



## **Licensed Vintners Association**

**Opening Statement to**

**Joint Committee on Tourism, Culture, Arts, Sport and Media**

**on**

**Working Conditions and Skills Shortages in Ireland's Tourism and Hospitality Sector**

*The Art of Great Food and Drink*

**LVA Chair: Alison Kealy**

**LVA Chief Executive: Donall O'Keeffe**

**25th May 2022**

Good afternoon,

We would first like to thank the Chair and the members of the Committee for the opportunity to appear at the Committee today on what is now the single most important challenge for the Dublin licensed trade.

The LVA is being represented by our Chair Alison Kealy (just three weeks into her tenure) and myself, Donall O’Keeffe, as Chief Executive.

We would also like to acknowledge this Committee and the Government for their support of the hospitality sector through the pandemic. Without that financial support we simply could not have survived. We very much welcome the recent Government decision to extend the 9% VAT rate to February 2023. This is a really significant support as we rebuild our industry.

It is widely accepted that the hospitality sector, and pubs in particular, were amongst the sectors hardest hit by Covid.

One of the direct impacts has been the huge loss of staff – either via international staff returning home or staff leaving the licensed trade to work in other sectors like retail, distribution or construction. Two years of closures/restrictions have had a devastating impact on staff retention in our sector. 79% of our members reported that uncertainty about the future of the pub trade was the main reason for losing staff. In all, we estimate about one-third of our staff have departed the sector.

Given the shortages of skilled staff that existed pre-Covid, the loss of chefs, managers and senior bar staff from our sector during Covid has made a difficult situation all the more challenging.

While we are encouraged by the level of business since we reopened, it is fair to say that staff availability is now the biggest inhibiting factor to full recovery.

We have provided the Committee with a comprehensive Submission setting out our views in full.

Based on our own Members' Survey, some of the key business impacts of the shortage of staff include:

- reduced number of trading hours (later opening) and reduced number of trading days
- 88% of members reporting staff recruitment as a serious difficulty
- 89% of members worried about staff shortages in 2022

The LVA's Member Survey identified the following as particular Skills Gaps in our sector:

- General Management
- Operations
- Customer Care
- Event Management

In terms of attracting staff to the sector, we must focus on what workers themselves see as the key reasons to work in hospitality. The Fáilte Ireland research found

- Passion for a particular skilled job (66% of chefs said this)
- Passion for working with people (the core of hospitality)
- See it as a long-term career (71%)
- Flexible hours, particularly for women
- Generally enjoy the working environment

To this end, we are encouraged by the launch of the Fáilte Ireland Tourism Careers Marketing Campaign, but feel it should be widened to expressly include hospitality as well as tourism.

For its part, the LVA supports its members by

- Full-time HR Advisory Service, run by a highly experienced HR professional
- The LVA designed Diploma in Bar and Food Management. 60 hours of classroom teaching
- Training Seminars, Workshops and Conferences
- Employee Assistance Programmes (retained provider)

Looking ahead, in an economy nearing full employment, we believe the following policy developments are required to address the skills shortages in our sector:

- **Government/State Agencies**

- Review of efficacy of work permit scheme (not fit for purpose for hospitality currently) to boost skills/staff supply more efficiently. Process itself and processing times very inefficient.
- Clear designation and establishment of a hospitality training division within our existing state agency. (Fáilte Ireland potentially).
- elimination of current “silos” across Government departments and state agencies with regard to hospitality.
- What Government Department and which state agency is responsible for hospitality?
- Career Oversight Group (COG) short-term, immediate priorities make sense but the COG longer-term strategy must be finalised this year and, critically, its policy recommendations **funded** for medium-term skills supply. Independent Chair is required.
- Longer-term, sustained Fáilte Ireland investment in marketing of **hospitality** (and tourism) careers.

- **Hospitality Sector itself**

- must build and market career benefits
- invest in training and development
- improve conditions over time
- highlight flexibilities available
- good employers will attract the best talent

The shortage of hospitality staff and management skills is the biggest barrier to the rebuilding of the pub sector. A longer-term state strategy for hospitality skills, adequately resourced and funded, is now imperative.

Thank you for the opportunity to present our views. We welcome any questions you may have.

- Ends -