

DÁIL ÉIREANN

AN COMHCHOISTE UM NA MEÁIN, TURASÓIREACHT, EALAÍONA, CULTÚR, SPÓRT AGUS GAELTACHT

JOINT COMMITTEE ON MEDIA, TOURISM, ARTS, CULTURE, SPORT AND THE GAELTACHT

Dé Máirt, 23 Márta 2021

Tuesday, 23 March 2021

Tháinig an Comhchoiste le chéile ag 12.30 p.m.

The Joint Committee met at 12.30 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Ciarán Cannon,	Malcolm Byrne,
Alan Dillon,	Micheál Carrigy,
Peter Fitzpatrick,	Shane Cassells,
Brendan Griffin,	Annie Hoey,
Mattie McGrath,	Fintan Warfield.
Imelda Munster,	
Johnny Mythen,	
Christopher O'Sullivan.	

I láthair / In attendance: Deputy Cathal Crowe and Senator Ollie Crowe.

Teachta / Deputy Niamh Smyth sa Chathaoir / in the Chair.

Impact of Covid-19 on the Hospitality Sector: Discussion

Chairman: We begin with the minutes of the meeting of 10 March 2021, which were previously agreed in private session. Are they agreed? Agreed.

This meeting has been convened with representatives from the Licensed Vintners Association, the Vintners Federation of Ireland, the Irish Hotels Federation and the Restaurants Association of Ireland for a round-table discussion on the impact of Covid-19 on the hospitality sector. The witnesses will be joining the meeting remotely via Microsoft Teams. I welcome: Mr. Donall O’Keeffe, CEO, and Mr. Noel Anderson, vice chair, of the Licensed Vintners Association; Mr. Padraig Cribben, chief executive, and Mr. Padraic McGann, national president, of the Vintners Federation of Ireland; Mr. Tim Fenn, CEO, and Ms Elaina Fitzgerald Kane, president, of the Irish Hotels Federation; and Mr. Adrian Cummins, CEO, and Mr. Mark McGowan of the Restaurants Association of Ireland.

The format of the meeting is such that I will invite witnesses to make opening statements. These will be followed by questions from committee members. Witnesses are probably aware that the committee will publish the opening statements on its website following the meeting. I will call on each organisation to deliver their opening statements in the following order: first, the Licensed Vintners Association, second, the Vintners Federation of Ireland, third, the Irish Hotels Federation, and, finally, the Restaurants Association of Ireland.

Before I invite the witnesses to deliver their opening statements, I want to advise them of the following in regard to parliamentary privilege. I remind members of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against any person or entity either by name or in such a way as to make him, her or it identifiable, or otherwise engage in speech that might be regarded as damaging to the good name of that person or entity. If witnesses’ statements are potentially defamatory in the context of the identification of a person or entity, they will be directed to discontinue their remarks. It is imperative that witnesses comply with any such direction. As our witnesses today are attending from outside the precincts of the Leinster House campus, they should please note that there are some limitations on parliamentary privilege and, as such, they may not benefit from the same level of immunity from legal proceedings as a witness physically present does.

I remind members again of the constitutional requirement that they must be physically present within the confines of Leinster House in order to participate in this public meeting. I will not permit a member to participate where he or she is not adhering to this constitutional requirement. Any member who attempts to participate from outside the precincts will be asked to leave the meeting.

I would also like to ask members and witnesses to mute their microphones when not contributing in order to reduce background noise and feedback. I ask that they use their raise hand buttons when they wish to make a contribution. I also remind them to ensure that their mobile phones are on silent mode or switched off.

With all that housekeeping out of the way, I am delighted to welcome our guests to this very important meeting. As we know, they represent a sector that has been wiped out by Covid-19. There is no other way to put it. We are delighted to have them here today to give their statements and witness accounts of the deep crisis the sector finds itself in. I call on the Licensed Vintners Association to make its opening statement and comments to the committee.

Mr. Donall O’Keeffe: I want to confirm that Noel Anderson is chairman of the Licensed Vintners Association, LVA. The LVA is the representative of body for the publicans of Dublin and, pre Covid, employed 12,000 people and accounted for 30% of the national on-trade market. We appreciate the opportunity to appear in front of the joint committee today and welcome the fact the joint committee recognises the enormous impact of Covid-19 on our sector. We look forward to answering questions later in the session.

There is no doubt that hospitality and tourism have been hit extraordinarily hard by the pandemic, with the Dublin trade in particular experiencing the longest and most severe lockdown in Europe, as evidenced by the following statistics. Traditional wet bars, late bars and night-clubs closed on 15 March 2020 and have not traded for a single day since. As of today, these businesses have been closed for 372 days and, assuming a June or summer reopening, these businesses will have been kept closed for a minimum of 15 months. Pubs that serve food are currently in their third lockdown and in the 372 days since 15 March last, have only traded for 105 days, or 28%, of that time.

We want to talk to the committee about our views on reopening. We understand specific reopening dates cannot be provided at this time. However, we are calling on the Government to publicly communicate the circumstances that must apply to allow the full reopening of the hospitality sector. To our minds, there are four questions, as follows. What percentage of the adult population will need to be vaccinated? What level of community transmission will need to apply? Will it be the case that pubs and hospitality will only be able to reopen for vaccinated customers? Will the Government confirm that, post vaccination, the previous artificial distinction between traditional wet pubs and pubs that serve food will be eliminated, and that all pubs and other hospitality businesses will be able to open together? There can be no justification post vaccination, in our view, for keeping wet pubs closed while allowing food pubs and restaurants to reopen.

We believe there is a strong case for the extension of financial supports for our sector. We acknowledge the level of Government support our sector has received to date. They have provided a real lifeline, with the Covid restrictions support scheme, CRSS, payment in particular being essential in supporting these businesses. However, we believe a core underlying principle for Government must be recognition of the fact that the hospitality sector will require ongoing Government financial supports post reopening in light of the extended lockdown.

We believe these supports should fall under the following headings. First, there should be an immediate reopening support and restart grant, taking account of the extended closures the sector has endured. We call for these payments to be set at a level double to the restart plus grant payment that businesses received last summer. We believe short-term recovery supports are required for the immediate six to nine months after reopening. There are three priorities in this regard: the extension of the employment wage subsidy scheme, EWSS, to 31 March 2022 to allow businesses return to viability and retain and grow jobs; the ongoing payment of CRSS to those businesses which cannot generate more than 25% of their average 2019 turnover because of any ongoing public health restrictions; and the third area for Government support should be a waiver of commercial rates for all licensed premises through to 31 March 2022. Combined, these three measures are crucial to support the industry’s ability to retain staff and, over time, to rebuild employment levels in our sector. It must be a strategic priority for the Government to reduce youth unemployment across the country and our sector is well placed to do that. Longer term, we seek supports to improve viability. In that regard, we seek the retention of the 9% VAT rate right through to the end of 2025.

We would appreciate the joint committee's support in recommending the following to Government: first, the extension of those financial supports I have outlined; second, the clarification on reopening scenarios for our members and what, if any, public health restrictions might apply post vaccination; and, third, confirmation that there can be no justification for keeping wet pubs closed while allowing other parts of the hospitality sector to trade in summer 2021. I thank members for their attention. We would welcome any questions they may have.

Chairman: I thank Mr. O'Keeffe for that very informative presentation. I should make our guests aware of the fact we will go through each of the presentations and we will then revert to members for a question-and-answer session. We are very tight on time so in order to ensure that everybody gets an opportunity, I will keep matters moving if that is okay. I call on the Vintners Federation of Ireland. Mr. Cribben and Mr. McGann are both very welcome.

Mr. Pdraig Cribben: On behalf of the Vintners Federation of Ireland, I welcome this opportunity and thank the committee for it. First, we express our deepest sympathy and condolences to those who have lost loved ones to the pandemic over the past year. From the outset, we have urged all our members to support and adhere to the public health measures in place at any given time, and we continue to do that.

We represent 4,000 family-owned and family-run small businesses in every parish, town and city outside County Dublin. The majority of those businesses, as Mr. O'Keeffe outlined, have been closed for over a year, except for a two-week trading period in September and for those that have a food operation. It is not just those families who are suffering, it is also their staff, the musicians who play on the premises, the comedians who perform at the venues, the large and small suppliers, local and national, of both food and drink, and the service people who ensure refrigeration and other services are running to required standards. The list is endless. Members and those dependent on them for their livelihood are suffering both financially and mentally.

No business can be financially healthy if closed for a full year. Yes, the Government's supports have been welcome and helpful, but they are a long way short of meeting the ongoing outflows of cash. That is before we look at financing and banking activity. Some of the banks, despite their soft public words, are certainly not being supportive to the level required. What is required from a financial point of view? Currently, there is a need for a doubling of the Covid restrictions support scheme, CRSS, to help businesses to be in place when reopening happens. A substantial restart grant will have to be put in place prior to reopening. By "substantial" I mean double the restart grant plus of 2020. On reopening, there must be an extension of the employment wage subsidy scheme, EWSS, until the end of March next year, an extension of the CRSS for those businesses categorised as able to open but trading at less than 25%, an extension of the waiver on commercial rates until March 2022, an extension of the 9% VAT rate to 2025 and, in particular, a system of making finance available to those who want it at very low interest rates over a ten-year period but outside the main banking structures.

The past year has been very challenging mentally. Publicans, by their nature, are used to dealing and mixing with people. When one combines this with the financial losses and concerns and worries, it is not a good recipe. The pressures have been exacerbated by a lack of clear messaging over the past year from the Government. On a number of occasions publicans were ready to open, with stock in place at serious cost and staff ready, only for the rug to be pulled at the last minute. At a time when the Government was advising members of the public to mind their mental health, it was the cause of adverse mental health effects in this sector. The artificial divide between food and non-food pubs also created unnecessary divisions and pressures.

The sector now needs a clear roadmap outlining the conditions that must be in place for reopening, including the levels of vaccination, community transmission, hospitalisation and so forth. It is a roadmap, not dates. Hope is necessary, and there is none at present. Such a roadmap would provide hope and would help to reduce stress levels. In addition, we must have a clear statement from the Government that all hospitality outlets will be allowed to open at the same time, under the same conditions and subject to the same sanctions. There must be no more divide between food and non-food outlets.

The challenges have been, and are, great. The sector has been impacted more than most. However, with the proper supports, as I have outlined, and a clear roadmap we will emerge at the other side ready and willing to be the hub in the community again, to be an employer again, particularly of young people, to be the provider of opportunities to musicians and entertainers again and to playing an integral part in a recovering tourism offering.

We thank the committee for the opportunity to outline our position. We hope the committee will impress upon the Government the need for both the financial supports I outlined and the roadmap. We are willing to address any questions members have at the appropriate time.

