



30<sup>th</sup> May 2024

The Relevant Officer  
Jobs and Skills Australia

Dear Sir/Madam

**Re: INDEPENDENT GROUP OF RESTAURATEURS AND MASTERCHEFS**

Thank you for the opportunity to provide a submission on the Jobs Skills Australia:  
Core Skills Occupation Lists.

**BACKGROUND**

This submission is made on behalf of the Independent Group of Restaurateurs and Masterchefs (hereinafter referred to as the "Group"), who are an informal body which comes together to discuss matters in relation to the needs of their work force and how the migration programme can assist them to meet this need.

The Group was first convened in [REDACTED], at a crucial time when change was needed to address the chronic shortage of skilled workers in the restaurant and hospitality industry.

The Group has had success in previously negotiating the relevant skilled occupations required for restaurants; English language level requirements for chefs and cooks; securing a local labour force and the salaries and wages for workers in the industry. It also participated in the negotiation of the Restaurant Premium Dining Industry Labour Agreement as well as made lengthy submissions on the review of the SC457 visa programme and its various components.

Negotiations are carried out on the basis that the Group strongly supports the provision of training of Australian citizens and permanent residents. However, as there is still a critical shortage of skilled workers in this industry, these skills must be supplemented by the hiring of overseas workers.

The Group is mindful that the integrity of the migration programme must be maintained through a well planned migration programme which supports Australian businesses and community. Integrity in processing of migration applications is of utmost importance. Of equal importance is the need to ensure that businesses and overseas workers have confidence in the migration programme. In many cases, businesses have invested large sums of money, on a long term basis, and overseas workers have

made a large commitment to invest their lives and futures to contribute towards the growth and economic security of Australia.

The Group comprises businesses ranging from small-larger establishments in Australia. Importantly, the Group employs many hundreds of workers in the restaurant and hospitality industry which, overall, generates billions of dollars in business investments.

There are a number of issues which the Group believes needs to be addressed to avoid any unintended consequences when implementing any changes on the growth of Australian businesses and the economy which are outlined in the following pages.

The restaurants represented by the Group include 1-3 hatted restaurants and other fine dining establishments in Sydney and Melbourne.

This submission is made in response to Jobs Skills Australia (JSA) Discussion Paper on the proposed 3 Core Skills Occupation Lists comprising:

1. Confident On List
2. Confident Off List
3. Targeted for Consultation List

Our submission is based on the Confident Off List (Café and Restaurant Managers) and Targeted for Consultation List (Chefs, Cooks and Pastrycooks).

Our response is made upon the information received from members of the Group who were surveyed through a questionnaire and provided information on a confidential basis.

We have not included lots of economic data, graphs, etc as we believe that JSA has all the necessary data at its disposal.

#### **METHODOLOGY:**

A questionnaire was designed for the Group to respond in relation to the issues raised in the JSA online survey. Questions were reduced to 15 questions which were considered to be relevant to the hospitality and restaurant industry. It was also important to ensure that the respondents were not overloaded with questions which did not directly impact upon their businesses. As far as qualifications required for overseas skilled workers, these occupations require formal qualifications as well as relevant work experience.

Questionnaires were sent to ten (10) restaurant establishments who comprise 36 restaurants in Sydney and Melbourne. As previously stated, these restaurants are either 1-3 hatted restaurants or otherwise considered to be fine dining establishments.

Two of these restaurants employ between 5-19 staff; four from 20-199 staff and a further four who employ more than 200 staff.

All these restaurants have sponsored staff in the past 3 years including:

| <b>Occupation</b>                | <b>Sponsored</b> | <b>Salary range</b> |
|----------------------------------|------------------|---------------------|
| Chef                             | 125              | \$70K-\$100K        |
| Cooks                            | 19               | \$70K-\$90K         |
| Pastry Cooks                     | 3                | \$70K-\$80K         |
| Café &<br>Restaurant<br>Managers | 9                | \$70K-\$90K         |

### (1) **Confident Off List**

#### Café and Restaurant Managers:

The Group expressed its shock that Café and Restaurant Managers have been included on the Confident Off List as it does not take into consideration the importance of the dynamics of the role of Café and Restaurant Managers and the synergy between front of house and back of house operations. Café and Restaurant Managers must not be taken off the Core Skills Operations List if the restaurant and hospitality industry is to remain viable.

The above figures of café and restaurant managers of 9 workers in the restaurants reflect the figures of those who have been able to be employed in the past 12 months. It does, however, also reflect the shortage of café and restaurant managers in Australia. Members of the Group are always seeking people to fill these positions and post COVID have found that the pool is limited.

