

**Attendance of Assistant Secretary Cian Ó Lionáin at the
Joint Committee on Tourism, Culture, Arts, Sport and Media
“Working conditions and skills shortages
in Ireland’s tourism and hospitality sector”
Wednesday 25th May 2022**

Opening Statement

I welcome this opportunity to discuss this important issue with you and I am joined by Bernard O’Shea, the Principal Officer leading on tourism policy development within the Department.

In 2019, tourism was worth €9.5 billion in total to our economy, generating €1.8 billion in exchequer revenue and supporting 260,000 jobs across the country. As the sector rebuilds, it is hoped that tourism in 2022 will reach around two-thirds of the activity level of 2019 which would make it among the very strongest rebounding tourism sectors in Europe.

Prior to Covid, the sector had registered consistent increases in the numbers employed in Ireland’s regions and was an important driver of greater regional balance and dispersed economic activity. A sustained, and sustainable, rebuild is essential as tourism supports communities and drives regional development in a manner unlike other sectors.

Minister Catherine Martin has worked tirelessly with colleagues across Government to secure funding supports to keep the tourism sector alive during Covid-19 and then to support this initial rebuild phase in 2022.

In 2022, the Government is providing a record level of funding for the tourism services budget totalling €288 million. This includes €50 million in business continuity funding and a €35 million increase in the Tourism Marketing Fund to support the delivery of a marketing strategy to help restore inbound tourism to Ireland. Capital funding of €36.5 million has been provided for tourism product development to deliver enhanced visitor experiences.

However, the sector faces a range of challenges, in common with the wider economy, such as sizable increases in the costs of key inputs and difficulty in recruiting and retaining key skills. These challenges are not unique to Ireland; indeed, they are shared by many countries around the world.

The wider tourism and hospitality sector is a shared concern for both my Department and the Department of Enterprise, Trade and Employment (DETE). Restaurants and pubs are a key part of the “Céad Míle Fáilte” that Ireland offers to visitors; however, as Fáilte Ireland has previously advised, around 80% of pub and restaurant trade is not tourism-related.

This shared mission is reflected in the Hospitality and Tourism Forum, which was established during the pandemic and is co-chaired by the Tánaiste and Minister Martin. The Forum is a valuable opportunity for both sectors to communicate their priorities and it is hoped to convene the Forum again next month. At official level, we engage regularly with our

counterparts in DETE on issues such as work permits and other matters impacting tourism and hospitality.

Our Department is represented on the Tourism and Hospitality Careers Oversight Group, which brings together industry representatives, state agencies, Government Departments and the education sector. The Group has pivoted to focus on supporting the industry to address some of its immediate recruitment challenges in the months ahead.

Staffing shortages are not just a problem in the tourism sector; other sectors of the Irish economy are facing this same challenge, and it is common in tourism around the world.

Fáilte Ireland estimates that there are 40,000 vacancies in the industry across all roles. The Department and Fáilte Ireland are working with industry and across Government Departments to ensure a co-ordinated approach to addressing the labour and skills shortages.

Delays in the processing of work permits for chefs is a particular challenge for the sector, as noted previously at this Committee. The Department and Fáilte Ireland have been working closely with DETE to endeavour to have those chef employment permit applications already in the system processed as quickly as possible given the immediate pressure to recruit staff for the season.

All flexible resources have now been redeployed by DETE to address processing times for General Employment permit applications. Processing times for Trusted Partners has decreased from 22 to 16 weeks as of mid-May. Processing times for standard applicants remain at 22 weeks but is falling this week and D/ETE expects to see processing times for General Employment Permit applications to be considerably reduced by end Q2, with further reductions in processing times across all permit types in Q3.

The Department also continues to engage with the Department of Further Education, Research, Innovation and Science regarding the Tourism Recovery Taskforce's Recommendations which were to:

- Strengthen Fáilte Ireland's Careers Oversight Group and formalise a relationship with the Department of Further and Higher Education, Research, Innovation and Science to ensure programme development and coordination of tourism education and training;
- Develop a National Tourism Education Gateway as a one-stop education access shop for all tourism employees; and
- Ensure consistency in terms of quality and content of education and training provided by education providers in the tourism sector in consultation with industry to meet adapting needs and trends.

With regard to working conditions in the sector, Fáilte Ireland's research indicates that 70% of people are very happy with their employment in the industry, enjoy going to work and see tourism as a long term career option. This is a good proportion but we would like it to be higher and Fáilte Ireland has a range of programmes to build skills and capability for businesses and individual employees including a suite of online self-directed professional development courses.

As part of the drive to promote tourism as an attractive sector within which to work, Fáilte Ireland has launched a new “Excellent Employer” programme to help all participating businesses to improve their employer practices and build their reputation as excellent employers. It has also launched a Transition Year Work Placement Programme and a major recruitment awareness campaign called “Works For Me”

When we look at the wider economy and the particular set of challenges facing the tourism industry it is clear that a collective and concerted multi-stakeholder approach to tackling these challenges is required and that is the approach that the Department will continue to pursue.

Míle buíochas, a Chathaoirligh.

ENDS.