

HOSPITALITY & TOURISM FORUM

Meeting Minutes – 09th October 2020
2.00pm, Online via Starleaf

Attendees:

Co-chaired by:

Leo Varadkar, TD, Tánaiste and Minister for Business, Enterprise and Innovation

Catherine Martin, TD, Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media

Industry Attendees:

Eoghan O'Mara Walsh, ITIC

Elaina Fitzgerald Kane, IHF

Adrian Cummins, RAI

Ruth Andrews, ITOA

Sean Connick, AVEA

Helena Healy, B&B Ireland

Jacinta Doolan, ISCF

Donal O'Keefe, LVA

Padraig Cribben, VFI

Feargal Barton, CTTC

Paul Davis, Event Industry Ireland

Ronan Flood, AIPCO

Patricia Callan, Drinks Ireland

Patricia King, ICTU

Paul Kelly, Fáilte Ireland

Niall Gibbons, Tourism Ireland

Department Officials:

Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

Department of Enterprise, Trade and Employment

Agenda Item	Record of main discussion
1. Context & Introductions	<p>The Tánaiste & Minister Martin opened the meeting, welcomed everyone and advised that the purpose of the forum is to establish a platform for a structured engagement with effective communications between the Hospitality and Tourism sectors and relevant Government Departments.</p> <p>When the Government was formed there was a debate around where hospitality would lie and the Tánaiste and Minister Martin discussed it and decided that they would work together and wrap all four arms around the industry. Hospitality is intrinsically linked with the Tourism sector and both sectors have been devastated due to Covid-19 which has affected the viability of thousands of businesses.</p> <p>While everyone accepts that public health concerns are paramount in the current environment the Tánaiste and Minister Martin want to ensure that the essential infrastructure of the hospitality and tourism sector survives and are determined to</p>

	ensure that as many businesses as possible survive until the bounce back happens which may well be next Spring/Summer.
2. Agree Terms of Reference	The Terms of Reference were discussed briefly and members were invited to revert to the secretariat with any comments (John Kelly or Maria Melia in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media).
3. Covid-19 response and Budget 2021	<p>A number of themes emerged in the contributions and suggestions made during the tour de table as follows:</p> <p>Tourism is likely to lose 200,000 jobs due to Covid-19 over the next 12 months which is approximately 8 in 10 of the hospitality and tourism sector. 75% of the tourism economy is based on inbound international visitation which is decimated currently due to public health requirements.</p> <p>Retaining staff and specialist skills in the industry is a key concern for many members. This is reflected in the request for sector specific remedies in terms of wage subventions.</p> <p>Industry representatives advised that grants are required as opposed to loans as businesses are down between 60 – 100% and cannot afford to take on more debt.</p> <p>Dealing with banks in relation to liquidity issues and trying to get access to some of the supports available is also a key concern. Members experience is that it is extremely difficult which is hard to understand for the sector as they are government backed loans. The take up of these loans will attest to industries experience.</p> <p>A number of suggestions on different grants were aired including:</p> <ol style="list-style-type: none"> I. Wider industry access to restart grants II. Wider industry access to business continuity grants III. Wider industry access to LEO online trading grants IV. Hibernation grants V. Saviour grants VI. Grants for perishable products VII. Technology and innovation grants <p>There are a lot of vulnerable but viable businesses in the sector. Some of these businesses don't pay rates so are excluded from certain grants due to the criteria and they asked for a review of this requirement. Access to grant funding and an uncomplicated application process are vitally important for the sector.</p> <p>Concerns were raised about the possibility of restrictions running into the Christmas period as for the Hospitality industry this period represents 30% of their income. Obviously public health concerns prevail but looking for clarification on that as soon as is possible.</p>

Fixed costs for some of the members from the hospitality sector vary from 30 – 35%. The request is that the response should be proportionate to the scale of measures being implemented where possible.

