

Restaurants Association of Ireland's Submission to Joint
Oireachtas Committee Business, Enterprise and Innovation

Employment Permits (Consolidation and Amendment) Bill
November 2019



RESTAURANTS
ASSOCIATION

OF IRELAND

Background to the Chef Shortage

Since 2012, the Restaurants Association of Ireland have been calling for policies to tackle the chronic chef shortage in Ireland. Currently, 1,800 chefs qualify each year from certified culinary training programmes. In 2015, the Expert Group on Future Skills Needs (EGFSN) report on the Hospitality sector identified a deficit of 5,000 chef trainees annually. We are now almost 4 years on from the publishing of that report and numbers are estimated at almost 7,500. The key findings of the EGFSN report were that the skills shortage is across all levels, most notably amongst Chefs. It is also worth noting that the report of 2015 makes recommendations to 2020. Given recent economic developments and the fact that full employment has now been reached there is most certainly a need for the Group to meet again to compile the next report for beyond 2020.

Policies implemented to tackle the Skills Shortage:

- Development of National Commis Chef Apprentice Programme (112 places were rolled out in October 2017) (2 days college, 3 days employment x 2 years).
- Development of National Chef de Partie Programme - of which RAI is the Chair – commenced September 2018 in two IOTs
- Development of National Sous Chef and Executive Head Chef apprenticeship programmes.
- Establishment of a Restaurant & Hospitality Skillnet in 2017 by the RAI - to provide upskilling courses to those currently working in industry.
- Establishment of a National Oversight and Advisory Group 'Hospitality Skills Oversight Group'.
- Apprentice Chef Initiative – aims to create a positive and pro-active approach and introduction to culinary arts profession for second level students.
- Tourism Insights – online portal for transition year students to promote careers in tourism and hospitality. Over 240 schools have participated to date.
- Ireland Skills Live – showcasing in an exciting and dynamic way, apprenticeships or skills as a future career pathway.

Regarding the Draft Heads of Bill

We note that some in their submission to the Public consultation on guiding principles to frame the State's economic migration policy has suggested an increase to the period of time an advertisement must be in place as part of the Labour Market Needs Test (LMNT). As such a change is scheduled to take place in January 2020 to increase this wait time from 2 to 4 weeks. From the perspective of the restaurant and hospitality sector, we simply see this as too long a period of time. Perhaps in certain sectors, where the recruitment process is quite extensive and

notice periods are more lengthy it would make sense for this period to be extended. In our sector however, a longer period for filling positions is only detrimental to both the employer and a potential employee. The restaurant business, as with hospitality, is a season sector with certain peaks and troughs throughout the year. As such we ask for consideration on a sectoral basis for the LMNT. We request a stay for our sector at the 2 week period.

Head 3

We welcome the exemption of refugees / asylum seekers from the requirement to hold a permit. It has long been a belief of the Restaurants Association of Ireland that such individuals should be afforded the entitlement to work within the state. As such we would welcome the opportunity to work with applicable bodies to ascertain the skillset of any individuals who wish to gain employment in the Restaurant and Hospitality sector. We will also seek through our SKillnet to develop a training programme to facilitate easy transition into the workforce.

Head 4

We welcome the following sections outlining inclusion of season work permits and special circumstances work permits:

(i) to provide for the employment in the State of a foreign national in a seasonally recurrent employment, as prescribed in regulations;

(j) to provide, on an exceptional basis, for the employment in the State of a foreign national where the Minister is satisfied that their employment would be beneficial for economic or social development in the State, in circumstances prescribed in Regulations.

We would like the opportunity to discuss further how the seasonal employment permits may be made available for the restaurant and hospitality sector which has a seasonal element.

Taking into consideration that the current processing time would not be suitable and suggesting that such permits be submitted and processed separately given the short term and seasonal need that would be a necessity for the scheme to be successful and appropriately reactive to labour market needs.

Head 15

We note this section indicates specifics regarding the Labour Market Needs Test and waivers regarding same. We ask that a waiver for a LMNT be in place when there is a recognised skills shortage. Such a status or recognition could be verified if, for example, the industry, applicable state bodies and the sector's lead department are in agreement. In the case of the Tourism and Hospitality Sector this would be ourselves in the RAI and any other sector representative, Fáilte Ireland and the Department of Transport, Tourism and Sport. This could be up to a certain quota of permits perhaps with ongoing review to determine any changes in the labour market. Work Permits were always intended to be a short term reactive solution so it seems

counterproductive to institute LMNTs (particularly the proposed 4 week one from January 2020) when the evidence of a skills shortage is there and widely acknowledged.