Chairman: Thank you for that informative presentation. The third organisation to make a statement to the committee is the Irish Hotels Federation. I invite Mr. Fenn to proceed.

Mr. Tim Fenn: We share the sentiments of our colleagues in the VFI regarding the families and friends of those who have lost their lives due to Covid-19. The Irish Hotels Federation welcomes this opportunity to address the joint committee on the impact of Covid-19. Public health is always the first priority for hotels and guest houses, and we reiterate our full support for the Government in the task of suppressing Covid-19. We thank the Government for the supports that have been put in place to help our industry. They are making an enormous difference to our prospects for survival and recovery, as well as to the 270,000 people whose livelihoods we are trying to protect and restore.

Covid-19 has had a catastrophic impact on our industry, manifesting itself in substantial job lay-offs, revenue losses and a significant reduction in the financial reserves. We estimate that revenue across the hotel sector fell by more than €2.5 billion last year, an unprecedented drop of 60%, and the immediate outlook remains exceptionally challenging this year, with record low business levels on our books due to the high level of uncertainty about reopening. Key to restoring the livelihoods of 270,000 people who worked in our industry before the pandemic is the survival of the businesses that can drive recovery, but additional financial supports and measures are required to achieve this. The investment from the Government is small relative to the malaise of enduring unemployment and can be offset quickly by a reduction in unemployment supports.

The key Government supports required are: extending the EWSS and the local authority rates waiver until the end of March 2022; a doubling of the CRSS payments irrespective of the level of Covid restrictions, as well as removing the current €5,000 weekly cap; a new restart grant that is double last year's payment; extending tax warehousing and deferring payback by one year; a clear commitment to retain the 9% VAT rate until at least 2025; a 70% refund of energy and pass-through charges. Key banking and finance measures are also required. The Government must ask the regulator and banks to take a longer-term view in their approach to our sector by providing bank loan moratoria and employee mortgage deferments. The future growth loan scheme should also be reactivated. Some businesses will require recapitalisation when the pandemic is over. Consideration should be given to providing equity and debt finance

incentives to see our industry into full recovery.

Prior to the Covid pandemic, our industry supported one in ten of all Irish jobs, with 70% of those jobs outside Dublin. In some cases, entire communities are dependent on tourism. In the aftermath of the last financial crisis, tourism was the number one creator of jobs. We want to play our part in Ireland's recovery but can only do so with the Government's continued supports. We will be happy to answer any questions the members may have.

Chairman: Thank you. It is good to see such commonality in terms of the key requests from all our guests today. It will make it clear to the Government what will help everybody. The fourth organisation is the Restaurants Association of Ireland. I welcome Mr. Adrian Cummins, CEO, and Mr. Mark McGowan.

Mr. Adrian Cummins: I thank the committee for the opportunity to speak at the meeting today. I am joined by the president of the Restaurants Association of Ireland, Mr. Mark McGowan.

As we are all aware, Covid-19 has had a devastating impact on lives, livelihoods and society in general. Some 4,588 people have lost their lives due to Covid-19 and the association's sympathies go to their families and loved ones. We also think about the 280,000 people who work in hospitality and tourism and who have had their lives turned upside down. Half of those employed in hospitality work in restaurants, cafés and pubs that serve food. We are here today to offer insight on how Covid-19 has impacted upon the restaurant and food service sector and to propose supports for the survival of a sector which has had restricted trading for more than a year now. Let us be very clear that we trust the medical advisers. We do not want to open before it is safe to do so. We are looking for the metrics on how we can reopen our businesses safely and the plan that will allow us to see light at the end of the tunnel.

Hospitality businesses are on the brink of collapse. Some 50% of restaurants face permanent closure. Reopening our businesses viably with indoor dining is our first priority. The narrative of a summer outdoors does not work for restaurants. We need a plan to re-employ staff and, above all, our industry needs hope. Current business supports do not go far enough for our industry. Continuation of the EWSS at the current rate is crucial. The Covid recovery support scheme must be extended to include level 3 restrictions and the current rate doubled to cover fixed costs. Businesses previously excluded due to a lack of fixed premises, such as contract and event caterers, must be included in financial supports going forward. A restart grant equivalent to eight weeks of CRSS is needed for reopening costs. The commercial rates waiver must be extended until the end of 2021 and the current VAT rate of 9% must remain in place until 2025.

As we start on the road to recovery, we have a number of challenges. There is little to no payment on business interruption from insurance claims. Commercial landlords are seeking full rents for the period of closure with some charging interest on arrears, to add to the misery restaurant owners are going through at present. Utility providers are disconnecting services to restaurants and hospitality businesses. The banking sector is blacklisting hospitality businesses and workers by way of declining mortgages and loan applications. Local authorities are issuing commercial rates bills while businesses are in lockdown, having traded for a maximum of 64 days since last March. With only 20% of restaurants able to avail of outdoor dining, the current regime is wrapped in red tape, major associated costs and extreme restrictions. There is no restaurant or gastropub representation on the boards of Fáilte Ireland, Tourism Ireland or the tourism recovery oversight group. The chef apprenticeship scheme is cost-prohibitive with very

little output of qualified apprentices based on the size and scale of the industry. Finally, there is a lack of a joined-up approach by State bodies with responsibility for tourism and hospitality.

Urgent action is needed to ensure the restaurant and hospitality sector survives. I thank the committee for taking the time to hear our concerns and reading our proposal for supports. We are happy to take any questions.

Chairman: I thank Mr. Cummins and all our guests for presenting today and sticking so tightly to the time. I will move to our question-and-answer session without delay. I remind members they each have a six-minute slot for asking questions and getting answers from the witnesses. I ask members to please be mindful of this in making the best use of their time. I call Deputy Christopher O’Sullivan.

Deputy Christopher O’Sullivan: I will try to keep my contribution to four minutes and leave two minutes for answers from the various witnesses. I thank the witnesses for coming in. I fully support them and all their members. Since I am from Cork South-West, a constituency that relies very heavily on tourism, I am well aware of the devastating impact the pandemic has had on their sectors. This year’s St. Patrick’s Day really rammed home how devastating an impact it had. For the second St. Patrick’s Day in a row, and for the second week in two consecutive years, pubs, restaurants and pubs that serve food were closed. The enormous impact the pandemic has had on the sector really hit home. It left me with a real sense of melancholy. It also reaffirmed that we really need to step in, as a Government, to save incredible businesses that were and are viable.

It is really encouraging that despite the fact the witnesses represent slightly different sectors, the requests are clear and consistent. These include the continuation of the EWSS and the increase to, and continuation and extension of, the CRSS to include more businesses. We have to get behind and support the need for another restart grant, which is coming across quite clearly, the extension of the 9% VAT rate until 2025 and the rates waiver extension, until the end of the year at the very least.

A couple of the witnesses have clearly pointed to the idea of a roadmap. In meetings with several sectors, most recently with the Cork south-west hotels groups, one statement that really hit home is that businesses crave certainty. At the moment, they do not have that. We need to step up to the mark, provide that certainty and roadmap and get rid of the mixed messaging which has done no one any favours.

The representatives touched on banking and finance and to make it easier to decide who will answer, I will go to the Irish Hotels Federation, IHF, on this one. Would a standard banking approach be welcome? My understanding, after speaking to hotels, is that there is a complete variance in approach from different banks on the terms they discuss with businesses. We had a scenario where there was a blanket moratorium on repayments for a period, which was really helpful, but after that businesses were left to fend for themselves. Do we need to grab the banks by the scruff of the neck, for want of a better term, and lay down a standard approach for dealing with businesses in providing finance? We need to get rid of the idea these businesses are not viable because they have been viable and will be again. We need to look again at a moratorium on payments and how to deal with payments. That is a question for the Irish Hotels Federation.

On the voucher scheme, I will put an idea to the Restaurants Association of Ireland. I spoke previously about the idea of a voucher scheme. I suggested a voucher scheme for those who were over 65 and had received the vaccine. I must say it received a mixed response but the re-

sponse from the hospitality sector was quite positive. I am quite confident that July and August will be very strong for the hospitality sector but after that, in September, October and November, there are fears of a bleak cliff edge. A voucher scheme does not have to be for the over-65s. It can be broadened to include much more but it is clear that the stay and spend scheme did not work. There was only a 0.2% uptake because it was only a tax relief. People were not willing to take it up because of the way it was structured but putting a €100 or €150 voucher in people's hands would really make a difference. I would love to hear the witnesses' opinion on whether something like that would work.

Chairman: I remind the Deputy he only has a minute and a half left.

Deputy Christopher O'Sullivan: My last question is on insurance. There are proposals for a 50% cut on payouts for personal injury claims. The hotel industry, for example, has been a soft target, for want a better term. What more do we need to do on insurance to help businesses survive? It is clearly a huge issue. We have a minute and a half and I would appreciate it if the witnesses could come back to me.

Chairman: This is a question for the four organisations online. There is one minute left. Who is the Deputy's question directed at?

Deputy Christopher O'Sullivan: On banking, it is the Irish Hotels Federation and the RAI on the voucher scheme.

Mr. Tim Fenn: I am happy to take the question on the banking system. There was great disappointment in our industry when the European Banking Authority decided to reactivate its guidelines on moratoriums last October, but the Irish banks and the Central Bank of Ireland chose to go on a case-by-case basis. What this has meant is that unnecessary, restrictive credit policy is hiding behind this case-by-case method. We ask the Government to engage with the banks and the Central Bank to review this approach because it is our understanding that about 80% of our members would apply for a moratorium if it was available. At the moment only about 40% have actually achieved it. This is why we now see businesses that are closed being forced to use their much-depleted reserves to continue to pay the banks.

Deputy Christopher O'Sullivan: I thank Mr. Fenn.

Mr. Tim Fenn: It is not about insolvency or hotels being operationally successful when they are open. There is a major problem because they are being asked to use their own reserves.

Mr. Adrian Cummins: I fully support Deputy O'Sullivan's proposal regarding the voucher scheme. The stay-and-spend scheme does not work and must be repurposed. We need to be consulted. There was no consultation with the trade bodies in advance of the launch of that scheme.

Deputy Alan Dillon: I welcome our guests. I have listened to and understand the real challenges that restaurants, hotels and vintners face. I will start with the representatives of the Restaurants Association of Ireland and perhaps Mr. Cummins will be able to answer the questions. It was apparent from the opening statement that there is a lack of a joined-up approach by State bodies with responsibility for both tourism and hospitality. Will he provide more information and explain his experience and those of his members with State bodies and agencies when it comes to those grants? What supports are needed in the short to medium term to facilitate outdoor dining especially as we move into the summer months? What suite of further supports would the association like to see from any forthcoming Government packages?

Mr. Adrian Cummins: I can speak about outdoor dining. We want every business in every part of Ireland and in every local authority area to be able to access direct capital expenditure grants if the Government's policy is around a summer outdoors. We understand that will only help 20% of businesses so we need to increase the restart grant. For those businesses not able to trade currently, the CRSS must continue if they are not able to trade as we go through the summer.

