

DÁIL ÉIREANN

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

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

Dé Céadaoin, 29 Meitheamh 2022

Wednesday, 29 June 2022

Tháinig an Comhchoiste le chéile ag 1.30 p.m.

The Joint Committee met at 1.30 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Alan Dillon,	Malcolm Byrne,
Brendan Griffin,	Annie Hoey.
Imelda Munster,	
Johnny Mythen,	
Christopher O'Sullivan.	

I láthair / In attendance: Deputies Chris Andrews, Marc MacSharry and Joe McHugh and Senators Niall Blaney and Paul Gavan.

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

Social Outcome Contracts in Irish Sport: Discussion

Chairman: I believe everybody is well settled and has had an opportunity to get their breath again. Our guests, witnesses and those joining us in the Gallery are all very welcome today. I have received apologies from Deputies Fitzpatrick and Munster and Senator Cassells.

I welcome our guests. We have representatives from Rethink Ireland, the FAI, UEFA and the United Nations Educational, Scientific and Cultural Organization, UNESCO, to discuss social outcome contracts in Irish sport. As I outlined, this meeting has been convened in committee room 1 with representatives from those organisations, whom I sincerely and warmly welcome on behalf of the committee.

Mr. Liam McGroarty, strategy manager with UEFA, is very welcome. From the FAI, I welcome Mr. David Courell, chief operating officer, and Mr. Ger McDermott, director of grassroots football. I also welcome Rethink Ireland's chief executive officer, Ms Deirdre Mortell, who is joined by her colleague, Mr. Mario Vottero, who joins us via Microsoft Teams. Finally, I welcome UNESCO chair manager, Ms Catherine Carty. I think we have included everybody. Our guests are very welcome.

We are getting used to doing things in person again, which is great. Some of our colleagues may join us from their offices via Microsoft Teams so witnesses may see some people on the screens or some may be here in person. We have a speaking rota and, obviously, the Dáil and Seanad are sitting so people will come and go. It is no disrespect to the witnesses or their presentations; it is just how things happen in Leinster House. Everything happens back-to-back. The witnesses should not take any offence when people leave or anything like that; it is probably because another meeting is happening. As I said, people will come in during the meeting as well so pass no remarks, as they say in Cavan.

I have a little bit of housekeeping to go through around Covid-19 and stuff like so I ask everyone to bear with me. The format of the meeting today is that I will invite all of our witnesses to deliver their opening statements, which are limited to three minutes. These will be followed by questions from my committee colleagues. As witnesses are probably aware, the committee may publish the opening statements on its website. To limit the risk of the spread of Covid-19, the service encourages all Members, visitors and witnesses to continue to wear face masks in crowded settings on the campus.

Before I ask our witnesses to deliver their opening statements, I will explain some limitations regarding parliamentary privilege and the practice of the Houses as regards references they may make to other persons in evidence. The evidence of witnesses physically present or of those who give evidence from within the parliamentary precincts is protected, pursuant to both the Constitution and statute, by absolute privilege. There are also witnesses who may be giving evidence remotely from outside the parliamentary precincts, however, and as such may not benefit from the same level of immunity from legal proceedings as a witness who is physically present. Such witnesses may think it appropriate to take legal advice on this matter.

Witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity 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. Therefore, if their statements are potentially defamatory in regard to an identifiable person or entity, they will be directed to discontinue their remarks. It

is imperative that they comply with such direction.

Members are reminded of the long-standing parliamentary practice that they should not criticise, comment on or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable. I remind members of the constitutional requirement that they must be physically present within the confines of Leinster House to participate in the public meeting. I ask members who are contributing via Microsoft Teams to identify themselves when contributing for the benefit of the Debates Office staff preparing the Official Report and to mute their microphone when not contributing to reduce background noise.

I ask everyone to ensure their mobile telephones are on silent, in airplane mode or switched off, whichever they prefer.

I welcome Deputy Andrews, who is joining us today, and Deputy MacSharry, who will be joining us later this afternoon.

I invite Mr. McGroarty to make his opening statement on behalf of UEFA and the FAI.

Mr. Liam McGroarty: Go raibh maith agat, a Chathaoirleach. Tá áthas orm seans a bheith agam labhairt ar an ábhar tábhachtach seo. UEFA has engaged academics, econometricians and industry experts to quantify in financial terms the value of amateur football in more than 40 countries. The UEFA social return on investment, SROI, model assesses 30 different social, health and education outcomes by gender, age and frequency of participation. To date, the model has been freely shared with other sports, including Irish rugby, Finnish basketball, football and floorball, and European badminton. It has received endorsements from the UN, WHO, the Council of Europe and the EU as the best evaluation tool in sport today.

Being able to quantify in financial terms the impact of physical activity in a very granular way means it is possible to put values on very specific outcomes for specific cohorts of people. It opens the door for private investors to invest in social outcomes. This financial instrument is called a social outcome contract, SOC. Since 2019, the European Investment Bank, EIB, has been investing in SOC. Upon assessing the UEFA SROI model, the EIB has committed to testing the feasibility of a SOC in sport in two member nations.

A SOC is the reverse of grant funding that is awarded based on outputs written in a grant application and scored by a committee or individual. A SOC begins with identifying a social issue that needs an innovative solution. Funding is secured from the private sector. If the desired outcomes are achieved, only then does the public sector pay the agreed rate. The private investor bears all the risk. There has been significant investment in sport at national and local level over recent decades, but the same hard-to-reach target groups remain inactive. Most sports are designed from a sporting perspective, with athlete development and competition structures receiving the bulk of human and financial investment at local and national levels.

Sport, by default, delivers on many social outcomes. However, it is not common to see sport designed specifically with social outcomes as the primary objective and the primary focus of funding or investment. It is more difficult for clubs from disadvantaged areas to access grant funding. A SOC provides the expertise and opportunities to address this deficit. I will give an example. Bright Star Boxing Academy in the UK was formed in 2016. It was staffed by three volunteers and affected 80 children. In 2020, it benefited from a SOC, receiving £150,000 of capital to deliver on four social outcomes. Today, it has 13 full-time employees, operates four

sites and affects more than 400 children. It has a turnover of more than £500,000 and it generates profits.

In Ireland, the national sports policy rightly divides sport into competitive and recreational sport. The policy speaks about deepening evidence and knowledge on the value of

sport. It expresses the intention to develop investment evaluation models tailored to the Irish context and to collaborate beyond the sporting sector. The values that underpin its vision are that funding needs to be based on outcomes, and monitoring and evaluation is critical to that. Achieving the ambitions of the policy will require estimated funding of €220 million annually by 2027, which is double what was provided in 2017. A multi-annual funding commitment is advised and the policy also recognises the need to secure additional private investment.

SOCs are completely in line with the sports policy. Three developments can attest to this alignment. First, the FAI and the IRFU have applied the world's best social impact tool in sport in this country. Second, the Minister for Housing, Local Government and Heritage has committed to collaborate with sport and pay for social outcomes in two local authorities on a pilot basis. Third, Rethink Ireland can generate the private investment to set up a pilot SOC in sport today.

To finish, I will describe in concrete terms what a SOC in sport could look like. The annual cost of treating type 2 diabetes in this country is €6,600 per adult. Science shows there is a 50% reduction in the disease in people who are physically active. Let us say there are 20 adults in a community who have been assessed by their GP as being prediabetic. If a qualified coach is contracted to provide six hours of sport per week for these people, 66% of them will not become diabetic, which will save the State €30,000 per year. The coach will earn €10,000 that he or she did not get before and the club will receive money for renting its facilities. The State will save at least €10,000 as a consequence of the provision of this single health benefit for a tiny group that is currently under-represented in sport.

Chairman: I thank Mr. McGroarty for his insightful contribution. I am sure my colleagues will have lots of questions for him in due course. The next speaker is Ms Carty.

Ms Catherine Carty: Investment in sport for development is a growing marketplace that is showing remarkable returns across social, educational, health, well-being and economic domains. Growing evidence of the powerful impact of sport-based investment makes sport a core development tool, an enabler of the UN's sustainable development goals and a strong proposition for enabling societies to build back better after the Covid-19 crisis. Investment outcomes are evidenced from data built from the bottom up, that is, from local implementation in grassroots sport. Thanks to innovative financing strategies, outcomes data can now create scalable, inter-sectoral and inter-agency funding opportunities, stimulating real opportunities at the grassroots level.

Through its new global alliance, Fit for Life, UNESCO is creating innovative opportunities for newcomers to realise this full investment potential. Fit for Life is a world-class international consortium that researches the impact of sport participation while growing its data bank of research. It delivers robust SROI data to create low-risk, outcomes-based investment opportunities to scale up funding in this area. Central to the Fit for Life programme are SOC, which offer potential partners, such as development banks, an effective, measurable framework to build capacity and promote sustainable development.

SOCs represent a powerful new vision for sport investment and a win-win-win proposition for investors. SOC data accurately predict the multi-sectoral cost savings of a sports-based implementation. This risk-averse approach allows governments and investors to pay only for outcomes recorded and verified independently. Early adopters, including governments, development banks and philanthropic organisations, are already tapping into this market, piloting proof-of-concept SOC, building local data and preparing to scale up their investment. The most advanced of UNESCO's SOC projects is a partnership with the Development Bank of Latin America, CAF. UEFA's chair at Munster Technological University, MTU, is collaborating with CAF on this pilot initiative. This SOC targets the priority areas of disability, equal access and inclusion in physical activity. Ireland is well-positioned to become a champion in outcomes-based investments in sport for development by partnering with UNESCO and Fit for Life. UNESCO and Fit for Life invite interested investors to support project development and scale up and pilot their own social outcomes contracts. Contracts are flexible and developed based on critical outcomes relevant to the ministries overseeing sport, health, finance, education, inclusion and many other areas.

Ireland's national sports policy core values align entirely with this outcomes-based investment approach. Both are evidence-led and outcomes-focused. Both prioritise monitoring, evaluation and accountability, promote inclusion and seek to foster collaboration within and beyond the sports sector. Partnering with Fit for Life is an ideal way for Ireland to advance national objectives using a win-win-win investment approach at the cutting edge of sport for development.

Chairman: I thank Ms Carty. Ms Mortell will speak now on behalf of Rethink Ireland.

Ms Deirdre Mortell: Rethink Ireland was created by the Government to stimulate philanthropy coming out of the recession. We bring together philanthropy raised from multinational and indigenous companies, private donors, families and anywhere else we can think of, together with Government funds, to tackle Ireland's critical social and environmental issues. We do that through providing grants and, critically, capacity-building supports to non-profit organisations, some of which are charities and some of which are not, at grassroots level around Ireland where they have developed an innovation that tackles a critical social or environmental issue. We have raised €85 million in the last seven years to do that. We have backed over 300 projects to grow in scale across the country. We have a significant track record as Rethink Ireland in public-private partnerships.

We are also a trusted partner of the Government, having been established by it - although we are independent. We are a non-profit and a charity ourselves. Our Government funding tends to come - through the Dormant Accounts Fund - from the Department of Rural and Community Development, with which we work very closely. We also work with other Departments, however. Really, we see our role as supporting Departments to solve their policy implementation challenges where backing innovation at grassroots level can help do so.

In 2021, the European Investment Bank, EIB, advisory hub agreed to fund a social outcomes contract feasibility study with the Government. The client is the Department of Further and Higher Education, Research, Innovation and Science, with Rethink Ireland facilitating this. The main purpose is to assess the potential for the take-up of social outcomes contracts in Ireland. It is divided into two phases. Phase 1 is complete, which is an overview and assessment, and phase 2 is just about to start, which is an outline for a specific pilot project, which is why we are here to talk to the committee today. We can learn so much from other countries. What I mean by that is we do not have to invent this wheel. As an example, there have been 227 so-

cial outcomes contracts in the world that have raised more than €500 million. We are currently finalising that pilot. We know there is limited public-private collaboration in this country and this has the potential to unleash it.

Most importantly, what can we do? We have experience in Rethink Ireland in supporting social innovation in sports. We are a partner on the feasibility study and a trusted partner of both Government and philanthropy. The kinds of outcomes we can look forward to are improved health and wellness physically, improved self-image and confidence emotionally, and participation, friendships and community and civic engagement in terms of social outcomes, all of which we need to see much more. If we keep doing the same things, we are going to get the same results. This is an opportunity to break out and try something different based on international learning and the capacity we have across these organisations in this country.

Chairman: I thank Ms Mortell. I thank all our guests for their very comprehensive presentations to the committee today. I will now invite my colleagues to come in. I welcome Deputies Griffin and Dillon who have also joined us. We will begin with Deputy Mythen, who has five minutes. The floor is his.

Deputy Johnny Mythen: I thank our guests for coming in. It is nice to see them all. It makes sense that we expand our thinking on the benefits and power of sport. We all know the power of sport is phenomenal. It has a real impact on different individuals in communities and their well-being, as well as playing a social justice role with social outcomes contracts. For instance, we had the campaign to stamp out racism in sport, which is very good.

In terms of measurements and metrics, how are social outcomes monitored? I have a fear about the smaller clubs. How do they get a look in? Is there a mechanism or do the witnesses' organisations have experts to go through the system with the people who are involved? I find it is very often so cumbersome and complicated. Most of these people are volunteers and do not have that support. Supplying that is vital. That is the first question.

Mr. Liam McGroarty: I can take that question. The first part was about the measurements and metrics we use. We follow the UN sustainable development goals, SDGs, and the indicators developed by the UN on the goals relating to sport. We follow a very standardised approach. There are approximately 30 different metrics. The academics and econometricians who sit behind the model are the best in the world in terms of the best way to do this. It is not easy because most econometricians look for causality - if one does A then B happens. That is very hard to prove so they have come up with a method of doing that, which we have shared with UNESCO, the World Health Organization, the UN and so on.

