li> </ul>	<ul style="list-style-type: none"> <li><b>R</b> Develop an 'employer hub' that shares resources, information, and case studies of Service sector excellence – targeted at SMEs.</li> <li><b>I</b> Amplify approaches that improve diversity, equity and inclusion, such as Diversity Works NZ, Disabled Persons Assembly Information Exchange resources for employers, and Rainbow Tick.</li> </ul>
<b>Hospitality &amp; Food Services specific initiatives</b>    <b>Who is leading this initiative</b>  <b>R</b> = Ringa Hora  <b>I</b> = Industry	<ul style="list-style-type: none"> <li><b>I</b> Continue to embed the values of manaakitanga, kaitiakitanga, whanaungatanga and kotahitanga when working with kaimahi Māori through implementing the Culinary Koha project.</li> <li><b>I</b> Embrace targeted leadership development, including support tailored to assist Māori into leadership roles.</li> <li><b>I</b> Promote / support embracing the 'New Zealand Food Story' and the potential of traditional kai in a modern context, as well as tikanga and appropriate kaupapa for kaimahi Māori in Industry.</li> </ul>	<ul style="list-style-type: none"> <li><b>R</b> Explore the concept of a Hospitality &amp; Tourism Accord to define good employer principles to enable better attraction and retention.</li> <li><b>R</b> Explore opportunities for the funding system to support increased training by SMEs to help improve attraction and retention.</li> <li><b>R I</b> Increase participation by provider and career pathways liaisons at Māori forums such as Poukai and other Māori events where rangatahi are gaining skill standards.</li> <li><b>I</b> Industry to work on improved engagement with rangatahi to improve attraction and retention for younger kaimahi.</li> </ul>	<ul style="list-style-type: none"> <li><b>R</b> Explore options to support skill development, specifically for SME business owners and their kaimahi from agencies such as MSD and other initiatives (such as Hospo Start).</li> <li><b>R</b> Develop micro-credentials that support industry need, and take into account regional considerations.</li> <li><b>R</b> Create qualifications and other education products with the goals of sustainability, greater technological input and accessibility in mind.</li> <li><b>R I</b> Reduce the administrative burden of training for businesses by streamlining the process of collecting evidence for assessment.</li> </ul>	<ul style="list-style-type: none"> <li><b>R I</b> Strengthen the relationships between industry bodies to inform investment advice, provide information on future skills and knowledge requirements, review industry qualifications; provide information on career pathways and research into strategic workforce leadership.</li> <li><b>R I</b> Ringa Hora to support Hospitality NZ and the Restaurant Association on the delivery of several initiatives related to the Ringa Awhi fund. Potential Projects for funding include:             <ul style="list-style-type: none"> <li>Hospo Cred,</li> <li>Rangatahi / Youth Advisory project,</li> <li>Sustainability Road Map,</li> <li>Harm minimisation and cultural competency project.</li> </ul> </li> <li><b>R I</b> Identify support, and convene Māori Industry collectives and the initiatives they support.</li> </ul>





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## How to get involved

- ❑ Partner with us on workforce initiatives
- ❑ Tell us what is working and what isn't
- ❑ Report to us on workforce actions progress
- ❑ Engage with us
- ❑ Use the products or initiatives listed in the sector workforce plan

Visit our website or contact us to find out more, receive updates and invitations to industry events.

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