The Deputy asked about engagement on tourism and hospitality matters. The State agency with responsibility for tourism development is Fáilte Ireland, but it does not have responsibility for hospitality. This is where there is a blurring of vision and we must review how all our State agencies work on behalf of the State and whether they are fit for purpose. The last time we did this was in 2003, when we merged Bord Fáilte and CERT. In this crisis we must do a review and ensure we have a fit-for-purpose State apparatus to support both tourism and hospitality. It is where I see this moving. It should also involve Enterprise Ireland, local enterprise offices etc.

Deputy Alan Dillon: What would the association like to see with respect to supports or Government packages in the short and medium term?

Mr. Adrian Cummins: There should be a doubling of the CRSS payment. We have fixed costs in our industry and the grant only covers 50% of where we are now. This means that each business is treading water and that some are being pushed into the liquidation zone. From our internal research and data, we can see that 50% of businesses are on the brink of collapse because of an outstanding build-up of debt acquired over the past number of years. The measures must also look at the restart grant and commercial rates waivers must go to the end of this year. The VAT rate must be kept until 2025. These are the key elements that must be included in Government policy.

Deputy Alan Dillon: I will move to the vintners. The constituency I represent in Mayo has one of the largest numbers of unopened pubs. Some 218 pubs there remain shut. The majority of rural pubs certainly face uncertain times, particularly along the western seaboard. The Vintners Federation of Ireland and the Licensed Vintners of Ireland have asked for clarification from the Government on the circumstances that would apply so that pubs can fully reopen. Will the witnesses provide some information that might be required and how that might assist the sector?

Mr. Pdraig Cribben: The reality is we are not looking for specific dates but rather the point on the road, such as a certain percentage of the population being vaccinated. We are being told that 80% of all adults will have their first vaccination by the end of the June. If that is the case, 80% of all adults will have their second vaccination by the end of July because there is only meant to be a four-week gap. One assumes that by the end of July, much of the remaining 20% would be offered their first vaccination as well. The question is where will be the bonus from people having the vaccination. We need to know the level of vaccination required to reopen.

Deputy Dillon mentioned outdoor dining. Mr. Cummins referred to 20% of businesses having this capability. I would not argue with that. It assumes that somebody has put up a roof. We know we can get a bout of hailstones as quickly as a bout of sunshine in July or August. Talking about outdoor dining in an Irish context is, by and large, a red herring. Businesses will not be viable with just outdoor dining. The Deputy represents a constituency where there is a big dependency on tourism. Last year, that constituency would have lost quite a lot and there would be a cumulative effect in losing business this year. Many of those businesses will not recover if

they lose two seasons. I do not need to tell the Deputy that they use the summer season to build up a reserve to pay the bills in January, February and March. There will be major challenges if we do not get open for the summer season.

Deputy Imelda Munster: I will ask some brief questions to allow as much time as possible for responses. I thank the witnesses for their opening statements, which contain some interesting proposals. I was initially going to ask what engagement there has been with the Government on additional support and long-term grants but going on what has been said, it seems there has not been much clarity or meat put on the bones with the detail of what will be forthcoming.

I think I heard correctly when the Restaurants Association of Ireland indicated that it favours direct grants, particularly with respect to outdoor dining. The previous speaker mentioned that this is Ireland and one cannot necessarily sit out even in the summer months and be guaranteed good weather. Has there been any confirmation from the Minister or the Government on direct grants for outdoor dining?

Is there a restaurant or pub representative on the tourism recovery oversight group? Given the current circumstances, it might be welcome if that were the case. As a committee, I ask that we write to the Minister asking her to consider appointing somebody to the group from either the restaurant or pub groups, given our current circumstances.

Have Fáilte Ireland or Tourism Ireland been helping the restaurant and hospitality sector or could they do more to help? In his opening statement, Mr. O’Keeffe posed questions about data and the circumstances that would govern pubs reopening, particularly in the context of the percentage of the population vaccinated, etc. That would be useful information and it would allow the groups to plan for when the time comes. I suggest that as a committee we write to the relevant Ministers, asking them to furnish us with that sort of information, which clearly every single sector represented here today is crying out for.

I have a question on the Covid restrictions support scheme, CRSS. How long into 2021 will the scheme be available? As far as I am aware, the restart grant scheme closed for applications at the end of October 2020. Has there been an indication that it will be available to businesses reopening this summer? I will leave it at that. I have one final question. As was mentioned, we proposed a voucher scheme to the Government last year, but instead it chose to go with a scheme that turned out to be a flop. I ask each representative to answer on a “yes” or “no” basis whether they would be in favour of a voucher scheme for this summer to encourage tourism and people to eat out.

Chairman: There is a little over two minutes remaining. Who would like to respond?

Mr. Adrian Cummins: I will respond very quickly to the Deputy’s questions. On the voucher scheme, we propose going forward with it. We said that already in response to a question from Deputy O’Sullivan.

On the issue of the outdoor dining grant, to put it into context for members, it costs an owner around €15,000 to cover and weatherproof 15-seat seating area outside a premises. That amounts to €1,000 per seat in direct capital expenditure grant aid.

On the question of whether Fáilte Ireland and Tourism Ireland can do more, there is currently no publican or restaurateur on the boards of Fáilte Ireland or Tourism Ireland, or on the tourism recovery oversight group. We must ensure that we are represented considering the number of employees that we have within the sector. I believe that covers all the questions

asked by the Deputy.

Mr. Donall O’Keeffe: I would like to add one point on the issue of outdoor dining from a Dublin perspective. There are two issues that the committee should bear in mind. The first is that the artificial limit of 15 has no commercial relevance; it is not viable for us. We firmly believe that the limit should be related to the outdoor space available, socially distanced. If a premises has a lot of outdoor space, it should be able to take a large amount of customers. If it has limited space, then unfortunately it should only be able to take a limited number of customers. It is not commercially viable to open for food business for 15 customers when a chef, waiting staff and potentially bar staff have to be brought on board. The limit should be related to the space available.

The second point is that outdoor dining applies to less than 10% of the pub trade in Dublin. It is essentially closure by another name. While we welcome the opportunity to trade outdoors, it must be noted that the vast majority of pubs in our capital city will not have an opportunity to trade in that scenario.

Ms Elaina Fitzgerald Kane: In respect of the CRSS, it is promised to run until the end of June. In our own hotel, we are able to apply for the full value of the scheme, which is €5,000. To give the Deputy a sense of where that money goes, it is used to pay insurance and does not even cover light and heating costs. There are also other expenses in respect of maintenance, contracts, etc.. Our light and heating costs are around €3,000 per week, but of that, 53% is made up of pass through charges, which are Government levies, and is a huge proportion. While we might be getting an inflow of €5,000, equally €1,500 is going out, so the net gain is essentially €3,500 per week.

The cash burn is immense. To give the Deputy a sense of it, when we talk about reopening grants, we were not even closed for the six-week period. Our own hotel in Adare was open for essential workers. Even though we were open for those six weeks, it will still cost us €120,000 to actually reopen in earnest. I fully appreciate all the reasons we, like the rest of the country, had to close in the week after Christmas, but there was an additional loss of €20,000 in terms of stock, etc. That will give the Deputy a sense of it.

The other question that she asked concerns the voucher scheme. We absolutely support any system that stimulates demand. However, there are lessons to be learned from the UK in its approach. It included everyone, happened at source and also applied to off-peak times. That is something of which we should be mindful.

Deputy O’Sullivan referred to the months of July and August. In the context of hotels, only 21% of bedrooms are booked at this point in time. We have had no net gains in the last three weeks, as anything that has been gained has been offset by cancellations. Therefore we are not looking at a buoyant summer ahead. In fact, it is fair to say that there is an acute lack of hope. For some, it is the hope of a staycation, and for others it is the hope of bridal couples who want to get married after setting the date for the fifth time. However, for the 270,000 people in tourism and hospitality, their livelihoods are very much on hold as part of this pandemic. We should never lose sight of our goal. The measure of success is about restoring sustainable livelihoods.

Deputy Imelda Munster: I made two proposals, the first about writing to the Minister to ask her to consider appointing a restaurant or pub representative to the tourism recovery oversight group. I wonder if there is a seconder for that proposal. The second concerned the collection of data requested by the vintners to allow them to plan appropriately.

Chairman: I second the proposals and do not see any difficulty in writing to the Minister on both issues.

Senator Annie Hoey: I want to ask if any of the witnesses would like to comment on the stay and spend credit scheme. I know there has been a discussion on this issue. Many of those in the tourism sector previously predicted problems with the scheme and, as we have seen, some of them have become a reality. It was budgeted to cost the Exchequer €27 million. My colleague, Deputy Duncan Smith, submitted a parliamentary question on this issue and the figures were very low. I believe the related expenditure was around €9,200,000. It was far less than had been budgeted. Obviously, we have been in lockdown. I have spoke to people in the industry and some of them said that the scheme was very cumbersome and bothersome. Do the witnesses see the value in the scheme for the sector? Is it something which they see as being a benefit to them in the sector? I know that the scheme does not cover alcohol, so perhaps I am not directing my request for comments to the vintners in attendance today. As it is currently envisioned and laid out, is this scheme working for the sector or do we need to look at a scheme like that in operation in the UK, where the emphasis is put back on Government to pay part of the bill from an invoice from the tourism or restaurant provider? Is the scheme working? Is it going to actually benefit those it is supposed to benefit? Will it benefit the sector, or do we need to look at something different?

Mr. Mark McGowan: The stay and spend scheme was not fit for purpose. I run a hotel, a restaurant and a pub. There was zero take-up on it. When people came in they did not know what to do with it. The best approach would be to ensure that the business could get the voucher back at the source. There would be more take-up on it that way. It would also be of huge benefit if the technology was advanced to enable the consumer to use it as source. I hope that answers the Senator's question.

Chairman: Do any of the other witnesses wish to respond? No. I will hand back to Senator Hoey.

Senator Annie Hoey: To be fair, it was somewhat a leading question. Mr. McGowan's response is the answer that we would expect, namely, that the scheme is not doing what it needs to do.

I want to move to another issue. I know that the Minister has appointed a task force to come up with a comprehensive plan for recovery. However, some of those I have spoken to in the industry are very worried that these recommendations are not going to come quickly enough or be implemented quickly enough and in time to save their businesses and the industry in general. I know there is an oversight group. My understanding is that that group has only met a couple of times since it was established in December. I am wondering if the witnesses have any comments on that. Is there confidence that it is going to work out and will a plan be put in place to support and help businesses to recover? I ask for comments on that. I do not know how often the group has met. This is probably a question more for the Minister but I ask the witnesses about the confidence in the sector regarding the task force and the work it will do. Will it benefit in supporting the sector and helping it recover?