The Deputy's second point, which was really good, was about small clubs that might be run by volunteers and how they measure their impact. They barely have time to make registrations up for players etc. We have cascaded this model right down to a club level. In Finland, 600 clubs are using this system. The data is pulled from the national system. For all the athletes who are on national systems in Finland, that data is pulled through application programming interfaces, APIs, so that when a club secretary logs on, all the players and coaches from that club are already in the system. They can add in new elements like the cost of electricity or of a physiotherapist, or if there is an over-45s walking group or an over-60s football group. They can add additional elements.

The idea is that the tool is designed for local use. Today in Ireland, local football clubs are using it. A local sports partnership, LSP, is starting to use it, as are rugby clubs. It is absolutely

right that it has to be used at the local level. They are the people who deliver the outcomes and they are the ones who should be the recipients of the investment.

Deputy Johnny Mythen: I thank Mr. McGroarty. Any of the witnesses can answer this question. Do we have a mechanism or proofing system that ensures we do not support private investment for social outcomes contracts from companies with vested interests? A fast-food entity, for example, could be accepted as a sports social outcomes contract investor. What way is that funding done? Can the witnesses tell me more about the management of Government funding and grants? I would like more detail on how that works and how we ensure value for public money.

Mr. Liam McGroarty: I can begin and Ms Curran might jump in on the question on ethics in private investment and whether there is a way to scrutinise private investors to see if they are legitimate and if they genuinely care. It is normally a blended form of investment so there will be a philanthropic investor and then a private investor. Once the philanthropic or social investor is connected to it, ethics is built into it because they want to see the outcomes. They are not there to make money.

Big Society Capital is the biggest investor in the UK. It comes from *The Big Issue*. It wants to make its money. It wants to make its 4%, 5% or 6% but it actually invests in building the capacities at a local club level. The actual investors get invested in the outcomes as well. I do not think there is a regulatory body above but Ms Curran might correct me on that. I do not think there is a regulatory body.

I might jump back on the Government funding and grants question. I am not clear on exactly what the Deputy's question was.

Deputy Johnny Mythen: It was about the management of Government funding and grants. I would like more detail on how it actually works and how UEFA gets value for public funding.

Mr. Liam McGroarty: In a social outcomes contract instrument. Okay. To begin with, we must put a value on the outcomes. If it is treating type 2 diabetes, what does that cost the State? We come up with a system to put a price on either children leaving school early or who are not involved in sport or adults who are not involved in lifelong sport. We come up with a financial value for that. That financial value is checked with the Minister concerned. The Minister for Education will say he or she agrees that the price we have for that outcome is reflective of what the Department sees, and an agreement is made on what is called a rate card. A contract is developed to establish what amount should be paid back if a club makes an impact on two outcomes and 20 people. It is like a normal contract with terms and conditions relating to when it is paid back and how to verify that this has happened. We believe Ireland's role would be very much about managing the contracts in order that everybody is in agreement on the rates, when they should get the money back and on what conditions they get it back. Some get money back based on 60% of the outcome being achieved and others when 100% is achieved. It is very much managed by an authority outside of the parties. We believe Ireland could be the independent authority that manages the contracts and the financial transactions.

Ms Deirdre Mortell: I will take an example from the UK. Mr. McGroarty referred to Big Society Capital, which is the main funder of social outcomes contracts in the UK. It comes out of the Government although it is independent. It is similar to Rethink Ireland. It has had 22 social outcomes contracts in the past ten years that generated €1.418 billion in value. The benefit to cost ratio was 10:1. This means that every pound spent by the UK commissioners to

generate social value generated £10 worth of value. This is how the economics or cost-benefit analysis works.

To take it down to the grassroots, what Rethink Ireland does is manage the contracts between all of the various stakeholders, including the Government funder that only pays if the outcome is achieved, the investors who put in the money upfront and take the risk, the delivery partner, which could be a football club, sports club or athletics club that does the hard work, and an independent verifier. It is not as though a football club just states it has achieved the outcome. There is an independent verifier, trusted by all parties, to state that the football club did so, which the investors, the Government and ourselves believe. The independent verifier stating this means the outcomes are met and the Government should pay. If the outcomes are not met, the Government does not have to pay. This is the risk the investors take.

The problem it solves for Government is that it is very difficult for to invest in the future because budgets are annual in nature. This makes it very difficult to state something will save money five years down the line. The investors take the risk and the Government only has to pay if the outcomes are achieved. This is the problem it solves in terms of releasing more money.

Deputy Alan Dillon: I welcome our guests, including Mr. Courell who is a fellow Mayo man. I wish him the very best of luck in his new role with the FAI. A social outcomes contract is a new concept for me. I am learning a lot as we go through today's session. I thank the witnesses for their opening statements and briefing material. Mr. McGroarty said social outcomes contracts provide the expertise to address the under-represented segments of society. Will he tease out how this is aligned with the national sports policy? He also highlighted that the FAI has applied a world-best impact evaluation model. How was the model derived? What does it entail?

Mr. Liam McGroarty: With regard to social outcomes contracts and under-represented groups, private investors will look for the best possible return. I will take as an example O'Devaney Gardens in Dublin. It is a tough area that would not be as good at applying for grants as Malahide. There is a different clientele with different connections and networks. A social outcomes contract would go into O'Devaney Gardens to see what it could effect very quickly in terms of increasing physical activity for various segments in society. They might look at men aged over 60 and decide they want to make sure they are physically more active than they are at present. The social outcomes contract operates best in an under-represented area because there is more return for the investor. The traditional grant system is not as effective in such an area because it does not have the wherewithal to make the grant application or the support services. This is why it would be effective in such an area.

To go back to the question on the FAI and the IRFU applying the best model, UEFA designed the model over the past four years using many academics and a huge amount of literature from around the world. The FAI took all of this data. We got all of the information on health metrics, education metrics and unemployment. We applied these to the generic model, as was done in rugby. UNESCO, the World Health Organization, the UN and the EU have assessed the model as the best in the world. There is nothing like it. It is applied in the Irish context using Irish data and GDP. This is why we say it is the best model applied in the Irish context.

Deputy Alan Dillon: I thank Mr. McGroarty. Is there a dedicated resource in the FAI that evaluates this on an island basis to best understand where social outcomes contract can be implemented in each area to raise the profile of the sport? Is this what we are speaking about? Is this where Rethink Ireland comes in? Does it support various types of projects to ensure there

is private investment if it is required or philanthropy?

Mr. Liam McGroarty: Football is pushing the agenda but there is no commitment to any sport. A social outcomes contract is for all sports. It is not only for Ireland, it is global. We work with UNESCO. From a UEFA perspective, we feel a bit of a responsibility to all sports because we have the wherewithal to work on this. I have shared this with the GAA, rugby and Sport Ireland. They all have access to the model. The intention of a social outcomes contract is to effect a social outcome. Whatever sport does it, be it athletics, basketball or boxing, is perfectly fine. It does not matter which sport does it. The investors will want the best sport to achieve the best outcome because they want to get their money back. It is more about the social outcome than the sport. The right answer in one part of the country might be football. It might be cricket in another. It will depend very much on the outcome. It is definitely not football specific.

Deputy Alan Dillon: My next question is for Ms Carty. What are the characteristics that make Ireland one of the most well-positioned countries to champion this? What makes Ireland unique in this situation?

Ms Catherine Carty: With regard to the inclusive agenda the Deputy referred to, Ireland holds the UNESCO chair that has global responsibility for implementing UNESCO's inclusive policy actions in sport. Since the sustainable development goals came on the scene in 2015 we have been very engaged and involved with UNESCO on the agenda of no one being left behind. This has been a policy priority throughout UNESCO, the WHO and in other areas. The Irish Pavilion at the World Expo hosted an event on this topic in January during sustainable development goals week. We brought together all of the global stakeholders in this, including UEFA, UN agencies and other multilateral organisations and those involved in sport and sport development, to advance the agenda. It was probably the most collective meeting of this group of experts. It very much defined where UNESCO and other lead agencies globally believe this should be taken.

Ireland is well positioned. We have been on this agenda for a number of years. We have a very strong international reputation on inclusive policy actions and their implementation at a policy level and with regard to building grassroots capacity, including to address the needs of volunteers as was mentioned earlier. We are very strong on this. The national policy objectives very much align with this in terms of the inclusive agenda, monitoring, the unique framework, the unique partnerships and bringing in other stakeholders beyond sport into the agenda. We are very well positioned to deliver.

The international activity that has taken place with an Irish stamp on it has been very well recognised abroad and has been a great opportunity. Mr. McGroarty and Ms Mortell have given examples of how that has been implemented nationally. As we look for new financial instruments, this is one that can give assurance. At a Government level, it is almost zero risk. It is an appealing area. We lead the inclusive policy actions from a global perspective and this is a good opportunity for us.

Deputy Alan Dillon: Great. It was mentioned previously that a pilot SOC would be implemented. Is that a reality? Is it being worked on actively?

Mr. Liam McGroarty: Finland has piloted the first SOC. It is overseen by the Ministry of Education and Culture. Finland changed its law a few years ago and children must now stay in school until they are 18. It changed from 16 to 18. The change did not go down well with

young people and they started to leave school *en masse*. Basketball, floorball and football were used to keep children in school longer and the sports get paid based on retention levels in schools. The other example being developed is in Romania. It will not be part of the EIB initiative, but the Romanian federation is undertaking one on well-being and health for women. Historically, women have been excluded from physical activity in Romania. A pilot is being undertaken to explore how to engage more women and girls in sport using a SOC.

Ms Deirdre Mortell: Regarding Irish readiness for a pilot, this has been the purpose of the feasibility study funded by the EIB here. The first phase is complete. It was found that there is a demand for philanthropy to move into this space and a demand from the Government to move into outcomes-driven funding. We have gone that far. The second phase is just about to start. This will explore how we can design a pilot SOC in Ireland and where we should do it. All the arrows are pointing at sport.

Deputy Alan Dillon: Come to Mayo.

Chairman: I thank Deputy Dillon. I call Deputy Griffin.

Deputy Brendan Griffin: The pilot could be based on who wins the all-Ireland this year. That might be a way to decide. I thank the witnesses for coming in. I appreciate their time and efforts. I will be quick because other speakers wish to contribute. Regarding the sports capital programme, which is a major programme of funding for sport, do the witnesses believe there is a role for what they are trying to achieve in that context? Is there scope to incorporate the SOC principle into the sports capital programme? Notably, the most recent programme is being reviewed. Will the witnesses' organisations be feeding input regarding the workings of the programme into that process? Would that be helpful?

One of the biggest scourges in sport in Ireland now is the involvement of gambling and gambling money. Is there scope to help there through the use of this model? Is there enough leeway in the national sports policy to incorporate what the witnesses are trying to do?

Mr. Liam McGroarty: I will start off again, if it is okay with the group. There is a role in respect of the sports capital programme. As Deputy Griffin will probably know better than I do, the biggest challenge is getting the 10% to 30% of local funding to access some of the sports capital funding. A SOC could perhaps be the way to address that deficit. Returning to the earlier point about under-represented groups, it is hard for some communities to access the sports capital programme. This initiative could be a way to help those groups to access it and to achieve a more even spread around the country. I was not clear on the query concerning the challenges in respect of gambling. I was not sure about that question. The Deputy's final point was on-----

Deputy Brendan Griffin: The national sports policy.

Mr. Liam McGroarty: I have read the policy several times. There is much commonality with it. It begins by talking about the impact and evaluation tools we must design to see if we are getting bang for our buck and if this is the right way to invest in sport. The national sports policy aims to increase the percentage of people physically active to 50%. That has stagnated and the percentage has decreased. This was partly because of the impact of Covid-19, but the national governing bodies, NGBs, also need to do more. We must do much more at the local level. This initiative is giving private investors an opportunity to invest in sport and to give local clubs more capacity. People are the biggest challenge in our sports. We are extremely

reliant on volunteers. They are greatly important but we must structure more support around volunteers to enable clubs to connect with under-represented groups.

Deputy Brendan Griffin: What I was getting at in my question on gambling was whether the SOC model could be a way of replacing that money. Many sports are extremely dependent on gambling money. It is certainly not an ideal situation. I refer to the impacts on broader society as well, which we will not go into here. Is the SOC initiative an opportunity in this context? Are we on to something here in respect of how we can get rid of the dependency on gambling?

Mr. Liam McGroarty: I am not too sure if it can be an antidote to the gambling aspect. What this model can do is to allow the commercial sector to be more involved in grassroots sport and corporate social responsibility, CSR, than brand recognition and a focus on eyeballs etc. It can allow the big sponsors to invest in social outcomes, as opposed to advertising their products. It could be the same for gambling but I am not quite sure if it is the solution for the challenges related to gambling and sport.

Ms Catherine Carty: I will address some of these points as well. I thank the Deputy for the questions. Concerning his comment on the sports capital programme, there is an analogy here with where the development banks' programming was at several years ago. They are very interested stakeholders in the SOC model. Development banks and their initial funding model used to focus on infrastructural development in developing countries, but that has now changed and broadened. Those development banks now recognise the need to change how they finance initiatives. They want to go more into a programming space, given the developments in recent years.

Regarding the sports capital programme, which has been extremely successful and changed the availability of facilities across the country, a diversity of input into the programming component would also be very welcome. We hear this a great deal from the marginalised population groups. While the infrastructure may be in place for access to sport, those groups have specifically stated that the barriers they experience are often not overcome by the addition of infrastructural developments. Therefore, linking into the social outcomes would be a strong addition to the sports capital programme. Returning to the example of the development banks, and the context where they used to invest just in the capital aspect of projects, those institutions are now investing in programmes alongside capital investment to address things like equality, diversity, marginalisation, human rights and all those areas.