Team work is important in restaurant and café operations which is led by the restaurant and café managers. Inadequate recognition of the important role that restaurant and café managers play fails to acknowledge the significant work that “front of house” leaders provide. To focus on restaurants only requiring Chefs, ignores the front of house operations and the overall operational needs of the business.

A key ‘front of house’ classification is that belonging to waitstaff. In restaurants and cafés, waitstaff are supervised by managers who often progress to managerial positions.

In terms of the industrial regulation of the restaurant and café sector, there has always been a particular focus on cooking *and* waiting duties as these are the main duties performed in this industry. Over the years, awards regulating the restaurant and café industry have been tailored to provide a career path for “front of house” employees. For example, in relation to waiting staff covered by the Restaurant Industry Award,

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there are lower levels of waiting classifications and higher levels of waiting classifications, with the opportunity for waitstaff to obtain trade qualifications.

It is well established that many restaurant and cafés, particularly smaller ones, tread the line of marginal viability. They differ from other parts of the hospitality industry in that they have not had the regulatory support from State Governments providing gaming revenue to bolster their profitability. Restaurants and cafés rely on the least profitable aspect of hospitality services, the sale of food, to sustain their businesses.

In a very labour intensive industry, good management is crucial. To deny restaurants and cafés good managerial staff may alter the very fine balance of profitability. This can only have a detrimental affect on job stability and job creation for Australians. It will surely result in halting jobs growth and job losses in an industry on which many vulnerable Australians rely.

Café and Restaurant Managers are an ANZSCO Skill Level 2 occupation and until recently, could not access permanent residence despite other occupations at a similar ANZSCO level or lower, being able to do so.

## **(2) Targeted for Consultation List**

### Chefs, Cooks and Pastry Cooks

The positions of Chef, Cooks and Pastry Cooks are vital for restaurants to succeed. To this end, there is a continued need for restaurants to be able to sponsor skilled workers from overseas until for example, the problems with training local Australians can be “fixed” which will have a long term effect on the supply of local Australian workers.

Overall, restaurants are heavily reliant upon securing skilled overseas staff to staff their back of house operations as they are vital for the establishment and success of the Group’s current businesses.

To have Chefs, Cooks and Pastry Cooks included on a Targeted for Consultation List has made the Group of Masterchefs and Restaurateurs very nervous about whether they can continue to trust that the government will allow them to continue to employ overseas skilled workers to ensure that their businesses can remain financially viable, or indeed whether they will continue to invest in the industry.

### **Apprenticeships:**

Prior to COVID, most restaurants had employed apprentices and currently employ 21 apprentices. At the same time, it was always difficult for restaurants to recruit/secure apprentices. The numbers of the current 21 apprentices would have been larger except that the restaurants are still experiencing difficulties in recruiting apprentices post COVID. Those who employed multiple apprentices pre COVID, have not been able to

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employ the same number of apprentices. It is very disappointing for the Group that finding apprentices to work in the hospitality industry is so hard because of the very high lack of interest in the nature of the work.

There are a number of reasons why apprenticeships are not working for either the trainee or the employer. These include, *inter alia*:

- The system of apprenticeships is outdated in Australia and is also quickly diminishing throughout the world.
- Difficulties with attracting and recruiting apprentices
- Difficulties with retaining apprentices
- Difficulties in seeking apprentices in rural and regional areas
- Structural problems with the national education curriculum failing to meet the needs of young people wanting to pursue a trade from high school onwards.
- An apprenticeship is not considered to be as glamorous as the trainee expected. Expectations need to be changed to develop more positive attitudes towards obtaining qualifications in the culinary arts as a career move for trainees rather than just a “fill in” job. A career in hospitality and cookery is seen as a career path for students in Europe who often work towards higher education degrees in business or cookery.
- Neither parents, peers nor the school system actively encourage youth to undertake apprenticeships as they prefer them to opt out for white collar jobs which are often more friendly with hours of work, conditions of employment, progression of careers, etc. Any occupation that does not require physical demands on the individual is preferable to an apprenticeship in the restaurant/hospitality industry.
- Structural problems with the work and wages system for apprentices. In many cases, apprentices find it difficult to finance their apprenticeship because of basic costs, such as transport to and from work which generally requires them to work until late at night, when public transport ceases.

- There need to be pathways for adults (aged 25 and over) to commence apprenticeships later in their career as people are required to reskill to obtain future employment.
- Barriers to adults taking up apprenticeships insofar as the inequity of wages under the Restaurant Modern Award.
- Overall, there is competition between employers who are not in the restaurant and hospitality industry to compete for the low number of people wanting to take up apprenticeships.

