



RESTAURANTS  
ASSOCIATION  

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OF IRELAND

PRE-BUDGET 2013  
SUBMISSION

“A Ten-Point Plan to Protect Existing  
Employment, Create New Jobs and Ensure the  
Growth of the Restaurant Sector”

*Presented to:*

MINISTER FOR FINANCE,  
Michael Noonan, T.D.

## INTRODUCTION

With over 2,500 restaurants in Ireland, the Restaurant sector employs 64,000 people (1 in 4 tourism jobs) and contributes €2 billion to the Irish economy each year.

The Restaurant sector encompasses a large number of owner operated SMEs, but is also a crucial supporter of small businesses, local agriculture and food producers throughout the country. 70% of restaurants have increased purchase of local goods in the last year with 61% sourcing meat used in their restaurant from within their own county. (Source: Bord Bia Survey, 16<sup>th</sup> July 2012) A vibrant restaurant sector is crucial to a successful tourism “product”.

Restaurateurs have adapted to the downturn, by reducing costs and menu prices. However a further series of urgent actions are now needed as food prices and overheads increase and current consumer confidence is unsustainable. The Restaurants Association of Ireland cannot highlight enough the importance of this budget in restoring consumer confidence in the country.

In order for the Restaurant Industry to continue providing jobs and servicing the domestic and tourism market the following challenges must be addressed:

- Irish restaurateurs pay the highest catering wage rate in Europe
- Ireland has the highest excise duty on wines in Europe
- Irish food cost inputs are 18% above the European average.

(Source: ‘*Cost of food preparation report*’ commissioned by Fáilte Ireland 2010, Eurostat September Survey Consumer Prices 2012)

Tourism contributes a huge amount to the Restaurant Industry and figures this year show an increase in Overseas visitors from Mainland Europe but a fall from our largest Visitors in Britain and North America of -4% and -2.3% respectively. Overall, Overseas visitors to Ireland is down 1.4% on January –August 2011.

### **Overseas Visitors to Ireland January – August 2009 – 2012 (000)**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>%change 12 vs 11</b>
<b>Britain</b>	<b>2,265</b>	<b>1,821</b>	<b>1,959</b>	<b>1,881</b>	<b>-4.0</b>
<b>North America</b>	<b>704</b>	<b>632</b>	<b>709</b>	<b>693</b>	<b>-2.3</b>
<b>Mainland Europe</b>	<b>1,712</b>	<b>1,379</b>	<b>1,608</b>	<b>1,633</b>	<b>1.6</b>
<b>Other Areas</b>	<b>205</b>	<b>204</b>	<b>248</b>	<b>256</b>	<b>3.2</b>
<b>Total Overseas</b>	<b>4,887</b>	<b>4,036</b>	<b>4,524</b>	<b>4,462</b>	<b>-1.4</b>

Source: Central Statistics Office – Overseas Travel 27<sup>th</sup> September 2012

We will not be able to increase overseas visitors in the coming years unless the cost of doing business in Ireland is reduced – Currently;

- Ireland is 18% above the average EU country on food prices
- Irish prices are on average 15% higher than the UK
- Ireland is the fifth highest-priced country in the EU for food and non-alcoholic beverages
- Excise duty on Wine and Sparkling wine is nearly double that of most EU Countries
- Waste licence fee has increased from €1200 to €4000.
- Commercial rates have increased by 47% on average since 2000, well in excess of inflation.

(Source: Eurostat Survey on Consumer Prices September 2012, ISME Survey 2011)

## **The Restaurants Association of Ireland's Ten Point Plan:**

- 1. Shortage of Chefs threatens the success of the Tourism Industry Recovery.**
- 2. Reduction of Overheads & Regulatory Burdens**
- 3. Tackling Obesity in Ireland & the Establishment of a Nutrition and Healthy Eating in the Primary and Secondary School Syllabi**
- 4. Sick Pay Scheme**
- 5. Retention of VAT at 9% and an Introduction of a Composite Rate of VAT**
- 6. Make Work More Attractive**
- 7. Access to Credit**
- 8. Funding for Fáilte Ireland & Tourism Ireland**
- 9. Establishing Events Ireland & Streamlining Tourism Agencies**
- 10. Maintain Current Rate of Excise Duty**