Turning to the Deputy's mention of gambling, one of the issues regarding the social outcome contracts and the link Mr. McGroarty mentioned to the sustainable development goals and indicators is that integrity, good governance, better governance and new standards in sport are all part and parcel of the delivery of the social outcome contract. In essence, therefore, the initiative should hopefully elevate all aspects of sports from participation to inclusion, but also the governance and integrity side. Even from volunteers' point of view, contact with and reach into that domain will change how people perceive their responsibilities and roles in sport and, hopefully, make it possible to address the gambling issue through that route.

On the national sports policy, there is mention in the current action plan from 2022 to 2024 of the role of MTU's UNESCO chair as a critical stakeholder in reflecting the importance of international work in measuring the contribution of sport to the UN's sustainable development goals. It assigns responsibility, alongside the Department, to MTU's UNESCO chair and demonstrates interest in this two-year period alongside that. As Mr. McGroarty said, the SOC's are entirely aligned with the UN sustainable development agenda, which in turn is entirely

aligned with a human rights-based approach that is designed to touch on marginalised population groups and how they may access and experience sport nationally.

Chairman: Is Deputy Griffin finished?

Deputy Brendan Griffin: Yes

Chairman: We try to give people as much time as they need. I go now to Deputy Andrews, if he has questions.

Deputy Chris Andrews: I thank the witnesses for the presentation. Like Deputy Dillon, this initiative is new to me and it certainly seems interesting. On the companies aspect, and Deputy Mythen referred to this point, and concerning those involved in the drinks or gambling industries, will they invest? Would that not be a conflict of interest? Would there be concern regarding the role of such companies in particular projects? Mention was also made that the Minister has committed to collaborating with sport and to pay for two SOC's in two local authorities. What will that look like? Which are the two local authorities? How will it work itself out?

With regard to SOC, will that work through an NGB, such as the cricket NGB, the FAI or whatever, or will it work directly with the particular group? Also, there was reference to applying for grants and grant funding. There are disadvantaged areas that struggle to do that. Is there a concern that the big three in Irish sport will have an advantage over the smaller NGBs spread across the country?

Ms Deirdre Mortell: On the first question about who the investors are and whether there is an integrity or ethics issue, and another Deputy raised that too, that is very simply a case of designing that into the pilot. If Rethink Ireland is the one managing the pilot, we will be designing that in. Our vision is of a more just, equal and sustainable Ireland because of social innovation and we will not be participating in any pilot SOC that cuts across that. It will be up to us to raise the investment so we will be looking at who the potential investors are and how we can screen for vested interests or any conflicts of interest. That is a pretty straightforward process. It is a design issue. Part of what we are saying in the next phase of the EIB is: how do we design that pilot and what are the key issues? Clearly that is one of the issues that must go on the table in that design.

Mr. Liam McGroarty: On the question about the Minister's commitment to test two pilots in two local authorities, there is no more detail on that. He understood the concept right away and understood that it is new funding going in at local authority level to a sports entity. What is clear is that it will not go to a NGB. It is very much focused on the club that is delivering the service. The club is the service provider and the contract will be with the club to deliver on the social outcomes. Mr. Courell will speak about it, but there will be some onus on the NGB to be sure that the capacities are there at the club, be it the coaches or the governance. The NGB's role is to make sure that is correct.

Mr. David Courell: I thank the members for the invitation to join the committee today. Before I respond to the question, I appreciate I did not have an opening statement but I wish to frame the FAI's representation here today. As mentioned by our partners, this is available to all sports should it be piloted. The context is that UEFA is leading from the front and we are sitting here, shoulder to shoulder, in support of this because we genuinely believe it is an innovative concept that could deliver multitudes of value across the landscape, not just for soccer but for all codes around the country.

In response to Deputy Andrews's question about the delivery model, as Mr. McGroarty said, it is not intended to be direct to NGBs. This is intended to go straight to the sharp end of delivery where it is needed most and where it can have the most impact. It will be the clubs that would apply through some sort of process that it is hoped Rethink Ireland or another body would run, and they would be either awarded that money directly or potentially via LSPs to deliver on the ground. That would then bolster that team of volunteers who we all know, and Deputy Mythen mentioned this earlier, are under a lot of strain. They would be bolstered with administrative capacity to deliver on these programmes effectively and efficiently.

Mr. Liam McGroarty: That answers the question about the big three. It is definitely not designed for the big three, but for which sport would have the biggest impact on a certain social outcome in a certain demographic. That could be boxing, cricket, volleyball or any sport.

Ms Catherine Carty: To add to that point, I gave the example in Chile. UEFA is very heavily involved in that example as is UNESCO. It is paralympics sport we are working through to deliver the sporting opportunities and they will be across a range of sports in that context. The partnership is broader than that.

On the point about the ethics, there is some guidance established internationally. We do a lot of work with the WHO. Ms Mortell alluded to it, but one can establish broad criteria such as no work with arms and tobacco companies, which would typically be WHO's main standard. Those types of standards can be put in place for anything that operates in Ireland.

I also mentioned the Fit for Life initiative that UNESCO is using to promote this approach internationally. By becoming a part of that initiative, Ireland has the opportunity to garner the expertise from other SOCs that are operational around the world, leverage that expertise and contribute to it. As was mentioned previously, there is a lot of Irish contribution into the development internationally. Learning from others, being a part of a global movement in this area and garnering the expertise are on the table.

There is also linking to initiatives. We mentioned inter-agency collaboration and cross-departmental collaboration. There are projects we are examining at present in terms of their capacity to deliver on this, and perhaps beyond grassroots sport to physical activity opportunities to be active. We are currently developing a project looking at people with enduring mental illness, particularly schizophrenia bipolar condition. We know from some pilot work that was conducted that the readmission rates to hospital for people engaging even in small amounts of physical activity show quite a return on investment for that type of activity. We are looking across the range from getting people active to various different types of sport engagement for this type of thing. By getting on board this initiative and this novel financial instrument, which is taking a hold internationally, we can benefit from that expertise and bring that to hold in Ireland to address some of the challenges we have had over the years in sport.

Chairman: I want to follow up on something Deputy Andrews asked. Mr. Courell, you talked about the clubs. I will take the example of a small soccer club in a very rural part of the country. You said that this would put the supports in place. Clubs and their volunteers are very hard pressed to have the administrative staff for putting an application form together. When you said that support will be put in place, how does that manifest itself in practical terms?

Mr. David Courell: My understanding of the delivery model is that the funding would go to supporting roles that would be dropped into respective pilots.

Chairman: That would come from the fund itself.

Mr. David Courell: Yes, that would come from the fund. It is effectively creating job opportunities as well, which is another benefit of this solution. It may not be full-time; it might only be ten hours per week. If those individuals do not already have the appropriate skills, they will have to liaise via the NGB, be that in cricket, rugby or soccer in this example, to get the relevant qualifications to then be able to engage the cohort that is being targeted. I hope that answers your question.

Chairman: It does. I wanted to figure out how it will work. Is Deputy Christopher O'Sullivan ready to speak or will I continue to our colleagues?

Deputy Christopher O'Sullivan: Yes, go to our colleagues as I have just arrived at the meeting. I will speak later.

Chairman: I call Senator Blaney.

Senator Niall Blaney: Thank you for accommodating me today, Chairman. I am particularly pleased to be here for this presentation. I welcome the deputation. I also welcome a former director in the FAI, Mr. John Byrne. It is fair to say that when Mr. Byrne was an employee of the FAI he had the ear of every party in the House. There was a great relationship with the FAI when he was there and I acknowledge his presence today as well.

This is a great initiative and I thank the witnesses for their presentations. Everyone here is aware of philanthropy that is willing to engage in something like this. Mr. McGroarty gave figures when he spoke about the 20 individuals and the savings to the State. That is probably across not just health, which is massive in itself, but also education outcomes, improvements in justice and improvements in society and communities, and helping build communities. This is a really smart initiative. I commend the witnesses on it. Based on their figures, if this was to be rolled out as they would like throughout the country or even a county, are there any projections of the savings that would be made? Mr. McGroarty mentioned an LSP that has just taken it on. Maybe it is too early to ask but will he have figures for that LSP concerning the outcomes there? It is important we see on the ground how this will happen.

Where does it go from here? It is important, as an Oireachtas, that we make something like this work. Being from Donegal and being involved over the years in many clubs and applications for sports capital, I noted that the clubs that had the smartest individuals filling application forms are the ones that did best. That is not really a proper outcome of delivering funding. This is a much smarter approach and more geared to those who need it most. I particularly like that idea, so well done.

Mr. Liam McGroarty: We have not scaled this up throughout the country as to what the savings would be, but in the national sports policy, on health alone it estimates there is a €1.5 billion cost to the State arising from the physical inactivity levels of the country. That is one metric and if other elements are added and employment opportunities are created through sports clubs to deliver services, the economy is added to and money is taken away from the social budget for people requiring social services and help from the State. It is new in sport. There is only one SOC in sport in the world today and that is in the UK. Financially, it is a huge success. It has achieved all its outcomes. The investors received all their money back. There are 17 different payers. There are 13 local authorities, the Department for Digital, Culture, Media and Sport, and Sport England. They pay these 17 clubs for the services. They have saved the

state £1 million in 18 months. They are doing four different social outcomes. We need to test the concept, keep it small and see how we can make it work in Ireland, learning from Finland, Chile, Romania and, it is hoped, the Netherlands. We will learn as we go. It is quite new and we possibly have a lot to learn. Having Rethink Ireland, which is very advanced and expert in this space, is a great benefit. Where we go from here is a baby step. We should just test it and take it from there.

Senator Niall Blaney: It is important that all Senators and Deputies are kept abreast of this because it is a smart programme and sells itself. It is important everybody is kept abreast of the metrics as the programme moves forward. The quicker this can be rolled out, the better.

Deputy Joe McHugh: I welcome the delegation and acknowledge this forward thinking or rethinking. It is good to see representatives from Rethinking Ireland here as well. When we talk about sport in Ireland, we look at all the positives at local level. We are fortunate. We have GAA pitches, we have had a successful sports capital programme down the decades, and the physical structure is quite good compared with different countries. We are playing catch-up with countries like France which invests €40 billion of Government and private funding in its sports facilities.

I would like to get the witnesses' thought on access. Invariably, when a club leads on an application, there are criteria in the application saying the facilities will be used within the community and accessed by all the community, but in some instances that does not happen. I do not mean sports facilities *per se*. I am talking about schools as well. Every new primary or secondary school built now has a gymnasium. What percentage of them are closed at 3 p.m. or 4 p.m.? What sort of forward thinking has gone into the area of physical activity, nutrition and the curriculum, especially in light of the new leaving certificate programme where physical education is on the curriculum in many schools on a pilot basis? That eventually will be rolled out nationally. Since Covid, primary school children are in the yard much more during break time and even class time in some instances. The value of physical education has never been more accepted as an important factor in a child's development, not just in a sporting sense.

The first thing to accept is we need more investment. Even though we have a good standard and infrastructure to an extent, we can go further, especially when we look at a lot of municipal facilities in the North. If you go to a GAA tournament or cross the Border from Lifford into Strabane, there are many communal sports facilities there. Whether it is athletics, soccer, Gaelic games or rugby, there is a sharing of facilities. How will this model incorporate that vision and take access into consideration, including access for all sports to shared facilities, as well as gender and age inclusivity?

I recently hit the half century. Senator Blaney and I used to kick lumps out of each other on a football pitch between Glenree and Whitestrand. When we hit the ripe old age of 30 or the early 30s, we all gave up sport. We talk about health, longevity and people's improving health standards. How many people have been active sportspeople and eventually get to a stage where they are not active anymore?

How does the model look at access, age and gender inclusivity or is it left to the clubs? Is it hands-off? Is it just a mechanism, a construct and a way of attracting private investment? Is it just looking at those criteria, or is part of the model about encouraging access and inclusivity? No doubt Ms Carty and Ms Mortell's organisations would be into that in terms of their philosophy. I especially acknowledge the work UEFA and the FAI do in trying to bring boys and girls along at a grassroots level and not just a national level. I was in Georgia last week and

they look at our infrastructure with envy. UEFA and the FAI's umbrella, focus and national and international vision are helping to lift countries up. I acknowledge that and Mr. McGroarty's work through the FAI and UEFA down the years.

Mr. Liam McGroarty: I will start off with a couple of answers and then Ms Carty will come in on the question about inclusion, which is very important. I was always glad I was playing on Senator Blaney's team, as opposed to Deputy McHugh's team that kept kicking lumps out of people.

We have the same evidence about the facility. A little boy or girl in Moscow competes with 80,000 other boys and girls for a place on the football pitch. A little boy or girl in Mayo competes with 1,200. We have analysed the football facilities across Europe and we punch above our weight. The investment by the State in facilities has been fantastic. Facilities are not the big challenge. At the heart of it, as Deputy Mythen and the Chair mentioned, is that at the club level we are reliant on volunteers. An SOC allows us to professionalise a workforce that will support volunteers to do more and better. That is one point on access.