### **Advertising**

All restaurants in the Group, repeatedly advertised their vacant positions in the past 12 months which included:

- Workforce Australia
- Seek
- Indeed
- Jora
- Work in Australia
- Career One
- Adzuna
- Jobrapido
- Joblum
- Company website
- Social media platforms

### **Importance of employing overseas staff**

The main reason why the Group sought to employ overseas staff were numerous including:

- Unable to recruit suitably qualified local staff
- The need to retain skilled workers in the restaurant
- Increase the skill set within the restaurant
- Obtain specialist skills which are not readily available in Australia – this is particularly the case with restaurants who provide ethno specific food, e.g. French, Italian, Chinese, etc.

The Group determined that there was a skilled shortage in their business through:

- Reading media reports
- Business contacts

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- Direct experience by the owners
  - Research

The Group tried various methods to recruit/retain local staff by:

- Offering to increase part-time hours to full-time hours for part-time workers
- Offering to convert casual workers to permanent workers
- Emphasising the benefits of working in the restaurant to potential applicants e.g. job security, job satisfaction, career progression.
- Upskilling existing staff or offering to subsidise education expenses
- Offering higher wages
- Offering other financial incentives
- Hiring an overseas employee
- Increase workplace flexibility

All of the Group responded that their restaurants would be adversely affected if they could not recruit overseas workers for the following reasons:

- It would limit the possibilities of growth and investment opportunities as it would mean the cost/skill of the local talent is not meeting the needs for either new openings or development within existing venues.
- The end consumer would ultimately have to bear the higher costs coupled with lesser choices which would affect the reality of how much restaurateurs would be prepared to invest overall.
- Currently employed chefs and restaurant managers are reluctant to carry the weight and bear the burden of the lack of other skilled workers as there is a limited pool of staff from which to work.
- There would be a higher turnover of staff which would leave gaps in the workforce resulting in strain being placed on other employees who will eventually leave because of the unsatisfactory conditions of having to work in a high pressured environment.
- Jobs in the hospitality industry are not occupations that many local Australians are interested in because of the unsociable and long work hours.
- Employing overseas workers enables establishments to pass on a vast amount of experience and knowledge which is not readily available in Australia.
- Local staff can learn from the skills of overseas workers by improving the quality of output and knowledge.
- Restaurants are consistently understaffed and without overseas workers, restaurants have been made to open with reduced operating hours during the week, and inevitably, would shut if the door on sponsoring overseas workers ceased to exist.
- Overseas workers are the pillar of the restaurant industry, offering fantastic skills to restaurants and teams.

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- It is vital to employ overseas workers as it is almost impossible to find suitable talent and skills in Australia to meet the needs of the local restaurant industry, particularly with ethno specific restaurants.
  - Without being able to recruit workers from overseas, merely shifts the limited talent pool between new and established restaurants.
  - Having to replace skilled overseas workers drives up the cost of the same talent, making it unsustainable to further invest, train existing younger staff or those entering the workforce.
  - Allowing talent to be brought in from overseas increases the talent pool and removes the barriers to investment.
  - Overseas skilled workers make it possible to implement training programmes to develop local Australian staff through knowledge, skills and experience.
  - The overall effect of not being able to sponsor overseas skilled workers would have a massive negative impact on restaurants who cannot find Australians who have the same skill set.
  - Limiting the skills occupations would not only have an impact on individual restaurateurs but the hospitality industry throughout Australia.

An industry of the size and importance of the restaurant and hospitality industry is entitled to legislative regulation which is relevant and appropriate to its operational requirements and the needs of its employees.

The Group has a firm commitment to the employment of Australian workers and the provision of the training of workers in order to secure a solid foundation for the future Australian workplace.

However, removing the ability of employers to sponsor Café and Restaurant Managers and/or Chefs, Cooks and Pastry Cooks would have a detrimental effect on the restaurant and hospitality industry who are all struggling to make ends meet in today's highly charged economy.

It is incumbent upon the government to provide support required by the Group to continue investing in new ventures and/or keep their current businesses operating.

It cannot be assumed that the restaurant industry will survive these turbulent economic times as restaurant owners are all spooked at the daily reports of landmark restaurants such as Tetsuya and other smaller and larger restaurants closing because of the challenging economic circumstances.

Now is not the time for the JSA to recommend to the government that Café and Restaurant Managers should be removed from the List. It would be a boost of confidence to the industry if the government also removed Chefs, Cooks and Pastrycooks from the Targeted for Consultation List and firmly placed on the Confidential List. The industry is at a very fragile time and the government should be doing



everything possible to ensure the continued viability of the establishments and not add to the frustrations of running businesses with very small margins.

The restaurant and hospitality industry need all the assistance the government can provide instead of veiled threats of jeopardising the viability of their businesses by removing the ability of sponsoring overseas skilled workers in the above categories.

We would be happy to organise a meeting to discuss the matters above.

We look forward to hearing from you.

**Yours faithfully**  
**Pryor Tzannes & Wallis**

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