



Tourism Recovery Plan 2020 - 2023

Prepared by the
Tourism Recovery Taskforce

October 2020

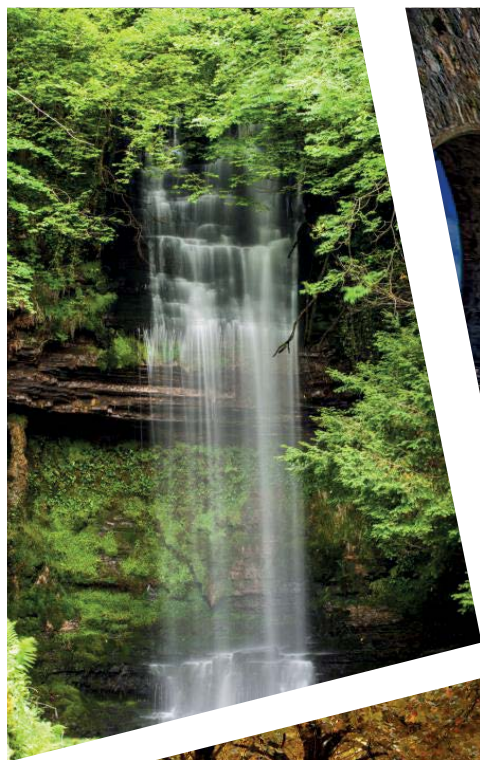


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CHAIRPERSON'S FOREWORD

The impact of Covid-19 on tourism has been existential, devastating employment, businesses and livelihoods across the sector. Tourism employs 260,000 people across Ireland and up to 180,000 of these jobs are either vulnerable or already lost. In 2019, the sector generated over €9 billion for the economy from international tourism and related carrier receipts together with domestic tourism. Taking the necessary action now can save and restore jobs and income and avoid the need for long-term State intervention to support those left behind by the crisis. Many Governments are developing sector-specific responses given the way that this crisis has manifested itself, and Ireland must do so too.



Tourism is the most important indigenous labour intensive sector and generates very substantial export earnings and tax revenues. It is woven into the fabric of Irish cultural and social life and is of critical importance to regional economies in particular. Because tourism is so integrated into the economy and so diverse and overwhelmingly made up of SME's, it has suffered from a lack of visibility and recognition as an internationally traded service. Given the size of the sector, the crisis in tourism is also greatly exacerbating Ireland's macroeconomic challenges, and will continue to do until the industry can recover.

Re-opening tourism businesses and managing their recovery in a way that is economically viable, safe and attractive for tourists and local communities will require coordination at a level not seen before. The roadmap to recovery will require flexibility, agility, investment and innovation with a whole of Government commitment in strong collaboration with the industry.

There are a number of issues and priorities in the short-term that require decisions in the context of the Budget, National Economic Plan and the Government's Living with Covid-19 Plan. These, we believe, are critical and require urgent measures to ensure the survival and sustainable recovery of tourism businesses and the supply chain to supports jobs across the economy. However, we must also not miss the opportunity to sow the seeds of our subsequent recovery too, so a sustainable industry can grow from the current crisis.

Tourism is as integral to the national economic recovery now as it was in the last recession. The sector is uniquely positioned to contribute strongly to job creation and reversing unemployment in communities and among the young throughout the country. This recovery provides an opportunity to strengthen the industry and reaffirm the importance of the sector as an economic driver and export led industry.

Tourism's contribution is not confined to directly generated employment, economic activity and exports. The sector has an important multiplier effect on other employment sectors such as agriculture, transport, food and beverage and retail, and is particularly important to regional economies. It also contributes to Ireland's international attractiveness for FDI, supporting the reach of our cultural heritage and the arts, and promotes social inclusion and access to the labour market. It has played a vital role in reshaping North/South relationships since the Good Friday Agreement through the joint marketing and promotion of the island of Ireland internationally. It has a proven track record in delivering strong recovery following previous global economic shocks, creating the largest number of jobs post the 2009/2010 recession.

The TRT Recovery Plan has been developed after an extensive consultation with the industry across the country. The TRT itself worked in eight separate workstreams, with the support of industry practitioners and experts, reflecting the breadth of the impact that this crisis has had on the sector. In addition, the TRT collected the views of stakeholders through a public consultation which attracted 813 responses, with separate submissions from over 60 organisations, a number of which presented directly to the Taskforce.

The Taskforce wishes to acknowledge the work done by the Government to date in controlling the spread of the virus and protecting the health of the nation. It welcomes the Roadmap to Recovery and the Plan for Living with Covid-19. This Plan will require resilience and innovation. A whole-of-government approach and co-ordination across government, and with the industry, will be essential in the implementation of this Plan and the rebuilding of the tourism sector.

The Tourism industry stands ready to play its part and secure a sustainable recovery for its long-term future. The resilience and ability of the tourism industry and the people it sustains has been tried and tested in the past. Even in these incredibly difficult times, I and my colleagues on the Tourism Recovery Taskforce remain confident that the Irish tourism industry can recover and develop as a world leader in sustainable tourism practices. The prize is huge; the industry can return to providing over one quarter of a million jobs, particularly in Ireland's regions and generating over €9 billion for the economy. However, to do this, the Government's active support is needed now.

To conclude, I wish to express my sincere gratitude to the members of the Taskforce. The amount of effort and time invested in this process by each member over the past four months has been exemplary given the circumstances. Thanks also to the Secretariat for the huge amount of work and guidance provided to the Taskforce as well as to Indecon Economic Consultants for its valuable expert assistance and advice.

Ruth Andrews, Chairperson

EXECUTIVE SUMMARY

Introduction

The Tourism Recovery Taskforce (TRT) was established in May 2020 to develop a recovery plan for the tourism industry from 2020-2023 in recognition that this vital sector of the economy has been hardest hit by the Covid-19 pandemic. Covid-19 has had a devastating impact on employment and the viability of thousands of businesses.

In setting out to develop a framework for recovery over 2020-2023, the TRT has focused on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of the Covid-19 crisis. This plan identifies priority aims, key enablers and market opportunities and outlines the most cost-effective measures to support the sector and deliver the best return on investment.

In recognition of the ongoing uncertainties facing the industry, this plan maps a path to survival, sustainability and recovery. Decisions made in the short-term survival phase will have a significant impact on tourism's longer-term prospects. Taking the right decisions to support survival in Q4 2020 and Q1 2021 will underpin the recommendations of the medium and longer term recovery, thereby both assisting the sectors recovery and strengthening it in the longer term.

The TRT Recovery Plan has been developed after an extensive consultation with the industry across the country. The TRT itself worked in eight separate workstreams, reflecting the breath of impact that this crisis has had on the sector. In addition, the TRT collected the views of stakeholders through a public consultation which attracted 813 responses, with separate submissions from over 60 organisations.

The TRT strongly believes that with the right investment and support, particularly in the survival phase, tourism can retain capacity, skills and strategic assets that will strengthen the pace of recovery when restrictions are eased to enable international tourism. Extending specific liquidity and wage support measures now is key, with a greater emphasis on businesses that have been most impacted and are vital to tourism to ensure a sustainable recovery. Linking supports to training and education to upskill people in tourism and retain important intellectual capital will lead to a more sustainable industry in the longer term, protecting workers and sustaining jobs across all regions and in local communities where the value and importance of tourism is critical.

The TRT also outlines actionable measures to improve the competitiveness of Irish tourism including reducing VAT, addressing insurance costs, improving digital skills, enhancing visa arrangements and improving monitoring and data collection. This will require a whole of Government response. Delays in addressing the loss in relative competitiveness of Irish tourism would undermine economic recovery and action in this area is seen as a priority by the TRT.