The second point is on the Bright Star Boxing Academy in England. Their biggest learning was that the boxing club was not close enough to the kid who needed it. The way we have designed our facilities today is that they are often outside of the town. A developer will have bought the inner city area and built a block of flats. Now, the elderly and young people who live there cannot access a facility because it is two or three miles away. The under-represented people will not go looking for that physical activity. We have to bring it to them. The biggest investment by the boxing club was in buses. They were able to bus the children from the disadvantaged areas and make sure they got to the boxing club. Access is about more people who are a bit more professional and who can administer, promote and encourage physical activity for lifelong engagement. As the Deputy said, the way sport is designed today is we want to get the best people as quickly as possible and everybody else does the best they can. We need to design it for our elderly people. We are becoming more elderly. We are living healthier lives for longer. We need that physical activity. The second point is about buses.

On the other piece about data and evidence, and the national sports policy speaks about this, we are not capturing enough data and evidence to say what is impactful and makes more people be physically active. We have to be better at how we capture data by using better technology and social media to track who is using our facilities. There are a great number of facilities today that are lying empty for most of the hours in the day when the elderly could be using them. Schools could open their grounds on the weekends, and so on. That point is around data and usage. Monitoring insights on that would be good too. Perhaps Ms Carty might like to speak on the inclusion piece.

Ms Catherine Carty: On the inclusion piece, there have been gradients in participation in Ireland over the years. There has been some improvement in that, but it is by no means at a level we would like. We are in the process of concluding a project with the Irish Human Rights and Equality Commission, IHREC, where we had discussions with a wide range of marginalised population groups on their access to sport in Ireland. We are not at the stage where that access is anywhere near where it needs to be across disability, ethnic minorities, Traveller populations, low-income groups and a range of population groups who experience marginalisation. There is a lot of work to be done in that.

There is a human capacity gap here. Mr. McGroarty mentioned professionalising the workforce. We would welcome that as well. There is a new policy due out, it is hoped imminently,

on education for sustainable development. That approach, which aligns with the SDG indicators Mr. McGroarty mentioned, and given the SOC is built around that data, will change how those working in the sector in Ireland can embrace inclusion. At the moment, much of the work we do to ensure the workforce, or even the volunteers, can work with marginalised populations is based on a cohort of people in that sector who have not really dealt in their pre-vocational training with working with marginalised populations. The approach of education for sustainable development, which is a new policy emerging from the Department of Education and the Department of Further and Higher Education, Research, Innovation and Science will address this.

We have also developed a programme that is free and available for volunteers and sports clubs around the community to address this competence within the staff and volunteers who work with them. It is called TRUST: Sport as it should be - fun, fair, clean, safe, equitable and accessible. That is available to support those staff who want to know how they can include someone with a disability or how they can ensure their sport offer is available throughout the life course at all levels. That is something we want to do.

The Fit for Life programme, which I mentioned, is by UNESCO, is about health, sport and education partnerships. Again, that brings together the expertise that is needed to address these inequalities. Inequality is at the forefront of that development. It is one of the main principles of the sustainable development agenda, which means leaving no one behind. It is a case of building that capacity and that we cannot really say we are developing if we are continuing to leave people behind and leaving people out of the loop. It is a policy priority of that agenda globally that has been embraced on the international level and, indeed, in the Irish national policy that seeks to address inclusion gradients and access gradients. It is one that needs work, but addressing that capacity within those who emerge from programmes and courses that equip people to work in the sports sector is where we need to fill that so that we no longer retrofit inclusion and rather arm people with the competence to deal with it.

People going into work in the sports sector sometimes tell us they do not feel confident or competent to include beyond what was traditionally a mainstream population. They feel a little lost. It is a matter of building that competence and confidence to enable people, everyone from a volunteer to someone emerging from a university programme, to be competent and to feel happy to work with these population groups. When they do that, it is a positive experience. It impacts positively on the organisation, on the individual and on the families of people who have disabilities or others who feel themselves marginalised. As Mr. McGroarty said, reaching out to those communities is something that came through strongly from the work we did with IHREC recently on the TRUST project. They are not going to come to you. Sports clubs throughout the country say they are open for everyone, but until the perception is there among these population groups that they are genuinely open for everyone and have something to offer, they will not rock up to their sports offer on a Saturday morning and expect to be included. They need to go to where these people are and invite them.

Another issue is social values and social outcome. The social component of that sport engagement is critically important for this population group. It is what enables them to integrate into their communities and to feel involved and welcome. They need to be involved and welcome at all levels, not just as a player or participant, but in making decisions within the club, being on the board and getting involved at all levels. They are some of the outcomes that can be built into this. The impact of that extends from their involvement in sports participation into their willingness to engage with education, with the rest of their community, with the workforce

and with other aspects. It has a huge multiplier effect. That is the value of that social outcome.

The Fit for Life initiative and engagement with that will help to bring those tools to the grassroots organisations and to the policy level in Ireland to enable us to look at how best to mobilise this nationally. That would be a good way to go.

Deputy Christopher O'Sullivan: I feel we are all going to be leaving this meeting with a Donegal accent.

Senator Niall Blaney: You could have a worse one.

Deputy Christopher O'Sullivan: Exactly, you could have a Cork accent. I took time to read the opening statements. I apologise for missing the initial opening statements. It was unavoidable but I did read them. I apologise if I am asking questions that have already been asked.

Certainly, it strikes me, as a project and idea, as something we can really get behind. It is our job to dig deep and find out if there are any potential negatives or issues. Listening to Ms Carty on the inclusivity piece and how advantageous that can be, it is hard to find any. One question we have to ask and which may have already been asked is whether the witnesses believe it is ethical for private investors essentially to be able to make a return and make money from socially disadvantaged areas or from people who find themselves in disadvantaged positions?

Mr. Liam McGroarty: I can start and then Ms Mortell can come in as well. It is a very good question regarding the ethics of private investors making money on disadvantage. The positive is that, without that private investment, it would be the *status quo*. People would not get advantage. They would not get the benefit. I mentioned a little earlier too that there is a blended format. It is not just private equity investors looking for their return. Many of the investors are social investors who genuinely care about the outcomes, and there is philanthropic funding as well. There is a mixture of funding. At the end of the day, because new money is being offered for new outcomes for people who currently do not get those outcomes through the sports sector, you will have an easier conscience with the private investor making a bit of money.

Ms Deirdre Mortell: I have two answers to that. In the first one, and I am sort of repeating what Mr. McGroarty just said, is it ethical that people do not have access at the moment? I would turn the question round. That would be my first answer. On the second, looking at inclusion in sports and at social outcomes, it has been very difficult to target funding there in a way that is effective and impactful in Ireland. There are a couple of reasons. One of them is that sport is not a charitable objective and therefore the deployment of philanthropy, in particular, into sport at local level has been limited. I do not want to say there are no cases where this has happened. Of course, we all know where there are cases. However, if we look at other countries, the scale of deployment of philanthropy into sport at club level is nowhere compared to a number of other countries. The way we see it, this is another tool in the toolbox of how to get finance into inclusive sports at local level. Whether they are marginalised communities, people who do not typically participate in sports or whatever other type of marginalised group it is, we need more tools in our toolbox and this is one of them.

There is no guarantee that this would happen, but what has happened a number of times in other countries is that for pilots in particular, it is social investors rather than commercials who come to the table. An example would be from the UK, where it has often been existing founda-

tions that have endowments and are investing their endowments anyway for a return in order to make grants out of those endowments. They are looking for that 5% or 10% or whatever it is that year, so why would they not divert that from some kind of an asset fund into a social investment? They are still getting the investment, but they are putting their mission on the line. There are times when that kind of diversion is quite effective.

Deputy Christopher O'Sullivan: I am very conscious of time as I am running out of it. I appreciate that. In fairness, that is a very satisfactory answer to what could have been a tricky question.

Mr. McGroarty mentioned that with this project, sometimes it is hard to make policy now for what will bring long-term benefits and savings, particularly in relation to health and well-being. He mentioned a figure of overall savings. Could he give perhaps a more practical example, someone with perhaps an individual illness and the savings per person by a scheme like this and investing in grassroots sport like this?

Mr. Liam McGroarty: There are 30 different metrics in the social return on investment, SROI, model. It can be divided by gender, age, the type of activity and the frequency of activity. It is possible to put a financial value on 30 different metrics that we have. For example, if it is an elderly lady who will develop osteoporosis, we know that if that lady starts to be more physically active, she will increase bone activity, she will decrease hypertension and so on. We can then look at the health sector and cost of treating osteoporosis. The intervention we put in place, the contact we put in place with the private investor, the rate of returns and so on, will be much less than the cost to the State. We can individualise it on age, gender and specific health or social outcomes. We can do it in Ireland and 40 other countries. I hope that answers the question.

Deputy Christopher O'Sullivan: It answers it 100%. That is it. This investment saves long term. Whether it is on an individual scale or the grander scale, it saves in potential health costs down the line, which is certainly one of the main pluses of a scheme such as this.

Mr. McGroarty outlined very well the inclusivity part of it. He spoke about the outcomes from the perspectives of mental health, general health and social inclusion, etc. Even from the perspective of sports results, we can see the results of investment in grassroots sport in terms of performance down the line. We have, obviously, the sports capital grant. We had a fantastic allocation this year. I thank the Minister of State, Deputy Chambers, and the Department for what was welcome and very well received. Having said that, I still often think it is almost like a loaves and fishes exercise. If a group with a very high-level, excellent, multipurpose, multisport project, which is trying to cater for many different needs across gender, ability etc., is begging for scraps, it may have to scale that project way down. Because this is coming from private investors who get a return on it, could it be a way of improving investment significantly in grassroots sport and achieving better outcomes in terms of the project that is delivered?

Mr. Liam McGroarty: That would be the ultimate goal. There has to be investment at the high end. It is right that our sports invest to be competitive and win medals on the world stage, as sports should. That is the right thing to do. However, in every country, the investment is always very heavily weighted towards those outcomes, and that is okay. The social outcome contract, SOC, is bringing in new investment for the purpose of developing the grassroots so that there is a much wider base and it is affecting more people. That will have an effect on high performance at a later stage and will increase performances. However, that is not the goal. The primary goal is that more people will be able to access sport in a way that will affect their

health, education and employment outcomes. It will affect them on a much different level. It is new investment specifically for that outcome. The sports club is then designed to do that, as opposed to just doing it by default, and it is measured to do that. We are measuring the coaches, the dressing rooms and whether these places are better and more accessible for people because of the way this sport is designed.

Chairman: It is my turn and I will have to be brief. To be fair to all the members, I think everything has been explored to a very positive outcome.

I have two quick questions. We have heard time and again at this committee how girls fall out of sports at a particular age, often at 14 or 15. I think that is broadly the case across many sports. We are haemorrhaging young girls who are finished with sports. Has that been considered as one of the social outcomes from the SOC that Mr. McGroarty and UEFA are endeavouring to deliver?

Mr. Liam McGroarty: We have not gone down to the detail of which outcome we would look for. It absolutely should be considered. It is probably the biggest inequality in sport. We are bridging the gap, but probably not fast enough.

Chairman: This would be a good way to address that.

Mr. Liam McGroarty: Absolutely, and especially to get women back into sport again. Girls drop off a little later than boys do. Boys drop off earlier but they come back quicker, whereas girls and women do not get a chance to come back because of the way our clubs are structured. We do not put on programmes for them and - Ms Carty spoke on this better than me - they are not kind of welcomed in the way they should be as well. The gender gap has to be addressed.

Chairman: I wish to offer a suggestion. There are a lot of positive outcomes and potential with what Mr. McGroarty is suggesting. I was going to suggest that perhaps at another time, after the summer recess, we might invite him back in with the Department's sports officials to consider and explore the possibility of progressing this. What other actions can this committee take to help to progress this?

Mr. Liam McGroarty: I thank the Chair for the invitation. That would be a fantastic thing to do. We have already met with the Department and the Minister of State, Deputy Chambers. There is definitely a positive response from the Department. It needs to look at it because it is very new and so on. It would be great to have further conversation with them.

What this committee did today was brilliant. It raised awareness across all the different parties by inviting us to speak about something that is quite new. Getting that broad Government political affirmation and positivity towards something new in itself is huge. It is probable that having multiple Ministries involved in it, such as the Minister for Housing, Local Government and Heritage, would be good. It is great to see that there is cross-departmental support for it because SOC's are more successful when they are intersectoral. If it is just the Minister for sport, that is not enough. Championing the idea from a cross-governmental, cross-party perspective would be a brilliant contribution.

Chairman: If we were to do what I am suggesting and meet with sports officials, we should also bring in housing officials. Is that correct?

Mr. Liam McGroarty: Yes, exactly.

Chairman: Can I get support from my colleagues to do that? Perhaps in the new year we can explore that a little bit further and bring officials in from both Departments to do that. I am being reminded by the clerk to the committee that the Department of Housing, Local Government and Heritage is another Department and it would not be answerable to this committee. Can we still send an invitation to that Department, however? The clerk to the committee has suggested that we write to the Department seeking its views on this project idea and perhaps link in with the Joint Committee on Housing, Local Government and Heritage to see how we can explore it collaboratively.

Ms Deirdre Mortell: In that light, I point out that the Department of Public Expenditure and Reform is also a key stakeholder on this issue. If it does not say “Yes”, it will be difficult for the Department of sport-----

Chairman: This committee needs to lead out on trying to get those three Departments together.

Ms Catherine Carty: It may also be worth considering an intergovernmental approach. There are opportunities to link nationally with what is happening internationally and to leverage some of the work that is happening internationally to our advantage. I do not know whether that would fall under the Department of Foreign Affairs, which had significant engagement with the event at the expo in Dubai, as well as other events we have held internationally. There is an opportunity to consider how we engage with how this is panning out internationally - to learn, showcase, share and be in that partnership space that connects very much with the sustainable development goals as well. That would be a good idea.