The following priorities were identified:

- Enhanced wage subsidy scheme
- Enhanced business continuity grants
- A reduction in VAT
- Tackle banks handling of liquidity issues
- Sign up to the EU Traffic light system
- Reduce excise
- Better communication/notification with industry on restrictions
- Commercial rates waiver on a longer term basis
- Increase PUP

The group asked for a proportionate response that is sector specific in relation to the wage subsidy scheme and business continuity grants as otherwise there is a fear of losing strategic assets, personnel and skills that cannot be recovered.

In relation to VAT a number of members highlighted that Ireland has the second highest VAT rate in Europe and in order to sow the seeds for recovery from a competitiveness perspective this needs to be reduced.

Ireland also has the second highest excise level in Europe and there were calls from some members to reduce it.

The Tánaiste and Minister Martin summarised the existing horizontal supports available to the sector.

The Tánaiste thanked all members who contributed and advised that it was very useful to hear feedback on a number of issues that Government are working on in advance of the budget next week.

Regarding international travel, the Tánaiste advised that while it is Minister Ryan's and the Government's policy to broadly support the European approach, it will require the development of testing prior to departure and on arrival for those travelling from non-green/amber countries. This won't be up and running right away with the numbers escalating so rapidly across Europe, but the aim is to have this in place when international travel resumes.

In relation to VAT and grants, the Tánaiste advised that the existing restart grant is somewhat of a blunt instrument and is not ideal as a long-term solution. He advised that they are looking at coming up with some sort of business continuity grant or hibernation grants for each week/month closed. Commercial rates is also something that they will look at. In relation to advance notice of restrictions, the Tánaiste advised that 48 hours' notice might be doable but two weeks is not unfortunately.

	<p>The Tánaiste advised that he has heard what participants have said, is very mindful of the crisis that the industry is facing and added that the Government are determined to put in place the necessary supports to stabilise the sector and to stimulate its recovery.</p>
<p>4. Tourism Recovery Taskforce Report</p>	<p>The budgetary asks from members echoed for the most part the recommendations from the Tourism Recovery Taskforce Report.</p> <p>Minister Martin invited Ruth Andrews to share an update on the Tourism Recovery Taskforce Report which was brought to cabinet on Tuesday morning by Minister Martin.</p> <p>Ruth Andrews advised that the plan that was developed is a long term strategy not just for the survival of tourism but for its recovery over a three year period.</p> <p>There are 33 recommendations in total in the report. The key themes of the report were around:</p> <ul style="list-style-type: none"> • Business supports • Employee supports • Finding a safe way to restart international tourism and the aviation sector • Increasing domestic and international demand • Promoting competitiveness • When looking towards rebuilding of the industry with an opportunity to put sustainability at the forefront • The report also recommended the establishment an oversight and implementation group for the report <p>The 12 survival supports called out in the report are very similar to what has been called out by the group today.</p> <p>Ruth reminded the group that tourism is the most important indigenous labour intensive sector generating substantial export earning and tax revenues; it is an internationally traded service that is critical to regional economies. The sector also employs a high proportion of young people, almost 1 in 2 employed are age <35 compared to 1 in 3 of the overall work force. It has an important multiplier effect on other industries. It is also an important contributor to Ireland's attractiveness for FDI, supporting reach for our cultural heritage and arts and promotes social inclusion.</p> <p>Ruth thanked the Minister for her support over the four month period during the work of the Tourism Recovery Taskforce. When recovery comes there will be a very strong pent up demand and it is important now to activate the plan from the report.</p> <p>The Minister thanked the chair and the members of the TRT for their work on the plan.</p>

	<p>The Minister acknowledged the concerns raised by all attendees and the valuable contributions made in terms of the budget preparations and thanked everyone for their participation.</p>
5. Next Meeting	<p>The aim is that the forum will meet four times a year. The date for the next meeting was discussed and December was agreed provisionally.</p> <p>Action: The Secretariat to revert to Forum members with notification of the date of the next meeting.</p>