Mr. Tim Fenn: I thank the Senator. The oversight group has submitted its initial report to the Government. It broadly covers some of the requests we have presented here. Perhaps it does not go far enough in relation to the Covid restrictions support scheme and the complexities around that but we have all been feeding in our requests and concerns to the Government. It is up to the Government to take a longer-term view on where this is going. For the 270,000 liveli-

hoods on which we are focusing here, we need the businesses to survive and to have the fuel in the tank to get started and get going again when the time is right. Public health and safety obviously is a key part of our concern. There is no lack of information going into the Departments of Finance, the Taoiseach; Enterprise, Trade and Employment and, in particular, Tourism, Culture, Arts, Gaeltacht, Sport and Media. The complexity of this is such that we are concerned that, after opening, the Government will all of a sudden decide it is time to pull away from supports. There will be a long tail on this and, even when we are open, there are likely to be restrictions around large events and certain types of event - funerals, weddings, whatever. That will have a massive impact. The key is making sure the businesses have the ability to survive.

Mr. Pádraig Cribben: It goes back to something said earlier. We are at a bit of a loss in relation to the recovery oversight group because we have no access to it or anybody on it. As Mr. Fenn said, the Government is not short of information from us or from others. It is a question of action. We do not want too many committees or reports but we need action.

Mr. Donall O’Keeffe: One of the things that is concrete from the hearing today is the degree of commonality across the four associations about the financial support measures required to help the industry sustain itself while it is closed and rebuild itself post reopening. That information has been fed in by the four associations to the Taoiseach, the Tánaiste, the two finance Ministers and the tourism Minister. The Government is fully aware of our requests. On the financial side, in particular, those requests are more than the recovery task force recommends but that is the voice of the industry and our view on what is required. The core point within our submission is that supports will need to be extended for a considerable period post reopening to allow the sector to recover after a very traumatic period.

Chairman: I call Mr. Cummins.

Mr. Adrian Cummins: I will give way to other speakers. I think we have covered the points.

Chairman: I thank Senator Hoey for that line of questioning and move on to Deputy Fitzpatrick. I welcome the other elected Members who are present today, namely, Deputy Cathal Crowe and Senator Ollie Crowe. They have a huge interest and are to the forefront of the topic we are discussing today.

Deputy Mattie McGrath: I am here too.

Deputy Peter Fitzpatrick: The presentation was excellent. It was an eye-opener. The one thing we all have in common in this committee is that we want to show our support to the tourism industry and to see it up and running as soon as possible. I heard Mr. McGowan this morning on my local radio station, LMFm. He gave me warning signs when he said 80% of restaurants are tenants as such. In other words, landlords are running the restaurants. That put a bit of fear in me. Mr. Cummins mentioned utility companies imposing high bills and commercial landlords seeking full payments. These all seem like warning signs. It is important going forward that the Government gives full supports, not only financially, in getting tourism up and running. I come from Dundalk and I think we now appreciate what hotels, pubs and restaurants do considering the amount the queues I see outside takeaways in the lashing rain or outside pubs taking away drinks and everything else. It is something we took for granted. Many people in Ireland go on foreign holidays but they appreciate what the witnesses’ organisations are doing at the moment in trying to get some normality back.

Are there many businesses in this country being run by landlords? Are there many people who own pubs, hotels and restaurants who are tenants? Coming from a business background, I know if one is a tenant paying a landlord, most of the money paid is going back in taxes. In turn, the Government should be giving it back to the likes of the witnesses' organisations to get businesses going. That is a real concern of mine. Are most of the witnesses' organisations' businesses tenants or landlords? How are they run at the moment?

Mr. Mark McGowan: I thank the Deputy. One of the biggest burdens for most of our members is rent. Approximately 80% of our members are really struggling at the moment and that is why it is so important we receive a doubling of the CRSS payment. It is vital to ensuring viability in the overall restaurant sector. Although 20% are left over, it is as important to ensure they can pay their mortgages as well.

Mr. Donall O'Keeffe: In the Dublin pub trade, in round figures about 80% of the businesses are family-owned, mortgaged or banked in some way, while 20% are leased. The most exposed category across the hospitality sector consists of businesses that are leased. They are essentially at the mercy of the landlord and the level of landlord support for their business will be the crucial determinant of whether they survive this or not. The RAI has said and we have it in our submission that there needs to be an immediate doubling of the CRSS payment to help businesses deal with fixed costs. Irrespective of whether a business is leased or mortgaged, the biggest fixed cost will relate to the property. In round figures, in the Dublin pub trade fixed costs are somewhere between 20% and 25% of normalised turnover. CRSS payments are set at 10% of turnover, so it is about half the level needed to ensure longer-term sustainability.

Mr. Adrian Cummins: I will make one point on landlords. We have a situation at the moment where landlords are profiteering by adding interest on arrears of rent due from businesses. As 80% of our businesses are rented, we need to have a better process in place to regulate properly what is going on in the industry. I am aware of a huge number of businesses that are really suffering. Their mental health is suffering because of the pressure these landlords are putting them under. Maybe it is because they have to pay the banks but it does not feel like we are all in this together or that there is burden-sharing at the moment with regard to this issue.

Mr. Tim Fenn: Regarding hotels, the vast majority of our properties have the bank as their landlord. This feeds back to the comments we made earlier. What we are looking for is some kind of structured approach from the Government to get the banks to take a longer term view as to how they will deal with businesses and the people who work in the industry.

Chairman: Does Mr. Cribben still want to come in also?

Mr. Pdraig Cribben: Yes. I will be very brief. To answer the Deputy's question, again, we are like the hotels. Approximately 80% of pubs are family-owned businesses. It is really Hobson's choice in that we are dealing with either a landlord or the banks, and I am not sure which is better and which is worse.

Chairman: I thank Deputy Fitzpatrick for his questions. I will now move on to Deputy Mythen.

Deputy Johnny Mythen: I thank the four organisations for coming along. It is heart-rending to hear them all. Outside of Dublin, we know many of the publicans, hoteliers and so on personally. We meet them and their families every day. They play hurling and football. They support most of the hurling and football teams and all sorts of activities in communities. It is a

real eye-opener today to hear them all, and in such bad circumstances. We hear them. Regulation of the banks is most important. A moratorium has to come in and there should also be a moratorium on rents. I was contacted by a young couple who signed a contract at the beginning of March. I visited them the other day and they are €50,000 in debt. It is terrible.

In my area, we have not come across the likes of the seasonal restaurants. They are in real trouble because they have only a couple of months to make a year's profit. That should be looked at as well. Many people who opened their businesses just after March were not entitled to the CRSS, so that should be looked at, and the €55,000 turnover threshold should be looked at as well. It should definitely be reduced for the CRSS obligation.

I have questions for those representing the restaurants. They said they wanted a restart grant for eight weeks. Can they give me more detail on this? What are the reopening costs restaurants face? The licensed vintners said they had staff retention issues. Could they give us more details on that? What kind of training and development will they need? What level of funding or State intervention is required for that?

I do not think we can answer some of the questions the witnesses asked. They asked what percentage of the adult population will need to be vaccinated to allow the pubs to reopen. That is a NPHET issue as well. The other issue is the level of community transmission and what the R-nought must be before we can open up. They are all valid questions but I do not think we can answer them.

What do the witnesses need from the Government? Do the guidelines from the Government need to be strengthened? As for the roadmap the witnesses speak about, do they need a date?

Chairman: I see Mr. Cummins offering.

Mr. Adrian Cummins: I thank Deputy Mythen for his questions. Regarding the restart grant, our analysis and calculations show that we require eight weeks' CRSS payments to restock our businesses, restock our fridges and meet our food and drink costs in our restaurants. I think the Deputy's other question related to rents. I wish to be very clear that certain businesses have received no CRSS payment whatsoever. Events catering did not receive anything. Down the road, companies in the sector will get a maximum of €8,000 under the new scheme. There could be two businesses side by side, both with €1 million in turnover, one getting the CRSS payment and the other getting a maximum of €8,000 for the year. That is not fair. I want to make sure everybody is treated equally going forward.

Chairman: Does Mr. O'Keeffe wish to respond to Deputy Mythen's questions?

Mr. Donall O'Keeffe: Regarding staff retention in the industry, there are two issues. There is obviously the issue that international staff have relocated home and been lost to the Irish industry and the Irish economy entirely. We had a huge proportion of international staff in our workforce. More concerning for us, however, is that we are now losing staff from the sector because the closures have been so extended that there is no certainty as to when we will reopen. People have to get on with their lives and they are moving to those sectors where there are employment opportunities. Hospitality is losing staff to the retail sector and distribution in particular. We expect to lose many staff to construction if it reopens in April before us. Our sector is losing highly skilled and valuable workers to other sectors in the economy because the closure has been so extended and our prospects for reopening in the near term are very uncertain. It would be good if the committee heard from a publican in that regard. Noel Anderson has two

businesses and he will be able to explain the impact on his businesses first-hand.

Mr. Noel Anderson: I actually put up my hand just to speak about first-hand experiences. It is important the committee hear from working people such as me, Ms Fitzgerald Kane and Mr. McGowan. I have 70 staff. The two premises I have are Lemon & Duke in Dublin city centre and The Bridge 1859 in Ballsbridge. I had 70 staff at the start of the year, before this, and had the unenviable task of letting 70 people go three times in the past year. To put some real pictures on what is happening on the ground, I lost my head chef in The Bridge 1859 to carpentry, and the guy I replaced him with is now leaving me to become a full-time truck driver. My premises will probably have to build from a third up. The point I am trying to make is that I might retain a third of my staff and have to replace the other two-thirds with new staff and retrain them. I spoke to a good friend of mine, Gina Murphy from Hugo's restaurant, over the weekend. She said that even if she were allowed to open in the morning, she would not be able to do so because she has lost seven of her eight kitchen staff. She said all she could do was give these people a-----

(Interruptions).

Chairman: I thank Mr. Anderson. That is very traumatising, I am sure, for the business owners. I have no doubt about that. Ms Fitzgerald Kane also wants to come in on this question. Is she still with us? She is. This is a little more tricky than when people are sitting here in front of me. I am looking at all the participants on a tiny screen. Is it possible to bring Ms Fitzgerald Kane in? It is a problem on our side, perhaps. I think we have Ms Fitzgerald Kane. We lost everybody for a second. Ms Fitzgerald Kane is very welcome again. I ask her to proceed.

Ms Elaina Fitzgerald Kane: Round three. That is no problem at all. We are a people business. The Government has put in place significant retraining supports, and we are availing of those as best we can to prepare for an uncertainty around reopening. It is critical that the wage subsidy scheme remains in place into reopening because there will be a lot of new recruitment and so forth going on. I am very mindful of that.