Chairman: We will leave it in the capable hands of the clerk to the committee. She will consider how we could manage something like that. We have given her a vague outline; we just need the whole Government in here to sort all this out. It is something we will progress in co-operation with our guests. We will liaise with them through the summer to see how we can progress that in the new term. Is that okay? Is there anything Mr. McGroarty wishes to suggest the committee could do to progress this?

Mr. Liam McGroarty: To do what has been suggested already would be fantastic.

Chairman: We have been joined by Senator Malcolm Byrne. We are coming to the end of the session.

Senator Malcolm Byrne: I have met with Mr. McGroarty and Mr. Courell. I was following the opening statements earlier but got delayed at another event. I am very supportive of this. The involvement of local sports partnerships, LSPs, may be key. I suggest that consideration be given to establishing a series of pilot projects with LSPs. Such projects should have clear metrics and be measurable. I have one question. Two to three years from now, what does success look like?

Mr. Liam McGroarty: I would love to see an LSP or several clubs operating like the Bright Star Boxing Academy in England, which has gone from having three volunteers affecting 80 children to having 13 staff and a budget of £500,000 and making profits and delivering outcomes at local level. That is very doable. If we were to scale it up slowly in order that, in two or three years, we had 100 such clubs in this country, that would be a fantastic achievement.

Chairman: We will hold Mr. McGroarty to that. It is on the public record now.

Mr. Liam McGroarty: I am going back to Switzerland.

Chairman: I thank Ms Mortell, Ms Carthy, Mr. McGroarty, Mr. Courell and Mr. McDermott. Mr. McDermott did not get a chance to speak. Is there anything he wishes to say in conclusion?

Mr. Ger McDermott: I echo Mr. McGroarty's point in respect of awareness and thanking the committee for inviting us in. Several months ago, I attended a session chaired by the Chairman, on the issue of abuse of match officials. I am aware that report was recently launched. It is great to have something tangible. The awareness the committee has brought to that issue, not just with the FAI but with all sports, will really help us. I thank the committee for that.

Chairman: Mr. McDermott is very welcome. I thank him for the compliments. Our guests are off the hook for today. We will invite them back in the new year. I will now suspend briefly to allow the secretariat to make the arrangements for our second session, which, as all present are aware, relates to working conditions and skills shortages in the tourism and hospitality sector.

Sitting suspended at 3.04 p.m. and resumed at 3.15 p.m.

Working Conditions and Skills Shortages in Tourism and Hospitality Sector: Discussion (Resumed)

Chairman: This session will involve a discussion of working conditions and skills shortages in Ireland's tourism and hospitality sector, which, sadly, we hear a lot about these days. I welcome: Dr. Deirdre Curran, a lecturer with National University of Ireland, NUI, Galway; Mr. Denis Hynes, sector organiser hospitality, SIPTU; Ms Fiona Dunne, national co-ordinator of One Movement, and Mr. Clement Shevlin, sector organiser with SIPTU, from the Irish Congress of Trade Unions, ICTU; and Mr. Robert Kelly, regional officer, Ms Rhona McCord, strategic research and communications co-ordinator, and Ms Karen Doyle, hospitality branch secretary, who joins our meeting via Microsoft Teams, from Unite the Union.

As I have stated previously, it is great to have people back in the room. We have had two years of doing things virtually on Teams and everything else but there is nothing like an in-person opportunity to talk about and discuss these things. It is great to have the witnesses here. They are all very welcome. I hope I got all the names right. We have a long witness list today.

I have a little housekeeping to go through so I hope people will bear with me. Please note that to limit the risk of spreading Covid-19 the Houses of the Oireachtas encourage all members, visitors and witnesses to continue to wear masks in crowded settings on the campus. The format of the meeting is such that I will invite opening statements of no more than three minutes from our witnesses, which will be followed by questions from members of the committee. As witnesses are probably aware, the committee will publish their opening statements on its website following today's meeting.

Before I invite witnesses to deliver their opening statements, I will explain some of the limitations relating to parliamentary privilege and the practice of the House as regards references they make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected, pursuant to both the Constitution and statute, by absolute privilege. However, witnesses who are giving evidence

remotely from outside the parliamentary precincts may not benefit from the same level of immunity from legal proceedings. Witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity 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. Therefore, if they make potentially defamatory remarks, they will be directed to discontinue.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House, or an official, by name or in such a way as to make him, her or it identifiable.

I propose that we proceed with the opening statements in the following order. I will ask Dr. Curran to take the floor first. She will be followed by Mr. Kelly, Ms Dunne and Mr. Hynes. I invite Dr. Curran to make her opening statement.

Dr. Deirdre Curran: I thank the Chairperson. I am delighted to be here. For the record, I am here in my capacity as an independent academic researcher reporting on research I have done that facilitates the voice of hospitality workers. I am not affiliated to, or funded by, any hospitality employer, body or trade union. I am simply here to report on the lived experience of hospitality workers through their own testimonies. My motives are, first, to give voice to hospitality workers and, second, to provoke a conversation that will lead to positive change. If there is one message I would leave with the committee in its search for answers regarding labour shortages, it is to find a way to give silenced hospitality workers a voice because they have a unique and critical perspective on what is wrong and how to make it right.

I will outline a couple of statistics. Some 68% of hospitality workers are paid less than the current living wage, 33% of them disagreed that the hours they work are acceptable, 62% do not get a Sunday premium, and 33% do not receive bank holiday pay. Those statistics are from Fáilte Ireland's own research. We are at a tipping point, if members will pardon the pun. We have had problems with hospitality conditions for years. Now that there is a labour shortage we have the attention of hospitality employers. I have listened very carefully to the contribution of hospitality employers and employers from the vintners' sector. While I agree with much of what they say, some of it is short-term, fracture-filling quick fixes. There are some things I have concerns about, such as permits to bring in non-EU workers or labour, or proposals to increase the tourism marketing fund. While these may address short-term labour shortages, they will only contribute to the problem in the long term.

One of the research projects I am writing up is an in-depth exploration of why some hospitality workers chose to remain in the sector during the pandemic and why others chose to leave. Of the people with whom I spoke, approximately two thirds chose to stay while one third chose to leave. Of the ones who stayed, one third moved to different employers. The research consisted of an online survey, audio files and in-depth interviews. One of the questions asked was if the person was in front of a Government task force, what would he or she state were the challenges from his or her perspective. Here are a few of the challenges: being overworked and overwhelmed; working hours versus actual hours worked; post-pandemic insecurity of employment; having to compensate for untrained new recruits; bad behaviour from customers; and inflation. The participants were also asked for recommendations. The list of recommendations in my submission is really the answer to labour shortages. This is from actual hospitality workers. The recommendations include raising awareness and addressing bullying; giving staff sufficient rest; giving workers a voice; allowing wage progression; training managers; giving people additional benefits; and fair treatment and equality. The list goes on and is published in

my brief. There are so many things that need to change. Hospitality workers know what these things are and how to change them but nobody is listening. Until we address those issues, we will not find a long-term solution to the labour shortage. Of the people with whom I spoke, only one had a job that met the features of decent work as per the International Labour Organization and this person does not work in Ireland. Most people will tell you that things have got worse post pandemic. If people left, it was a decision of the head rather than the heart.

Another piece of research I am doing is a case study of good practice. This involves a hotel that is claiming to offer a different and better employee proposition. The emerging findings look really good. If they are as good as they say they are, it will be an example of how you can treat people with dignity and respect, give them good working conditions and still make a very good profit. A colleague of mine, Maureen Maloney, and final-year students at NUI Galway produced a project on the lived experience of hospitality and retail workers. Six in ten agree with the statement “My work schedule is changed at short notice” while three in ten disagree with the statement “I receive adequate time for breaks at work”. Six in ten got no sick pay if they were off work sick and three in ten said they had experienced or observed workplace abuse.

In 2019, I carried out an in-depth study of the working conditions of hospitality workers. The results were pretty depressing. This was pre pandemic. If anything, things have got worse since then. The survey I designed in 2019 has since been replicated all over the world in ten different countries so there will be a database of working conditions from all over the world on which we can all draw.

To summarise, my recommendations arising from empirical research including acting on the excellent recommendations of workers contributing to research, having an overarching national body monitoring and enforcing standards and providing CERT-type training and a Q mark of good practice, promoting ethical leadership, a targeted Workplace Relations Commission, WRC, inspection campaign and investing in training over marketing. Going into secondary schools and marketing hospitality as a great place to work is clearly not true and the money should be invested in making it a great place to work. One of the last two recommendations involves having proper apprenticeships. I am very much in favour of apprenticeships but they must include education on employment rights, how to protect yourself if something bad happens and resilience.

My final recommendation involves creating a platform for worker voice. I urge members to use their influence to address the problems in hospitality that were here long before the pandemic in terms of working conditions, employee voice and low pay. If we clean up the industry, and people who work there want to stay there, we can make it a place where they can stay and feel valued.

Chairman: I thank Dr. Curran for a very passionate presentation. I invite on Mr. Kelly to make his opening statement.

Mr. Rob Kelly: It is great to be here and to add to what Dr. Curran said. It is great to have such an independent voice here speaking on behalf of the sector and through lived experience. You cannot argue with or beat that narrative, so I thank Dr. Curran. I thank the committee for inviting us here today to discuss the issues around recruitment in the hospitality sector.

As a trade union that organises workers in the hospitality and tourism sector, Unite has been concerned for a number of years about the low standards facing workers in the sector. We carried out a survey in 2020, the findings of which correlate with two other surveys, one by Dr.

Curran and another by Fáilte Ireland, that revealed unacceptable levels of low pay, poor working conditions and a general lack respect in the sector for hospitality workers. This disrespect has, unfortunately, been highlighted by ill-informed commentary by employers' representatives who rather than address the low pay in the sector attempt to deflect to a disingenuous claim about social welfare rates, in respect of which Ireland is lowest in its EU peer group. In Unite's survey, 77.2% of respondents said that low pay was the biggest problem in the sector. In the recent research by Fáilte Ireland, 62% of respondents said better basic pay would make the sector more attractive to them.

Our concerns about the standards in the sector were also raised during our union's campaign to stop tip theft. The fact that workers need to rely on tips from customers in the first place is indicative of wages not being sufficient for people to live on. The fact that some employers would confiscate those tips speaks to the levels of exploitation and disrespect that some workers face in the sector.

Unite believes that the crisis in recruitment in the sector has been exaggerated in some quarters in order to undermine conditions even further for workers and to resist wages increases in the face of rising inflation. In fact, the Nevin Economic Research Institute has challenged these claims by simply monitoring job websites where hundreds of positions were being filled in under two weeks. Notwithstanding this, we believe that low wages and precarious working conditions had an adverse effect on recruitment and retention in the sector for a number of years before the pandemic.

The gap between wages and living costs has been rising for decades. It is unrealistic and unsustainable for people to physically exist while working in low-paid sectors. In the first quarter of 2022, average rent in Ireland was at €1,567 per month. On the minimum wages that are on offer in the hospitality sector, someone would need to work 37.3 hours each week just to cover rent. We should not take for granted the living arrangements of workers. It is not the case that all workers have other supports, including family, or are sharing living costs with others. Full-time pay should be adequate for people to live independently. Hourly rates need to reflect the living wage. If it do not then it is in fact a non-living wage.

Low pay rates also have a negative impact on recruitment from other EU countries. Instead of increasing wages, employer groups are lobbying for work permits from outside the EU in order to pay minimum wages to economic migrants. This is a race to the bottom that has the effect of shrinking the local economy. Ireland has one of the cheapest labour costs in the EU. Average hourly costs, including wages and employers' contributions, are lower in Ireland than any of our EU peer group. While we have seen considerable State intervention in the sector over the years with tax reliefs, Government supports and the pandemic unemployment payment, PUP, during Covid, we have not seen that trickle down to workers' pay.

While low pay is a major factor in recruitment and retention, we highlight the following as other contributing factors. First, perceptions about the sector and who works in the sector are often misleading. It is viewed by many employers and media commentators as low-skilled, temporary and seasonal and a job for students or younger people. This is often used as an excuse for low wages and short-term hours and contracts. The majority of workers in the sector are full time. Ireland has high levels of educational achievement. This raises job expectations that often cannot be matched in the sector. Unite believes that all workers are skilled and that there are no unskilled workers.

Second, structural changes in the sector as a result of automation, particularly at the service

end will erase and are already erasing job roles such as hotel receptionists. This can make the sector unattractive to anyone looking for a long-term career path.

Third, the participation of women in the economy is vital. Barriers must be removed in order that they can access the labour market on an equal footing. The first step should be to address the gender pay gap and make it a thing of the past. Access to affordable childcare and travel will also have a positive impact on the availability of people to participate in the labour market.

The fundamental problem in the sector is low pay. Increasing wages, including premium and Sunday rates, will have a positive effect on recruitment as well as the local economy. Conditions for workers in the sector need to be improved to ensure rights across the board to adequate breaks and rest periods, sick pay, holiday pay and full compliance with all other statutory rights for workers. In addition to the above, what we believe will fundamentally change the position for workers in the sector is the establishment of full statutory collective bargaining rights and access rights for trade unions. The absence of collective bargaining and trade union access has an adverse effect on all workers, especially those in precarious and low-paid employment.

Chairman: I thank Mr. Kelly. I am sure there will be many questions from my colleagues when we get to that point.

Ms Fiona Dunne: I reiterate some of the comments made by our colleagues, which we support. On behalf of the Irish Congress of Trade Unions and the 800,000 workers we represent across the island of Ireland, I thank the Chair and the committee for the opportunity to speak to this topic. My remarks today are supplemented by our briefing document submitted to the committee.