## **The Restaurants Association of Ireland's Ten Point Plan:**

### **1. Shortage of Chefs Threatens the Success of Tourism Industry Recovery**

The shortage of chefs throughout the country has reached crisis point, where it will even threaten the success of Tourism Industry Recovery. Serious efforts in the area of job creation need to be made. The Restaurants Association of Ireland is calling for investment in training to be offset against employer's PRSI. The Association is also proposing 1000 work place apprenticeships for the Restaurant Sector. Participants in the *Restaurant Apprenticeship Scheme* should be allowed access training allowances equal to those given to FÁS apprentices. The scheme should be weighted towards professional cookery, craft and culinary arts and provide participants with a skillset that would guarantee them employment upon completion. A number of Fáilte Ireland courses were cut four years ago when the recession took hold, and as it takes four years to train a chef, it is now we are facing a huge crisis and shortage of chefs.

#### **Benefits**

##### ***For Apprentices***

- Apprenticeships are an excellent opportunity to acquire the necessary skills, knowledge, competencies, experience and qualifications to build a successful career;
- Apprenticeship training is relevant and tailored to the needs of industry;
- Apprentices are paid as they progress through their apprenticeships;
- On completion of an apprenticeship, apprentices will become a craftsperson in the chosen occupation and hold a national and internationally recognised qualification;

##### ***For Employers***

- Apprenticeship courses are based on uniform, pre-specified and industry agreed standards;
- Apprenticeship courses comply with current and future needs of the chosen occupation;
- Through the systematic development and assessment of skills, knowledge and competencies, apprentices become more productive and reach efficient worker standards more quickly than other students.

#### **Maintaining human resource development as a priority**

Human resources are the highest operating cost in the majority of restaurant enterprises. As the customer receives a personal service delivered in a one to one situation the professionalism of the service giver is a major factor in the quality of the service. Personnel who know how to do their job have self-confidence which translates into good interpersonal relations between the service provider and the service receiver.

**Action 1: Dedicated Human Resources Development for Tourism**

Maintain the role of the National Tourism Development Authority in the development of human resources for the tourism sector.

**Action 2: Enhanced Working Experiences**

Assist in arranging off-season work experiences for personnel in QUALITY overseas destinations which offer excellent visitor services, winter sun and skiing destinations.

**Action 3: Enhance Pride in Irish Tourism**

Under the *Sustainable Tourism Awareness Programme*, generate pride in Irish tourism, in how we perform and in how we recognise our responsibilities to our visitors.

**Action 4: Customer Care**

Put greater focus on 'attitudinal training' to ensure our visitors experience the real warmth of the Irish welcome. To ensure safety and an 'added value' experience

**2. Reduction Overheads and Regulatory Burdens**

*Ireland is the most expensive country in Europe to run a Restaurant.*

*Waste licence fee has increased from €1200 to €4000.*

The Restaurants Association of Ireland is calling on the Government to lighten the regulatory load on all SMEs. Restaurants deal with, on average, twenty-five different agencies and authorities in the day-to-day running of their business. These include:

**Regulatory Burdens**

- Reducing the cost of Government imposed red-tape on business, in part by streamlining regulatory enforcement activities out of a merger and rationalisation of existing structures and agencies.
- Creating a Business Inspection and Licensing Authority that absorbs the existing business inspection activities of the Health and Safety Authority, and the National Consumer Agency.
- Creating a single food safety monitoring agency, building on the existing Food Safety Authority, responsible for food safety inspection from farm to fork.
- Developing a unique business identifier for use by all government departments and agencies that will facilitate the sharing of information within Government and reduce repetitive information requests from businesses.
- Requiring Departments to publish Regulatory Impact Assessments (RIAs) before Government decisions are taken, thereby offering a further channel to obtain the views of civil society on new rules and regulations.