To respond to Deputy Mythen's questions about the CRSS, and to give him a sense of this in the context of hotels, the average hotel in Ireland has 75 bedrooms. The €5,000 maximum payment is capped at 58 bedrooms so it does not cover even the average hotel.

The other comment I will make relates to sustainable reopening. Progress markers are key. There are 19 items for consideration such as being open to all guests rather than residents only. Inter-county travel is a critical part of sustainable reopening. Outdoor limits are to be reviewed. We have 40 acres of grounds in Adare. One can imagine a pod of 15 people outdoors. There is an opportunity for many safe versions of that which link capacity to size. How will the EU digital green certificate work? What will be the impact on vaccinated travelling in terms of people coming from areas of lower incidence? It is important there is a level of engagement-----

(Interruptions)

Ms Elaina Fitzgerald Kane: It is important that we build on that again.

Chairman: The connection with witnesses has been lost throughout the meeting. In any event, I hope everyone who wanted to contribute has been able to do so.

Senator Malcolm Byrne: I thank the four organisations for their presentations. I can only

imagine the difficulties of those directly involved in business are facing. I know this from speaking to a number of businesses around the country and in my home county of Wexford in particular. The committee needs to stress the need for the EWSS to be extended in the national recovery plan. We must make clear for the staff of hotels and pubs that open that we should consider extending the EWSS until the end of the year or, at least, until businesses are back on their feet. I echo Ms Fitzgerald Kane's concerns on the cap on the CRSS.

Ms Fitzgerald Kane is right that the witnesses are involved in a people business. This is not about bricks and mortar but people. With some exceptions, they have not had people on the ground for the best part of a year. If we move towards opening in June, will there be enough staff in place to open effectively? What lead-in period will be required to upskill and train staff?

I refer to what Mr. Cribben stated at the start. It is about giving targets more than giving hope. The difficulty for the Government is that it is dealing with many moving parts. Would the witnesses accept a scenario in which the Government signalled that the hospitality sector would open on 15 June, subject to certain criteria, including the number of hospitalisations, the R rate and mutations? Would they be happy to have the sector open if clear criteria were set out? However, if we were going in the wrong direction one or two weeks before that, the opening date could be postponed. The worst thing we could do is open the sector and then tell everyone they must close two weeks later.

Mr. Adrian Cummins: Our industry is 100% based around people. We need approximately eight weeks' notice to get our industry back up and running and get people on rosters, retrained, reskilled, upskilled and sourced. We have lost many people in our industry. We need a co-ordinated approach by all State agencies. We need a national hospitality and tourism skills directorate for our industry going forward.

Ms Elaina Fitzgerald Kane: There are acute shortages even with so many people laid off. There has always been a shortage in chef skills. My colleagues have shortages in front office, food service and accommodation staff. A considerable amount of work is being done on front-loading, upskilling and cross-selling opportunities but it will not be enough. Ideally, we need a lead-in period of six to eight weeks but we cannot be prisoners to that either because of the all important impact of July and August.

Senator Byrne can see in County Wexford that what happens in those months buoys up the rest of the year. That is in a normal year but this not a normal time. We have a hole over the last 12 months. The Senator has raised an important point. A contingent date has been announced in Belgium but we have never known the difference between levels 1, 2, 3, 4 and 5. It is important we understand and there is a plan in place so that everybody has something to work towards.

Deputy Malcolm Byrne: Has the IHF or any other representative group quantified the scale of the potential skills shortage? The witnesses know how many people have been leaving the industry. If they do not have that information with them, they can submit it to the committee after the meeting?

Ms Elaina Fitzgerald Kane: Some 160,000 people are currently not at work and a tsunami of people leaving. Some of it is due to the difficulties they have encountered from a mortgage perspective. People are being precluded from different things. We will submit that information to the committee to give it an understanding of the wider impact.

Mr. Mark McGowan: The most important part of this is an extension of the employment wage subsidy scheme until normal levels of business resume. As with my colleague, Mr. Anderson, my head chef moved into construction, so that is two people on this panel alone. The problem is evident.

We are in the people industry. It is different in that we will need approximately eight weeks to have our staff trained up. A warming up period is required because it takes a certain amount of stamina to get back up to full tilt and to ensure our teams are fully trained and aware of what is happening. Business recruitment costs are also high. The more time we have to plan, the better.

Mr. Pdraig Cribben: To respond to Senator Byrne's question on applying criteria, we understand this is a volatile situation. What we are looking for in the roadmap are the criteria that will apply. We are not seeking dates but we will be happy if the Government can give us dates, subject to certain criteria. However, on a number of occasions last year, we were told on a Thursday or Friday we could not open on a Monday. That wrecked people's heads. It wrecked them financially and mentally. This is not an industry that can restart at the flick of a light switch. There are a host of things that must be done. I ask that it is not left until the last minute to pull the plug.

Mr. Donall O'Keeffe: We fully accept there is significant uncertainty, variability and many moving parts. The number that changes the game for our industry is the percentage of the population that has to be vaccinated before we are allowed to reopen. If we had clarity on that number and could see on our television screens every night how the country was progressing towards achieving it, that would give us hope and some idea of the point at which we can reopen. It is important to provide some hope for us in summer 2021.

Chairman: I thank Mr. O'Keeffe and Senator Byrne. Deputy Mattie McGrath is next and he has six minutes.

Deputy Mattie McGrath: I might not use all of my time because most of the questions I wanted to pose have already been asked. I welcome all of our guests, thank them for their attendance and sympathise with them, although sympathy and empathy is not much good to them. I am as frustrated as they are. I am meeting people from all over the country and I know that there will be skills shortages in the future. One cannot blame people for moving into truck driving or other areas with more job security. Having to let staff go three times is just shocking.

I would be very critical of the Government because we have not had any certainty. There are mixed messages all over the place. There was even a court case this morning relating to public worship. The Government had to withdraw to try to determine if there is legislation in place to ban public worship. The Chairman is aware of what happened with regard to a priest in Cavan. I am flattened by the inertia and the lack of coherence and cohesion. I read reports in the Sunday newspapers suggesting that even Cabinet members were not being kept in the loop. The Rural Independent Group, as members of the Opposition, used to be briefed every fortnight by the Taoiseach. That happened up until November but we have not had a briefing since 15 November. The witnesses want answers from us for their sector but we do not have answers for them which is an abject failure of the democratic process. I will be making my views known on that. I salute the ingenuity of the sector and thank the witnesses for the figures they have provided. I am bordering on depressed because of the lack of coherence. The North is opening up, as is England, but we have no roadmap. We have nothing to offer the witnesses. I thank them for coming in but I do not even expect them to respond to me. It is a sad situation

that there has been such a dearth of democratic response.

Chairman: I thank the Deputy. Does Mr. Anderson wish to comment?

Mr. Noel Anderson: We would appreciate the support of Deputy Mattie McGrath and the committee as a whole on a particular issue. I would like to circle back, if I may. I am here to represent publicans in Dublin as well as those in the rest of the country that have been closed for 372 days. They have not traded for one day. I ask for the committee's support in breaking down the divide between food-led pubs and traditional pubs. That cannot continue. I cannot describe how soul destroying it is for a publican to see a pub 15 yds up the road open because it serves burgers or chicken wings while his or her premises remains shut. Every publican should be on the same level playing field. Garda powers are in place now and it would be completely unjust, 15 months on, to continue with the divide. I am here to represent those publicans.

Chairman: I thank Mr. Anderson and assure him that he can rely on this committee's support in that regard. Indeed, that has been a common thread running through all of the presentations today. Does Mr. Cribben wish to comment?

Mr. Padraig Cribben: I just want to totally endorse what Mr. Anderson said.

Chairman: Deputy Cannon is next.

Deputy Ciarán Cannon: I thank all of our guests. They made very compelling presentations outlining how difficult this period has been for the sector. I assure them that there is a very deep awareness in Fine Gael of the challenges the sector has faced in the recent past and is likely to face in the coming months. This subject is discussed at length at our parliamentary party meetings. We will be having another such meeting this evening at 5.30 p.m. and I expect it will be discussed yet again. We have a group of Deputies and Senators who are acutely aware of the challenges the sector faces and who represent both urban and rural Ireland. I assure the witnesses that I will be advocating that any of the supports that are critical to the survival of the sector remain in place until such time as they are no longer required and there would be significant support for that within my party. If one looks at the response of the Government to date, one could argue that it has done an excellent job in extending supports that are unique to the sector represented by the witnesses. I have received many representations from other sectors seeking access to similar supports but that is simply not possible at this time in the context of the resources available to us. It has been acknowledged by the Government that the sector is the worst impacted of all and the supports that have been extended to it reflect that.

I support the call for this committee to advocate for the sector to have immediate representation on the tourism recovery oversight group. The sector is, by definition, an integral part of our tourism offering and always has been. I know from work done by the Vintners Federation of Ireland and others how important our pubs, restaurants and hotels are in attracting tourists from around the world. It is almost a no-brainer and would could ask why anyone would need to do research on that question. I assure the witnesses that they will have my support in their efforts to gain immediate representation on the tourism recovery group. Furthermore, they will have my support for Mr. Cummin's suggestion that they would have seats on the board of Fáilte Ireland and Tourism Ireland in the longer term. If an entity is established to determine how we recover and support our tourism sector and the hospitality sector is not represented on it, that must be resolved quickly.

If not today, perhaps Mr. Cummins and I could have a conversation in the near future on

the chef apprenticeship scheme, which he described as being cost prohibitive. I know from speaking to the current Minister for Education and to previous Ministers in that role that there is very significant ambition in the Department to enhance our apprenticeship opportunities. If Mr. Cummins is arguing that the apprenticeship process as it applies to his industry is cost prohibitive, I would like to learn more and I thank Mr. Cummins for making that information available to us.

I accept that the voucher scheme that was established last year has not succeeded in doing what was intended. Mr. McGann made the point earlier that we should find a way to use technology to allow for the seamless transfer of the voucher to the intended recipients in the sector. That is something we should explore in the short rather than the long term. The supports that are already in place are financial, in the main, including the wage subsidy schemes, rates waivers, the CRSS and the restart grant. Are there any other supports, apart from financial, that we could provide to the sector, perhaps in the regulatory space, that would help it to return to business and a successful trading model as quickly as possible? Is there anything that can be done within the regulatory environment that would make that process more straight forward?

Finally, I assure the witnesses that they have my absolute support and that of the Fine Gael Party in negotiating what are uncharted waters for all of us.

Chairman: I thank Deputy Cannon. There is only a minute and a half left. Mr. Cummins wants to respond to Deputy Cannon, as do Mr. Fenn, Mr. Anderson and Mr. O’Keeffe. I ask all of them to be as brief as possible.