Supporting Business Survival

Tourism businesses have lost significant turnover due to the initial three-month nation-wide lockdown and on-going restrictions imposed to protect public health. Many tourism businesses and key tourism assets have been unable to operate, particularly those with a greater dependence on International tourism which cannot pivot to domestic demand. Tourism businesses the world over are seasonal, generating profit in the peak season to sustain operating costs in the off-peak. Covid-19 hit tourism at a time when many businesses were emerging from the off-peak with limited reserves and working capital having invested in business upgrade and refreshment in preparation for the 2020 season. Viable businesses are therefore vulnerable, unable to take on additional debt and requiring grant aid support to enable them reach sustainable levels of income when demand returns. Key supply chains and strategic tourism assets will be vital to tourism recovery in the medium and longer term. It is essential that tourism businesses, with strong track records and viable futures, are protected.

Enhancing Sustainable Employment

One of tourism's core values is its people. Protecting workers and retaining tourism jobs and skills will be vital to tourism's recovery. Implementing an upskilling and reskilling programme for tourism, linked to Government

support funding to businesses can mitigate the significant damage the crisis has had on the sector. Retaining vital skills and intellectual capital within the tourism sector will be critical to a strong recovery. Investing in the delivery of lifelong learning programmes through digital platforms will increase the quality of jobs in tourism and sustain employment regionally. Apprenticeships and traineeships will sustain jobs on a part time basis while maintaining the link between employee and employer.

Re-establishing International Access

As an island economy, it is essential that tourism is enabled by the supply of competitive international aviation and maritime access and connectivity. Re-opening Ireland and international tourism informed by public health advice and in step with our European peers is vital. As well as removing barriers to overseas visitors, we must also take positive steps to actively encourage visitors to come to Ireland when it is safe to welcome them. These steps will take time to implement, so development of protocols should begin immediately so that roll-out can commence when the time is right and EU alignment is in place. The urgency of action in this area cannot be overstated. Once capacity is lost on certain routes, it will be hard fought to get it back. Keflavik, Copenhagen, Helsinki and many other airports have been investing significantly in positioning themselves as hubs. Traditional established hubs such as London, Paris, Amsterdam and Frankfurt will continue to compete aggressively for transatlantic connecting traffic and Dublin faces strong competition to remain relevant as its network and connectivity are challenged.

Strengthening Marketing Investment

Ireland must now invest in marketing, to maintain awareness and interest of Ireland as a tourism destination and to kick-start the recovery in the short-term by converting demand for industry. Protecting the existing strong position of Tourism Brand Ireland in the international market is crucial for our longer term prospects in what will be an even more competitive international environment. Consumer research in our core overseas markets is already pointing to the best opportunities in terms of markets, segments and product offerings that will drive demand once matched with appropriate connectivity. As well as the socio-economic benefits, Ireland's tourism brand equity benefits the country's global footprint adding value to the Government's activities in other areas of economic development such as the promotion of foreign direct investment into Ireland and exports. Inbound tourism also helps ensure the success of inbound connectivity vital for all aspects of an island economy. This must not be eroded through lack of investment now as it will lead to a loss of market share and a far slower pace of recovery.

In the short-term, domestic marketing will be critical to sustaining tourism businesses and jobs and this too requires greater investment. This market will be proportionately a much larger share of the total tourism market in 2021 and the ambition of the sector is to capture at least 25% of the Irish outbound spend going forward.

Increasing Investment in Tourism Product

Ireland's built and natural heritage is the bedrock upon which Irish tourism has been developed. These are drivers of international demand and vital to Ireland's visitor experience. It is imperative that sufficient investment is made in these core assets and a coordination body is established to oversee a consistent approach to the operation, management and marketing practices are applied to maximise their potential.

However, doing more of the same will not be sufficient. Consumer research across our core international markets indicates that consumers in a post-Covid-19 environment will require a different experience and one that Ireland is well positioned to take advantage of. This will require additional investment in product development including in outdoor activities and enabling access and better use of our vast open spaces, thus enhancing Ireland's position of being a green, clean and sustainable destination. A comprehensive review of Ireland's tourism product should be undertaken now to identify strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering.

Promoting Competitiveness

The urgency and scale of the competitiveness challenge facing the Irish economy was outlined in the recently published Competitiveness Report by the National Competitiveness Council. This highlighted the need for urgent decisions to address key competitiveness challenges including supporting Ireland's workers and leverage opportunities for upskilling, addressing climate action, investing strategically in Ireland's physical infrastructure, and resolving long standing issues including higher interest rates and uncompetitive insurance costs. All of the issues are particularly critical for the tourism sector and impact on the ability of Irish tourism to compete internationally. In addition, tourism faces unique competitiveness challenges as all countries are attempting to win share in a market where demand has collapsed. Other governments in European and internationally have taken radical action to improve the competitiveness of their tourism sector (including reducing VAT) which has exacerbated Ireland's uncompetitive position. The unprecedented competitiveness challenges which COVID-19 has brought about have come at a time when tourism is facing additional risks arising from Brexit.

Building a Sustainable Tourism Industry

The current crisis presents Ireland with an opportunity to address sustainable tourism in a more meaningful way. Even before Covid-19, there was a growing consciousness amongst tourists all over the globe of the need for greener and more sustainable tourism approaches which benefit, rather than harm, the very attractions and communities they come to experience. Consumers' perceptions of Ireland already align well with this trend, though there is a lot more that industry can do to ensure that international best practices are adopted regarding sustainability.

A recovery plan that takes account of the needs of the visitor, the industry, the environment and the community will be all the stronger for it. It will ensure that communities welcome back visitors as strongly as ever, that enterprises can reduce costs and yet deliver the right product, and that Ireland becomes an even more attractive destination. A sustainable approach is a 'win-win' for the tourism sector.

Overseeing Implementation of the Plan

Given the urgency and scale of the impact that Covid-19 has had on Irish tourism, we would ask the Minister to establish an independently chaired Recovery Oversight Group to help monitor the sector's progress and the implementation of recommendations in this Plan over the next three years.

Summary of Recommendations

The TRT, in designing the recommendations for Government action, have been very conscious of the need to ensure that the best use is made of scarce Exchequer resources and that there is a net economic return from any initiative proposed. The scale of economic decline of this labour intensive, internationally traded sector has resulted in a major loss of economic output and taxation revenues as well as rising Exchequer payments on unemployment benefits. Targeted measures are reflected in the recommendations which, if implemented, will result in high economic returns as well as benefiting thousands of lives and the viability of numerous businesses in cities, towns, villages and rural areas around the country.

There are a number of issues and priorities which need to be addressed in the short-term and require decisions in the context of the Budget, National Economic Plan and the Government's *Living with Covid Plan*. These, we believe, are critical and require specific measures to ensure the sustainable recovery of tourism businesses and the supply chain that supports jobs across economy in so doing. Priority recommendations requiring immediate consideration by the Minister and her colleagues in Government are set out in the following table.

Immediate Priority Recommendations for Survival

Supporting Business Survival

Modify existing or introduce new measures to help those tourism businesses significantly impacted by public health measures to survive the current crisis and be in a position to fast-track and contribute to a sustainable recovery, as follows:

- Adjust the Employee Wage Support Scheme so that businesses struggling to retain employees can avail of the subsidy rates which applied for the Temporary Wage Subsidy Scheme based on a scale of income reduction.
- Deliver business continuity grants of €120 million to enable key strategic tourism businesses survive the crisis with a focus on those with the greatest reduction in turnover in 2020.
- Extend and modify the Covid-19 Adaptation Fund by €30 million to facilitate flexibility, such as increased outdoor dining capacity, in the context of the Living With Covid Plan.
- Invest €50m Exchequer funding in 2021 to be combined with a €100m credit facility from ISIF to create a €150m Tourism specific loan scheme to be jointly administered by Fáilte Ireland and ISIF to allow long term viable but short term vulnerable tourism businesses to survive until demand returns.

