

SIPTU

Statement for the Joint Committee on Tourism,Culture,Arts,Sports & Media.

13 October 2021

Chairperson and Members of the Committee,

- 1- We in Siptu thank you for the opportunity to appear before your goodselves today to discuss concerns in the Hospitality Sector.
- 2- During the pandemic we have begun to appreciate the role of workers in these key essential areas. We are only too aware of the poor working conditions, precarious contracts and lack of safety in work in the hospitality sector.
- 3- The Irish hospitality sector is dominated by low pay, more so here than almost any other EU country.
56% of hospitality workers here are officially categorised as low paid.
In the EU this figure for the hospitality sector is 39%.
We are just ahead of Austria when comparing earnings in the sector.
- 4- Profit and wage growth,
The financial recession hit the hospitality sector hard. However, starting in 2011 and 2012 the sector began to recover. The government took stimulus measures including reducing VAT, while foreign tourism increased. Eventually the domestic recovery contributed to further growth in the hospitality sector however, that growth has not been shared, despite over €3 billion been supported by government by the VAT cut alone.
- 5- Impact of Pandemic,
Many hospitality businesses are claiming of staff shortages from kitchen porters, floor staff, chefs, household and receptionists. Board Failte has estimated that over 80% of tourism and hospitality businesses are having trouble recruiting staff.

According to the state agency the main barrier to recruitment and retention are low wages, a loss of international staff abroad and Job quality (jobs perceived as unstable).

However the number one barrier reported to board Failte was the perception that the pandemic unemployment payment(PUP) was a disincentive to taking up a job. However there is little evidence to support this.

- 6- Since February 2021, the peak for PUP numbers the reduction in recipients from the hospitality sector has been one of the highest of any sectors. PUP recipients from hospitality fell from 112,000 in February to 28,000 at the beginning of September, reduction of 84,000. There is more hospitality workers coming off PUP in Hospitality as any other sector of the economy bar construction and personal services. Further, the ESRI research which showed that even in that small group who would be better off on social protection rather than working, 90% were actually in employment. The claim that PUP is acting as a disincentive to recruiting staff in the hospitality sector has little evidence apart from antidotal.
- 7- The issue of staff shortages and the impact this is having on the sector actually dates back to before the pandemic . The Restaurants Association of Ireland referred to this before the Oireachtas committee in 2019.In 2017 the hotel Federation was warning of the challenge of retaining staff. Back in late 2015,I Department of jobs report highlighted that Ireland was already facing staff shortages. This is the consequences of a sector that has been far too long relied on low pay and poor working conditions to get by.
- 8- JLCs, The giant labour committees are the mechanism for fixing statutory minimum rate of pay and conditions of employment for a particular employees in particular sectors. They are made up of representatives of employees and employers with the government appointed chair. JLC negotiate employment regulation orders(EROs).

They fix the minimum pay and conditions and represent them. These committees date back to the old trade boards which were first established in the early 20th century.

- 9- The rationale for JLCs is to protect both workers and good employers, to ensure that businesses and living standards benefit from a condition of progress rather than at progressive degeneration.
- 10- To address the issue of low pay, poor working conditions and low productivity in the hospitality sector and the significant turnover of workers, Siptu has written to the Chair of the Labour Court requesting that the joint labour committees in restaurants and hotels be convened. Siptu has further written to the two main employers organisations IHF and RAI informing them of this and requesting that they respond positively to our request
- 11- Hospitality, requires better training for all staff, wages and progression, work life balance initiatives, this can be done by all stakeholders working together with vision and commitment for all Hospitality workers.

Thank you.