Data for the tourism and hospitality sector indicates it is characterised by low wages, increased part-time work and precariousness, and along with qualitative research and Workplace Relations Commission reports, we can add bad employment practices, breaches of employment law, exploitation and mistreatment to that list. These facts alone make this sector a challenge for anyone considering applying to work within it, and if we add limited career pathways and progression, to us the reasons for the difficulties facing employers are self-evident.

Current labour force statistics indicate a growth in employment and a shift towards jobs with on-average higher wages but a recent Nevin Economic Research Institute, NERI, paper suggests shortages in this sector were not as previously indicated at 40,000, with employment during summer 2021 merely 1% below 2019 figures and the first quarter of 2022 figures indicating a reduction of just 3% during a time when the sector did not fully reopen until after the third week.

Improving the realities of working in the sector should be prioritised over perception abroad, where decent conditions, well-paid workers and good career prospects will result in better outcomes for workers and for business. Instead, the sector seems fixated on low productivity, low value and low wages, resulting in it being the lowest paid out of 13 sectors with over half of the workers classed as low-paid, with the entire sector only accounting for 1.8% of gross value added to the Irish economy and one in 12 employees. That is according to a NERI blog from last September.

In the past two years the sector has taken significant State support in taxpayers' money for business grants and employee subsidies and it continues to enjoy reduced VAT rates, the ben-

efits of which are enjoyed by neither workers nor consumers. There is acknowledgement of “record levels of funding for the tourism sector” by the Government in 2022 but there seems to be a lack of connection between the working environment and difficulties in recruitment and retention. It is therefore illogical to allow State money to continue to subsidise and bolster businesses that ignore State employment legislation by evidence of breaches, disengage from the State’s JLC system and effectively veto its operation, and employ workers on low wages and precarious contracts, thus forcing workers to rely on State subsidies in the form of HAP and other social welfare benefits rather than on earnings.

Congress believes employers who receive State subsidies and public moneys should, at a minimum, adhere to all employment legislation, engage in State collective bargaining structures and provide decent and sustainable employment terms and conditions. At a recent hearing of this committee, Congress noted the industry comment made to “convince school leavers that a viable career path exists in the pub sector” and that “students will go on to hold senior well-paid positions within the trade”. We suggest that rather than trying to convince students of a viable career, the sector should provide clear data as evidence that bears out that the sector highly values employees through improved wages and terms and conditions and opportunities are created to attain lengthy well-paid careers in the industry.

This committee should therefore act on the following key recommendations to this end. It should seek to strengthen the joint labour committee, JLC, system. There is a clear urgency to rectify the legislation governing the JLC system, which has enabled employers to effectively veto the functioning of these committees, thus preventing engagement, negotiation and progress. The committee should support calls to amend this legislation, which will afford all stakeholders the opportunity to negotiate best employment practice, prohibit competition on wages and thus prevent a race to the bottom in terms of employment conditions and employee welfare. Past experience of the JLC system proves that it worked for employers, employees and the reputation and outcomes for the sector. As a labour-intensive sector, the solution to these problems is not to seek new markets for low-paid employees but quite simply to improve the conditions for those providing the services, as all the evidence suggests.

We also recommend expanding the provision of apprenticeships. The range of regulated apprenticeships should be expanded to provide ongoing development, decent levels of pay and clear career progression, which may help to eradicate the sector’s current reputation as one of low wages and precariousness. The sector should guarantee delivery of decent working conditions and pay commensurate with such qualifications, including the most recent addition, the bar manager degree apprenticeship.

We also recommend the improvement of legislative oversight. The committee should explore all issues of non-compliance with employment legislation in the sector and ensure the hospitality sector is prioritised for inspection, the commitments already made regarding increasing the number of labour inspectors in the Towards 2016 national agreement are delivered and that the WRC increases the number and expands the remit of unannounced labour inspections. That would no doubt inform further recommendations for action.

We also recommend improving wages in the sector. It is particularly important for Ireland to increase wage floors, as the better option of negotiating wages across sectors is neither available through widespread collective bargaining nor through co-ordinated sectoral bargaining systems such as JLCs. Given the cost-of-living crisis, the committee should press for a shorter implementation of the living wage, representing 66% of the median wage, which was the calculation for the national minimum wage back in 2000. As noted in the briefing document, a

significant increase in the minimum wage would have the effect of reducing employer costs, such as recruitment, retention and lost productivity costs, thereby also reducing pressure on prices. Such increases aligned with consumer spending will help to protect enterprises through increased productivity.

Economic commentators have reiterated that increased wages will not fuel inflation further and therefore increasing wages will alleviate the danger of workers slipping further into poverty, help to address gender inequality and reduce the gender pay gap. Inflation has skyrocketed, with the result that the cost of living has soared for all workers, but it has produced particular difficulties for those workers on low and minimum wages, making it much more difficult for them to make ends meet.

We also recommend that the committee supports the inclusion of all social partners in the implementation of the EU directive on minimum wages and collective bargaining because, as we know, wider collective bargaining coverage has a positive impact on wages and terms and conditions and produces excellent labour market outcomes.

Our final recommendation relates to inclusion of stakeholder engagement. Congress and affiliates representing workers across the sector should be included as members in all sectoral stakeholder forums, such as the hospitality and tourism forum, Fáilte Ireland's careers oversight group and any other such forums which may be established.

Mr. Denis Hynes: I thank the Cathaoirleach and members of the committee for the invitation, which we appreciate. I will be reasonably brief. In SIPTU we continue to represent workers in the hospitality sector. Since the attack on the JLC for hospitality workers in the case of John Grace Fried Chicken Limited and Others v. Catering JLC in 2011, we have continuously sought the reintroduction of the JLC to protect the workers in the industry. In 2012, under the Industrial Relations (Amendment) Act, provision was made to reinstate the JLC for hospitality but, unfortunately, this has not progressed.

I will echo some of the statistics already shared. Currently, 68% of those working in hospitality are paid under €12 per hour, with 16% paid less than €10 per hour. Furthermore, staff have complained about not getting proper breaks and being on call when not required to work. There are 62% of workers who do not receive a Sunday premium and 33% do not get any additional payments or additional holidays when working on a public holiday. These statistics are supported by Bord Fáilte's own report from March this year.

The industry has bottomed out, with thousands of workers leaving the hospitality sector to take up employment elsewhere. The issue is not only about recruitment; it is also about the retention of employees currently in employment. What is the answer? The employer bodies would have us believe that the solution, echoed every day now, is to provide thousands of additional visas for migrant workers. They are also looking to increase beyond the current 20 hours the hours of work that foreign students coming to our country are allowed to work.

In October 2020, the Migrant Rights Centre of Ireland conducted a survey by interviewing over 1,000 undocumented migrants in Ireland regarding employment rights. The survey found that more than 25% of migrants who have lived here for five years or more were still not in receipt of the minimum wage. Earlier this year Ireland was encouraged to join the EU employers sanction directive, which stops employers recruiting and ill-treating migrant workers, according to a report published on 11 January 2022. Whether we want to accept it or not, we have a culture in Ireland which is recognised for certain levels of exploitation. Therefore, we must

ensure all workers are protected in their employment. We totally agree that not every employer is a bad employer but ,unfortunately, experience to date indicates some will take advantage. We are out of sync with our EU counterparts in hospitality on pay and conditions, as I indicated previously.

Never before was an employment regulation order and a JLC needed more in hospitality. This would bring about the minimum pay and conditions of employment that all workers should work under. Since the collapse of the JLC, the industry has been struggling to retain and engage new employees. The answer is neither bringing in thousands of vulnerable workers into the culture of exploitation we have here in Ireland nor expecting foreign students to work beyond 20 hours per week. The only solution is to put in place a floor on pay and conditions and make the hospitality sector attractive again for new entrants and those who are presently in employment.

Chairman: I thank Mr. Hynes for that bit of straight-talking towards the end. I thank Dr. Curran, Mr. Kelly and Mr. Hynes for their presentations. I will turn to my colleagues, who have five minutes each for questions and answers. I will begin with Deputy Mythen.

Deputy Johnny Mythen: I thank all our guests for coming in.

It is disturbing to hear of the surveys. We know what is going on but when you see it in front of you, it is a different matter. I am a member of Unite and have been for the past 36 years. I am proud of the union and happy to be associated with it. We all know it. The statistics are there. Some 68% of staff in this industry are paid less than the minimum wage. We are aware of the conditions. The pandemic highlighted a lot of stuff. For years, it was brushed under the carpet. It is coming out now. People have left the industry in their droves and have discovered there is more money out there to be earned. I had an example of a sous chef. The main chef left and he was put in charge. He was working until 4 a.m. His relationship with his partner was almost gone; he could not see her. He had to order all the stuff in. It was accepted that he did all that without any extra pay. We are aware of the conditions there.

One of my party's answers - we would be definitely in favour of it - is collective bargaining. That is the main issue here in the country. We have had great trade union work along the whole way, from James Connolly and others. The unions are still fighting the same fight which should not have to happen. We should recognise that people have a right to association. They have a right to join a union. They have a right to be represented. That does not really happen in the hospitality sector. What is the most important recommendation our guests would propose to the Government in terms of legislation regarding workers' rights in this sector and what needs to be done to improve enforcement of workers' rights legislation with this industry? Obviously, the JLC is a major issue, as is the veto that the employers have at present, which, as far as I am concerned, is totally wrong because you should be able to sit down and work out your conditions. People have to live. A living wage would benefit the country immensely. I do not know why people do not see that. Maybe those two questions would make a start. What is the most important recommendation they would propose to the Government in terms of legislation regarding workers' rights in this sector? What needs to be done to improve enforcement of workers' rights legislation with this industry?

Chairman: There are two specific questions. Ms McCord is offering.

Ms Rhona McCord: I think the Deputy answered the question himself when he spoke about collective bargaining rights. That is absolutely key. It is key for trade unions to have a right to access to speak to workers and to recruit workers in the sector. It is a historical fact

that trade unions have played a key role in combating inequality in our society and across the world. That is a fact. One of the things blocking us in Ireland - President Higgins referred to this not so long ago - is that we do not have decent trade union legislation on a par with that of our European neighbours. We lag far behind. The Industrial Relations Act 1990 has played a key role in blocking trade unions from access to workplaces and to collective bargaining. They are the most important things from our perspective in terms of what we are talking about here today. It is important to note, as some have referred to, that there are lobby groups looking to recruit from outside the EU to basically exploit migrant workers and lower the expectations in the sector for workers. We need to note and be really aware of the fact that those workers will have to pay the same rents that Mr. Kelly referred to earlier and live in the same conditions that we live in on low pay. It is not a sustainable answer. In fact, it is the opposite. It is more than a race to the bottom. It is a race to social catastrophe. That collective bargaining piece is the key issue for us.

Dr. Deirdre Curran: For me, breach of employment rights is one thing; abuse is a whole other level. My bigger concern would be ill-treatment, the levels of bullying and harassment, and the lack of employee voice. On the employment rights side, many hospitality workers do not know what their rights are. We need an information campaign. This is why I said that with apprenticeships we need to teach workers and prospective workers what their rights are. If employment rights are breached, hospitality workers do not go looking for help. They do not know that the WRC exists. If they did, they would be too intimidated to go there. I am all for collective bargaining but most hospitality workers are not members of a trade union. In the absence of collective bargaining, we need to find another way for workers to have a voice. Nobody is listening to them and they have so many positive things to say that would be of benefit to the industry, to customers and to everybody, but nobody is listening. For me, the big issue is voice. We need to find a way to tap in to the voice of hospitality workers who care about the industry, who want to stay and who are passionate about it. When I ask workers what they like most about working in hospitality, the number one answer is “people.” These are “people” people. They love their colleagues. They love working with customers. The number two answer is the satisfaction of delivering good service and the number three answer is the buzz and the variety of the work they do. They want to stay. The industry needs to make it attractive for them to stay and to address the issues that have been there for decades.

Chairman: Not to cut across Deputy Mythen, can I tease that out?

Deputy Johnny Mythen: Okay.

Chairman: Dr. Curran said a significant amount of those workers are not members of unions. How do we give them that voice then?

Dr. Deirdre Curran: That is the issue. There are industry task forces but the worker voice is not being heard on those task forces. Who knows better how to improve an industry than the workers on the ground? They are fantastic. Most of the people I talk to are long-serving hospitality workers. They have experience. They have wisdom that they are dying to share but nobody is asking them. In the 2019 project, there were 260 respondents, the vast majority of whom were not members of a trade union. When I asked if they would consider joining a union, many of them did not know there was such a thing as a union for hospitality workers or they did not know anything about unions. There is work to be done there in educating people on where they can go for help.

Chairman: I thank Dr. Curran.

Mr. Denis Hynes: I will be brief. When we had the JLC in hospitality, there was an onus on the employer to put up in the canteen what one's legal entitlements were, what was agreed under the JLC, and what was agreed with the unions and the employers' bodies through government and the court. It was a way in which employees could see the minimum terms and conditions in their employment, but it has not appeared on a canteen wall since 2011. As has been pointed out, it has gone beyond the race to the bottom.

Through SIPTU - it has been echoed here strongly with all the unions - and Congress, one of the strongest ways we can make sure that workers are protected, including migrant workers who will come into the country, whether through visas or any other way, is by putting in place the mechanism and framework of a JLC and starting those talks now. It is a decade since it was vetoed. The timing could never be more right. In doing this, it will not only protect workers in the industry; it will also protect the employment.

I would like to make another point that Mr. Shevlin and I were talking about outside before we came in. When we in SIPTU go in to negotiate a pay increase, one of the things that an employer will say to us is that if he or she gives us 4% or 5%, he or she is putting himself or herself at a disadvantage to the employer down the road. This will put a floor in place to protect all employments. That is my point.

Ms Fiona Dunne: I reiterate what everybody has been saying, namely, that collective bargaining is hugely important. The JLC is in place but it is being ignored by employers. The forum is already there and we just need to get on with it. The quickest action the committee can take is probably to push for that, as well as collective bargaining and all the other things we do not have in terms of trade union access, recognition and ensuring people are not intimidated if they want to join a union. We have given a lot of recommendations, a couple of which would be quite sweeping across the sector and could be done quickly.

Senator Annie Hoey: I thank the witnesses for their attendance. It always strikes me when we talk about hospitality workers that there is a public perception they are all young, mostly students and working part-time. There is an idea they are only working in the industry to supplement some other lifestyle, such as a student who needs to make extra money. It is obvious, however, that this is not the case. I worked in the hospitality sector for a long time and loved it, despite all the issues the witnesses have outlined today. I had both great employers and brutal employers. However, the public perception to which I referred certainly remains. One hears it in the discussions on radio shows, together with a somewhat dismissive attitude that these are only temporary, seasonal workers who will move on quickly. In fact, we are talking about people's livelihoods. There are people who go to college to study to work in the sector and they are not just doing it on a part-time, *ad hoc* basis. This is their career and livelihood.

Is that mistaken perception potentially causing some of the issues in terms of getting buy-in politically? Is there a need to shift perceptions about the people who work in the sector? I worked with students for a long time and there is a tendency towards a dismissive attitude to the effect that the work is not permanent and they will get out of the industry eventually. Will the witnesses comment on whether this type of perception is an issue?

I have a lot of questions but will confine myself to one more. If there is time, I will come in again. Legislation will be debated in the Seanad this evening that deals with the treatment of tips. I know Mr. Shevlin is doing a lot of work on the campaign on tipping in Galway. Does he have any thoughts on the Bill, whether good, bad or otherwise, and what we should be doing in this regard? It is Government legislation but it is not being opposed by anybody in the Opposi-

tion. I would like to hear his thoughts on it.

Ms Fiona Dunne: In terms of perceptions of the sector, we hear a lot that employment in it is only transient, involves only students and so on. Way back, 20-odd years ago, when we had proper certification and apprenticeship schemes, there was proper career progression and a career path. Mr. Hynes and Mr. Kelly might say more about this. The question is which issue came first. Did the destruction of the sector come first in that students were encouraged to join the industry and thereby make it a transient sector? That question has to be asked. There still are a lot of people in the sector who rely on it for their wages. We talked about the figures for the people paying rent and all the rest of it. We know the real situation.

Changing the perception of the sector probably is something we need to do. However, it should not be a case of dismissing it on the basis that it only involves students, even if that were the case. Anyone undertaking these jobs should be paid correctly, no matter who they are. Students and others who might only stay for a year or two should still get proper pay and conditions and be treated correctly. We have to let the sector become what it was in the past, that is, an industry in which people can have a career with decent progression and can imagine themselves staying and being available to avail of reskilling and upskilling for 20 or 30 years. However, that is not what the employers want. They want low wages and low value in terms of what they have to pay out and worker conditions. It is important we stick to trying to improve the conditions and changing the perception such that, regardless of who is in the sector, they are all doing a job, no matter what that job is, they should be properly paid for it and there should be opportunities for people to stay in the sector.

I will hand over to Mr. Shevlin to respond to the question on tipping as he has more information on that.

Mr. Clement Shevlin: I was talking recently to somebody who works in hospitality. I asked him why he remains in sector, where all the workers have gone and whether 40,000 of them really have just left all of a sudden. He is a comical sort of fellow and he told me they are like freed slaves. The Covid crisis took the chains off them because, before that, they did not realise what other kinds of jobs are out there and that they could receive better treatment from other employers. They have taken up those other jobs and they are not going back to hospitality.

Another thing this man mentioned, as also referred to by Dr. Curran, Mr. Kelly and Ms Dunne, is the situation regarding the JLC. It is about giving workers a voice. Why do they not have a voice and why will they not talk to a union? The simple reason is the fear they have that their shifts and hours will be changed and that they could experience harassment. There are all sorts of measures an employer can take, as some of them do every day in this country, to discourage employees from joining a union. To address that, the first thing the hospitality sector should be doing is allowing access for workers to Unite, SIPTU and all the unions that are invested in this issue. That is the first thing that should be done, even without a JLC. The employers should say they have a problem getting staff. They are going around all these groups and forums on how to get tourists into the country and encourage people to take staycations and all the rest, but they are not looking at the elephant in the room, which is that they do not have the staff to cook a dinner for customers or serve them a beer. They are still thinking about putting a service charge on a pint of beer. That is the level of thinking that is going on and it has to stop.

Campaigns on tipping by ONE Galway and Unite have given workers wings and have been followed up by political support such as the Bill brought forward by Senator Gavan. That kind

of support shows people in the sector that legislation produced by the Oireachtas can change their lives within the workplace. It also shows employers there is an awakening within the hospitality sector and they will finally have to draw the curtains on the current situation and recognise they can no longer have it their own way because that is killing the industry. Every day in the Dáil Chamber, there are divisive opinions on different issues but Members have to come to some agreement. We all know how they do it. They sit in the Chamber and argue all day before coming up with a solution that is better for everyone in the country. That is all we are asking in respect of the hospitality sector. People cannot leave a blank in communications and then, all of a sudden, expect a solution. Solutions only come from engagement across the table.

The process of legislating for the treatment of tips began with the Bill that was introduced by Senator Gavan in 2019. That Bill was shot down. The Tánaiste has now brought in the new Bill, which is giving all the protections for tips, including electronic tips, that were sought. It means that if my daughter starts working in a restaurant once the Bill goes through, she will benefit from the tipping policy straight away. She will get a letter setting out the percentage of the tips to which she is entitled. If she does not get it, she has a pathway to the WRC to address it. That has never before been the case. The proposal to ring-fence service charges would mean, in a place like Galway city, where it is all tips and there is no service charge, and we did the research that shows this, there could be a switch all of a sudden to a service charge and the tips the workers rely on, which could be an extra €60, €70 or €80 a week, would now fall under a service charge. Technically, under the legislation, those moneys would have been ring-fenced for the employer to decide what to do with them.

Chairman: We must move on to ensure all members get a chance to speak. Mr. Shevlin will have other opportunities to come back on that point. Deputy Munster, who is joining us via Microsoft Teams, is waiting patiently to speak.

Deputy Imelda Munster: I welcome Dr. Curran and our other guests. As they are aware, we have been engaging for some time on this issue. We invited the union representatives back because we are currently writing, and will be publishing, our report on working conditions in the industry. We want to get as much information as we can from the witnesses.

If the Chairman is agreeable, I will ask all my questions and then get the answers from our guests. My first question is to Mr. Hynes of SIPTU. Will he talk us through what exactly is required to re-establish the JLC for hospitality workers? He said people are in place and have not budged for a decade. He also said the Industrial Relations (Amendment) Act makes provision for reinstatement. Is the issue solely the veto employers have? If the issue is intransigence from employers, is the legislation not robust enough and are changes needed to remove that veto, or is the problem a weakness in terms of the unionisation of the sector?

I would like a response from the representatives of the three unions and from Dr. Curran to my next question. As it stands, workers have a right to join a union but the employer does not have to recognise that union. That amounts to lightweight legislative protection. This does nothing to enhance a worker's rights. Someone said that workers in the sector will not talk to a union. Perhaps workers will not talk to the union because their employer does not have to recognise that union. If the legislation is that lightweight, would the witnesses be in favour of changes that would strengthen workers' rights in that legislation but putting an onus on employers to recognise unions?

The other question is for Dr. Curran. Her research shows that workers in hospitality feel that the working conditions in tourism and hospitality have grown poorer since emerging from the

pandemic. Will Dr. Curran expand on that? All we hear about is the staff shortage. Whether or not in reality that is the truth, we are not sure. If it was true or a percentage of it was down to staff shortages, it would be assumed that would mean employers would offer better pay and conditions given the increase in demand for workers. In Dr. Curran's experience, is that not the case? Will she comment briefly on the effect inflation is having on workers in the industry and what other research needs to be carried out in the area? If there was funding available, what would she like to see?

Ms Dunne mentioned the lower VAT rate enjoyed by the industry. Is it her opinion that the sector should not get the 9% VAT rate given the ongoing issues relating to workers' rights and pay plus employers' refusal to engage with the JLC? Are there any other supports Ms Dunne believes should or could be removed? In her opinion, has non-compliance of employers' groups stopped the JLC in its tracks? What changes in legislation would be required to rectify that?

I would be interested to hear the stance of Unite the Union on the right to join a union while the employer is not obliged to recognise that union. I cannot believe that is actually the law of the land. Unite mentioned absence of trade union access in the sector. Would it recognise that failing as part of the reason workers in the sector do not have the confidence as it stands? The employer can simply not recognise the union regardless of what the union says. Would recognising that failing help workers? Are statistics available regarding unionisation levels within the sector? We know it is an issue. We saw that in the case of The Ivy restaurant. What can be done to address that? Sorry for all the questions. We are trying to get as much information as possible.

Dr. Deirdre Curran: I thank Deputy Munster. Why is it worse? The evidence would suggest that because of labour shortages, the workers who stayed have to compensate for the absence of workers. They have to work much harder and work longer hours. They have to train in new recruits who might only stay a week because they are not suited to it. Therefore, it is much harder for them. Inflation is an issue. Being on low wages, getting to work and back home, and finding accommodation is all adding to the stress. Customer behaviour and expectations are a further issue. I do not know if the Deputy has looked at the prices of hotels in Galway and Dublin recently but they have gone sky-high so customers expect much higher levels of service. In the context of labour shortages, that places extra strain on workers.

On what other research might be done, the research I have done is very modest but I am the only one doing it. I desperately want more research along the same lines, looking at what is wrong and how to make it right. There is scope for research to highlight good practice because there is good practice out there. I know it because I know employers. I am building an alliance of well-minded, ethical employers. Addiction in the industry is a problem, which I will not go into, because of all the stress involved. We need research into addiction rates and how to address that as well. That is my tuppence-worth.

Mr. Rob Kelly: Obviously, workers have the right to join a trade union and employers continuing to ignore and block us is a major issue. We would call for amendments to the Industrial Relations Act 1990 to allow collective bargaining and that, when we get density within workplaces, employers are left with no choice but to sit down and negotiate with us. Dr. Curran referred earlier to workers having a voice. Many workers in the industry do not recognise or know about trade unions, and that it is on us. We need to get involved in a strong campaign across the sector, letting workers know their rights and organising those workers. If employers do not want to sit down and join us, it is to be hoped we will have enough organisation on the ground to be able to do something significant to those employers, such as what we did outside

The Ivy restaurant.

Ms Fiona Dunne: In regard to the right to join a union we would welcome any legislation which would give employers encouragement to ensure they recognise trade unions and that people can join trade unions. Collective bargaining and JLCs would help to change the culture. Union recognition is very important.

In terms of staff shortages and the increase in wages, it would be imagined, given the neo-liberal view of economics and ideas of equilibrium, supply and demand, that wages would go up. That is not the case. We have seen in the first quarter that wage increases have not happened. They are still trailing the living wage and will continue to trail that because the living wage is going up in July, so there will be a bigger gap between what they are earning and the living wage, plus there is 8% inflation. They are just going to fall further into debt and further away from a proper wage. It is important that, in terms of what the Government is doing about the living wage next year, we would expect it to do something quicker. We would expect the Government to do it over a shorter period of time and look at 66% of the median wage rather than 60%, which what it is at the moment. Those are my points regarding wages.

On knowledge of unions, I agree with what Mr. Kelly said about a campaign. Also, if we are targeting students and targeting people to go into the sector for proper careers, when people go in on apprenticeships, why is the union not allowed to talk to the students about their rights as part of their college course? Dr. Curran mentioned this in terms of subjects that could be included. We do not do employment rights *per se* in school, and we do not necessarily do it in college either. There is a place for that because we see increasingly across different sectors that workers are not getting their rights because they are unaware of them. That would be useful.

On the specific question asked about removing the lower VAT rate and everything else, the most important thing is that, if the Government gives money to a company or support to an organisation or a sector, it comes with conditions that workers should be properly paid, should have decent terms and conditions, and should have a proper career progression. It should not just be handed to the sector to do with it what it wants. There should be conditions. We see it not just in this sector around VAT but also in public procurement constantly where contracts are given to all kinds of contractors in all areas of work who do not treat their staff correctly, even though they are public contracts and public works. That could easily be tightened up. There should be very strong conditions attached to any public money we give to contractors.

Mr. Denis Hynes: Ms Dunne is right. The veto in 2012 did not help, so how do we get the JLC back? It requires Government to invite the parties in. It requires it to invite the employer side and the union side in to talks and try to move this along. That is the first step. From there we can work forward. The Deputy also asked about organising the right to join a union. That was all covered under the JLC. I do not sit in front of the committee today asking it to organise workers for us. We are big and strong enough to do that ourselves. We have been doing that, and are continuously doing it. What I do not want to see happening, and what none of us here wants to see happening, is the workers and members we currently have in this employment being compared to those who have worse pay and worse conditions at a time when pay and conditions are heading south. We do not want that to happen. We want to put a stop to that if we can and bring back the JLC. I am becoming repetitive.

Chairman: I thank Mr. Hynes and Deputy Munster for her questions. I call on Senator Gavan, who is very welcome. He is a newcomer to this committee.

Senator Paul Gavan: I thank the Chair. I also thank Senator Malcolm Byrne for allowing me to come in early. I have an interview to do on this topic in approximately seven or eight minutes time. I acknowledge that all of our guests have played a key role in highlighting some of the major problems in the sector over the years. They led on the tips campaign which has come to fruition in the shape of the Bill that we hope to progress this evening. I respectfully encourage all members of this committee to read the detailed research of Dr. Curran because, frankly, it is shocking. To give one statistic, three in ten employees who she interviewed agreed that they have either experienced or observed workplace abuse. It is the kind of stuff we do not hear about often in the sector. We hear the good-news stories and we hear stories when the sector is in crisis. Let us be honest, the sector has come through a couple of very tough years. At the heart of this issue are the people whose voices have not been heard except through the work done by these fantastic people before the committee.

I will be brief but I want to raise a couple of questions. I will ask my questions in one batch to allow our guests to respond. Will Dr. Curran expand a little on some of the survey work that was done in respect of people's experiences? That abuse statistic was shocking but the surveys also touched on issues around schedules changing at short notice, which six out of ten respondents noted. How does one plan a life outside work with that little power? It is an issue of power. There is a lack of power in the workplace for such employees.

I wish to focus on the statistic that 68% of workers in the sector are paid less than €12 per hour. We know that is not good for the employees. Is it good for the sector? I want to quote the Tánaiste in that regard. I believe he meant it when he said: "It is important that the tourism and hospitality sectors are seen as a valued and sustainable career choice." If 68% of employees are paid less than €12 per hour, how is this sector a sustainable career choice?

What do we do about this veto? I am clear that this Government and previous Governments have gone out of their way to support the sector. However, I do not see fairness when the voices of employees are excluded. How can this committee help to end the JLC veto?

Dr. Deirdre Curran: We have not brought sleeping bags so there is a limit to the amount of detail into which I can go. Some 63% of employees witnessed or experienced bullying. Some 55% witnessed or experienced harassment. Those are numbers, but a lot of my report contains the words of hospitality workers. We tend to forget there are human beings behind this. If the committee will bear with me, I would like to read one quote. When I asked one respondent what she liked least about working in hospitality, the following was her reply.

I hated the times customers felt like I was a drop out from society or spoke to me as if I had not tried to make things right for them. I hated being made to feel guilty by colleagues by needing time off, or even just wanting it. I hated that I started to resent colleagues for the same reason. I hated being tired. I hated not being fed. I hated not having a place to take a breath and be alone. I hated getting so sucked in that I have lost friends because I always put my job first because I had been tricked into thinking that this is the only way to work. So, there was nothing I "liked least", I HATED aspects of my job. And it is sad that a job made me feel that way.

Senator Paul Gavan: I apologise, but I have to run.

Dr. Deirdre Curran: In the research I have done, there are many testimonies from employees about ill-treatment. I have heard about everything from verbal abuse to physical abuse and downright assault in the workplace. In my testimony, there is a story of a girl who burned her

face dramatically and significantly with a soup gun, and was expected to go straight back to work. She ended up having to have plastic surgery. There is a lot of evidence. We need to hear the human stories behind the statistics and that is why I say to Deputy Munster that we need more research to give voice to workers.

I do want to say that today is a great day for hospitality workers because the tips Bill includes service charges. That was heavily lobbied for by me and Ms Julia Marciniak, who could not be with us today because she is on sick leave. She is a Trojan advocate for hospitality workers. I did not want to let the opportunity pass without mentioning her name.

Chairman: I will ask our guests to pause for a moment. Two members would still like to come in and we are very short on time. If our guests wish to reply to some aspect of Senator Gavan's questions, they can submit that in writing and we will ask the clerk to include it in the committee's report.

Senator Malcolm Byrne: I thank our guests. In the context of this report, it is important that we have independent, evidence-based research. There is a lot of anecdotal evidence around the sector, which is a part of the challenge. I was at the meeting the committee had with representatives of Fáilte Ireland, the Irish Hotels Federation and the Restaurants Association of Ireland, and vintners' representatives. Dare I say it, the picture that was painted then was different from the picture being drawn today. I have no doubt but that it is not all rosy in the garden. I certainly would not support any bad or exploitative employers. I disagree with Mr. Hayes's choice of phrase when he said there is a culture of exploitation within the sector. I would challenge that on the basis that I think the overwhelming majority of employers are either good employers or want to be good employers. That is not to say there are issues that cannot be addressed.

Mr. Kelly made a point about full compliance with all workplace laws. I agree, but the Workplace Relations Commission must have a role in that regard. Part of the challenge facing me relates to listening to the two sets of evidence. I generally tend to find that the truth is somewhere in between.

The suggestion that there is a culture of exploitation would seem to imply that a majority, or a significant number, of employers are exploiting workers. I do not necessarily accept that. I will challenge our guests on that point and ask them to prove their case.

Mr. Denis Hynes: The statistics are that 68% of employees working in the hospitality sector are paid less than €12 per hour.

Senator Malcolm Byrne: Where are those statistics coming from?

Mr. Denis Hynes: I will tell the Senator that. Some 16% of employees are paid less than €10 per hour. Some 62% of workers do not receive a Sunday premium. Some 33%-----

Senator Malcolm Byrne: I am conscious of time and, with respect, Mr. Hynes has already cited those figures. Where are they from?

Mr. Denis Hynes: Those are Fáilte Ireland figures. The Migrant Rights Centre Ireland conducted a survey with 1,000 migrant workers, 25% of whom did not receive the minimum wage. Some of them had been employed for five years. I am giving the Senator the figures.

Senator Malcolm Byrne: I am lobbied all the time about work permits and the delays

included in that process. One of the requirements in order to get a work permit for non-EEA workers is that their annual remuneration must be at least €30,000 per year. I appreciate that depends on the number of hours we are talking about. How can Mr. Hynes reconcile the fact that the legal requirement to qualify for a work permit is that the payment must be at least €30,000 per year with the claim that people are being paid less than €10 per hour? I am curious about that.

Mr. Denis Hynes: My response to that would be-----

Senator Malcolm Byrne: I am merely asking the question. Mr. Hynes seems to imply that the majority of people who are employed on work permits here are paid less than the legally required €30,000 per annum.

Mr. Denis Hynes: I am giving the Senator the statistics that are in the public arena. The figures are not mine and I have not just plucked them from the air.

Senator Malcolm Byrne: I am not saying that.

Mr. Denis Hynes: I do not suggest that the Senator has said that.

Senator Malcolm Byrne: It is just that the committee has not seen the figures.

Mr. Denis Hynes: I have given hard facts. I am not familiar with how a €30,000 wage is made up using overtime, certain premiums or whatever. I am not familiar with how the application is put forward for a visa.

Senator Malcolm Byrne: Mr. Hynes gets my point. On a regular basis we deal with the issue whereby for employers to get a work permit they must show they will pay at least €30,000 per annum. Why would an employer go to the lengths of having to ensure they must pay somebody over €30,000 per annum plus pay, I think, €1,000 per year for a permit?

Mr. Denis Hynes: All I can say is that without doubt, according to surveys conducted by Fáilte Ireland, that 68% are not being paid and I do not know how it worked out that figure.

Senator Malcolm Byrne: I ask the Chairman to request Fáilte Ireland to supply us with its data, which would get back to our point about having evidence-based data.

I am very concerned whether the phrase “a culture of exploitation” appears. There are bad employers but many of the employers in the sector that I know are good employers. They care for their staff, look after them and are interested in providing a career path for their staff. I say that because it is important that we acknowledge good employers.

Dr. Deirdre Curran: The Senator has said that “the overwhelming majority of employers” treat their staff well and Mr. Hynes has said that there is “a culture of exploitation”. My answer is that we do not know as my research is the only research available and the 2019 survey was on 257 employees out of a workforce of 180,000. We need research done in order to have factual-based discussions about what actually goes on.

I have a list of good employers and believe that highlighting good employers must form part of any strategy. Employment rights only go so far. Having a right does not mean one gets that right. Rights are breached every day. Rights are the stated minimum standard but we also need incentives to raise the standard beyond the legal minimum.

Senator Malcolm Byrne: That is a core recommendation, Chairman. When I prepared for this committee I discovered that a lack of evidence is one of the challenges.

Dr. Deirdre Curran: Yes.

Senator Malcolm Byrne: There is lots of anecdotal evidence and I am not saying that it is not important. I certainly agree with the earlier point made about the necessity to have an information campaign so people are made aware of their rights and responsibilities.

Chairman: Am I correct to say that the Senator has requested that we, as a committee, write to Fáilte Ireland seeking its statistics?

Senator Malcolm Byrne: Yes, the data or statistics.

Chairman: Yes.

Senator Malcolm Byrne: We should request anybody who has evidenced-based statistics or data to supply same, particularly as the committee will produce a policy document at the end of this process and it should be based on existing evidence. I do not wish to defend bad employers but I do not want the impression to go out that there is a culture of exploitation in the sector. I do not believe that to be the case.

Chairman: Can I get agreement from my colleagues that we write to Fáilte Ireland and ask it to supply its research? Agreed. Did the Senator get all of the answers he sought? Yes.

Deputy Alan Dillon: I welcome our guests. First, the Workplace Relations Commission is the statutory body that conducts inspections and prosecutes employers who break the law. Do the unions value the work of the WRC? Have there been issues concerning its operation?

Second, Patricia King, Secretary General, ICTU represents both SIPTU and Unite on the hospitality and tourism forum, which is co-chaired by the Tánaiste and the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, Deputy Catherine Martin. In terms of both unions and workers having a voice on the forum, what has been the feedback on discussions and representation? Do the witnesses feel that the Government has responded in a way that ensures that money for low-income earners has improved following the introduction of the Living Wage Bill and the Payment of Wages (Amendment) (Tips and Gratuities) Bill?

Payment of Wages (Amendment) (Tips and Gratuities) Bill

Chairman: Does the Deputy wish to address that to a representative of each organisation or someone specific?

Deputy Alan Dillon: Each organisation.

Dr. Deirdre Curran: The WRC is a fantastic institution but there is a labour shortage. The last time I looked the inspectorate had 77 positions of which only 41 were filled. The truth is that hospitality workers will not go to the WRC because they do not know it exists and if they did then they would feel too intimidated. The inspection service is brilliant because the inspectors can conduct an inspection even without an invitation. That is as much as I will say as the other questions are for the unions.

Mr. Rob Kelly: Of course we place value on the WRC because if negotiations break down locally then we can go to the WRC and negotiate. From my experience of the WRC, when em-

employers do not want to engage they just do not and the issue gets kicked up to the Labour Court. Unfortunately, my experience in the Labour Court of almost two decades is that the environment has become very litigious. Plus, far more credence is given to the legal profession when they come to the Labour Court than to industrial relations practitioners. When one is in front of adjudication officers at conciliation then a greater effort is made to break down the differences between the parties but if employers do not want to engage then it feels like one is knocking one's head off the wall.

Ms Fiona Dunne: I reiterate what has been said about the WRC and the labour inspectorate. Dr. Curran mentioned a labour shortage. There has been a shortage of labour inspectors for a very long time. In regard to the 2016 national agreement, there was an agreement to increase the number of labour inspectors to 99 or something like that figure. The number is still way below that figure and the issue could very quickly be dealt with.

On representing unions, Patricia King represents the entire trade union movement, particularly workers in the tourism and hospitality sector. We acknowledge that we are represented on the forum but it is only one of many stakeholder forums. All trade unions, including Unite and SIPTU, should be included in other forums and the JLC, which is a sectoral forum. We have debated the JLC here and I am sure that members understand the importance of having all stakeholders at the negotiating table.

On the improvement in the living wage rate, it is a slow increase. As I stated in my briefing paper, we want the living wage to be improved more quickly, particularly in light of inflation and to consider it in terms of 66% of the median wage rather than 60%, and over four years. We would prefer to see 66% and a much quicker term. Germany, France and, I think, Belgium, have already supplemented their minimum wages increases twice this year in light of the cost-of-living crisis, which is something for consideration by the committee.

Yes, the tips legislation is a move in the right direction for workers. We are delighted that there is finally recognition that workers should get tips on the card, and the policy is displayed that the service charge goes to workers, which is what was originally intended to happen as far back as the 1950s. That aspect was negotiated as part of the sectoral issues. I hope that I have answered all of the questions.

Chairman: Last but not least I call Mr. Hynes.

Mr. Denis Hynes: I echo everything that my colleagues have said about the WRC and great work is being done by the National Employment Rights Authority. Again, if there is a willingness by the employer's side then in most cases a solution will be found. I hope that the tips legislation will go through later this afternoon. The legislation is welcome and I am delighted with it. All of us have worked very hard on the issue for more than a decade and it is great to see this happen.

I shall briefly reply to Senator Gavan who asked what would fix the JLC and my answer is that people should consider what caused the veto. Dublin and Cork were seen as having traditionally higher paid earners working in hospitality, so Dublin and Cork were excluded from the JLC. That is what caused the veto. That is what happened in the High Court. If Dublin and Cork were included in a new JLC, that would solve that problem. The figures Fáilte Ireland gave - it was not me or SIPTU or anyone else here - are reflective of people working in hospitality in Dublin and Cork as much as anywhere in rural Ireland.

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Chairman: We have to conclude. I thank Deputy Dillon for that question and all my colleagues for their intensive engagement today. I thank all our guests for being so passionate about what they represent. That passion is very palpable. We will do all in our power to endeavour to support the work they are trying to do.

Business of Joint Committee

Chairman: Are the draft minutes of our last public and private meetings on 15 June formally agreed? Agreed. Is it agreed that there are no matters arising from those meetings? Agreed.

The joint committee adjourned at 4.32 p.m. until 1.30 p.m. on Wednesday, 13 July 2022.