Mr. Adrian Cummins: I thank Deputy Cannon for what are very good questions. An apprenticeship scheme is very prohibitive from a cost basis because when an apprentice goes to college, the employer has to pay the apprentice while he or she is there. In other apprenticeship schemes, the State covers that cost. The cost can be between €3,000 and €6,000, depending on the number of days the apprentice is in college. It is very cost inefficient for us and is not fit for purpose. We need to look at it from an efficiency point of view.

Regarding the regulatory environment, there are 22 different licences that we must deal with in the restaurant industry. One example is the outdoor seating licence. Applications for that licence should be moved online, the process should be uniform across the country and the fees for some should be waived during this crisis. We can determine how to reintroduce those fees in the future. Business improvement districts levies should be waived. Indeed, all such levies should be abolished while we are in this crisis. We need to make sure that everything is streamlined, fit for purpose and that costs are reduced for the industry. I will give way to my colleagues now.

Mr. Donall O’Keeffe: I share Mr. Cummins’s concerns about the cost of apprenticeship programmes. There is a two-tier system in operation. There are both old apprenticeships and new ones. Under the new system, employers have to pay for the off-the-job element as well as the on-the-job element.

In terms of the regulatory environment, certainly one of the areas of deep concern for our industry currently is the inflexibility regarding pass-through charges, which Ms. Fitzgerald Kane mentioned. An 80-bedroom hotel could be paying €2,500 per week in pass-through charges for water and electricity. That amounts to basically recycling the CRSS money. We would be very interested in seeing a change to the licensing laws, particularly in the context of bar exemptions for special functions. What is in place needs to be significantly updated.

Mr. Noel Anderson: I will brief. All of us on this Teams call are members of the Alliance for Insurance Reform. Insurance reform is extremely topical for us. I would like the committee's support on the asks from Peter Boland of the Alliance for Insurance Reform on the restructuring of the Personal Injuries Assessment Board, getting the Garda fraud squad up and running, for insurance companies to be held to account for how they have treated us over the years and that savings would be passed on to the customer.

Mr. Donall O'Keeffe: I would make two points regarding the regulatory environment. One is specific to the Central Bank, as financial regulator. We met representatives from the bank in January and suggested that while our sector remains in level 5 lockdown or, heaven forbid, enters level 5 lockdown in the future, an automatic mortgage payment break should be put in place. The financial response last April was very good because a sector-wide and industry-wide mortgage payment break system was put in place for six months while we were closed. It is now considered on a case-by-case basis. The entire industry, spanning pubs, restaurants and hotels, is in level 5 lockdown. A regulatory solution to provide for that would be that, during a level 5 lockdown, any business should automatically qualify for a mortgage payment break for as long as it endures.

My second point in response to Deputy Cannon's question on the regulatory framework for recovery is that, clearly, the wet bars have been the worst affected, but the late bars and nightclubs have been almost as badly affected and are facing potentially a slower reopening. The special exemption order costs are enormous. The regulatory framework around late trading is prohibitive, bureaucratic and expensive. We know the Government is about to embark on a process to re-examine late trading conditions. We certainly believe there is an extraordinary strong case to be made for making that far more business friendly and allowing the late bar and nightclub sector an opportunity to recover from the ferocious closure that they have endured.

Chairman: Does Mr. Fenn wish to come in on that point? I thank Deputy Cannon for his question and our guests for their responses. I will move on as I am conscious of the time. Quite a few members have yet to contribute. I call Senator Cassells.

Senator Shane Cassells: I thank all the witnesses for their contributions. Also, I thank those who contacted us in the past day or two ahead of the meeting. We had the opportunity yesterday to raise some of these points, as I did, with the Minister with responsibility for tourism who was in the Seanad yesterday for a two-hour debate on issues relating to the hospitality and tourism measures. We were able to bring to her attention the demands that have been laid out in respect of the CRSS payments, the commitment to the 9% VAT rate, rates waivers and so forth. I brought those directly to her attention yesterday. Also, and this is the crucial part, in terms of the roadmap, Mr. Anderson and others have spoken about the fact that tensions are undoubtedly rising with people wanting to get back trading. It is not about just the financial supports any more. People want to start trading as well. I would ask the three representative bodies about that. Starting with the Vintners Federation of Ireland and the points made by Mr. O'Keeffe and Mr. Cribben, during the previous lockdowns we saw a divergence between the way Dublin was handled and the way the rest of the country was handled. There are a few reasons for this. One related to the different rates of the growth of the virus in Dublin versus other areas. Mr. Anderson alluded to the crazy situation of pubs that serve food being treated differently from those that do not serve food, which only led to ludicrous scenarios, especially down the country, with pubs suddenly operating pop-up pizza parlours and so forth. That is nonsense and needs to be hit on the head straight away.

Is there a joint approach on the part of the Vintners Federation of Ireland and the Licensed

Vintners Association towards addressing this? The last thing I want is a divergence between the way Dublin is handled and the way the rest of the country is dealt with in the context of that roadmap. Undoubtedly, there is a difference between them even in the layout of pubs. Mr. O’Keeffe alluded to this point and said it should be done on the basis of space. For example, Mr. Anderson’s pub, Lemon & Duke, which is located down the road from these Houses and which we frequent, would be very different from the layout of my local pubs back home in Navan, Paddy Fitzsimon’s or P. Clarke’s Bar in Navan, which Mr. Cribben would know well. They are very different pubs. In terms of trying to get a one size fits all solution for all pubs around the country, do the Licensed Vintners Association and the Vintners Federation of Ireland have a joint approach to dealing with the Government when they get the opportunity to lobby?

On restaurants, I agree with what Mr. Cummins said 100%. He said 20% of them are only equipped for outdoor dining, which is interesting. As Mr. Cribben said, one is as liable to get a hailstone shower as a burst of sunshine. We dealt previously with the VAT rate when it was increased. Mr. Cummins stated that an increase in the rate would put people in the sector in a precarious position. He said 50% were on the verge of collapse. What is his fear for the members of Restaurants Association of Ireland for the rest of this year?

With respect to the Irish Hotels Federation, the Minister touched on the impact of the drop in revenue for the sector many times during yesterday’s debate. Mr. Fenn and Ms Fitzgerald Kane said there was a 60% drop in revenue. Obviously, the international market is key in the context of visitors coming to the country. The Minister referred yesterday to the digital green certificate but she made the point that we should not raise hopes about a quick return to international tourism. She played that down very significantly. If that is the case, what impact will that have on the revenue of the members of the Irish Hotels Federation if only the domestic market is allowed return for say the next 12 or 24 months?

Chairman: I thank the Senator. Is Mr. Fenn offering? I call Mr. Cribben.

Mr. Padraig Cribben: I bid the Senator a good afternoon and thank him for his question. It is fair to say that both the Licensed Vintners Association and ourselves from day one last March have been at one on the question of food and non-food pubs. I refuse to use the term “wet pub” because many of our members do not like it. I call them non-food pubs. We genuinely believe they should all be allowed open at the same time under the same restrictions and, if necessary, with the same sanctions. We believed that all along and that has been the approach of the Licensed Vintners Association as well.

Regarding access to trade, we are also of the one view that if it is outdoor access it should not be based on any set number of people but rather on the capacity to do that safely. As the Senator will know, whether it be in Athboy or in Navan, some pubs can take a certain number of people, some can take many more and some cannot have anyone outdoors. It must be based on the capacity to do things safely. I cannot talk for Mr. O’Keeffe but certainly my perception would be that we have been at one, we are at one and we will be at one.

Chairman: In the half a minute remaining, I ask Mr. O’Keeffe, Mr. Cummins and Ms Fitzgerald Kane to be brief in responding to the Senator’s questions.

Mr. Donall O’Keeffe: I confirm that the Licensed Vintners Association has worked hand in glove on this issue since the pandemic broke. We have the same goals. We believe in the overarching priority for all pubs to be treated equally and we will continue to believe that. On the point about the Dublin situation being slightly different, that was never driven by the asso-

ciation, it was driven by the public health treatment of the Dublin market and NPHEA making different recommendations for Dublin as opposed to the rest of the country. We are at one on this issue. We see the industry the same way.

Mr. Adrian Cummins: From the point of view of the restaurant sector, we have carried out very detailed analysis of our industry. A total of 50% of businesses have built up a huge amount of debt with their landlords since they closed and we feel they are on the verge of collapse. We need the business supports to be continued and doubled. We want to be very clear that we are very appreciative of the supports we have received to date but we want to make sure these businesses are intact when allowed to reopen under public health advice.

Ms Elaina Fitzgerald Kane: With regard to the broader numbers, overall tourism revenue is €9.2 billion and €7.25 billion of this comes from international tourists with only €1.95 billion coming domestically. This is in a normal year. When we have closure and partial reopening it is a completely different kettle of fish. Urban areas such as Dublin have been particularly affected and decimated. In Dublin prior to the pandemic 83% of hotel business came from overseas so we can appreciate how particularly affected it was. The remaining 17% was largely driven by concerts and other large events. As an island nation with a border it is critical that we get this right when it is safe to travel. The EU digital certificate is one form of how we can make this happen and it will be a critical part of safe reopening when the time comes.

We have looked at many of the surveys carried out overseas by Tourism Ireland. There is huge pent-up demand. Other countries do not get how closed we are. When we look at the statistics on the number of days closed versus our primary markets overseas, particularly the United States, there is a lack of connection between them. It is hugely important.

Mr. Tim Fenn: Ms Fitzgerald Kane has covered the key issues on overseas visitors and the particular challenges that Dublin has had. We are hoping that there will be an opportunity to have a summer season this year. It will be absolutely key to try to restore some degree of fuel in the tank for people to get through to the end of March or April next year. If we cannot do this we will be heading into a completely different scenario.

Chairman: I will have to move on very swiftly because five members want to contribute. I do not have time to get them all in but I will do my very best.

Senator Fintan Warfield: We have already covered a lot of ground and I do not want to go over anything again. I want to talk about licensing laws. Yesterday, I spent my time during statements with the Minister, Deputy Catherine Martin, speaking about night life and licensing reform. It has been said in more recent questions and answers that we can reopen the night economy on the same basis that it closed. I could give myriad numbers, and the witnesses know them all well, as to why we need change. In Dublin and other urban areas I see a huge need for space and venues. In many instances, I see people who would run events or who would open a pub or a venue opening cafes instead.

We have reached a point where we have approximately 20% of the nightclubs we had 20 years ago. There were 500 nightclubs in the State and it is down to 100. God knows what that will be after the pandemic. Pubs are not growing in numbers either. It has been referenced here that a number of things need to happen. The change being spoken about in licensing law reform absolutely needs to happen and businesses need to be given more flexibility. There is also consumer demand for 4 a.m. and 5 a.m. closing times. We need pubs, venues and restaurants to embrace the changes that I hope the Government will make. What is the response of

the witnesses to potential changes in opening hours? Is there an appetite among their members to meet the demand that exists for licensing law reform and for restaurants? Do the members of the witnesses' organisations want to provide entertainment later into the night?

Mr. Donall O'Keeffe: We agree entirely with the Senator. There is a need for licensing reform. Our submission to the night-time economy task force called for 5 a.m. trading to be available seven nights a week in our capital city under strict licensing conditions and for much later trading to become available. We think the special exemption order process in terms of cost and bureaucracy is completely out of date and will be an inhibitor to our recovery. The detail of how this is reviewed and modernised is very important to us. The capital city needs later trading to cater for obvious domestic and, please God, tourist demand when we reopen.

We note from the comments of the Minister on the proposed licensing reforms that she intends to regularise Sunday hours, something for which we have been calling for many years. We also note that she intends to provide new formal licensing for cultural venues. We have some concerns about this to be frank. We need to see the detail. We do not want it to be a backdoor into the licensed trade. There should be one simple rule, which is a level playing field with the same licensing and same costs for all involved in the selling of alcohol. We need to see the detail of what is involved in a cultural licence being granted and make sure it does not become a backdoor into the licensed trade and that it is for genuine bona fide cultural events. We will support much of what is proposed.

Chairman: Before Mr. Cribben speaks I ask him to switch off his video because we are having a technical difficulty. It may then reset itself.

Mr. Pdraig Cribben: I thank the Chair. We have no great objection to renewal or review of the night-time industry. We should look at why the number of nightclubs has faded over the years. In 2008, the cost of operating beyond normal closing time went to €410 per night but that was only the commencement of it. The other big issue, and Mr. Anderson referred to it earlier, was that it became almost impossible to get insurance for running anything that had a dance licence attached to it. I can give the example of somebody whose insurance was a six-figure sum at €108,000. He closed his nightclub, which was only running one night per week, and his insurance reduced by two thirds. Insurers have had an absolute aversion to looking at the night-time economy and anything alcohol related.

I echo what Mr. O'Keeffe said about the concept of cultural venues. We have seen various institutions over the years drive through a coach and four, and where they get an inch they take a mile. A theatre can offer drinks before, during and after a play and suddenly we find they are doing 21st birthday parties and 40th anniversaries. This has to be predicated on having the seven day publican's licence. What is important is that there is consultation before a decision and not consultation after the decision is made. We will play a positive part in this but it is against the background of knowing there just cannot be entry into the licensed trade by a back door or a side door.

Chairman: I asked Mr. Cummins to switch his screen back on before he contributes. I am not sure whether it will work but we can try it.

Mr. Adrian Cummins: We welcome the reform of licensing laws. From our perspective, the association was established to get a special restaurant licence established in the State. We need to modernise where we are. We need to look at where we lie from European perspective. If we want to attract tourists into the country they need to be able to access venues late into the

night. This is what the requirement is. We need to make sure we are fit for purpose. We also need to see what is being proposed. We represent pubs that sell food, restaurants, cafés and hotel restaurants so we have a broad family to keep happy. Importantly, we want to make sure that we see what is coming down the tracks. We are up for a reform of the night-time economy and making sure that businesses are able to trade profitably in those areas.

Chairman: Does Mr. Anderson want to come in on this one?

Mr. Noel Anderson: I was in the late night business and I got out of it for one reason only - insurance. The cost went from €7,000 to €47,000 over a seven-year period. It is insanity. The insurance industry sees the late night business as toxic because of the level of claims. Insurance is the single reason most people are getting out of late night business.

Chairman: I call Senator Micheál Carrigy.

Senator Micheál Carrigy: I welcome our witnesses. I am Senator Carrigy from Longford. I am the tourism representative for Fine Gael in the Seanad. To echo the comments made by my colleague, Deputy Cannon, this is an issue that is regularly discussed by us at parliamentary party level. I guarantee the witnesses that, as a party, we will be fully supportive of all the support measures needed.

It was said earlier that the Minister, Deputy Catherine Martin, was in the Seanad Chamber yesterday for a number of hours. That gave us an opportunity to put forward some proposals that were put to us and to re-emphasise the point about the 9% VAT rate. It is extremely important that that is extended for a number of years. It built confidence, led to a large number of jobs being created and international visitors in the sector prior to Covid-19 and post the economic crash. It is a successful model. It worked ten years ago and it is something we need to put in place and commit to into the future.

I was struck by Mr. Anderson's comments about the loss of experienced staff. The numbers were stark and make it difficult for any business to reopen. I think it was Mr. O'Keeffe who made the point that it is impossible to put a date on it but when a certain percentage of our population is vaccinated it will be safe, within health guidelines, to start to open up our economy. That is something we need to impress on the Government, which needs to give some certainty to the industry that when a certain percentage of our population has been vaccinated we can open up within certain guidelines.

I looked up the list of people on the tourism recovery task force. Ms Fitzgerald Kane is on it but there is no representative from the pub or restaurant industry. I agree with the point that there should be a representative from Fáilte Ireland on it because it is not just about tourism. It is about tourism and hospitality so we need to have representatives from the hospitality area on those organisations.

The point made that some landlords are looking to charge interest on rent arrears when people are struggling to survive is outrageous. We need to determine if legislation can be brought in to make that practice illegal.

I totally disagree with the two-tier system in terms of opening up hospitality, on which I have spoken numerous times. I am not be in favour of that happening next year. There should not be any difference in terms of dry pubs, wet pubs, restaurants or hotels serving food and so on. It created a divide within the industry which was not good.

We have not really tackled the issue of cheap alcohol. Looking at it from the outside, our pub industry is closed yet we are allowing the large multiples sell cheap alcohol. We made it quite easy for the younger generation to get drunk with the prices being charged. An underground drinking culture has developed. We have seen in the media the number of shebeens, etc., that have been set up across the country. I feel strongly that we need to address that issue. There were many discussions a number of years ago with regard to the minimum unit pricing Bill and it has not been introduced. That should be introduced if we are to rebuild our hospitality sector but also for the health and well-being of a younger generation.

Those questions are for the Licensed Vintners Association, LVA, and the Vintners Federation of Ireland, VFI, members. I spoke about this issue to the chair of my VFI in Longford, Gerry Lynn, on numerous occasions but the witnesses might give their views on it.

On the stay and spend scheme, I agree that an amended version involving a voucher should be put in place for the period September 2021 into 2022.

The one thing that should come from this meeting is that collectively across parties we support the industry. For any industry to recover it has to survive and we have to make sure that the measures are put in place to ensure it can survive. It is incumbent on us, and people throughout the country, that we support the industry in our own country and that we holiday in Ireland over the coming years.

Chairman: I remind everybody to mute their device while others are speaking because as they can hear, it causes some feedback. We have 30 seconds left. Mr. Fenn was the first to indicate on this occasion so I will give the time to him.

Mr. Tim Fenn: I thank the Chairman and the Senator. I take the opportunity to reiterate that the 9% VAT rate is vitally important. Across Europe there are 18 countries with a VAT rate of 9% or less. It is the right rate for this country. If we are to recover our industry and be competitive internationally, and we are not a low cost economy, it is vitally important that the Government recognises the requirement to leave the 9% VAT rate in place until at least 2025.

Chairman: I thank Mr. Fenn and I thank Senator Carrigy for his statements and question. I call Deputy Cathal Crowe who has questions and comments on this topic.

Deputy Cathal Crowe: I thank the Chairman for facilitating my participation in the meeting. Like everyone else, what we have heard this afternoon is compelling and harrowing. We all know local publicans, restaurateurs and hoteliers that have experienced upheaval in their way of life in the past 12 months.

I want to touch on a few points and I will try not to repeat what others have said. A few people talked about utilities standing charges. I am speaking with regard to gas and electricity. I have been dealing with a number of businesses at constituency level. I met with Ms Fitzgerald Kane and her colleagues in the Irish Hotels Federation. I have been doing some work on this. In the past week I have been in contact with the Commission for Regulation of Utilities, CRU, and it came as somewhat of a surprise to me that it operated a scheme last year from 1 May to 31 July. That period was the peak of the first wave of Covid-19 when pubs, and virtually everything else, were closed. The CRU operated a temporary supply suspension scheme. Within that scheme 200,000 electricity customers and 27,000 gas customers would have been eligible to apply for this support. Of the 27,000 gas customers, only one in 12 availed of it, and of the 200,000 eligible electricity customers only one in 20 availed of it. I was flabbergasted

by that. I contacted the CRU during the week to ascertain the reason this scheme was not still operating because as we have heard many businesses, pubs in particular, are now in their 13th month of closure. It cited that it was due to lack of take-up. I would say it was due to a lack of information because the few businesses around me at home were not aware of this scheme or were not fully aware of their eligibility. It is shocking that, one year on, this scheme has been discontinued.

Various people told us earlier that the Covid restrictions support scheme, CRSS, the commercial rate suspensions and all of the different supports are valued yet more is needed. There is no magic wand but it is unforgivable that the Commission for Regulation of Utilities would still not have fully grasped this problem. I will read some figures into the record. The utilities bill for one month of a hotel nearby me at home was €9,700 and only €4,500 of that related to usage. That is a colossal standing charge, which is absolutely crippling. Bearing in mind that the CRSS provides a maximum of €5,000, it is unsustainable. Could Mr. McGann explain why members of the Vintners Federation of Ireland have not fully availed of this or are they all not qualifying for it? Perhaps he would respond to that and I will have other questions for other representatives.

Mr. Padraic McGann: Can you hear me?

Chairman: Yes, we can.

Mr. Padraic McGann: It is lack of information, and that is under many other headings. They have not been told anything about it. That is a crime. That does not apply to just that single item. There are many other headings we never hear about.

It has been fabulous listening to this today. I am from a small village in a small community. There are many of us out here who are suffering. All of us here today have used one word. The one thing that is needed immediately for every one of us, because we are all planning to reopen in a few months, is money. Money is what makes the world go around and it would give us an opportunity to plan our opening. That is what the Government needs immediately, and I ask the committee to convey this to the Government. Money is available. We have all been short of money in this country since we were born. Now there is money available, but it must be made available over a long period. I suggest ten years. Five years is the maximum if one goes to the banks. It should come through the enterprise boards. We are going to be almost two years without doing business and it will be five years before Covid will be eradicated and we can get back to our 2019 turnover. Money is what is needed to get all of us off the ground.

Deputy Cathal Crowe: There are others offering to speak, but I have other questions and we have limited time. What Mr. McGann just said covers it all. There is a lack of information. He said it was criminal not to know. Absolutely, and the audacity of the CRU in the month of March 2021, one year into Covid-19 and closure, to say that there is a lack of interest and lack of take-up is morally wrong a million times over. When one thinks that cumulatively 227,000 business customers, not all of them, could potentially have availed of this in terms of alleviating cost burdens, that is wrong. It is criminal. This committee must immediately ask for the reactivation of that scheme and for a nationwide campaign to ensure hard-pressed businesses avail of a maximum discount in utilities.

I will bundle the last few questions I wish to put. Can Ms Fitzgerald Kane tell us, briefly, if there is any pathway for weddings to resume? Not every hotel is blessed to be on the Wild Atlantic Way or in the centre of Dublin city. Many small town hotels rely on weddings every

Saturday afternoon when 200 people arrive for receptions. Accommodation is booked and there are meals. The supply chain from the local butcher and local farmer is huge. Everything depends on it. We are a shade below peak Covid. It is hard to conceive how this may happen over the coming weeks, but I am hoping the people in the industry might outline how the Irish Hotels Federation see a pathway to that.

I have a final question for Mr. McGann. I believe the pub model that will be most impacted post Covid is the rural leased pub. I will explain what I mean. If there is a family pub that has been passed down through the generations, it does not have a mortgage. It has overheads but the owner will eventually be able to turn a key, open up and somehow cobble together and get going again as a business. If one is fortunate enough to be in a town or a city centre, there will be footfall owing to the location of the pub. However, there are many pubs, and I can think of many in County Clare, in which somebody, three or four years ago, decided to take a different pathway in life. These people leased the pub, be it at the top of the village or at the crossroads a mile from town. They leased the pub and do not own it. They are struggling to pay rent at this time. I believe that is the pub that will go under. Ultimately, that is the rural licence that will be sold, never to be seen back again.

Perhaps Ms Fitzgerald Kane and Mr. McGann would respond to those two questions.

Chairman: I have to move on in order that Senator Ollie Crowe and I can contribute. I hope our guests will have an opportunity to address your questions in the next round.

Deputy Cathal Crowe: I thank the Chair.

Chairman: I thank the Deputy for bringing that new information to our attention. I call Senator Ollie Crowe.

Senator Ollie Crowe: I thank the Chair for facilitating my contribution this afternoon. I thank the representatives from the Vintners Federation of Ireland, the Licensed Vintners Association, the Restaurants Association of Ireland and the Irish Hotels Federation their excellent presentations. As Senator Cassells stated, the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, Deputy Catherine Martin, was before the Seanad yesterday and, as a fourth generation publican, I proposed a training programme for the entire hospitality sector. As was alluded to in earlier contributions, there will be big staff shortages when we reopen. The Minister assured me that would happen. To state the obvious, we must open all pubs on the same date, as well as the entire hospitality sector. Naturally, as we move forward, we need an increase in the financial supports. Personally, I am working with the Government in respect of the implementation of minimum unit pricing under the alcohol Bill, which is for the betterment of all our people.

Moving to insurance, I commend Noel Anderson and three other vintners across the country on taking on the might of the insurance industry and getting a successful outcome in recent weeks. That is welcome for all business people. We have seen the frustration of the industry and the hospitality sector at the way insurance companies have carried on over the last number of years. With regard to the banks, to say they have been abysmal is putting it mildly. I have contacted the Minister for Public Expenditure and Reform, Deputy Michael McGrath, and the Department of Finance about this issue. The insurance reform group is working on it. It is critical that the insurance issue is addressed, as has been outlined with regard to the costs of the hospitality sector.

All of those involved in the hospitality sector have called for a roadmap to bring certainty to the current situation. As Mr. Cribben stated, we are not looking for a date. What we are seeking is that by the end of June 80% will be vaccinated and by the end of July in excess of 80% will have both vaccinations. That will give us the certainty we require.

Finally, I assure the hospitality sector that it has my full support and the support of the Government to reopen and get up and running successfully at the earliest opportunity.

Chairman: We are tight for time, but I would appreciate it if the members would indulge me and let me say a few words. I will then invite our guests to wrap up, if that is okay.

Like my colleagues, I am very passionate about this industry. I am from a county and constituency in which pubs and restaurants are the lifeblood and heart and soul of what remains of the main streets in our towns and villages. That is particularly so in rural parts of the constituency. I commend the businesses that are able to operate at present in some form. They are the businesses that can provide food. I have seen it in Bailieborough where Bailie Hotel has rallied to find a new way of doing things by being able to provide a takeaway service for food. Everybody is sick of cooking at this stage. However, I feel sorry for the businesses beside them that are closed because they do not provide food or because the business is a non-food pub. That has been massively divisive and has done a great disservice to towns and villages throughout the country.

I have a question for Mr. McGann. I have had the lovely experience of being in his lovely village pub in Monivea, County Galway. Like a lot of villages across the country they do far more than just provide a service. They provide a social amenity where people can meet up, an amenity that has been absolutely wiped out. Many businesses are run on pride, having been passed on from generation to generation, without ever having been sustainable even before the pandemic happened. Those people and families had felt a real commitment to their communities to stay open and to provide that social amenity for people to meet up. The villages' banks are gone, the post offices are gone or the local shop is gone.

On the businesses that have been run as a civic duty to communities and which may not have been sustainable in the first place, have we an idea about how the long period of being closed may have provided an opportunity for people to get out of those businesses? Have we an idea as to the number of pubs that will not reopen?

I thank our guests for being here. The committee heard some staggering figures, some compelling statistics and some harrowing stories. I give the witnesses our assurances that as a committee, we will certainly work on all of the issues raised. I am very interested in speaking further with Mr. Cummins about the training apprenticeships. This is something that we must raise with the Minister, Deputy Harris, to make it more attractive to business people. It certainly would not make any sense that they would pay college fees, which is exactly what is happening and it is cost-prohibitive.

Perhaps Mr. McGann will respond to my questions and then we will bring in any of the other guests who want to contribute and to wrap up.

Mr. Padraic McGann: The Chairman's question is hard to answer but I will be honest. I would say that 30% of rural pubs in Ireland are not sustainable. They are giving a service to their community. They do not have their doors opened. The committee may be aware that many pubs did not open their doors until 2 p.m., 5 p.m., or like myself 7 p.m. The pubs are giv-

ing a service to the community. As was said earlier, a lot of the other services are closed. This is their pride and passion. To close that door would be like going into the grave. This may take a few months or six months but I believe it will take a year before we realise how many will close. This is the reason a lot of them are not closing. It is their passion and it is about keeping that door open. They would feel so bad about it. It is because of the three or four generations before them. There is nothing left in rural Ireland for it to be a sustainable business. As we know, many places opened takeaways, which I did also, to keep the business going and to give a service to the community. The other services are not in small communities and they have not been supported by any Government in the past ten years. The way small rural pubs are at the moment is a very sad state of affairs and especially going forward with regard to rearing a family or anything like that.

Chairman: I thank Mr. McGann.

Mr. Adrian Cummins: I thank the Chairman and the committee for listening to our concerns here today. We look forward to welcoming the committee and the people of Ireland back into our premises, pubs, restaurants and hotels, once public health safety allows us to do so.

The Chairman asked about apprenticeships. It is very important that a hospitality and tourism skills directorate be set up to co-ordinate all skills for our industry. This can be either a unit within SOLAS or it could be a reconstituted CERT, such as we had in the past, or some equivalent. We need one organisation to be in charge of tourism and hospitality training.

On the issue of insurance, we must drag every insurance company into the courts to get them to pay what they have to pay out on business interruption claims. This is totally unfair. The Central Bank is not doing what it should be doing on this matter. We have had numerous meetings with the Central Bank and we feel that it must explain why insurance companies are not paying out on business interruption claims. Businesses are having to go to court to get what is right for them.

Thousands of employees and businesses in our industry are tuning in to this committee today. They need hope, they need a roadmap, and they need to know they will have a job or a business to go back to some time this summer. This is the big message we want to get out of this committee today.

Mr. Pdraig Cribben: I will come back to an issue raised by Deputy Cathal Crowe earlier on the gas and electricity. Many people did apply but the businesses were turned down. Many of our members live over the business but if one was living over the pub, one did not qualify and quite a number were turned down because of that.

I thank the Chairman and the committee for giving us this opportunity. I hope that we have been able to demonstrate that the two things this industry is short of are cash and hope. Cash is always hard to come by. Hope is somewhat easier in the context of what we are looking for in respect of a roadmap. I ask the committee, in its report, to impress upon the Government the immediate need in this regard. Some time next week, we are going to get the next tranche of what the Government's thinking is on reopening the economy. I do not believe it is good enough to just look at what is going to happen in April. The Government must look beyond that to what will happen for the rest of the year, adding in the criteria to which Senator Byrne alluded, that this will not be a guarantee or certainty and that there may be caveats. I thank the members for giving us the opportunity and we look forward to seeing the committee's report and support for the issues we raised today.

Ms Elaina Fitzgerald Kane: Some 270,000 people, whole livelihoods and whole communities are dependent on tourism and hospitality. We have delivered before. We were the number one creator in the aftermath of the last financial crisis, although it was a very different crisis. The supports are critical now but as the hope of reopening is being pushed out, there is a need to increase those supports. Equally, while we have been assured of no cliff edge, we need a sense that these measures will be in place until the end of March 2022. This is what it will take to actually get back to walking on our feet; not running.

The biggest measure of success now is to bring 270,000 people back to work sustainably. We have the legacy from last year. The outlook is so poor and there is such little hope. These are the words that have been used a few times. It is the hopes of people around staycations, the hopes of wedding couples, and it is the 270,000 people in our industry. I want to reaffirm that what is needed is commitment around supports, a sense of confidence from the Government, the commitment to the vaccination programme and a sustainable roadmap built on engagement that recognises the scale of decimation.

I thank the committee for all of its efforts and for its continued support. It really makes such a difference.

Mr. Mark McGowan: I thank the committee for affording us the opportunity, as an industry, to get our points across. The likes of the voucher scheme are nothing without businesses. We need the supports to make sure we can follow through. There would be no voucher scheme without the businesses being there for people to spend the vouchers in the first place. I hope this does not fall on deaf ears. I thank the committee again for the opportunity to speak today.

Chairman: I appreciate the witnesses' time and effort, as well as their presentations at the beginning of the meeting. There is a commonality between the papers that have been presented. It is very clear to the committee what it needs to do in terms of its communications with the various Ministers and the Government overall in moving this forward and being as helpful as we can to ensure that the industry has supports, a roadmap and a future. We will endeavour to do our bit to ensure that is done. I thank the witnesses again for joining us today.

The joint committee will adjourn until 11:30 a.m. on Tuesday, 30 March 2021, when we will have a private session meeting on Teams, followed by a meeting in public session at 12:30 p.m., virtually via committee room 3, with representatives from the Irish Music Rights Organisation and from the independent volunteer group Give Us The Night. The latter will take the form of a round-table discussion on the impact of Covid-19 on the entertainment sector.

The joint committee adjourned at 2.51 p.m. until 12:30 p.m. on Tuesday, 30 March 2021.