Head 19

We welcome that this section allows the Minister to prescribe for different aspects of the employment permit through regulations which will make the system much more reactive to the needs of the labour market. We hope to be afforded the opportunity to contribute via consultation or discussion on sections such as “Employments not subject to LMNT” for, as we have stated above, consideration should be given to a LMNT exemption of a work permit category when there is a recognised skills shortage present. We also welcome the inclusion of the option for seasonal work permits as the restaurant, tourism and hospitality sector is by its very nature a seasonal sector and would benefit from this when there are skills shortages present.

Head 22

We have a concern regarding the option included in this section for “the revocation of an employment permit where the foreign national has not taken up the employment within a prescribed period.” we would urge caution and a case by case consideration of such refusals. It is the experience of some employers within our sector that despite having successfully received an employment permit from the Department of Business, Enterprise and Innovation, there can, upon occasion be a significant delay in processing of an entry visa, (for applicable countries) so on occasion an employee may be delayed in taking up the employment permit through no fault of their own. We ask for further discussion of such circumstances and perhaps consideration of what the Minister or relevant Department may do to intervene in such circumstances?

We note the request for “any specific recommendations for action by the Government or others which you would like the Committee to consider” in the committee’s correspondence. In that regard we the Restaurants Association of Ireland would like to take the opportunity to reiterate requests for the following for the tourism and hospitality sector and have furnished copies of the business cases already submitted to the Department of Business, Enterprise and Innovation regarding same:

- A. Reinstating the ethnic / specialist chef cuisine work permit
- B. Increasing the chef work permit quota
- C. Increasing the number of chefs per business quota from 2 to 3
- D. Inclusion of the commis chef category in applicable chef work permits

A. Reinstating the ethnic / specialist chef work permit

The Specialist Chef Work permit existed for over 16 years and enabled specialist or ethnic cuisine restaurants, including Thai, Malaysian, Indian etc, to operate and expand utilising the innate skills of those chefs from outside the EEA whom had been issued Work Permits.

Specialist Chefs can be of any level from Commis Chef right up to Head Chef as their designation is indicative of level of skill, which often has been harnessed since a very young age and is linked to their local culture. The position or experience of a specialist chef on their CV when applying for a work permit is an indication of how long they have operated in a professional kitchen and their level of responsibility. Their skillset, for example wok cooking, however, is unique and will have been harnessed over years through immersion and practice.

It would be the ask of the Restaurants Association of Ireland, it's members and in particular ethnic food restaurants in Ireland that the specialist chef work permit, (which had been successfully in operation for a number of years) be considered for the work permit process as a standalone subcategory of chef.

As with many other sectors, the skillset of these individuals is specialised. What it takes to achieve their level of skill is not currently on the curriculum of Irish Culinary Education and the immersive nature of the skills means that it may never be. This can be verified by TJ O'Connor, Head of Section; Hotel, Culinary Arts and Tourism Department, IT Tralee. "I am writing to you following our conversation re Wok Chef Training in Ireland. As discussed, it would be my belief while Stir-Frying and Wok Cookery would be touched on and addressed within specific modules on various culinary programmes offered in Ireland. This would not reach the proficiency that would be required to operate as a Wok Chef in an ethnic restaurant."

As an Association and a Sector, we acknowledge that Work Permits are one avenue of many to alleviate the current skills shortage in the restaurant and hospitality sector as a whole. As such we are involved with and have co-developed a number of initiatives for recruitment, retention, and education within the sector. As detailed below:

- We co-developed several chef apprenticeships; Commis Chef, Chef de Partie, Sous Chef and Head Chef, all of which offer degree qualifications as well as on the job training, through an earn and learn model.
- We operate the Restaurant & Hospitality Skillnet which aims to upskill existing employees. Established in 2017 it has trained 1192 employees to date.

- We received grant approval at the end of 2018 to run an Employment Activation Programme for Food and Beverage in 2019 which we devised, through our Restaurant and Hospitality Skillnet. Through this we engage with local INTREO Offices, and Regional Skills and City Partnerships throughout the country. To date 50 people have completed this training.
- We are also part of the Tourism & Hospitality Careers Oversight Group, Chaired by Failte Ireland
- Apprentice Chef Initiative – aims to create a positive and pro-active approach and introduction to culinary arts profession for second level students
- Tourism Insights – online portal for transition year students to promote careers in tourism and hospitality. Over 240 schools have participated to date.

Whilst the above, along with the 610 quote of work permits for chefs will go some way in alleviating the skill shortage within the Restaurant and Hospitality Sector, they have no impact whatsoever on the position of specialist / ethnic cuisine chefs.

In short, our ask is not a new one, we request a change to rectify what seems to have been a decision that had unintended consequences. In this instance, the removal of the ethnic / specialist chef work permit.

B. Business case for increasing the chef work permit quota

Between Q2 2011 and Q1 2018, the number of people working in the Accommodation & Food Services Sector nationally increased by 54,400, taking total employment from 117,300 to 171,700. The sector accounted for 7.7% of total employment in the economy in the first quarter of 2018.

The increase in Indirect Employment as a result of this job creation is estimated at 17,388. The increase in Direct and Indirect Employment is estimated at 79,424.1

In 2017, Irish consumers spent €7.5 billion on out of home food & beverage. The bulk of this (91%) was spent in the commercial channels, in locations such as quick service restaurants, full service restaurants, cafés and pubs.²

Jobs.ie figures as of 21st June 2019 <https://www.jobs.ie/>

7,280 jobs were listed across 46 sectors on Jos.ie on 21st June 2019. 5 sectors applicable to Tourism and Hospitality;

- Chef Jobs - 428
- Hotels - 1062
- Pubs, Bars & Clubs - 255
- Restaurants / Catering - 705
- Travel / Tourism - 103

Accounts for 2,553 of the jobs listed, 35%! It is simply undeniable that there is a skills shortage across the sector.

Excel Recruitment – June 2019

- Hospitality jobs we have live as we speak 84
- Of this Chefs equal 40
- This morning alone we had 64 chefs out working on our temp desk – and had to turn down bookings for chefs

In September 2019 the recruitment website Indeed produced a report on Tourism and Hospitality Jobs in advance of national Tourism Day, report based on their website listings, said that job postings which mentioned tourism or hospitality had the highest share of total postings in Ireland, outstripping other European countries such as the UK, Italy and Germany.

The data shows demand for workers in the tourism industry here increased by 7% in the past four years.

The industry accounted for 8,056 job postings per million in 2019, up from 6,547 job postings per million in 2016.

But Indeed said that despite a large increase in people searching for roles in the Irish tourism sector - up 18% in the past four years - the industry is facing a shortage of skilled labour.

The number of job postings in the area is currently 21% higher than the number of searches. As the country approaches full employment, it may become increasingly difficult to fill these roles, Indeed cautioned.

At A European Level

HOTREC is the umbrella association of hotels, restaurants, bars, cafes and other similar establishments in Europe. It brings together 43 national associations in 30 different

countries and is the voice of the hospitality industry in Europe. The sector consists of around 2 million businesses, provides 11.9 million jobs and is the 3rd largest industry in Europe.

The HOTREC White Paper – presented to the EU Parliament in February 2019, HOTREC has a 2019-2024 EU Mandate: 5 Priorities for EU Policy and Decision-Makers, one of those 5 priorities is: Social Affairs – Skills and the recommendation was: “Make the fight against skills shortage a truly EU case Despite the fact of representing 2 million businesses, 90% of which are micro-enterprises, and 11.9 million jobs, the hospitality sector strives to attract and retain workers. Technological changes have created new needs for digital skills to respond to customers’ demands and to be more visible online. Societal change also drives new demands, for instance in food services, where qualified chefs are missing. In fact, while the average job vacancy rate is of 1.7% in the EU, in the accommodation and food service sector, it reaches 3% in Belgium, 4.4% in Germany, 7.4% in Greece.”

We contacted Hospitality Force, an Irish recruitment company that sources hospitality candidates for Irish Jobs within Europe. They provided the below statistics:

- 85% of companies we represented in the first 10 months this year would have requested for Commis Chef position from us at some point.
- To quantify this in a total, I looked at the +400 active contacts we have with Irish business today, taking into consideration some would have multiple positions open if they own/manage more business in Ireland, the number would be around 330/340 Commis Chefs.
- General comment: personally speaking I would say 9/10 business in Ireland could do with Commis Chef today.

Uptake of Chef Work Permits

Some have raised the question of the number of work permits used of the quota to date and that given the chef shortage the expectation would be that the quota would be exhausted sooner. Two areas must be considered in this regard, the processing time and the refusal rate for the applicable sector. The processing time peaked at 14 weeks during the summer of 2019, this combined with the two weeks required for the labour market needs test and the possibility of the applicant needing an entry visa also which can take almost 6 weeks meant in some circumstances, this short-term solution could take almost 22 weeks. For some businesses in desperate need of a chef over 5 months is too long to wait. Some are taking the decision to offer over the odds wage to persuade a chef to leave another establishment for theirs. This practice is ongoing and does not show up through job postings. It further compounds the chef shortage problem, that only an influx of suitably qualified chefs from outside the EEA can alleviate. Whilst we acknowledge that the trusted partner initiative can offer a work permit within 3 weeks on average, this is simply not an option for the majority of restaurant employers

who fall within the SME category and will expect to use the work permit scheme maybe only on one occasion.

The high refusal rate of chef work permits cannot be ignored. Within the Catering category there has been a refusal rate of 30% for 2019 to date. Industry worked alongside DBEI regarding distribution of the chef work permit checklist and this is regularly re-circulated to members. We have met with representatives of the work permits section on a number of occasions to ascertain the main areas in which the applications are failing, with the signed contract, or lack thereof and an incomplete labour market needs test being the most common reasons for refusal. The Department has since made some changes with regards to digital signatures being accepted on contracts of employment however the labour market needs test is somewhat out of date, requiring a newspaper advertisement, with the majority of employers having never received applications for job positions via this method.

Employee Turnover

High turnover in a sector, particularly when we are aware that poaching of chefs is taking place, can only be a reflection of a shortage in a sector. However, it must be noted that as a sector, Restaurants and Hospitality do not rank high on average employee turnover rates. In a recent IBEC members survey “Employee Turnover Report 2019” respondent employers were categorised into 10 industries.

The applicable industry for the restaurant and hospitality being the; Food, drink and tobacco industry which had the third lowest average employee turnover rate at 7.54%, the lowest and highest average employee turnover rates being 6.79% for Rubber and Plastics and 13.10% for Financial Services.

C. Increasing the chef work permit quota from 2 to 3 per business

A poll of Restaurants Association of Ireland members, which includes a range of food businesses from full-service restaurants to cafés showed the average kitchen staff setup to be 10.5 Full Time Equivalent Staff, which demonstrates that an increase from 2 to 3 work permits per business would see the makeup of non-EEA kitchen staff to be no greater than 28.5%.

In light of this data and given the current acknowledged shortage of kitchen staff, it would make sense that the existing four chef grades available for work permits would have an increased quota per business of 3 chef permits.

When a skills shortage occurs in a sector, any increase in the skilled labour to the market can only be welcomed. However, any concerns that an increase from 2 to 3 work permits per business would give an unfair advantage to larger businesses, should be alleviated by

the fact that the system already gives a faster response on work permits applications through the trusted partner initiative. At this current time the Trusted Partner initiative is 10 weeks faster at processing work permit applications (at just 3 weeks) than standard work permit applications, and is only a suitable option for larger or chain businesses. Small and Medium businesses would not be repeat users of the work permit service.

Also, the 50% rule is still in place to ensure that businesses will not have greater than half of the work force comprising of non-EEA workers. Having recently reached full employment, there should be no fear that such positions are being given to non-EEA applicants in favour of national applicants.

D. Inclusion of the commis chef category in applicable chef work permits

Please provide information on the actions taken by your business/sector to avail of the Department of Social Protection's Employer Engagement Team services to source qualified job seekers.

The Restaurants Association of Ireland attend the yearly INTREO Careers Fair in the Printworks Dublin Castle. At the most recent Careers Fair we engaged directly with Minister Regina Doherty who spent time at our stand. We regularly communicate INTREO events to all of our members and attend ourselves in the last year alone:

- INTREO Careers Fair Dublin Castle 28th March 2019
- INTREO Spring Into Action in Cork 30th April 2019
- INTREO Training and Employment Event in Cork on the 26th June 2019
- INTREO National Employer Roadshow in Blanchardstown 2nd September 2019
- The upcoming INTREO Work Matters Seminar happening in Cork on the 16th October 2019

Our Training Manager has met with various INTREO Offices over the last number of months in Cork, Limerick and Dublin as part of the Employment Activation Program and works closely with the Cork office and Marie Harte - Employer Liaison Officer in particular.

Through the Restaurant & Hospitality Skillnet we operate the “Food and Beverage Employment Activation Program” This is a 20 Day training program.

KPIs to Date

- 54 unemployed people trained
- 84% job retention rate upon completion of the course

Currently seeking funding for the Irish Food and Drink Academy Professional Cookery Course – targeted at the unemployed in conjunction with INTREO.

We also work closely with DEASP on the Hospitality Careers Oversight Group, hosted by Failte Ireland, which meets 4 times a year.

Commis Chef Shortage

As demonstrated on recruitment websites below, there is a significant need for Commis Chefs with the sector also.

Website	Number of Commis Chef Jobs
https://ie.jooble.org/jobs-commis-chef/ireland	749 Jobs Listed
https://ie.indeed.com/Commis-Chef-jobs	103 Jobs Listed
https://www.jobs.ie/commis-chef-jobs	54 Jobs Listed
https://www.gumtree.ie/s-jobs/commis+chef/v1c8q0p1	51 Jobs Listed

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Current concerns regarding work permits

Processing times - peaked at 14 weeks in early 2019 and now currently at 10 weeks. The trusted partner initiative averages at 3 weeks. However, it must be noted that the trusted partner initiative is suited to larger businesses and as a representative body for small and micro businesses, applying for trusted partner status is simply not an option. It would be a concern that with processing times of 3 weeks that larger businesses have a greater chance of having a successful work permit