- Running a restaurant requires interaction with the following bodies:
  - i. The relevant local authority with regard to:
 

– Commercial rates	– Street furniture
– Water	– General Waste disposal
– Fire safety	– Fats, oil and grease disposal
– Planning matters	
  - ii. The Health & Safety Authority.
  - iii. The Food Safety Authority and the HSE.
  - iv. NERA and, if staff members hold work permits, the Dept of Jobs, Enterprise and Innovation.
  - v. The Courts regarding alcohol licensing.
  - vi. The Revenue Commissioners.
  - vii. The Companies Registration Office.
  - viii. The CSO
  
- The restaurateur may also interact with some of all of these bodies: Fáilte Ireland, REPAK, IMRO, and PPI.
- Introduction of Grease Trap Monitoring Fee
- Sunshine Tax on Outdoor Seating, Music/ Performance rights, Tax Business Improvement District Levy/HACCP Regulation.

## **Local Authority Rates**

### ***Commercial Rates***

- Commercial rates are a significant burden on smaller enterprises, with companies contributing a massive 28% to the total income of local authorities. Businesses are the only sector of society that contributes to these rates, which have increased by a massive 47% on average since 2000, well in excess of inflation. The latest ISME survey (11th July, 2011) confirmed that commercial rates are posing a threat to over 40% of SME businesses, with almost a third unable to pay their current rates.
- The Restaurants Association of Ireland wants the Government to recognise that the present rates system is unfair and is a direct cause of business closures and job losses.
- At RAI Branch Roadshows across the country, rates were found among the biggest challenge facing restaurateurs in both rural and urban areas.
- The Restaurants Association of Ireland is seeking an amendment to the Valuation Act that will permit an employer to lodge an appeal due to a change in economic circumstances and inability to pay.
- It wants the Government to undertake a comprehensive review of the present rates system with the aim of funding local government on a more equitable and sustainable basis. This is likely to involve the setting up of a representative review group to examine the rates system in detail, consult with all interested parties, and recommend the best alternative

- The Local Government Efficiency Review Group has identified savings of €511 million to be achieved through efficiencies across the local authority system. While some progress has been made, more is needed. Not all savings made in the cost of running local authorities can be passed back to the business sector. However, even if half of the €511 million in savings suggested by the Review Group were passed back to business, the total commercial rates bill could fall by almost 19%.
- The Restaurants Association of Ireland is also concerned that the local authorities are moving to bridge the gap left by development levies and National Exchequer funding by increasing fees & charges to small businesses, for example a waste license fee has increased from €1200 to €4000, with no justification.
- Commercial rates continue to be an excessive burden on the sector. Despite the adverse economic situation in 2009, 22 of 34 county councils and city councils increased their annual rates on valuation. Twelve areas kept the rate at 2008 levels and none of the 34 introduced a decrease. This contrasts with the substantial decline in restaurant revenues and prices.
- Compliance / Regulatory Costs: The Restaurants Association of Ireland believes that the Government should follow the example of the UK and introduce a 3 year moratorium on the non-essential government activity that imposes costs on a small business, such as form-filling.
- Waste Collection / Treatment Costs: Due to the introduction of government regulations on waste disposal, and the absence of solutions in relation to landfill and incinerators, restaurants have had to incur significant additional costs. These extra costs have had to be passed on to customers.

The Restaurants Association of Ireland is seeking temporary provisions in Budget 2013 for a reduction in Local Authority rates applicable to all food outlets until such time as restaurants have had their rateable valuations revised as provided for in the Valuation Act 2001. The system of Local Authority funding is based on an antiquated taxation system of commercial rates that sees Local Authorities calculate taxes based on the size of the property, regardless of the worth and profitability of the business trading on that premises. The Valuation Act 2001 was set up with the intention to review the excessive charges being demanded by local authorities; however, after almost 10 years only three of the 88 local authorities have had their areas re-evaluated and revised in accordance with this Act. The RAI is urging the Government to enact legislation to overhaul the property revaluation process and introduce fairness into the method of valuing restaurants and cafés, taking into account both income and expenditure. In the local authority areas that have been re-valued, restaurants and food outlets have received significant reductions.



### **3. Tackling Obesity in Ireland & the Establishment of a Nutrition and Healthy Eating in the Primary and Secondary School Syllabi**

The Irish restaurant industry is fully committed in helping to tackle the growing obesity problem in Ireland. We have implemented a *Kids Size Me* initiative in restaurants, which enhances the range and portion size of nutrition meals available to families in a restaurant by making child portions of adult meals available as an alternative to the standard children's menu. We also support The Heart Foundation in their *Happy Hearts* campaign.

- The Restaurants Association of Ireland is proposing that nutrition and healthy eating be made part of the curriculum in primary and secondary school syllabi, to introduce the concept of healthy eating at a young age.
- The RAI believes that any introduction of sugar & fat tax proposals may trigger job losses and the correct approach to tackle obesity in Ireland is through educational awareness. A blanket fat tax will not create a healthier society, as has been seen in Denmark, and the RAI is advocating for a holistic approach where both business, public and private sectors, community and voluntary would play a part in tackling this issue. Ireland already has a high tax regime of 23% on certain foods including beverages and confectionaries, and we fear that people would travel over the border to Northern Ireland to purchase these items if higher taxes were imposed.
- The Restaurants Association of Ireland is proposing that all primary schools would establish a school vegetable garden project. The Restaurants Association of Ireland would endorse this project by twinning every school in Ireland with a local Restaurant/food service operation.

#### **We propose taxing Video- games & re-investing the tax into education**

Video- games are contributing to the sedentary lifestyle that is making our children obese. We propose that a tax be placed on video games and then the money gained is re-invested into educating young people about nutrition, healthy eating and exercise. A simple fat tax won't fix the obesity problem overnight- it's an ongoing issue that needs to start at an early age through education, both in schools and in the home.

The video gaming industry is worth millions to the Irish economy, but is also contributing to the vegetative state that is making our young people obese. Placing a tax on luxury items such as these is more feasible than taxing everyday foods, which will hit low income families the hardest.

#### 4. Sick Pay Scheme

The proposed statutory sick pay scheme, if brought in, will weaken cost competitiveness, cost jobs and possibly shut down even well established restaurants- the businesses that should be at the forefront of any future recovery and growth in employment.

- The Restaurants Association of Ireland is calling on the Government to reform the public sector sick pay bill.
- In national survey conducted in 2011, it was found that the typical number of days lost in SMEs is three days, and in the public sector the number of days lost is twelve, where the State pays sick pay.
- In the restaurant industry, we would propose that only businesses with one hundred staff and over would be applicable for sick pay schemes.
- The RAI is calling on the Government to commit to its policy of job creation.

#### 5. Retention of VAT at 9% and introduction of composite rate of VAT

The Restaurants Association of Ireland is glad that the 9% VAT on tourism services was retained in 2012, but we need further commitment that the 9% VAT will be retained into 2014. This has proven to be a confidence building measure for the sector.

The RAI would also propose an introduction of composite VAT rates on dining out.

- Introduction of a composite system for determining the VAT Rate applicable on a meal i.e. if food represents more than two thirds of the total value of a meal, a VAT rate of 9% should apply to the whole meal.
- Encourage the practice of drinking out and café culture.
- Reverse the trend of people buying discounted alcohol products from off-licence locations and increased home consumption of alcohol.
- Reintroduction of recoverability of VAT on Corporate Dining.
- U.K. companies can reclaim 100% of VAT incurred on corporate dining.
- Any percentage of recoverability of VAT would create a stimulus to the sector, with little loss in tax revenues.
- Recoverability of VAT on Food and Drink for International Corporate Delegates. Ireland has seen a growth in conference delegates to the conference centre. The Restaurants Association of Ireland is urging the Government to introduce a recoverability of VAT scheme for these delegates.
- A realignment of the VAT rates on food.
- VAT on Dining Out.

Since the reduction of the VAT rate for the tourism industry, **we have created 10,000 jobs-** and the number would have been higher if we had access to chefs to fill the needs of the industry. The

decision to retain rate of VAT to 9% for tourism products would provide a much needed boost for the sector by allowing restaurants and cafés to create jobs.

The RAI’s position is that any uncertainty around its retention into 2014 would become a barrier to securing sustained growth in visitor numbers. Many overseas tourists and tour operators book trips up to eighteen months in advance- we need to make Ireland look as attractive a destination as possible. The Association is calling on the Government to view the 9% tourism VAT rate as more than a short term stimulus and commit to retaining the reduction into 2014.

<b>Table 1: EU VAT rates on Alcohol Above 21%</b>	<b>9 Members</b>
21%	3 Members, Ireland, Belgium and Lithuania
20%	8 Members, Austria, Bulgaria, Czech Republic, Estonia, Italy, Slovakia, Slovenia, UK
19.6%	1 Member, France
19%	2 Members, Germany and Netherlands,
18%	2 Members, Malta and Spain
below 18%	2 Members, Cyprus and Luxembourg

**6. Make Work More Attractive**

At the Restaurants Association of Ireland, we believe that no-one should be better off on social welfare than in a job. We are calling on the Government to increase the incentive to return to work before people lapse into long-term unemployment.

- Reduction of employers PRSI for those companies who have maintained their employee numbers at P35 filing time.

**Reform of the Social Welfare Code**

- The social welfare system is in urgent need of reform so that it fulfils its role of protecting and supporting families and individuals in genuine need of such assistance rather than acting as a competitor in the labour market and to ensure that the self-employed can avail of social welfare entitlements immediately.

- A radical review of the current taxation and social welfare system to ensure that the 'tax wedge', the monetary difference between being gainfully employed and claiming social benefits, is changed.
- At a time when we should be encouraging more people to take risks and create employment for themselves, through setting up a business or becoming self-employed, it is vital that they have the same welfare safety net as employees. Restaurateurs are entrepreneurs, we need to remind the Government of that fact. When a restaurant opens up or expands, up to 30 new jobs are created. Business owners who are willing to pay a voluntary additional PRSI payment, should be allowed to do so, in order that they may qualify for all Social welfare benefits as their employees do.
- Investment in training and development to be offset against Employers PRSI.
- The development of our skills base at all levels in Ireland is critical to our ongoing economic success. The OECD estimates that 40% of small business failure is due to lack of management capacity and even in the growth years, 50% of all start-ups failed in the first five years of trading. The Restaurants Association of Ireland is calling for investment in training to be offset against employer's PRSI. This will result in a highly skilled workforce.
- As part of its proposals around job retention, which include reducing the labour overhead cost at business level, the Restaurants Association of Ireland believes that the Minister should consider a reduction of employers PRSI for those companies who have maintained their employee numbers at P35 filing time through a rebate or a credit system. This will incentivise businesses to keep people in jobs where there is work for them to do, rather than being forced to let them go, because it is the only cost within their control.
- Given that recent figures showing average labour costs in the Restaurant sector currently running at 38% - 40%, the overall burden of tax is even greater for the restaurant employer – the only solution open to them is to reduce labour costs. Large employers (the restaurant and catering sector employs 64,000 people) are fundamentally subsidising industries that have lower labour forces through the burden of employer's PRSI.

## **7. Access to Credit**

The Establishment of a Loan Guarantee Scheme for the tourism sector on similar lines to those available in the UK and some countries should be investigated. A dedicated credit line for refurbishment/renovation of existing facilities such as indigenous restaurants and cafés should be investigated.

Access to finance still remains one of the biggest obstacles to SMEs, with the lack of bank credit in particular a significant impediment to company development and growth. Contrary to what is being outlined by the banks, the majority of SMEs applying for funding are being refused. This was reflected in the most recent credit watch survey (June 2012), which confirmed that 54% of companies who made an application to their banks in the previous three months, were refused credit. In a recent

survey (September 2011), Eurostat outlined that Ireland has the second worst record in Europe for bank lending to SME's.

The Restaurants Association of Ireland are calling for the State to create a specific business lending bank, similar to ICC in the seventies, which would be manned by individuals with the experience of dealing with SMEs and able to meet their requirements accordingly.

In RAI nationwide branch Roadshows, access to credit was found to be a huge problem- in line with the rising costs of overheads, gaining access to credit to pay off debtors is not getting any easier. Over the next twelve months, as Ireland takes up its Presidency of the EU, it has an opportunity to influence the regulations regarding state aid as the EU state aid regime is being modernised. Ireland has the potential to negotiate aid recovery which could be a catalyst to job creation.

## **8. Funding for Fáilte Ireland & Tourism Ireland**

The Restaurants Association of Ireland is calling on the Government to maintain current levels of marketing funding for both Fáilte Ireland and Tourism Ireland in an effort to increase overseas and domestic visitor numbers in the coming years. While business levels have increased in key urban areas in 2012, performance has been poor for restaurants and cafés across many parts of the country, resulting in a two-tier recovery in the market. Funding for specific long-term marketing measures is required in Budget 2013 to address this imbalance and, in particular, to restore growth in tourism from the British market. According to anecdotal evidence from the members of the Restaurants Association of Ireland, footfall in restaurants may have increased steadily in the past year or two, however spend has decreased. Fáilte Ireland's efforts need to continue and the number of visitors needs to rise so restaurants can reach the margins that have been decreasing in the last few years.

The RAI is also calling for the Government to allocate a dedicated budget in 2013 aimed at giving holidaymakers new reasons to visit Ireland and supporting specific events such as the Emerald Isle Classic American football game, or the Tall Ships, which attracted tens of thousands of tourists to Ireland in September 2012. There is huge potential for 2013, to attract people to the FIFA World Cup Qualifiers, and encourage visitors to extend their stay for longer.

The RAI is proposing that during the year of 'The Gathering Ireland', 2013 should also be identified as ***The Year of Hospitality***. This would see tourism and hospitality put at the centre of the Irish Education system. The Restaurants Association of Ireland is proposing that tourism and hospitality studies will be part of the second level curriculum, this will re-enforce the importance of tourism and hospitality to the Irish economy and thus involving civil society through the tourism economic recovery. Tourism is the 2nd largest indigenous contributor to the Irish economy.

The Restaurants Association of Ireland also believes it is vital that **market access support schemes are restored.**

## 9. Establishing Events Ireland & Streamlining Tourism Agencies

The Restaurants Association of Ireland is advocating for the establishment of an agency with the responsibility for promoting Ireland as a destination for events, festivals, large scale sporting competitions and music concerts. The establishment of this agency should continue the promotion of *The Gathering Ireland 2013* into the centenary celebrations of The 1916 Rising. Events Ireland will have the responsibility for the implementation of a national strategic plan for large scale events. Events Ireland will work with other Government departments and agencies, partner organisations. In Fine Gael's Tourism Manifesto in 2011, one of their main aims in Government would be to "streamline and strengthen the organisation of tourism. A strong and single leadership and 'one-stop-shop' will be provided to assist and drive the industry."

- Events Ireland would be a national events agency, with the aim of strengthening and promoting Ireland's events industry. Events Ireland's role would be attracting, generating and sustaining a portfolio of world class events in Ireland.
- Streamlining Tourism agencies: The current structure of tourism is weak, fragmented and lacks a single voice. The national marketing and development functions are divided between two organisations and regionally between multiple bodies causing confusion and lack of direction and leadership. In streamlining and strengthening the organisation of tourism, The Restaurants Association of Ireland are proposing the following actions:

### i. Action: National Tourism Organisation

Recognise The National Tourism Development Authority (Fáilte Ireland) as the lead national tourism organisation with its marketing activities outsourced to Tourism Ireland. The National Tourism Development Authority (NTDA) together with the ROI office of Tourism Ireland will be housed in a single location – 'Tourism House', which will become a 'one-stop-shop' for all development and marketing services to industry. Tourism Ireland overseas offices, whilst maintaining their marketing brief, will become more proactive in generating new business from travel trade, business contacts and the diaspora.

### ii. Action: Tourism Planning and Development

The Restaurants Association of Ireland is proposing streamlining and strengthening of the organisation of tourism. To safeguard the physical environment, the NTDA will re-assert its role under the Planning Act and coordinate and advise on all significant proposals being developed by other agencies and organisations.

### iii. Action: Creation of designated professional tourism officers

The Restaurants Association of Ireland is proposing to facilitate a bottom-up involvement in tourism through a more significant role by local authorities and County Enterprise boards inputting to, and

implementing, tourism planning and development and in facilitating and supporting tourism in their areas. The objective will be for the local authorities to be the engine for tourism growth at local level.

**iv. Action: Inter-departmental Tourism Committee**

Establish an *Inter-departmental Tourism Committee* to ensure coordinated and joined up decision making in all areas that impact on tourism. A key priority will be to seek greater tourism engagement and a tourism marketing function from the O.P.W.

**v. Action: Culinary Tourism & creation of 26 Culinary Centres of excellence**

Recognising the growth in artisan food producers, country markets, seafood availability and owner operated restaurants, support the '*Restaurants Association of Ireland Culinary Centres of Excellence Initiative*' with a view to strengthening the role of Irish food as a key attraction in the holiday experience. Centres of culinary excellence such as Kinsale, Carlingford, Dingle, Westport, Glasson, Bearna, Howth & Dalkey can play a lead role in the promotion of culinary tourism.

**vi. Action: Supporting Restaurant Enterprises**

Restaurant enterprises currently have to contend with twin challenges of declining demand and increasing costs. Central and local government related charges are amongst the most significant costs borne by the industry. Current supports for enterprise are uncoordinated with a wide range of agencies involved (i.e. Fáilte Ireland, County Enterprise Boards, LEADER, FÁS etc.).

**vii. Action: Broadband – Restaurant Enterprises On-Line**

Greatly enhance the direct marketing capacity and capability of Restaurant enterprises through the roll-out of high-speed fibre infrastructure through the country.

As the two leading indigenous industries, there is a need for greater co-ordination between tourism and agriculture policies. The establishment of Ireland the 'Food Island' brand must be a priority with a holistic approach by linking key stakeholders such as restaurants, cookery schools, gourmet trails and local food producers with state agencies in achieving this.

**9. Maintain Current Rate of Excise Duty and tackle cheap alcohol sales once and for all!**

The Restaurants Association of Ireland is calling on the Minister for Finance to maintain the current rate of excise duty on wine served as part of a meal. The Association believes that any increase in excise duty should be levied towards below cost selling of alcohol in off licences and supermarkets and feel this reduction will impact on excessive unregulated home drinking as well as encouraging sensible drinking in regulated environment. The Government should re-enforce Enforcement of code of practise in responsible Sale of Alcohol, and thereby discourage a nation of 'handbag drinkers'.

**Excise Duty on a Standard Bottle of Still Wine:**

Ireland	€2.05
United Kingdom	€1.80
France	€0.03
Italy, Spain, Greece, Portugal	NIL

**Excise Duty on a Standard Bottle of Sparkling Wine:**

Ireland	€4.10
United Kingdom	€2.57
France	€0.06
Italy, Spain, Greece, Portugal	NIL

The Restaurants Association of Ireland is calling for the abolition of excise duty on wine. Tourists and Irish consumers compare Irish prices with those in other tourist destinations, e.g. Spain, Italy, Portugal, Greece and France, where there is no duty on wine. Alternatively wine served with a meal in a restaurant should attract the rate of VAT applicable to food in restaurants. Again, this would help to encourage consumer spend. The Restaurants Association of Ireland is calling for VAT on Beverages supplied as part of a meal to be reduced from 21.5% to 13.5%. This reduction will impact on excessive home drinking as well as encouraging sensible drinking (via dining). Given that our main tourist competitors have the following rates; such a reduction would help make Ireland a less expensive destination.

<b>Country</b>	<b>Rate of Excise Duty</b>
Spain	7%
Greece	8%
Italy	10%
Cyprus	5%
Austria	10%