Enhancing Sustainable Employment

- Introduce a €10 million programme of professional development supports with strong digital content to keep those laid off or on reduced working hours engaged in the tourism sector to ensure that skilled workers are available to drive the recovery in the sector.

Re-Establishing International Access

- Facilitate the resumption of overseas tourism into Ireland as soon as is practicable and in line with public health guidance by identifying and communicating a targeted reopening date.
- The removal of the period of quarantine for arrivals and its replacement by a comprehensive, rapid test, track and isolate (TTI) system or a system more facilitative for inbound tourism.
- Government should actively develop and fully commit to the forthcoming EU 'traffic light' system that aims to open up international travel across Europe.

Strengthening Marketing Investment

- Increase domestic marketing spend from €10m to €30m in 2021 to drive demand for home holidays throughout the year.
- Double the overseas tourism marketing fund from €47m to €94m to help protect Ireland's existing brand position internationally and kick-start the recovery in inbound tourism. Evidence shows that early and increased investment following previous downturns yielded significant market share gains for Ireland.

Promoting Competitiveness

- Reduce VAT rate for tourism and hospitality sector from 13.5% to 9% with immediate effect.
- Introduce legislation and regulatory measures to increase supply and reduce the costs of insurance. These should inter-alia include protecting businesses from unwarranted and excessive claims through re-defining 'occupiers' duty of care, revising guidelines on levels of claims, and acting quickly on any CCPC recommendations to enhance competition in the sector.

In addition to immediate actions needed for survival, it is critical that action is taken now to provide the basis for stabilisation and recovery of the sector.

Recommendations for Stabilisation and Recovery

Supporting Business Survival

- Increase and spread domestic demand for holidays by varying the timing of school holidays in different areas of the country to take advantage of capacity.
- Consider the merits of introducing an additional bank holiday in the off-peak season.

Enhancing Sustainable Employment

- Strengthen Fáilte Ireland's Careers Oversight Group and formalise a relationship with the Department of Further and Higher Education, Research, Innovation and Science to ensure programme development and coordination of tourism education and training.
- Develop National Tourism Education Gateway as a one stop shop access to education for all tourism employees.
- Ensure consistency in terms of quality and content of education and training provided by education providers engaged in the tourism sector in consultation with industry to meet adapting needs and trends.

Re-establishing International Access

- Implement an assurance domestic guarantee for inbound leisure and business, with industry committing to return deposits / allow flexibility for people to change their date of travel, and Government providing backstop in case of business failure.
- A Temporary Incentive Scheme to be immediately introduced by all airports and ports in Ireland to incentivise additional traffic.

Strengthening Marketing Investment

- Implement a €92m Industry Activation Fund over three years for extensive overseas sales and marketing activities by the industry, to replace lost spend by industry stakeholders and protect inbound operators 'strategic assets' in vital supply and distribution channels.

Increasing Investment in Tourism Product

- Undertake a comprehensive review of Ireland's tourism product to identify strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering.
- Focus Government investment in tourism capital projects on improving product quality and innovation, and the development and enhancement of cultural and heritage experiences to attract a wide range of visitors to Ireland.
- Establish a co-ordination body to oversee a consistent approach to the investment in and operation, management and marketing of Ireland's state owned natural, cultural and heritage assets.
- As part of the development of the proposed National Outdoor Recreation Strategy Government should introduce new measures to facilitate access to public and private lands.
- Invest in a small number of major international festivals and events which will act as a demand driver for both domestic and overseas tourism.
- Establish a Department led steering group to oversee the development of a Global Invitation Programme (the Year of the Invitation) to stimulate additional international demand. The programme should ideally incorporate six to ten large scale events capable of attracting significant international audiences.

Promoting Competitiveness

- Fund and implement the development of a Tourism Satellite Account as a matter of urgency.
- Develop schemes to enable the tourism sector to invest in digital technology, with a particular focus on sectors with low digital presence such as visitor attractions and activities.
- Strengthen Ireland's international competitiveness in Asia and developing markets by offering a free 90-day visa waiver programme for short term holiday visits and a once off/one year promotion of a free 5 year visa application to encourage repeat visits.
- Develop a Competitive Balanced Scorecard to enable the setting of wide-ranging targets to support policy objective delivery and competitive benchmarking.

Building a Sustainable Tourism Industry

- Ireland should have the ambition to be amongst the world-leaders in sustainable tourism practices. The Sustainable Tourism Working Group should develop a suite of actions to promote the sustainable development of tourism by the end of 2020, which should underpin the development of a sustainable tourism policy to be adopted by the Government.
- Schemes and supports which promote the concept of and business case for sustainable tourism both at the enterprise level and the consumer level should be identified for implementation during the sustainability and recovery phase, e.g. Origin Green.

Overseeing Implementation of the Plan

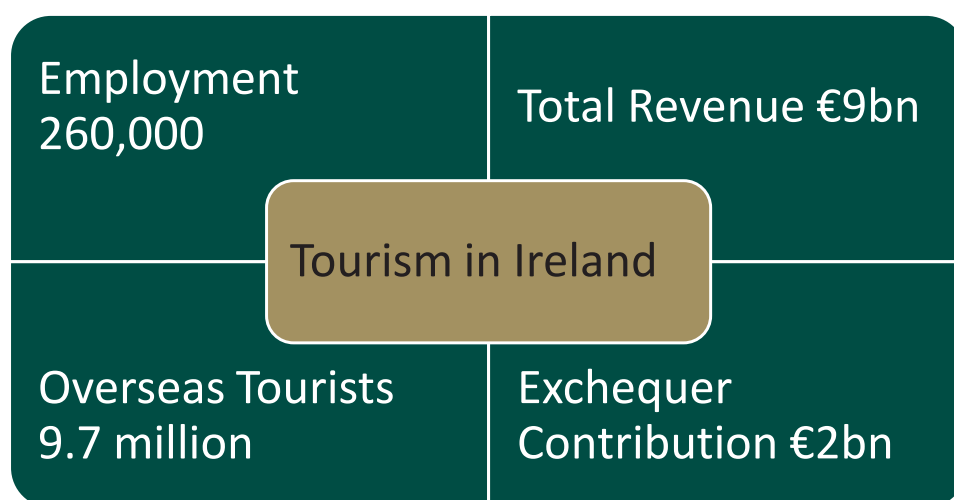
- Establish an independently chaired Recovery Oversight Group to monitor the implementation of the recommendations in this report and monitor the sector's recovery.

Conclusion

Tourism is as integral to the national economic recovery now as it was in the jobs led recovery after the last recession. The sector is uniquely positioned to contribute strongly to job creation and reversing unemployment in communities and among the young throughout the country. This recovery provides an opportunity to strengthen the tourism industry and reaffirm the importance of the sector as an economic driver and an export led industry. The Taskforce wishes to acknowledge the excellent work done by the Government to date in controlling the spread of the virus and protecting the health of the nation as well as supporting businesses and employees. The TRT welcomes the Resilience and Recovery 2020-2021 Plan for Living with Covid-19. Protecting lives and livelihoods during this pandemic will require resilience, innovation and collaboration. The Tourism industry stands ready to work with the Government to secure a sustainable recovery.

1. The Importance of Tourism in Ireland

Tourism is undoubtedly amongst Ireland's most important indigenous economic sectors. It is a significant employer, supporting 260,000 jobs prior to the onset of the Covid-19 pandemic in early 2020. It generated approximately €9 billion for the Irish economy in 2019, with export revenues accounting for over €6.9 billion of this via expenditure by overseas visitors travelling to and within Ireland. In addition, domestic tourism generated something in the region of a further €2 billion.



Source: D/TCAGSM estimates for 2019 based on Fáilte Ireland data

Apart from its overall economic importance, the importance of tourism to local and regional economies cannot be understated. In many rural areas, it is the only employer of note outside of agriculture. Analysis published by Ernst and Young¹ earlier this year indicated a significant proportion of jobs dependent on tourism in rural counties such as Kerry (18%), Donegal (13%) and Waterford (12%). In many such areas, there are no alternative sources of employment. It is also the case that the sector employs a higher proportion of young people. Almost one in two of those employed in the sector are aged less than 35, compared to less than one in three of the total workforce². It is also the case that the sector employs a higher proportion of young people on a part-time and seasonal basis providing them with their first experience of employment and valuable income to support further education.

Apart from its economic value, tourism also has other qualities which are difficult to measure. Tourism amenities within localities make them better places to live for local residents, whether by providing attractions and activities or offering good quality hospitality and events. In addition, tourism plays an important role in promoting Ireland's image abroad, generating a positive impression of Irish people, landscape and culture for our visitors which can influence other aspects of our relationship with the world, whether in investment decisions or educational choices.

Unfortunately, the advent of the Covid-19 impact has had a devastating impact on tourism businesses and employees. The necessary public health measures introduced initially to stem the spread of the virus meant that virtually all tourism businesses had to close or had virtually no activity. Whilst many have reopened since, activity this year is well below the levels of recent years. In effect, Covid has created a perfect storm for tourism. The requirement to trade in an environment requiring social distancing and limited gatherings, together with the fact that travel restrictions have meant that overseas tourism has virtually disappeared, is threatening the survival of a large part of the tourism ecosystem in Ireland. Early indications are that revenue generated by the tourism sector in 2020 will be less than one quarter of that in 2019. This is not a sustainable level of performance.

1. Ernst and Young, Potential impact of Covid-19 on Irish Tourism, April 2020

2. CSO, Census 2016

The timing of Brexit is another complicating factor. Whilst a no-deal Brexit was originally seen as a risk to the continued success of the tourism sector, it can now be viewed as a drag on the recovery in that it is likely to discourage UK tourists from coming to Ireland and create uncertainty in other key international markets.

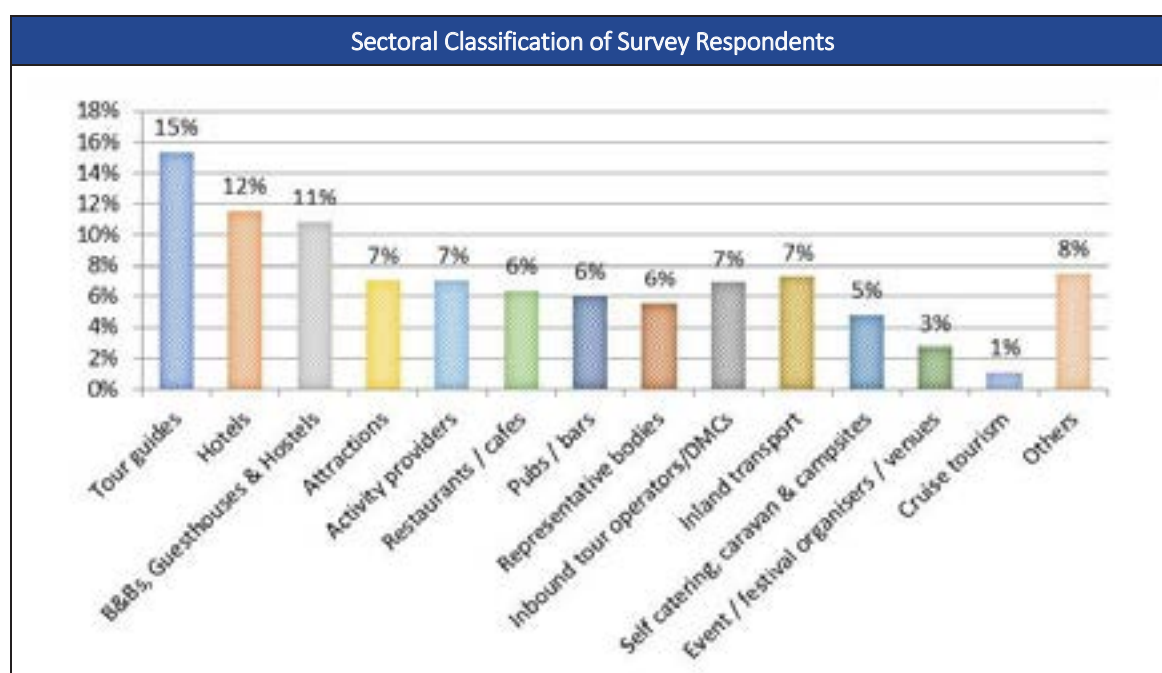
Failure to help businesses survive the crisis and to put in place measures to promote the recovery of the sector will mean that jobs will be lost permanently. CSO data³ shows that, at the end of August, there were over 114,000 people in receipt of either Temporary Wage Subsidy or the Pandemic Unemployment Payment in the Accommodation and Food Services sector alone. Extrapolating out to the wider tourism sector suggests that up to 180,000 jobs are either lost or vulnerable. If these jobs cannot be saved or restored, it will lead to additional social and public policy problems. These issues will affect younger people disproportionately given the higher representation of younger workers on State Covid related supports, with over 40% of beneficiaries across all sectors below the age of 35, a cohort that makes up only one-third of the overall labour force.

Overall, tourism is clearly in a precarious position. However, it has the capacity and the flexibility to recover strongly and quickly as it did following the last economic recession. It will need assistance in the short term but investment by the State will pay off in the long term in the form of increased employment and a strong net contribution to the Exchequer.

3. CSO, Detailed COVID-19 Income Support and Live Register Tables

2. Consultation Process

One of the immediate steps taken by the TRT on being formed on 20th May 2020 was to design and launch of a public consultation, aimed at giving individuals and businesses in the tourism sector an opportunity to input into the Taskforce's Recovery Plan. This included a survey which was published on the TRT website between 19th and 28th June 2020. A total of 813 responses were received, and over 60 organisations made separate submissions. The sectoral breakdown of respondents to the survey is shown below and indicates that a broad cross-section of the tourism industry responded. The TRT is very grateful for all the inputs received, which helped guide and influence the key pillars of the report and informed the recommendations in terms of the survival and recovery phases.



Source: *Tourism Recovery Taskforce, Consultation Survey*

Due to the very restricted timeline for producing this report and given the restrictions regarding Covid, the TRT did not have the opportunity to hold the type of plenary sessions and other forms of engagement that it would otherwise have done. However, this didn't inhibit the work of the group in any way. The TRT engaged in numerous consultation sessions, ad-hoc surveys and other forms of engagement with industry stakeholders over the course of the four months spent compiling the report. The TRT would like to acknowledge the expert advice given to the TRT by Professor Frances Ruane (ESRI) and Dr. Ronan Glynn (Acting Chief Medical Officer).

The taskforce would also like to thank all members of the individual TRT Workstreams who so willingly committed their time and effort to support the important work of the taskforce. These Workstreams spanned eight separate themes and involved 50 Workstream meetings. These were in addition to the meetings of the TRT itself which met 16 times in compiling this report. The outputs of the Workstreams provided the research base and industry intelligence upon which the TRT developed its conclusions and recommendations. A list of members of each of these Workstreams is shown in the appendix.

3. Supporting Business Survival

Tourism businesses have lost significant revenue due to the initial three-month nation-wide lockdown and on-going restrictions imposed to protect public health. Many tourism businesses and key assets have been unable to operate, particularly those with a greater dependence on International tourism which cannot pivot to domestic demand. Tourism businesses the world over are seasonal, generating profit in the peak season to sustain operating costs in the off-peak. Covid-19 hit tourism at a time when many businesses were emerging from the off-peak with limited cash reserves and working capital having invested in business upgrade and refreshment in preparation for the 2020 season. Viable businesses are therefore in a vulnerable situation, unable to take on additional debt and requiring grant aid support to enable them reach sustainable levels of income and sustain core skills and intellectual capital of employees. Key supply chains and strategic tourism assets will be vital to tourism recovery in the longer-term and tourism businesses with strong track records and viable futures must be protected in order to save and restore jobs. Continuing to encourage domestic tourism including, making revisions to the domestic holiday calendar, will also help the survival of tourism businesses in the recovery phase.

Support Business Survival	
Survival	<p>Modify existing or introduce new measures to help those tourism businesses significantly impacted by public health measures to survive the current crisis and be in a position to fast-track and contribute to a sustainable recovery, as follows:</p> <ul style="list-style-type: none"> • Adjust the Employee Wage Support Scheme so that businesses struggling to retain employees can avail of the subsidy rates which applied for the Temporary Wage Subsidy Scheme based on a scale of income reduction. • Deliver business continuity grants of €120 million to enable key strategic tourism businesses survive the crisis with a focus on those with the greatest reduction in turnover in 2020. • Extend and modify the Covid-19 Adaptation Fund by €30 million to facilitate flexibility, such as increased outdoor dining capacity, in the context of the <i>Living With Covid</i> Plan. • Exchequer to invest €50m in 2021 to be combined with a €100m credit facility from ISIF to create a €150m Tourism specific loan scheme to be jointly administered by Fáilte Ireland and ISIF to allow long term viable but short term vulnerable tourism businesses to survive until demand returns.
Recovery	<ul style="list-style-type: none"> • Increase and spread domestic demand for holidays by varying the timing of school holidays in different areas of the country to take advantage of capacity. • Consider the merits of introducing an additional bank holiday in the off-peak season.

The actions necessary to contain Covid-19 caused a sudden and severe contraction in economic activity across the world and raises unparalleled challenges. Grants (or the equivalent) for vulnerable-but-viable tourism SMEs will reach most firms more widely and more rapidly than supports channelled through commercial banks.

Bank lending certainly has an important role to play, but it is unlikely to work as the predominant form of support for tourism businesses given issues such as:

- The timing of the crisis: The pandemic struck just as tourism was coming out of the off-season. Owing to the highly seasonal nature of demand, particularly in regions outside the urban hubs, virtually all tourism SMEs run their reserves down over the off-season.
- Constrained operational capacity: Fáilte Ireland's September 2020 industry survey shows that 55% of tourism businesses are currently operating at less than 50% capacity

- Inability to plan: When restrictive measures are introduced and lifted at very short notice businesses (and customers) have a limited ability to plan ahead. For example, in the month of August (traditionally the peak holiday season), Fáilte Ireland found that:
 - 13% of tourism businesses reported that they ceased trading, as a result
 - A further 31% reported bookings were seriously impacted - down 50% or more
- Reduced demand, 78% of tourism businesses had fewer customers in July and August compared to a normal summer. This will only get worse as more restrictions bite into domestic demand and there is no international, corporate or event business demand.

It is acknowledged that horizontal measures introduced by Government such as the Rates Waiver and the Business Restart Grant have played a hugely important role in keeping businesses alive during the initial months of the pandemic. However, there are many businesses which have been particularly badly impacted and for whom these supports are not enough to sustain them before recovery. For example, businesses particularly dependent on overseas tourism such as inbound tour operators and agents, certain transport providers and certain accommodation providers have suffered a loss of turnover much higher than many other businesses. Similarly, certain visitor attractions have been disproportionately affected by public health measures and have also suffered severe reductions in turnover or have not been able to reopen. Additional business continuity grants should be predominantly focused on such businesses which are disproportionately affected but can return to viability once recovery is underway.

Similarly, the Temporary Employment Wage Subsidy has been a very welcome intervention to keep staff employed in tourism enterprises during the pandemic. The extension of this measure in the form of the Employee Wage Subsidy Scheme is a positive step in keeping more of our people in work. However, some modification to the EWSS scheme is required to ensure that those tourism businesses demonstrably worst affected over the course of the pandemic receive a higher subsidy in line with previous TWSS rates.

Businesses have had to show great flexibility in delivering services since the initial restrictions have been eased. Business models and practices have been adjusted to work in the 'new normal'. The Adaptation Fund introduced as part of the July Stimulus has been a very useful support in this regard and there is a need to extend this to help enterprises adapt to further changes such as increased outdoor dining and similar measures introduced as part of the Government's Living with Covid Plan.

Bank-based lending also has a very important role to play, especially for the larger and more employment intensive tourism businesses. There is a limited appetite to lend to the sector even with the current state supported schemes; therefore there is also a need to bring new innovative lending solutions for businesses that are viable in the medium to long term but cannot access credit to meet their immediate liquidity needs.

Protecting the supply side now positions Ireland to benefit from a swift recovery in overseas demand once public health conditions allow. Taking advantage of the eventual upswing depends significantly on how well:

- The supply side is protected and kept 'recovery ready' by keeping tourism businesses solvent and maintaining essential personnel with key skills and relationships.
- Investment is targeted in recovery initiatives to accelerate demand, employment and revenue growth in a Post Covid-19 Tourism sector.
- A fiscal/tax policy is implemented that facilitates sector growth in what will be a highly competitive and uniquely challenging environment for Irish tourism in a Post Covid-19 and Post Brexit world.

Intervening now to protect the supply side is vital so that we have essential product infrastructure available to drive tourism demand through key supply chains that deliver visitors who spend more, stay longer and disperse regionally. This will benefit the Government's future fiscal position, notwithstanding the short-term costs.

Given the crisis facing the survival of businesses, measures to stimulate domestic demand should continue to be pursued. The spreading of school holidays by region would extend capacity at peak periods (i.e. mid-term breaks). In the UK and across Europe October half term is sometimes spread by region/school type and this positively impacts both sector occupancy and pricing.

In addition the TRT also believes that the Government should consider the merits of introducing an additional bank holiday in the off-peak season. There are currently nine bank holidays in Ireland which is below the average of our main European competitors. For example, Spain and France have twelve and thirteen bank holidays respectively. An increase in bank holidays would create additional domestic high spending short break demand and would extend the tourism season.

4. Enhancing Sustainable Employment

Retaining tourism jobs and skills will be vital to tourism's recovery. Implementing an upskilling and reskilling programme for tourism, linked to Government support funding to businesses, can mitigate the significant damage the crisis has had on the sector. Retaining vital skills and intellectual capital within the tourism sector will be critical to a strong recovery. This is aligned with the European Skills Agenda. Investing in the delivery of lifelong learning programmes through digital platforms will increase the quality of jobs in tourism and sustain jobs regionally. Apprenticeships and traineeships will provide employees with a vital pathway into work and a career while also providing the employer with the opportunity to build a future workforce and develop a strong talent pipeline.

One of the features of the dramatic economic slowdown witnessed so far this year is the huge impact on youth unemployment. CSO figures show that by August young workers, particularly those under 25, were five times more likely to be unemployed than the rest of the workforce, with an unemployment rate of 19.7%. A revitalised tourism sector can offer job opportunities to this young workforce. Almost one in two of those employed in the sector are aged less than 35, compared to less than one in three of the total workforce. In July 2020, the European Commission launched a youth employment support programme, in recognition of the impact of the crisis on the next generation of worker.

Enhancing Sustaining Employment	
Survival	<ul style="list-style-type: none"> Introduce a €10 million programme of professional development supports with strong digital content to keep those laid off or on reduced working hours engaged in the tourism sector to ensure that skilled workers are available to drive the recovery in the sector.
Recovery	<ul style="list-style-type: none"> Strengthen Fáilte Ireland's Careers Oversight Group and formalise a relationship with the Department of Further and Higher Education, Research, Innovation and Science to ensure programme development and coordination of tourism education and training. Develop National Tourism Education Gateway as a one-stop shop access to education for all tourism employees. Ensure consistency in terms of quality and content of education and training provided by education providers engaged in the tourism sector in consultation with industry to meet adapting needs and trends.

In 2019, an estimated 260,000 people were employed in the sector and this has declined to around 140,000. Many of these jobs are also vulnerable. Nearly 80% of accommodation, food service and visitor attraction enterprises are located outside of Dublin, well above the national average for other enterprises highlighting the importance of the tourism sector to job creation at a regional level.

While the ongoing reopening of tourism businesses is welcome, the sector is one of the most visible and heavily impacted industries affected by the pandemic, which is likely to have a negative impact on the long-term consideration of tourism as a course and career choice. However, businesses are expecting to see the start of growth in the sector in 2021-2022 with employment levels in the industry likely to recover to its 2019 levels from 2023 onwards.

If action is not taken now to mitigate the significant damage the crisis has had on the sector and its reputation as a course and career choice, the labour supply issue that the industry has experienced in recent years up to this crisis, could potentially be even greater in 3-5 years. This will have an impact on the recovery and growth potential of the industry, particularly in terms of the loss of workers with specific skillsets who are particularly critical to recovery and are likely to have moved into other sectors following this crisis.

As a sector that provided one in ten jobs in 2019, it is critically important that the skills requirements of industry are aligned to educational provision. In particular, industry needs can best be served by working in partnership with education providers and using platforms where existing staff can build knowledge, skills and qualifications while continuing to work.

As part of the Programme for Government, a commitment is given to a “Jobs led Recovery”. The recommendations set out above will aid the aim of Government to retain the skills and knowledge of those who have been made unemployed due to Covid-19, giving them platforms to educate, upskill and/or retrain, along with keeping Tourism in the mind as a great career choice for the future. This is a key element of the Government’s Recovery Strategy and is aligned with European Commission Skills Agenda.

The TRT recommends the introduction of a €10 million programme of professional development supports for the sector, with an emphasis on the development of digital content, to keep those laid off or on reduced working hours engaged in tourism. This should enable workers to develop their skills in a structured manner through a Continuing Professional Development (CPD) pathway, a resource never previously available in the sector. This should also incorporate Recognition of Prior Learning, to allow for the evaluation and accreditation of knowledge and skills gained outside of formal education. This investment can ensure that sufficient skilled workers are available to drive the recovery in the sector, and create an opportunity for career development for workers.

It is also important that employees in the sector can easily find and access the most relevant training courses to meet their needs. While many training opportunities are already provided, it can often be difficult for employees to know the range of courses available in their locality, particularly in a way that can accommodate those who want to train while continuing in work. A National Tourism Education Gateway should be developed to provide a ‘one-stop shop’ for tourism employees who are considering engaging in training. This should contain information on the full range of training opportunities including short courses, full awards, minor awards, special purpose awards and single subject accreditation from Level 5 to Level 10 on the National Qualifications Framework.

There also needs to be improved co-ordination nationally of training provision between the industry and providers. Fáilte Ireland already runs a Careers Oversight Group which can provide a forum for the current and emerging training and skills needs of the industry to be identified and addressed. Formalising this group, and establishing a relationship with the Department of Further and Higher Education, Research, Innovation and Science and education providers, can help ensure that training programmes that are developed meet the real need of industry, and are provided at a consistently high quality throughout the country.

5. Re-establishing International Access

As an island economy, it is essential that tourism is enabled by the supply of competitive international aviation and maritime access and connectivity. Re-opening Ireland and international tourism informed by public health advice and in step with our European peers is vital. As well as removing barriers to overseas visitors, we must also take positive steps to actively encourage them to travel when it is safe to do so. These steps will take time to implement, so development and rollout should begin immediately. The urgency of this action in this area cannot be overstated. Once capacity is lost on certain routes, it will be hard fought to get it back. Keflavik, Copenhagen, Helsinki and many other airports have been investing significantly in positioning themselves as hubs. Traditional established hubs such as London, Paris, Amsterdam and Frankfurt will continue to compete aggressively for transatlantic connecting traffic and Dublin faces strong competition to remain relevant as its network and connectivity are challenged.

In developing this set of recommendations, the TRT is cognisant of the Final Report of the Taskforce for Aviation Recovery (TAR), our shared objectives, and we are supportive of its recommendations and its placing a priority on recommendations to commit capacity to re-connect our economy.

Re-establishing International Access	
Survival	<p>Facilitate the resumption of overseas tourism into Ireland as soon as is practicable and in line with public health guidance by identifying and communicating a targeted reopening date:</p> <ul style="list-style-type: none"> • The removal of the period of quarantine for arrivals and its replacement by a comprehensive, rapid test, track and isolate (TTI) system or a system more facilitative for inbound tourism. • Government should actively develop and fully commit to the forthcoming EU 'traffic light' system that aims to open up international travel across Europe.
Recovery	<ul style="list-style-type: none"> • Implement an assurance domestic guarantee for inbound leisure and business, with industry committing to return deposits / allow flexibility for people to change their date of travel, and Government providing backstop in case of business failure. • A Temporary Incentive Scheme to be immediately introduced by all airports and ports in Ireland to incentivise additional traffic.

The Government's primary objective in tourism is to maximise the services export revenue of the sector with Ireland achieving its full potential as a destination for overseas tourism. The significant increases in revenue and employment in this State over the last decade have resulted from a dramatic and sustained increase in inbound tourist numbers. In addition, as an open economy located on the periphery of Europe, competitive air and sea access and connectivity are critical contributors to Ireland's broader economic success. Access and connectivity have been disrupted by the advent of Covid-19 as capacity has been dramatically reduced as a direct result of mandated supply restrictions and a collapse in demand for international travel and tourism.

The growth in supply of low cost air access and the development of Dublin as a hub were of particular importance in driving this growth with the combined number of arriving and departing passengers handled at the State's main airports having increased by over 60% from 23.7 million in 2010 to 38.1 million in 2019⁴. Of the 10.8 million overseas visitor arrivals in 2019, approximately 90% travelled by air. With over 22 million airline seats arriving into the country in 2019 across a network of close to 200 international destinations⁵, the increase in access capacity, routes and frequency has not only served demand for overseas visitors to Ireland but critically has also stimulated additional demand with increased price competitiveness, network choice and convenience.

4. CSO

5. IATA The Importance of Air Transport to Ireland

It is important to note the contribution of a small number airlines and ferry companies to recent growth as outlined below. The role of companies such as Ryanair, Aer Lingus and Irish Ferries in a supply led recovery highlights the strategic importance of these businesses to our Tourism sector and the wider economy. These companies have been financially successful, remain internationally competitive, and are heavily invested in the Irish market. As such they represent the best prospects for capacity and volume growth over the next 3 years.

Arrival Air Seat Capacity and Frequency 2019 by Irish Airline						
	Summer Seats	Summer Frequency	Winter Seats	Winter Frequency	Total Seats	Total Frequency
Ryanair Group	6,040,107	31,967	3,474,144	18,391	9,514,251	50,358
IAG incl. Aer Lingus	5,608,509	35,566	3,052,115	19,914	8,660,624	55,480
Sub-Total	11,648,616	67,533	6,526,259	38,305	18,174,875	105,838
% of All Seats	80%	81%	84%	84%	81%	82%

Source: *Tourism Ireland / OAG Analyser*

The decline in access and connectivity to the State since the advent of Covid-19 has been immediate and dramatic. Transport services on ships built for both freight vehicle and passenger accommodation (known as ROPAX) have been broadly maintained across the three main corridors of operation as freight volumes and some Public Service Obligation agreements have provided a limited revenue stream in the face of a collapse in the passenger market. Other maritime access and connectivity has been reduced to a fraction of previous levels or have ceased completely as in the case of Cruise Ship services.

The global airline industry is facing its greatest ever crisis and business failure, retrenchment and consolidation will be an inevitable consequence of the pandemic. A range of forecasts across the airline sector do not anticipate global capacity returning to 2019 levels before the 2023/24-time frame and the International Air Transport Association (IATA) is forecasting a 36% reduction in demand below pre-Covid-19 levels for 2021⁶.

EU Member States have drawn a similar conclusion as they have already invested heavily in direct support, liquidity and equity for their aviation and maritime sectors. Many air and sea carriers having already received significant direct state investment will inevitably prioritise their home markets. This should be recognised as we commit to work towards re-connecting the Irish economy with the international marketplace.

The future of inbound tourism in Ireland is highly dependent on people having the confidence to travel. It is also acknowledged that there is a public health concern related to opening up access and connectivity by air and sea. To go some way to addressing these issues we recommend the removal of the period of quarantine for arrivals and its replacement by a comprehensive, rapid test, track and isolate (TTI) system or a system more facilitative for inbound tourism.

6. IATA/Tourism Economics, Air Passenger Forecasts, July 2020

In addition, the European Commission is proposing recommendations for member states on how to coordinate travel restrictions due to the coronavirus pandemic, including a 'traffic-light' colour-coding system of affected areas. The proposal includes common criteria on epidemiological risks, a shared 'colour-coding' of risk areas, as well as a joint approach on returning from high-risk areas. The TRT believes that the Irish Government should actively develop and fully commit to this EU 'traffic light' system to ensure Ireland opens its airspace in a manner that is timely and consistent with our European Partners.

In parallel, Tourism Ireland should be mandated and resourced to develop and manage an ongoing reassurance program across our international markets (see recommendations on Strengthening Marketing Investment). This should be supported by an industry-led assurance charter guarantee for inbound leisure and business, with industry committing to return deposits / allow flexibility for people to change their date of travel.

The TRT believes that it is essential to financially support the maintenance and restoration of capacity supply. Given the financial impact of the pandemic on airlines, ferry companies and cruise lines we believe that direct financial intervention to reduce the commercial risk of operations are both essential and appropriate. Any supply initiatives will need to be multi-annual given both the scale of the current crisis, the timeline for demand recovery, and the extent of financial repair that air and sea carriers will need to undertake over the medium term.

In the short-term, urgent action is required while the Irish Government and European Commission consider the proposals of the Taskforce for Aviation Recovery. Specifically, the TRT recommends the immediate introduction of a Temporary Incentive Scheme by all airports and ports in Ireland to incentivise additional traffic. An example of such a scheme is already operated by AENA, which runs 46 airports in Spain. The Spanish incentive aims to promote the recovery of airlines' operations in relation to their performance at equivalent months in the previous year and when it surpasses specific percentages of traffic recovery, and is due to run until March 2021⁷. The revenue benefits of inbound tourism are well established, and there is a very strong economic and market justification for urgent action.

7. <http://www.aena.es/en/airlines/incentives.html>

6. Strengthening Marketing Investment

Ireland must now invest in marketing, to maintain awareness and interest and to kick-start the recovery in the short-term through the immediate conversion of business for industry. It is also vital that the current strong position of Tourism Brand Ireland is maintained in international markets to ensure the long term sustainability of tourism businesses. Consumer research in our core overseas markets is already pointing to the best opportunities in terms of markets, segments and product offerings that will drive demand when matched with connectivity. Competition in the tourism marketplace will be intense as international destinations reopen. Ireland's brand equity must not be eroded through lack of investment now as it will lead to a loss of market share and a far slower pace of recovery. In the short-term, domestic marketing will be critical to sustaining tourism businesses and jobs and will require greater investment.

Increased investment in marketing is urgently needed to stimulate both domestic and international demand. As the world starts to travel again it will be essential that Ireland has sufficient marketing funds to gain competitive stand out in what will be an increasingly competitive global market as every destination seeks to rebuild. Research shows that there will be increased opportunities for promotion of outdoor activities and sustainable tourism products as consumer preferences evolve post-COVID. These are areas where Ireland can excel and have competitive advantage. There is also a need to continue to invest in reassurance campaigns that demonstrate that holidays in Ireland will be safe, welcoming and still a great experience.

Strengthening Marketing Investment	
Survival	<ul style="list-style-type: none"> • Increase domestic marketing spend from €10m to €30m in 2021 to drive demand for home holidays throughout the year. • Double the overseas tourism marketing fund from €47m to €94m to help protect Ireland's existing brand position internationally and kick-start the recovery in inbound tourism. Evidence shows that early and increased investment following previous downturns yielded significant market share gains for Ireland.
Recovery	<ul style="list-style-type: none"> • Implement a €92m Industry Activation Fund over three years for extensive overseas sales and marketing activities by the industry, to replace lost spend by industry stakeholders and protect inbound operators 'strategic assets' in vital supply and distribution channels.

Consumer research in core markets has shown that there is a growing opportunity to highlight Ireland as a safe and green destination by elevating the great outdoors and easy access to Ireland's natural landscapes in marketing campaigns aligned to changing consumer needs. Ireland can excel in delivering exactly what the overseas consumer wants once they start to travel again. Outdoor visitor attractions and activities will strengthen Ireland's attractiveness as a safe and welcoming destination. An immediate focus is needed on safety reassurance for visitors that shows the industry embracing the Fáilte Ireland safety charter, welcoming visitors with the same renowned Irish welcome and showing visitors still having a great holiday experience. Potential visitors are already making their destination choices for when they travel again and reassurance is key.

In the short-term, domestic marketing will be critical to sustaining tourism businesses and jobs and this too requires greater investment. This market will be proportionately a much larger share of the total tourism market in 2021 and the ambition of the sector is to capture at least 25% of the Irish outbound spend going forward.

The TRT recommends an increase in domestic marketing investment from €10m to €30m. Targeting campaigns at the optimum segments and co-ordination of spend between local authorities would also be of benefit. Campaigns should be focused on market segments and destinations with the highest potential including the active retired, families and high spending groups not taking overseas trips. Dublin and other cities would benefit from specific packaged campaigns.

Irish tourism is however an internationally traded service, with overseas tourism responsible for 75% of total tourism revenue and will therefore always rely on overseas tourists. Increased investment in the overseas marketing of Ireland informed by detailed consumer research to maximise impact, needs to reflect this. The TRT believes that there should be a doubling of the overseas tourism marketing fund from €47m to €94m. This would include an initial investment in supporting air access restoration and appropriate incentives to stimulate inbound demand on routes of strategic importance to inbound tourism.

Assuming all the public health considerations successfully align, the research shows that the island of Ireland is well placed to benefit from a global return to tourism travel working through the following phases -

- Restart – where all activity is aimed at converting short-term opportunities in selected markets and gives reassurance in all key markets.
- Rebuild – high volume activity focused on demand generation in markets and segments with the greatest potential
- Redesign – the reinforcement of high brand value position in all markets working towards a sustainable tourism industry.

Furthermore, the Government should introduce an Industry Activation Fund for extensive overseas sales and marketing activities by the industry, to replace lost spend by industry stakeholders and protect inbound operators 'strategic assets' in vital supply and distribution channels. It is estimated that the private sector invested €92m annually in marketing internationally pre-Covid-19. This industry investment however is expected to reduce dramatically in 2021 due to significant cash-flow issues as a result of the pandemic. It is vital that the State intervene to support enterprises by providing a €92m Industry Activation Fund over the next three years. This investment will support direct sales and marketing activity by industry facilitated by the tourism agencies.

7. Increasing Investment in Tourism Product

Ireland's built and natural heritage is the bedrock upon which Irish tourism has been developed. These are drivers of international demand, many being in state ownership and vital to Ireland's visitor experience. It is imperative that sufficient investment is made in these assets and that management of these assets maximise their potential. Consumer research across our core international markets indicates that consumers in a post-Covid environment will require a different experience, certainly one that Ireland is well positioned to take advantage of and strengthen its image in terms of outdoor activity, open space, a green, clean and sustainable destination. A comprehensive review of Ireland's tourism product should be undertaken now to identify strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering.

Increasing Investment in Tourism Product	
Recovery	<ul style="list-style-type: none"> • Undertake a comprehensive review of Ireland's tourism product to identify strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering. • Focus Government investment in tourism capital projects on improving product quality and innovation, and the development and enhancement of cultural and heritage experiences to attract a wide range of visitors to Ireland. • Establish a co-ordination body to oversee a consistent approach to the investment in and operation, management and marketing of Ireland's state owned natural, cultural and heritage assets. • As part of the development of the proposed National Outdoor Recreation Strategy Government should introduce new measures to facilitate access to public and private lands. • Invest in a small number of major international festivals and events which will act as a demand driver for both domestic and overseas tourism. • Establish a Department led steering group to oversee the development of a Global Invitation Programme (the Year of the Invitation) to stimulate additional international demand. The programme should ideally incorporate six to ten large scale events capable of attracting significant international audiences.

Improvement of product quality and innovation, through Government backed capital investment funding including tax incentive schemes, is required. Government should support capital investment projects to improve the quality of tourism assets and to drive innovation within the sector. Greenways should be further developed, as well as indoor facilities to cope with "rainy day" occurrences. In order to retain the existing level and further grow market share it is vital that Ireland continues to develop new and enhanced product offerings to attract visitors to Ireland.

In particular:

- Explore mechanisms to increase private sector capital investment in growing tourism such as medium long/term leasing of state assets
- Increased capital funding with targeted prioritisation for Cultural and Heritage tourism projects in a co-ordinated manner
- Development of new and enhanced existing visitor experiences to cater for the family market, weather-friendly facilities and the night time economy.

If Cultural and Heritage attractions have to close in the shoulder season of 2020 and the first half of 2021 as a result of public health measures, then there will be less for domestic visitors to 'see and do' on their domestic vacation. This can act as a disincentive de-motivator to take a break and will impact on numbers availing of accommodation and associated tourist businesses. Business continuity grants of up to €20m are needed to enable these attractions to remain operational during this period.

The management, operation, development and promotion of culture and heritage assets within the state is complex, with many custodian agencies, state bodies and Government agencies. The TRT recommends the establishment of a co-ordination body to oversee a consistent approach to the investment in and operation, management and marketing of Ireland's state owned natural, cultural and heritage assets.

The Outdoors is playing a key role in the health and wellbeing of people throughout the world during the current pandemic. Early evidence suggests that new habits are being formed and that engagement in outdoor activity will be a key part of our lives in the post Covid-19 world. This affords Ireland an opportunity for a competitive edge in the future. In line with the Programme for Government we need to develop a new National Outdoor Recreation Strategy to strengthen Ireland's image as an outdoor activity holiday destination in the domestic and international markets.

Key areas of focus should include:

- Expansion of the existing incentive schemes or alternative models to encourage landowners to open up their lands to walking trails (i.e. Reps model)
- Introduction of a National Indemnity Scheme for Walking and Activities as enjoyed in other jurisdictions
- Resource the delivery of the Tourism Interpretation Masterplan for National Parks (June 2018)
- Increased funding and co-ordinated development of Greenways, Blueways, Trails and supporting infrastructure across the country as per the Programme for Government.

Ireland should also invest in a small number of major international festivals and events which will act as a demand driver for both domestic and overseas tourism. Building on the success of our existing platform of high impact festivals, such as Ireland's St. Patrick's Day Celebrations and the recently launched Púca Festival, the recommendation is to create compelling and unique festivals and events designed to motivate domestic and international visitors to travel.

In line with the Programme for Government, the TRT also recommends the establishment of a Department led steering group to oversee the development of a Global Invitation Programme (the Year of the Invitation) to stimulate additional international demand. The programme should ideally incorporate six to ten large scale events capable of attracting significant international audiences.

8. Promoting Competitiveness

The urgency and scale of the competitiveness challenge facing the Irish economy was outlined in the recently published Competitiveness Report⁸ by the National Competitiveness Council. This highlighted the need for urgent decisions to address key competitiveness challenges including supporting Ireland's workers and leveraging opportunities for upskilling, addressing climate action, investing strategically in Ireland's physical infrastructure, and resolving long standing issues including higher interest rates and uncompetitive insurance costs. All of the issues are particularly critical for the tourism sector and impact on the ability of Irish tourism to compete internationally. In addition, tourism faces unique competitiveness challenges as all countries are attempting to win share in a market where demand has collapsed. Other governments in European and internationally have taken radical action to improve the competitiveness of their tourism sector (including reducing VAT) which has exacerbated Ireland's uncompetitive position. The unprecedented competitiveness challenges which COVID-19 has brought about have come at a time when tourism is facing additional risks arising from Brexit.

The competitiveness issues facing tourism are even larger than those being experienced by many other sectors. COVID-19 has impacted to a much greater extent on tourism and this has been recognised by the OECD and by the latest National Competitiveness Council Report. This is also reflected in the evidence that by early August 2020 the sector with the highest number of people in receipt of the Pandemic Unemployment Payment was the Accommodation and Food Services Activities. In the short term, the priority must be to improve the competitiveness of Irish Tourism. The TRT has outlined in the next table actionable measures to improve the competitiveness of Irish tourism including reducing VAT, addressing insurance costs, improving digital skills, enhancing visa arrangements and improving monitoring and data collection. This will require a whole of Government response. Delays in addressing the loss in relative competitiveness of Irish tourism would undermine economic recovery and action is seen as a priority by the TRT.

Promoting Competitiveness	
Survival	<ul style="list-style-type: none"> Reduce VAT rate for tourism and hospitality sector from 13.5% to 9% with immediate effect. Introduce legislation and regulatory measures to increase supply and reduce the costs of insurance. These should inter-alia include protecting businesses from unwarranted and excessive claims through re-defining 'occupiers' duty of care, revising guidelines on levels of claims, and acting quickly on any CCPC recommendations to enhance competition in the sector.
Recovery	<ul style="list-style-type: none"> Fund and implement the development of a Tourism Satellite Account as a matter of urgency. Develop schemes to enable the tourism sector to invest in digital technology, with a particular focus on sectors with low digital presence such as visitor attractions and activities. Strengthen Ireland's international competitiveness in Asia and developing markets by offering a free 90-day visa waiver programme for short term holiday visits and a once off/one year promotion of a free 5 year visa application to encourage repeat visits. