

Restaurants Association of Ireland Pre-Budget Submission 2024

DRIVING SUSTAINABLE RECOVERY FOR THE
RESTAURANT & HOSPITALITY SECTOR



RESTAURANTS
ASSOCIATION

OF IRELAND



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THE RESTAURANTS ASSOCIATION OF IRELAND

The Restaurants Association of Ireland is the representative body for restaurants, cafés and gastropubs in Ireland. With over 3,000 business owners nationwide, we represent fine dining, casual dining, ethnic, family, gastropubs, and hotel restaurants. Established by restaurateurs in 1970 to represent the sector at governmental level and promote and improve the industry, the Restaurants Association of Ireland continues with that mandate to this day.

TOURISM & HOSPITALITY VAT RATE

The Restaurants Association of Ireland is advocating for the retention of the 9% VAT Rate for the Tourism & Hospitality sector to 2025. The following is taken from an economic analysis by Jim Power to assist in the explanation of the reasoning behind this recommendation. The Restaurants Association of Ireland is constantly being told by members of the difficult economic environment they are currently working in. We ask that the following is considered to ensure that the restaurant sector can continue to recover and ultimately thrive while battling the challenges many find themselves facing.

Background

In July 2011, a special reduced VAT rate of 9 per cent was introduced to provide support and boost employment in a range of areas, including Accommodation and Food services. Between the second quarter of 2011 and the final quarter of 2018, employment in the sector increased by 57,800 or 49.7 per cent. Many factors were responsible for this increase in employment, but the reduced VAT rate contributed as it helped control prices and business margins. It was also introduced at a time when the sector was facing economic downturn due to the financial crises that erupted in 2008.

In Budget 2019, the special VAT rate was increased to 13.5 per cent for tourism activities, with effect from 1st January 2019. The timing of this increase was unfortunate as it coincided with intense uncertainty relating to Brexit, sterling weakness, and then the declaration of a global pandemic in March 2020. Employment in the Accommodation and Food Services sector declined by 49,600 or 28.5 per cent between the final quarter of 2018 and the final quarter of 2020. This is approximately half of the previous total increase in only two years. The increase in the VAT rate was not the main reason for the reduction in employment, but it did play a significant role.

In Budget 2021, a reduced 9 per cent VAT rate was re-introduced for restaurant supplies, tourist accommodation, cinemas, theatres, museums, historic houses, open farms, amusement parks, and hairdressing, as well as certain printed matter such as brochures, leaflets, programmes, and catalogues. This measure was intended to help sectors that had been very badly affected by the COVID-19 Pandemic and keep businesses afloat as many were forced to shut down for a considerable amount of time.

The reduced VAT rate was applicable from 1st November 2020 to 31st December 2021 at an estimated cost of €401 million to the Exchequer. In Budget 2022, the measure was extended to 31st August 2022 at a further estimated cost of €251 million. In May 2022, the measure was further extended to 28th February 2023, at an estimated further cost of €250 million. It was



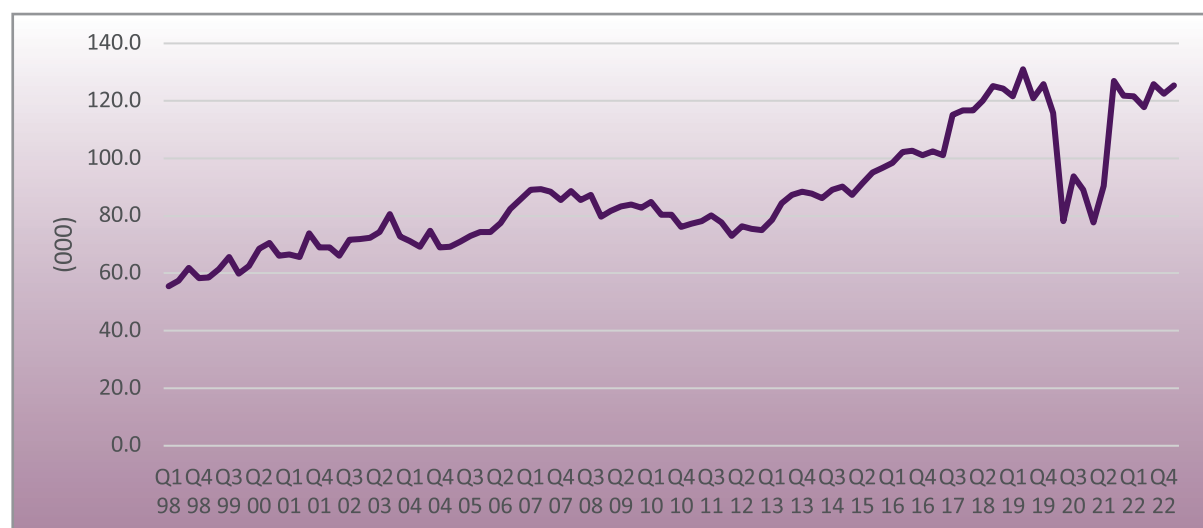
envisaged that the 13.5 per cent rate would again apply to all affected sectors on 1st March 2023. In February 2023 a second Resolution provided for the extension of the temporary reduction in VAT on Tourism and Hospitality to the 31st of August 2023. This decision was made in the face of economic uncertainty due to the war in Ukraine, the rise of inflation and interest rates, and changes in consumer behaviour.

This move was welcomed by the sector, particularly coming into a tourism season that had many risks and challenges.

The Operating Environment For The Restaurant Sector

The restaurant sector is an integral part of Ireland's tourism and hospitality sector. In the first quarter of 2023, 125,400 workers were employed in the Food & Beverage Services sector. Between the first quarter of 2013 and the first quarter of 2023, employment in the sector increased by 59.5 per cent. This employment is spread throughout the countryside, and the sector in general makes a very strong contribution to regional and rural economic activity and employment.

Figure 1: Employment in Food & Beverage Services

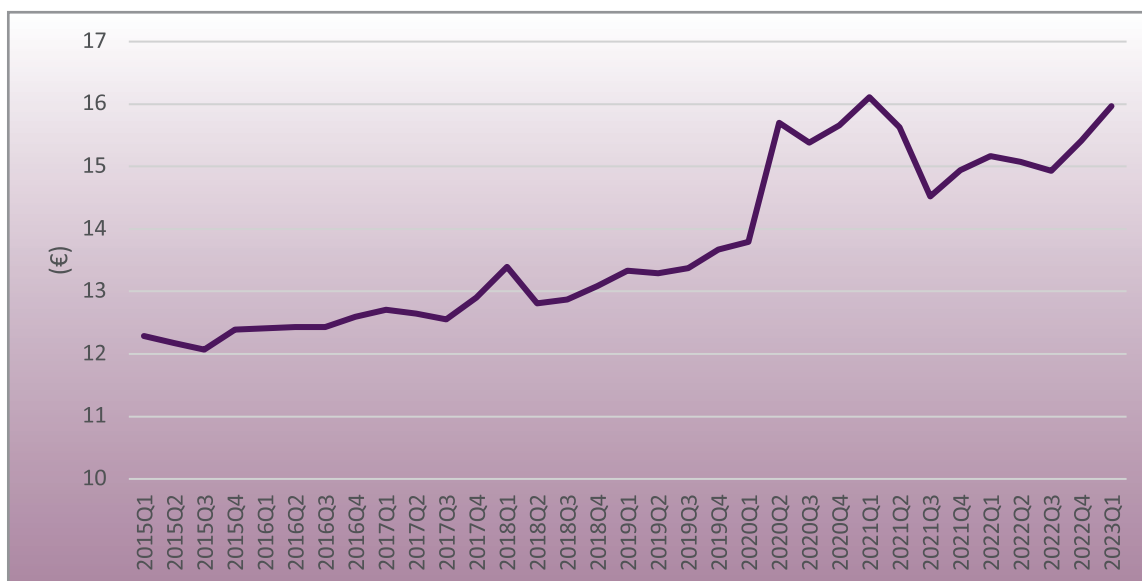


Source: CSO PxStat

One of the most intense challenges facing the sector now is the difficulty in recruiting and retaining staff, and labour costs are under significant pressure. Though employment in the economy stands at a record high of 2.6 million and the unemployment rate is at a record low of 3.8 per cent; and post-Covid, labour shortages in the Restaurant and Hospitality sector have become particularly acute. Of greater concern is the fact that many restaurants and other hospitality businesses are under significant pressure to provide a full service due to staff shortages across all occupations within the sector. The capacity to deliver 'business as normal' is proving very challenging for many businesses.

Between the first quarter of 2019 and the first quarter of 2023, average hourly earnings in the accommodation and food services sector increased by 19.8 per cent.

Figure 2: Average Hourly Earnings Accommodation & Food Services Sector



Source: CSO PxStat

In addition to the staffing issues, restaurants have also faced significantly higher costs for gas, electricity, and the whole price of food inputs.

In the face of these escalating input costs, businesses in the sector have been under pressure to increase prices. However, the rate of increase in restaurant prices has been significantly lower than in other sectors of the economy, particularly the accommodation sector.

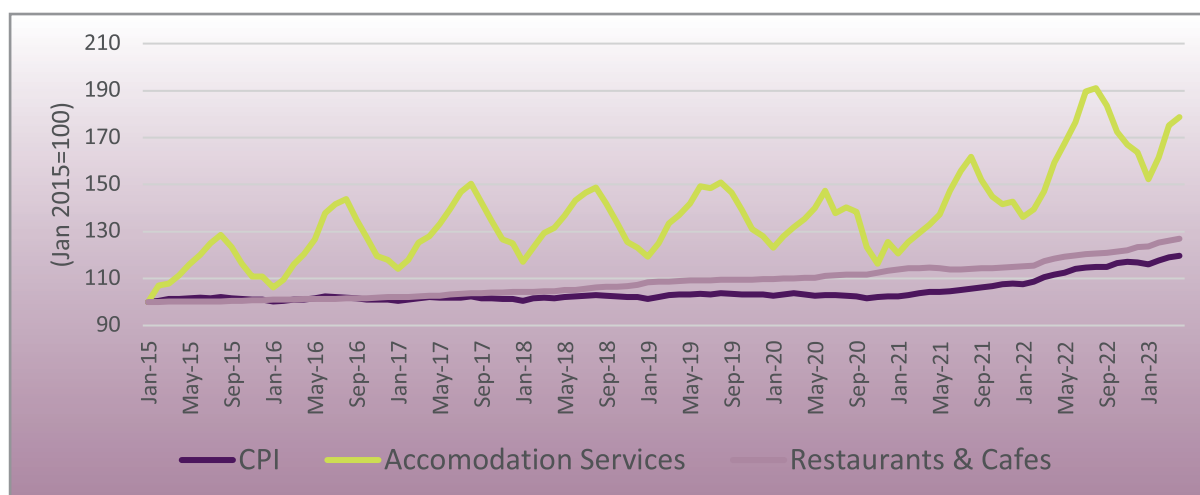
In the year to April 2023:

- Overall averages consumer prices increased by 7.2 per cent.
- The average consumer price for restaurants and cafes increased by 7.1 per cent.
- The average consumer price of food increased by 13.1 per cent.
- The average consumer price of accommodation services increased by 12.2 per cent.

Between January 2021 and April 2023:

- Overall averages consumer prices increased by 16.9 per cent.
- The average consumer price for restaurants and cafes increased by 11.4 per cent.
- The average consumer price of food increased by 18.4 per cent.
- The average consumer price of accommodation services increased by 48.2 per cent.

Figure 3: Consumer Price Inflation in the Accommodation & Food Services Sector



Source: CSO PxStat

There is a considerable comment and controversy about the escalation of prices in the Accommodation and Food Services sector, but **official CSO data show that the rate of price increase in the restaurant sector is well behind that in Accommodation and overall consumer prices**. In an environment of rapidly rising input costs, this poses a significant challenge for many restaurant businesses.

While it is accepted that it may be politically difficult to maintain a reduced VAT rate for sectors where significant consumer price increases are being experienced, the restaurant sector is in a very different situation. It is facing severe business challenges on the cost and labour market front, it has limited consumer pricing power, given the very competitive nature of the sector; and it is operating in an environment where consumer discretionary spending is under pressure from the overall escalation of the cost of living and rising interest rates.

ACTION:

In an environment of such immense business challenges, it would be desirable to introduce a permanent VAT rate of 9 per cent for the restaurant sector. In the absence of a permanent change, and extension of the 9% VAT Rate to the end of 2025 would bring some certainty to a sector facing such challenges.

HOSPITALITY SKILLS AND RECRUITMENT

Tourism & Hospitality Skills Statistics

ESRI - Quarterly Economic Commentary, Spring 2023: “A further macroeconomic challenge from prolonged inflation rates is the risk of a reduction in competitiveness. If cost inflationary pressures persist above those peer-economies, this may cause a notable decline in Irish competitiveness which can affect trade, production and investment activity.¹

Kroll’s Business Sentiment Survey of Restaurants & Hospitality² conducted in Q1 2023 surveying members of the Restaurants Association of Ireland and broader hospitality businesses found the following:

- 41% of member respondents identify as micro (less than 10 employees).
- 38% say trading performance will be below pre-pandemic levels for 2023.
- 84% believe they will have to increase staff wages.
- 80% said no or not sure to being adequately resourced from a working capital standpoint following withdrawal of Government supports.
- 79% said it would be difficult to recruit / retain staff over next 12 months.
- 31% have seen a 50% in energy bills while 33% have seen a 100% increase in the last six months.

Expert Group on Future Skills Needs (EGFSN): The 2015 Report by the Expert Group on Future Skills Needs (EGFSN): Assessment of Future Skills Requirements in the Hospitality Sector in Ireland³ highlighted a skills shortage within the wider hospitality sector that had been in existence and persists now during the pandemic recovery.

Under “Findings and Conclusions” the EGFSN stated:

“There is a need for a more structured approach nationally of responsibility to drive the Hospitality sector to meet skills demand to 2020. There is presently an absence of an overall leadership and coordination function for the skills development of the sector.”

The report noted the following in its “Overall Conclusion”:

“The Hospitality sector has significant potential for future growth. However, assuming a continued recovery in the economy, significant skills shortfalls are likely to emerge in key areas if actions are not taken in the short to medium term. The implementation of the recommendations set out in this report will facilitate the sector to make additional contributions to employment expansion in the Irish economy and to meet the targets set out in the Government’s Tourism Policy Review.”

Finally the EGFSN report gave two scenarios for projected skills demands 2015 – 2020, the first was “110,723 - *Adjusted to reflect estimated annual inflow of students in the Kitchen/Catering Assistants, Waiters/Waitresses and Bar Staff occupations.” The second scenario “96,006 - Adjusted to reflect estimated annual inflow of students in the Kitchen/Catering Assistants, Waiters/Waitresses and Bar Staff occupations.”

That 2015 report is now out of date and despite request from the Restaurants Association on multiple occasions from 2019 onward there has been no review.

¹ https://www.esri.ie/system/files/publications/QEC2023SPR_0.pdf

² <https://www.kroll.com/en/insights/publications/restructuring-advisory/irish-restaurant-hospitality-business-sentiment-survey-2023-edition>

³ <http://www.skillsireland.ie/all-publications/2015/Hospitality-Skills-Full-Report-for-Web.pdf>

Fáilte Ireland's Tourism Barometer, May 2023⁴: Outlines the continuing challenges facing tourism - A short survey was executed in April/early May 2023 with 806 responses from various industries within the hospitality sector.

Within the restaurant sector:

- Operating profitably is a significant challenge – 75% say their profitability is down so far this year.
- 71% cite 'can't get the staff' as a concern – the highest proportion of any sector to say this.
- 40% are up on customers vs 38% down on 2022, which was itself a difficult year.

Training & Retention

As an Association and a Sector we are involved with and have co-developed a number of initiatives for recruitment, retention, and education within the sector. As detailed below:

- **Apprenticeships:** We co-developed several chef apprenticeships; Commis Chef, Chef de Partie, Sous Chef and Head Chef, all of which offer degree qualifications as well as on the job training, through an earn and learn model. Our CEO Adrian Cummins has as of March 2022 been appointed by Minister for Further and Higher Education, Research, Innovation and Science Simon Harris TD, as one of two industry representatives to join the National Apprenticeship Alliance.
- **Upskilling:** We operate the Restaurant & Hospitality Skillnet which aims to upskill existing employees and all staff, including hospitality business owners, managers and supervisors. Established in 2017 it has trained 17,890 employees to date and is part funded and validated by the Department of Further and Higher Education, Research, Innovation & Science through Skillnet Ireland. In 2022, through the Restaurant & Hospitality Skillnet:
 - 454 companies engaged with training of their employees.
 - 4,905 employees were trained.
 - 115 unemployed people were trained.

In 2023 YTD through the Restaurant & Hospitality Skillnet:

- 127 companies have engaged with training of their employees.
- 657 employees have been trained.
- 12 unemployed people have been trained.
- **Oversight and Engagement:**
 - We are also part of the Tourism & Hospitality Careers Oversight Group, Chaired by Fáilte Ireland, the objective of which is to support sustainable employment in the tourism and hospitality sector.
 - Apprentice Chef Initiative – aims to create a positive and pro-active approach and introduction to culinary arts profession for second level students.
 - Tourism Insights – online portal for transition year students to promote careers in tourism and hospitality. Over 240 schools have participated to date.
 - We are members of the Tourism & Hospitality Forum.

⁴ https://www.Failteireland.ie/Failteireland/media/WebsiteStructure/Documents/3_Research_Insights/report-barometer-may-2023.pdf?ext=.pdf



- We have called for the establishment of a Recovery Oversight Group for Hospitality to focus on the hospitality sectors issues, including addressing the skills shortage that existed before COVID 19 and has seen in an increase following.
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Recruitment

Members of the Restaurants Association of Ireland reported having positions on Jobs Ireland and paid recruitment websites for front of house and back of house hospitality roles listed for over 6 months with limited applications and applications received having no hospitality experience at all.

A Dublin based Recruitment Company with a specialist Hospitality Recruitment Division stated in August 2022, “A large proportion of people working as Bar staff, Waiters and in Accommodation come from countries outside of Ireland. Travel for the most part has been off the cards for many people for quite some time, and we simply don’t have the numbers of people available to fill the amount of jobs that we have.”

Fáilte Ireland are continuing in Summer 2022 with a research case regarding targeted European recruitment campaigns for hospitality staff. This work is due to be completed by mid / end of Q3 2022. What is needed is immediate action for an in-person recruitment mission to promote Irish tourism and hospitality careers in Ireland in other European Countries. Similar campaigns have happened in 2022 for other sectors of the economy experiencing a skills shortage and were led by applicable Departments, including Social Welfare through EURES. The ask is for Tourism and Hospitality be given the same commitment as soon as the appropriate target countries are identified. Q4 of the Christmas season is vital for hospitality so seasonal staffing by specialist European workers would save the season.

ACTION:

An in-person recruitment mission to promote Irish tourism and hospitality careers in Ireland in other European Countries.

Work Permits

As an Association we acknowledge that the long-term solution to the current recruitment challenges and skills deficit in Hospitality can only be rectified by development of skills and promotion of the sector. The immediate skills shortage however does need to be addressed. There is a need for work permits to be processed in a timely manner (currently at 8 weeks as of June 2023) to reflect their intention of being an immediate and vital short time solution. Any efforts to further expedite staffing and processing are welcome.

Need for Critical Skills

Currently (as of June 2023) the processing time for General Work Permits, which the 4 applicable chef work permit occupations fall under, is 8 weeks. As General Work Permits, they also require the mandatory 4 weeks of a labour market needs test, which due to the slow rate of updating primary legislation and the Departments’ review of consolidating all work permits legislation, still includes a mandatory newspaper advertisement of the role.

The ask of the Restaurants Association of Ireland is that 4 of the more senior chef grades currently applicable for General Work Permits (Head Chef, Executive Chef, Sous Chef and Chef de Partie) be moved by Minister Coveney to Critical Skills Permits.

The Taoiseach and former Minister for Enterprise, Leo Varadkar, in May of 2022, used his ability to move a number of other occupations from General Work Permits to Critical Skills Work Permits, and we ask the same for these chef grades. Unemployment rate currently sits at 4.2% as of May 2023. In relation to the unemployment rate Minister for Finance Michael McGrath states, “The level of employment has reached a new record high of 2.57 million; and unemployment remains near historic lows.”⁵ This acknowledgment of the current work force in Ireland, alongside the Fáilte Ireland evidence of the skills deficit of chefs in Ireland and Europe present the Department with a compelling reason to move these chef grade occupations to Critical Skills.

Consideration of this ask should also view the craft and arts nature of the occupation and the check list for these occupations should take into consideration that a traditional education / qualification is not always available for chefs. Indeed, many Michelin starred chefs, including Irish ones, have no traditional academic qualification but rather a lifetime of on-the-job industry led inhouse apprenticeship style education.



⁵ [Minister Coveney and Minister McGrath welcome latest figures showing further employment growth in fourth quarter of 2022 - DETE \(enterprise.gov.ie\)](https://www.enterprise.gov.ie/en/news/minister-coveney-and-minister-mcgrath-welcome-latest-figures-showing-further-employment-growth-in-fourth-quarter-of-2022)



Non-EEA Workers

Resourcing of Government Departments

Since the reopening of the economy and the return to work it has been notable that there has been a backlog in processing various documentation issued by central Government, including but not limited to PPS numbers, Visas and Work Permits. An ask for Budget 2024 is consideration of the resources in each of the applicable Departments to ensure that individuals and businesses are not impacted.

The Restaurants Association of Ireland welcomes the review of occupations on the Critical Skills Occupation List set from the 26th of June 2023 to the 18th August 2023. In addition to our submission we echo our request here to add the 4 chef categories it is requesting to be moved to the Critical Skills Occupation List. In addition, there are a number of occupations aside from chefs which must be moved from ineligible occupations to applicable for General Work Permits, which are detailed below.

ACTION:

- Move occupations of Executive Chef, Head Chef, Sous Chef, and Chef de Partie to Critical Skills Work Permits.
- Removal of the following occupations from the Ineligible Occupations List making them applicable for General Work Permits:
 - » 1221 Hotel and accommodation managers
 - » 1223 Restaurant and catering establishment managers (Food & Beverage Manager & Restaurant Supervisor Applicable)
 - » 1224 Publicans and managers of licensed premises
 - » 5436 Catering and Bar Managers (Food & Beverage Manager & Restaurant Supervisor Applicable)
- Resourcing of Government Departments and Sections to ensure timely processing of applications critical for workers and businesses; Visas, Work Permits and PPS numbers. Adequate resourcing of the Workplace Relations Commission to ensure continued inspections and relevant investigations and oversight of employment law.

Establishment of a National Tourism and Hospitality Training Authority

Since the publication of the 2017 EGFSN report, a National Oversight and Advisory Group 'Hospitality Skills Oversight Group' was developed. This forum met 6 times per year and consisted of the following members.

- SOLAS
- Industry Bodies (RAI, IHF, LVA, IHI, VFI)
- Fáilte Ireland
- Educational Bodies (IOT's, QQI, HEA, ETBI)
- Dept. Social Protection
- Dept. Education
- Dept. Jobs, Enterprise & Innovation
- Regional Skills Dublin



The Hospitality Skills Oversight Group published their 2017 interim report (August 2017) and one of the findings of the report was that hospitality is a diverse industry that would benefit from further co-ordination. Subsequent to this the Tourism and Hospitality Skills Tourism and Hospitality Careers Oversight Group was formed involving the stakeholders above.

What is it? The Tourism and Hospitality Careers Oversight Group was established to coordinate the relevant bodies to agree and implement a work programme to address current and future labour supply and skills requirements in the tourism and hospitality sector.

Why? It is recognised that the best approach to support sustainable employment in the Tourism and Hospitality sector requires a coordinated and collaborative approach by industry, education, training providers, and other relevant stakeholders.

How? Members of the Tourism and Hospitality Careers Oversight Group have developed a two-year work plan for 2019/20 that focuses on delivery of five targeted objectives. Initially chaired by Fáilte Ireland, the group will oversee the implementation of key activities to deliver on agreed KPIs.

Key Objectives: Career Promotion, Employment Connections, Recruitment and Retention, Curriculum Alignment and Mapping Existing Provisions.

CERT

The now dissolved Council for Education, Recruitment and Training (CERT) was held in very high regard during its operational years. It was funded by Bord Fáilte, the Department of Labour and the industry and run by a board including hoteliers and restaurant owners. The board undertook to promote a career in tourism to young people and provided direct skills training at its network of training centres and in developing tourism and culinary orientated education in VECs and other colleges.

The RAI would like to see a National Tourism and Hospitality Training Authority established based upon the format of the Credit Review Office, to do the following:

- Oversee policy development in hospitality training needs and the development of national training structures and programmes.
- Be a one stop shop for information regarding all training locations and programmes related to the tourism and hospitality industry.
- Deliver a National Hospitality Careers Roadshow.
- Develop a training charter and an official National Code of Practice.
- Engage with secondary schools for the recruitment, training and formal education of young school-leavers, preparing and incentivising them for careers in the Industry.

ACTION:

Establish a National Tourism and Hospitality Training Authority.



THE COST OF DOING BUSINESS

Increasing Costs of Doing Business

Overview

As stated earlier in this submission, Restaurants and the Hospitality Sector, while recovering from the COVID-19 pandemic, additionally are now facing increasing costs of business, staffing shortages, increasing interest rates, and changing consumer patterns. In the last year, on top of these issues, the government increased the minimum wage and introduced statutory sick pay which subsequently caused already struggling businesses who are having trouble finding employees to increase their labour costs.

Outdoor Seating Charges

Whilst Central Government has taken action to instruct Local Authorities to waive fees in the last number of months to encourage outdoor dining, this step should be considered as part of urban regeneration following the pandemic. The following local authority areas would on average charge €125 per table and two or four chairs.

- | | |
|---|------------------------------------|
| • Dun-Laoghaire Rathdown County Council | • Kilkenny County Council |
| • Dublin City Council | • Cavan County Council |
| • Fingal County Council | • Waterford County Council |
| • Wexford County Council | • Offaly County Council |
| • Tipperary County Council | • Sligo County Council |
| • Louth County Council | • Mayo County Council |
| • Kerry County Council | • Limerick City and County Council |

In some areas, restaurants/cafes are also charged for Sandwich Boards outside their premises. This could be a one-off yearly fee that previously cost in the region of €75-€125, it was announced by Dublin City Council that this charge would increase to €630 from 1st September 2019. This decision was taken without consultation with relevant stakeholder groups, including business representative organisations such as ourselves. It is prohibitive for small independent businesses who wish to promote their establishments within their local communities. The recent writing off of such charges in light of the initial reopening period of outdoor dining highlights the need for a review and consistency from local authorities regarding these charges across the country.

There should be a National Policy of outdoor dining infrastructure and an abolishment of fees associated with such outdoor dining infrastructure. Applications should still be required to Local Authorities to ensure the areas and furniture are appropriate at a local level for the space and to ensure accessibility for all users, however fees associated with outdoor dining should be scrapped.

In addition, the Restaurants Association of Ireland requests the 'Outdoor Seating and Accessories for Tourism and Hospitality Services' scheme by Fáilte Ireland be re-opened for the 2023-2024 period. This scheme provides funds to be put towards the cost of equipment to provide additional outdoor seating and facilitate these individual independent businesses to increase their outdoor dining capacity.



ACTION:

- A review of local authority charges to provide greater consistency and accountability for rate payers and also to ensure that Local Authorities are supporting businesses to operate within public health guidance and facilitating outdoor seating areas.
- 'Outdoor Seating and Accessories for Tourism and Hospitality Services' scheme by Fáilte Ireland be re-opened for the 2023-2024 period.
- Introduction of an outdoor hospitality capital scheme for all hospitality businesses, including hotels, restaurants, cafés, and gastropubs. We are seeking a €60 million fund to be administered through the local authorities delivered on the same basis.

Utility Costs

In our submission and subsequent statements to the Joint Committee on Business, Enterprise and Innovation, prior to the publishing of their "Report on the Cost of Doing Business" in 2019, the Restaurants Association of Ireland indicated that members are subject to almost 28 different licences, regulations and regulatory regimes. The fats, oils and grease charge costs restaurants on average €1000 alone. Currently a hospitality business can be subjected to multiple inspections from a myriad of inspection bodies at different times, such inspections could be conducted by a single entity such as the Environmental Health Officer to save time and resources for all parties involved.

In the publication of its final report the Joint Committee made the following recommendation: "A review of all regulatory systems that affect businesses be undertaken, with a view to streamlining and combining the inspection and enforcement of the rules to reduce the cost of compliance for business". The Restaurants Association of Ireland welcomes such a recommendation and three years on from that report calls for action on that recommendation.

The Restaurants Association of Ireland has welcomed the introduction of the Temporary Business Energy Support Scheme and the extensions and alterations put in place to assist struggling businesses. We ask that the TBESS scheme be re-instated as the war in Ukraine is still raging, and will continue to have a lasting effect on energy prices for the foreseeable future.

ACTION:

- Undertake a review of the regulatory systems that affect businesses.
- Reinstate the Temporary Business Energy Support Scheme on an 80% grant scheme.

Hospitality Business Outlook

It must be acknowledged that inflation at its current rate and the pressure on the cost and sourcing of produce as a result of the conflict in Ukraine have contributed to the cost of living undoubtably increasing. What must also be acknowledged is that the cost of doing business has also increased, and arguably at a greater rate.

A Hospitality Business Sentiment Survey conducted by Kroll in February 2022 found the following:

- 54% of respondents identify as micro (less than 10 employees).
- 48% say trading performance will be below pre-pandemic levels for 2022.
- Biggest issues for 2022: 54% said staff and 41% said rising costs.
- 81% believe they will have to increase staff wages.
- 72% said no or not sure to being adequately resourced from a working capital standpoint following withdrawal of Government supports.



The above responses provide a stark picture of the business cost pressures that the mostly micro hospitality enterprises in Ireland are facing into in 2023. This should be considered when determining if an entire mostly indigenous economic sector would survive such an increase when cost pressures are at such a level.

ACTION:

Government should work closely with trade partners within the Hospitality and Tourism sector to create supports that will be most efficient in assisting the industry.

Insurance

The Restaurants Association of Ireland is a member of The Alliance for Insurance Reform which brings together 28 civic and business organisations from across Ireland, representing 36,000 members with 640,000 employees to demand action to end crippling insurance premiums.

It is a response to countless stories from small organisations where services and jobs are being damaged by excessive insurance costs.

Insurance Reform

The cost of insurance continues to have a negative impact on many sectors including our own of Hospitality and Tourism. The high cost and poor availability of insurance cover continue to have a negative impact on our members. It continues to act as a significant barrier to recovery post-Covid and will continue to hamper our sector unless it is materially resolved as a matter of urgency. We need insurance reforms that will quickly reduce liability premiums to affordable levels and keep them that way. These reforms have been identified but they are not happening fast enough. While we acknowledge the very positive progress made by Government in this area in recent times, it has not yet had the desired impact on liability insurance.

We urge Government to do everything in its power to increase underwriting capacity in the liability market, encourage competition and improve availability of cover. Equally, we ask that Government do nothing from a fiscal policy perspective that would discourage new entrants into the Irish market or diminish risk appetite.

ACTION:

An acceleration of the work of the Insurance Competition Office at the Department of Finance to ensure the urgent entry of more underwriters into the Irish liability insurance market.

Commercial Rates

We recognise that local authorities are striving to maintain the delivery of high-quality local services in the face of increasing strained financial resources. However, as a business representative body we cannot dismiss the fact that businesses are now paying more rates for less services. In recent years costs have increased with the transfer of water and waste services to Irish Water and private commercial waste services.



How are commercial rates calculated?

Local authorities charge commercial rates on the basis of valuations provided to them by the valuations office.

The valuations office visits a premise to establish the net value of the property, which in a restaurants case would usually be the rent for the year. The valuations office will compare the annual rental value with other similar properties in the area. Each local authority sets an annual rate of valuation (ARV) common to all commercial, industrial and non-domestic properties.

The valuation of a property is multiplied by ARV to calculate the number of commercial rates payable per annum.

For a restaurant, the calculation of rates does not take into account:

- The ability to pay
- The size of the premises
- Profitability
- Numbers employed
- Location

However, other licensed premises such as hotels and public houses are valued by reference to the trading data of their property.

By using the valuation system of rents, it does not take into account where a neighbouring property has benefitted from the ban on upward only rent reviews. This is clearly unfair to those restaurateurs whose lease still include an upward only rent review provision and does not reflect the market rent thus ultimately leading to the higher the rent, the higher the commercial rates that are paid.

ACTION:

A review of the commercial rates system to reflect a more fair and propositional valuation for all business types.

Local commercial rates in areas with high levels of hotel refugee accommodation

The Restaurants Association of Ireland has called on the government to consider lowering local commercial rates for tourism and hospitality businesses that have been negatively affected by local hotels, B&Bs, and other accommodation services currently under government contracts to house refugees. Many hospitality businesses 'downstream' of accommodation services such as restaurants have reported losing revenue that would generally be generated by the busy tourism season. A Joint Oireachtas Committee on Tourism, Culture, Arts, Sport & Media meeting which discussed how to develop rural tourism in Ireland, this request would greatly benefit this objective. Supports such as these would be wildly beneficial to these local rural businesses who do not get the same amount of footfall and accommodation services available as more urban Irish areas.

ACTION:

Lower local commercial rates for hospitality and tourism businesses in towns adversely affected by the lack of available beds in accommodation services.



Planning Permissions

The instance of COVID 19 highlighted to the public and legislators what the hospitality industry has been highlighting for some time, that there is a need to overhaul planning and licencing for businesses.

Section 5.2 of the Town Centre Plus Policy Document “Building Better Data” – We could not agree more, an analysis of all facilities and amenities should be available for future planning, be it urban or rural regeneration, new housing or indeed Tourism promotion and renewal. To facilitate this a register should be kept of all food businesses in the country which are an integral part of social structure in communities and the Tourism offering.

Minister O’Brien’s announcement in February 2022 “No planning permission needed for conversion of vacant pubs into homes under new regulations” is a welcome step in the updating of planning regulations but we would welcome under the Town Centre First Policy, a broad overhaul of the exemptions for planning permissions.

As part of the Town Centre First Policy there should be consideration of an updated Over the Shop Policy. Businesses should be given grants and / or tax credits to sustainably convert vacant over the shop/pub/restaurant premises for housing. There must simultaneously be a review of how this safely and feasibly can be done in the current regulatory environment and if needed the current planning permissions / change of use and fire safety criteria must be reviewed to ensure that they still keep health and safety at the forefront but that they are not prohibitive to utilising vacant premises.

It is acknowledged that there are now full-time Vacant Homes Officers in every Local Authority but ask for consideration for a vacant premises reviews under this office in each Local Authority. To regenerate towns in all areas of the country there needs to be a review of any vacant premises regardless of currently listed use.

ACTION:

Review of regulations & potential barriers regarding conversion of Over the Shop to Residential.

Takeaway & Delivery

S.I. No. 92 of 2020 - Planning and Development Act 2000 (Exempted Development) (No 2) Regulations 2020 sought to exempt hospitality businesses from requirements under Section 28 Guidelines for Planning Authorities from March 2020 until 31st December 2021. This exemption providing for restaurants and other food operators to operate as a takeaway and delivery without needing to apply for planning permission or a change of use to do so. It must now be acknowledged that the recovery of hospitality will be long term and for the survival of hospitality businesses a blended approach of indoor and outdoor dining and takeaway and delivery must be permitted. The legislation must be reviewed to permit the continuation of takeaway and delivery for indoor dining food businesses who operate such services as a percentage of their operation.

Classification & Register of Hospitality Businesses in Ireland

The recent COVID-19 restrictions highlighted once again a glaring need for a register with a state or semi state body of food businesses in Ireland. There is currently no definitive and real time register of food businesses by category in Ireland.



When the €9 meal legislation as part of trading restrictions was enacted it provided that businesses were required to provide a substantial meal to all patrons seeking to purchase and consume alcohol. Prior and following the enactment of this legislation the Restaurants Association of Ireland was contacted by journalists, our own members owning cafés and restaurants and even TDs and Senators. The query we received was, who was registered as a restaurant in Ireland, and the Association had to confirm to all parties that the Restaurant Certificate and Special Restaurant Licence both widely spoken off at the time are the names of alcohol licences and are not certification or a register for restaurants or other food businesses in Ireland. These alcohol licences are not a legal requirement for a restaurant to operate and can be applied for at the discretion of the business should it wish to serve alcohol, for which they are a legal requirement.

Current Registers

Currently the Food Safety Authority of Ireland (FSAI) through the HSE has a register of businesses who serve and sell food for consumption. There is a legal requirement for any business selling food and or drink for consumption to register with their local Environmental Health Office (EHO). This register is maintained and utilised for the purposes of inspection and compliance with food safety legislation. Whilst this is and should be a comprehensive register of the various categories of food businesses in the country, two issues exist at present. Businesses are categorized by risk rather than specific food service activity and these listings are only available to the EHO and subsequently to the HSE and FSAI under which they have been given their remit.

Accommodation Register

In contrast to other hospitality businesses, all Hotels are registered through Fáilte Ireland annually and all Pubs / Nightclubs are registered with Revenue through alcohol licensing. Section 8 (1)(c) of the National Tourism Development Authority Act 2003 which outlines the role and function of Fáilte Ireland requires it to “establish and maintain registers of hotels, guesthouses, holiday camps, holiday hostels, caravan sites, camping sites, approved holiday cottages, holiday apartments, motor hotels and youth hostels.”

Despite the Authority (Fáilte Ireland) having remit for Tourism and all of Hospitality during the COVID pandemic – specifically the administration of grants, the publication of Guidelines for Opening etc and through the Tourism & Hospitality Advisory Group, they do not keep or maintain a register of food business or indeed food tourism businesses. This in particular is of note as during the pandemic, a cohort of support grants were made available to hospitality businesses, with Fáilte Ireland given the remit to administer the grant process. A decision was taken that certain grant aid funding would be made available to “food tourism” businesses rather than food businesses broadly, this is despite there currently being no register or listing of such a subcategory of food service businesses in Ireland.

Tourism Promotion & Planning

Fáilte Ireland, in consultation with the Department of Tourism and Housing is commencing a register of short-term lettings. At a recent briefing of the Tourism Advisory Group, which commenced in 2020 and is chaired by Fáilte Ireland, food and drink businesses were described as a vital supporting actor to traditional tourism visitor sites. Planning is underway by Fáilte Ireland to recommence and refresh promotion of tourism destinations, including the Wild Atlantic Way and Hidden Heartlands, a register of local food and drink establishments can only further strengthen offerings and provide greater clarity of what is available and/or gaps in the market when planning the promotion of destinations.



NACE

Currently the CSO, Workplace Relations Commission (WRC) and various state and semi-state bodies utilise for reporting purposes the NACE - Statistical Classification of Economic Activities in the European Community, under which Accommodation and Food Service Activities come under “I” and subcategories of “55 Accommodation” and “56 Food and beverage service activities”.

Eurostat defines this sector as, “This item includes: This section includes the provision of short-stay accommodation for visitors and other travellers and the provision of complete meals and drinks fit for immediate consumption. The amount and type of supplementary services provided within this section can vary widely.” With the latter description of note, detailing that the section can vary widely. Whilst it is best practice for international benchmarking that we as a nation and member of the European Union continue to classify the sector broadly under NACE, it would make an abundance of sense, for reasons of clarity and ease of administering various visas, regulations, supports and the various reasons outlined above, to subcategories at a National Level. With accommodation already having a register, it makes sense for a food register defining and locating the various subcategories.

Summary

Once again during COVID restrictions this lack of classification came to the fore when food businesses were restricted from operating indoor and outdoor dining for public safety but could offer takeaway and delivery. This required a waiver on the planning permission that would ordinarily apply for a business to seek a change of use from a restaurant to a takeaway⁶. Planning permissions in a broad and unmaintained way have sought to define and list food businesses in the subcategories of restaurants or takeaways but once again this is not a register or definitive in detail when it comes to the various subcategories, once again highlighting the need for such.

A register of food businesses broken down by categories is required which should include categories such as full-service restaurant, café, gastropub, food serving pub, food to go, deli, quick food service and takeaway. This would better facilitate a myriad of Government services and supports, including but not limited to, work permits, economic reports, licencing for Fats, Oils and Greases and water, reports regarding skills and economic input etc. For example: currently non-EEA work permits are available for employment for chefs, but a takeaway business cannot apply. However there is no single national register that currently differentiates between a takeaway and a restaurant who offers takeaway.

ACTION:

Establishment of a single National register of food businesses.

⁶ Planning and Development Act 2000 (Exempted Development) (No. 3) Regulations 2021



TOURISM BUDGET

The Restaurants Association of Ireland is a member of The Irish Tourism Industry Confederation (ITIC) and concurs with the below policy asks regarding the wider Tourism and Hospitality Sector in Ireland, funding and sustainability.

Pro-business policies from Government to enable tourism sector to thrive

The vast majority of tourism and hospitality businesses are SMEs and profit margins are modest due to the often seasonal aspect of tourism and the labour-intensive nature of the sector. Government must do all within its power to pursue pro-enterprise and pro-competitive policies.

ACTION:

Continue to pursue pro-enterprise and pro-competitive policies to ensure survival of tourism & hospitality SMEs.

Maintain tourism investment at current levels

It is welcome that tourism investment increased in the last budget as business continuity grants and much needed increased overseas marketing funding was put in place. It is vital that such funding remains to allow agencies to invest in key sustainable tourism initiatives for industry. Investment in overseas marketing will also need to be retained at current levels so that Ireland maintains global awareness as a holiday destination.

ACTION:

Maintain tourism investment at current levels.

Staff retention and recruitment incentive

Staffing issues and a labour-supply shortage are a significant barrier to recovery for Irish tourism and measures must be put in place to assist the commercial viability of industry. Fáilte Ireland, the National Tourism Development Authority, in February 2022 estimated that there were 40,000 vacancies within tourism and hospitality. With Ireland at near full employment these vacancies are likely to only be filled by EU residents or non-EU nationals. In that context agencies should assist industry in recruitment roadshows overseas and work permits must be fast-tracked. It is incumbent on industry to make the tourism and hospitality sector as attractive as possible for new entrants and ensure that current employees see a rewarding career path.

ACTION:

Government assistance in the recruitment and retention of staff worldwide.



Support the competitiveness of Irish tourism

Commercial viability is critical for enterprises and the soaring costs of business risk impeding recovery. Energy costs, insurance hikes and labour increases are all hurting business and government must work to suppress inflation.

ACTION:

Work with the tourism and hospitality industry to ensure the cost of living crisis does not continue to affect the competitiveness of Irish businesses.

Tourism as a long-term career choice

Alongside the reinstatement of Tourism reporting by the CSO new forms of research and data collection need to be made available to Ireland's tourism industry including from the banking and telecoms providers. Such data can be anonymised and reported on in real time and can give strong feedback to industry and policymakers as to visitor behaviour, spend, regional location and other valuable insights. Fáilte Ireland should be supported in their efforts in this area and should be resourced appropriately.

ACTION:

New forms of research and data collection need to be made available to Ireland's tourism industry including from the banking and telecoms providers..

Enhance and improve research data relating to visitors and residents

Alongside the reinstatement of Tourism reporting by the CSO new forms of research and data collection need to be made available to Ireland's tourism industry including from the banking and telecoms providers. Such data can be anonymised and reported on in real time and can give strong feedback to industry and policymakers as to visitor behaviour, spend, regional location and other valuable insights. Fáilte Ireland should be supported in their efforts in this area and should be resourced appropriately..

Improve regional and seasonal penetration of tourism to benefit communities and provide employment

The regional spread of tourism across all regions is very important for sustainability purposes and all efforts should be supported to ensure that visitor volume and value is spread as equitably as possible.

ACTION:

Support from government of regional spread of tourism.



Sustainability

Climate change, damaged ecosystems and the devastating effects that are being seen on the environment are pressing issues being discussed around the world. People are now more aware of how their actions are impacting the planet and what changes need to be made to prevent permanent damage to the environment.

Restaurants and other food businesses have an obligation to consider the impact their practices are having and to implement sustainable actions that can be maintained. As mentioned earlier, food waste accounts for 10% of all man-made greenhouse gas emissions, and the majority of this waste comes from restaurants and other food businesses. This is just one of the reasons why achieving sustainability is so important for restaurants.

As people become more aware of sustainability, they are looking towards restaurants and other businesses to see what steps they are taking to protect planet Earth.

ACTION:

- Set baseline and emission targets now to achieve individual and 2030 & 2050 sector goals.
- Provide finance and investment to industry for the transition.
- Roll out carbon calculator for businesses.
- Roll out Climate Action toolkit for industry.
- Simplify planning to allow for expedited energy efficiency developments.
- Incentivise businesses to apply for environmental accreditation.
- Appoint an industry representative on Reducing Food Waste Prevention taskforce.



EXCISE DUTY

The Drinks Industry Group of Ireland (DIGI) is the umbrella organisation for the drinks industry. It is composed of manufacturers, distributors and both on-trade retailers (pubs, hotels and restaurants) and off-trade retailers (independent off-licences).

Its members include:

- Drinks Ireland
- Irish Hotels Federation
- Licensed Vintners Association
- National Off-Licence Association
- Restaurants Association of Ireland
- Vintners Federation of Ireland

Together, these and other drinks employer groups sustained on a pre-Covid basis thousands of enterprises and approximately 90,000 jobs supported directly and indirectly in drinks manufacturing, drinks retail and wholesale distribution and visitor centres throughout the country and contribute to the much larger number of jobs in the wider hospitality and tourism sector.

DIGI repeats its recommendation from last year and recommends that Budget 2024 should reduce alcohol excise rates by 7.5%. This should be the first stage in a longer-term programme of bringing Ireland's alcohol excise into line with our partner countries in the EU and our closest neighbour, the UK. There should be a 15% reduction in excise rates over the next two budgets with a 7.5% reduction in each year followed by additional reductions thereafter. These are proportionate, reasonable and affordable reductions given current economic and public financial circumstances on the long-term path to average EU excise levels.

Very high excise levels by EU standards impact negatively on the national, regional and local economies currently and in the medium to long terms.

The annual 7.5% reduction in alcohol excise over two budgets would have the broad effect of improving Irish economic competitiveness and strengthening the business model of drinks enterprises to deal with the ongoing new environment of high inflation, Covid legacy issues, higher business costs and labour shortages in the post-Covid world. Excise reduction will support the business strength and capability of Irish drinks manufacturers that will, in turn, assist in the drinks export drive which should be supported by a solid domestic market. This will ensure a boost for the rural economy, agriculture sector and exports. Alcohol tax is a regressive and inequitable tax and is

very high by EU standards. It reduces tourism competitiveness and weakens enterprises. Excise is unfair in that it is imposed on relatively few sectors and alcohol excise is excessive by EU standards.

DIGI recommends that: Alcohol excise should be reduced by 7.5% in Budget 2024. This should be part of the effort to move towards the lower EU norms for alcohol excise. The 2023 reduction should be followed in Budget 2025 with another 7.5% reduction.



Reasons for excise reduction

The primary reasons for the proposed alcohol excise reduction are:

- Lower excise rates would improve the commercial model and viability of drinks enterprises, enabling them to retain a larger share of customer receipts which will support investment and sustainability in now the higher cost environment. Excise is a substantial cost on drinks enterprises.
- Irish alcohol excise tax rates are very high relative to the great majority of EU economies. This is a self-imposed competitive disadvantage on Irish operators.
- High Irish alcohol excise rates reduce competitiveness and have a strong negative impact on the commercial viability of Irish drinks enterprises and on tourism competitiveness.
- Excise reduction will enable the sector to generate and sustain high levels of national and regional job creation especially for young workers into the future.
- Alcohol excise is a regressive tax which ignores ability to pay.
- High alcohol excise rates unfairly penalise moderate consumers of alcohol.
- The large negative economic impact on sectors of the drinks industry of Covid-related closures and restrictions are well known and appreciated by Government. In addition
- to the above issues the sector along with the rest of the economy faces the difficulties
- of high inflation rates and substantial input cost increases.

ACTION:

Alcohol excise should be reduced by 7.5% in Budget 2023. This should be part of the effort to move towards the lower EU norms for alcohol excise. The 2023 reduction should be followed in Budget 2024 with another 7.5% reduction.



NATIONAL TOURISM POLICY

Review of Tourism State Agencies

Irish Tourism needs organisation and leadership – a single voice is needed for the organisation of tourism in Ireland, particularly training and skills. The national marketing and development functions are divided between two organisations and regionally between multiple bodies causing confusion and lack of direction and leadership. There are a number of groups established, including the aforementioned Tourism and Hospitality Careers Oversight Group which serve important functions in their own right, however a single voice is needed to steer all stakeholders in a common goal. For this reason we are calling for a review of State Agencies responsible for the development and promotion of tourism to ensure that current state agencies are fit for purpose and tasked with work that prioritises the industry's needs. Also important in this time of economic uncertainty is to ensure no duplication of work or campaigns across agencies.

ACTION:

Review of State Agencies tasked with development and promotion of Tourism.

Restaurant & Hospitality Forum

Under the Department of Enterprise, Trade and Employment now led by Minister Coveney there is a Retail Consultation Forum. This forum was established under the Action Plan for Jobs 2014 to provide a platform for structured engagement between the retail sector and relevant Government Departments with the intended purpose to allow key issues of relevance to the retail sector to be discussed, with a view to identifying practical actions which could be taken by Government, or by industry itself.

A Restaurant and Hospitality Forum needs to be established in order to identify practical actions for the sector, particularly with restaurants and hospitality being one of the most significantly and negatively impacted upon by COVID 19 with continued trading restrictions remaining in place. The temporary establishment of the Indoor Hospitality Working Group was welcome but recovery is ongoing and in order to ensure a successful and sustained restaurant and hospitality sector a permanent forum under the Department of Enterprise, Trade and Employment must be established.

ACTION:

Establishment of a Restaurant & Hospitality Forum.

Industry Developed Tourism Policy

COVID-19, along with the cost-of-living crisis, has and continues to have a significant impact on the Tourism and Hospitality Sector. The sector will take significant time to recover and the progression of any recovery and to ensure it is sustainable requires a roundtable of the various and broad tourism sub sectors to develop a policy for the sector developed by the sector. Utilising the coal face knowledge and years of experience that businesses and tourism professionals have will be invaluable for the recovery. The Government's Tourism Policy Statement: People, Place and Policy – Growing Tourism to 2025 and indeed the Tourism Leadership Group as formed in 2019, are, in light of COVID-19 and the cost-of-living crisis, in need of broader contributions, skillsets and subsectors of the Tourism industry, to best inform a plan for the sectors long recovery period ahead.

ACTION:

Industry Developed Tourism Policy.



Food Tourism

Fáilte Ireland developed a Food and Drink Development Strategy 2018-2023. The report showed that food could help grow tourism revenue by as much as €400 million over a 5 year period. The Restaurants Association of Ireland is seeking funding to develop a new food and drinks strategy 2024-2029 with a €5 million fund associated for the delivery of the program.

There are 9 such countries (Croatia, Cyprus, Greece, Hungary, Ireland, Latvia, Luxembourg, Netherlands, Slovakia) with Ireland included on the list.” Ireland needs a Tourism Satellite Account.

ACTION:

€5 million fund for food tourism development in Ireland.



PUBLIC SERVICE PROCUREMENT

Calling for a review of Hospitality Rates

In March 2023 the Department of Public Expenditure, NDP Delivery and Reform issued a Circular indicating that the threshold for goods and services would increase in an effort to assist SMEs to engage in public procurement.⁷ This was a broadly welcomed measure to support businesses within the state and an overdue increase in the caps to reflect market trends and increasing costs.

In Budget 2024 the Department of Public Expenditure, NDP Delivery should similarly review the spending caps for hospitality and in particular food within the public sector. The current caps greatly limit the ability of SMEs within hospitality to compete for public service business and limiting competition and options will only serve to limit the ability to showcase the fantastic food and hospitality within Ireland.

The present and outdated spending cap also prohibits public service bodies and applicable semi-states from engaging at a reasonable rate in basic hospitality for visiting guests and hosting delegates with a view to securing future FDI, trade and tourism for the State.

What must be noted is the threshold increases for goods and services in particular has doubled (Figure 4). In contrast the spending limit for public services regarding hospitality has not been reviewed for a number of years despite many challenges for SMEs within the hospitality industry including most recently inflation.

Figure 4: March 2023 update to procurement processes for goods, services and works.

Type of Purchase	Tender Threshold Update
Goods and Services	Increased from €25,000 to €50,000 (exclusive of VAT) – enabling budget-holders to simply seek three written quotes in place of a formal tender.
Works	Increased from €50,000 to €200,000 (exclusive of VAT)

Source: Department of Public Expenditure, NDP Delivery and Reform issued a Circular

Ireland's spending restrictions for hosting such valuable delegates has not gone unnoticed internationally, indeed it was highlight by Cloudflare's CEO Matthew Prince's December 2020 comments criticising Irish Food and Hospitality.⁸

According to current publicly accessible Government Circulars the policy regarding Entertainment and Hospitality has not been reviewed since Circular 25/2000⁹ issued by the Department of Finance over 23 years ago. As per the Circular, for a standard public service employee hosting a networking event, dinner or working lunch etc, the per-person limit is currently €45 for dinner, and €33 for lunch which is total cost allowable and must include VAT, service charge, room hire, alcohol etc.

⁷ <https://www.gov.ie/pdf/?file=https://assets.gov.ie/251378/67a84e3c-fd27-459a-a67b-8cba8845b1cf.pdf#page=null>

⁸ <https://www.independent.ie/business/irish/cloudflares-irish-insult-rankles/39825811.html>

⁹ <https://circulars.gov.ie/pdf/circular/finance/2000/25.pdf>

This is not a sufficient allocation if Ireland is to compete on an international level and appropriately host delegates as it competes for international business. At a minimum a review is certainly overdue as 23 years and several significant events impacting on costs of raw products have occurred during that time, not least the current inflationary period and issues regarding sourcing of goods due to the Ukraine War and importation costs of goods for hospitality.

ACTION: The Restaurants Association of Ireland is advocating in relation to the policy regarding Entertainment and Hospitality for an increase in the per-person limit which is currently €45 for dinner to €90, and €33 to €70 for lunch which is total cost allowable and must include VAT, service charge, room hire, alcohol etc.



NATIONAL FOOD EDUCATION POLICY

There is a lack of nutrition, culinary and general food education in our Primary Schools. Currently, Social, Personal and Health Education (SPHE) and Physical Education are the only areas in the Curriculum and Syllabus for Primary Schools that cover diet and physical well-being. The topics covered under these classes include:

- Healthy eating and the food pyramid
- Healthy lifestyle
- Body care
- Exercise
- Relaxation
- Diet

The Restaurants Association of Ireland (RAI) believe that this inadequate, and that the onus is currently on individual schools, Education and Training Boards and, in some cases, individual teachers to find the resources to teach about culinary education and nutrition or outsource to local chefs and food ambassadors or programmes like Food Dudes or Agri Aware's Incredible Edibles and Pasture to Plate initiatives.

Food education cannot be solely teacher and industry led. It is crucial that there is comprehensive and cohesive guidance from the Department of Education and Skills. The RAI would like to see the development and implementation of an extensive educational programme on nutrition and culinary skills, to be incorporated as a standalone section on the Curriculum and Syllabus for Primary Schools.

The Restaurants Association of Ireland were disappointed to see that the report from the Joint Committee on Children and Youth Affairs (JCCYA) on tackling childhood obesity¹⁰ failed to consider nutrition and culinary education in primary schools. There are valid concerns that beginning food education at second level is too late, and the RAI are keen to make nutrition and culinary education part of the curriculum at primary level.

The research in the JCCYA report states that home economics is the only subject where children are taught food nutrition and how to cook for themselves, and that this lessons dependence on processed and take-away foods. Despite stating this research, the JCCYA failed to recommend the expansion of home economics into primary schools and also failed to make any other recommendations on teaching children about nutrition.

The JCCYA also recommend that a "whole system" approach should be taken to the prevention of obesity in children. Given this, the RAI are at a loss to understand how teaching children about nutrition and culinary skills from a young age doesn't fit in the "whole system" approach. Many of the recommendations in the JCCYA about school environment only make recommendations about school environment and contain nothing regarding teaching children about nutrition and food skills. It is important to note that this Report is now over 2 and a half years old.

The Healthy Ireland Strategic Action Plan 2021-2025¹¹ launched in May 2021 stated a 2021 Priority to "Establish a new Primary School Healthy Eating education programme" which is welcome but simply does not go far enough. The RAI have long lobbied for better food education for children. We welcome the recommendation from the JCCYA that Home Economics should be a compulsory subject for the Junior Cycle. However, we are concerned that this is not enough, and that nutrition and culinary education needs to be developed in primary schools.

ACTION:

Comprehensive Culinary and Nutritional Education to be a mandatory element of primary and secondary syllabus.

¹⁰ [Joint Committee on Children and Youth Affairs \(JCCYA\) on tackling childhood obesity](#)

¹¹ [Healthy Ireland Strategic Action Plan 2021-2025](#)



SUMMARY OF ACTIONS

Tourism and Hospitality VAT Rate

- In an environment of such immense business challenges, it would be desirable to introduce a permanent VAT rate of 9 per cent for the restaurant sector. In the absence of a permanent change, and extension of the 9% VAT Rate to the end of 2025 would bring some certainty to a sector facing such challenges.

Hospitality Skills & Recruitment

- An in-person recruitment mission to promote Irish tourism and hospitality careers in Ireland in other European Countries.
- Move occupations of Executive Chef, Head Chef, Sous Chef, and Chef de Partie to Critical Skills Work Permits .
- Removal of the following occupations from the Ineligible Occupations List making them applicable for general work permits:
 - » 1221 Hotel and accommodation managers
 - » 1223 Restaurant and catering establishment managers (Food & Beverage Manager & Restaurant Supervisor Applicable)
 - » 1224 Publicans and managers of licensed premises
 - » 5436 Catering and Bar Managers (Food & Beverage Manager & Restaurant Supervisor Applicable)
- Resourcing of Government Departments and Sections to ensure timely processing of applications critical for workers and businesses; visas, work permits and PPS numbers. Adequate resourcing of the Workplace Relations Commission to ensure continued inspections and relevant investigations and oversight of employment law.
- Establish a National Tourism and Hospitality Training Authority.

The Cost of Doing Business

- A review of local authority charges to provide greater consistency and accountability for rate payers and also to ensure that Local Authorities are supporting businesses to operate within public health guidance and facilitating outdoor seating areas.
- 'Outdoor Seating and Accessories for Tourism and Hospitality Services' by Fáilte Ireland scheme be re-opened for the 2023-2024 period.
- Introduction of an outdoor hospitality capital scheme for all hospitality businesses, including hotels, restaurants, cafés, and gastropubs. We are seeking a €60 million fund to be administered through the local authorities delivered on the same basis.
- Undertake a review of the regulatory systems that affect businesses.
- Reinstate the Temporary Business Energy Support Scheme on an 80% grant scheme.
- Government should work closely with trade partners within the Hospitality and Tourism sector to create supports that will be most efficient in assisting the industry.
- An acceleration of the work of the Insurance Competition Office at the Department of Finance to ensure the urgent entry of more underwriters into the Irish liability insurance market.
- A review of the commercial rates system to reflect a more fair and propositional valuation for all business types.



- Lower local commercial rates for hospitality and tourism businesses in towns adversely affected by the lack of available beds in accommodation services.
- Review of regulations & potential barriers regarding conversion of Over the Shop to Residential.
- Establishment of a single national register of food businesses.

Tourism Budget

- Continue to pursue pro-enterprise and pro-competitive policies to ensure survival of tourism & hospitality SMEs.
- Maintain tourism investment at current levels.
- Government assistance in the recruitment and retention of staff worldwide.
- Work with the tourism and hospitality industry to ensure the cost of living crisis does not continue to affect the competitiveness of Irish businesses.
- Initiatives should be supported to improve the quality of jobs across the tourism and hospitality sector, ensure career progression, and make the sector as attractive as possible to new recruits.
- New forms of research and data collection need to be made available to Ireland's tourism industry including from the banking and telecoms providers.
- Support from government of regional spread of tourism.
- Set baseline and emission targets now to achieve individual and 2030 & 2050 sector goals.
- Provide finance and investment to industry for the transition.
- Roll out carbon calculator for businesses.
- Roll out Climate Action toolkit for industry.
- Simplify planning to allow for expedited energy efficiency developments.
- Incentivise businesses to apply for environmental accreditation.
- Appoint an industry representative on Reducing Food Waste Prevention taskforce.

Excise Duty

- Alcohol excise should be reduced by 7.5% in Budget 2024. This should be part of the effort to move towards the lower EU norms for alcohol excise. The 2023⁴ reduction should be followed in Budget 2025 with another 7.5% reduction.

National Tourism Policy

- Review of State Agencies tasked with development and promotion of Tourism.
- Establishment of a Restaurant & Hospitality Forum.
- Industry Developed Tourism Policy.
- €5 million fund for food tourism development in Ireland.



Public Service Procurement

- The Restaurants Association of Ireland is advocating in relation to the policy regarding Entertainment and Hospitality for an increase in the per-person limit which is currently €45 for dinner to €90, and €33 to €70 for lunch which is total cost allowable and must include VAT, service charge, room hire, alcohol etc.

National Food Education Policy

- Comprehensive Culinary and Nutritional Education to be a mandatory element of primary and secondary syllabus.



NOTES

[illegible]



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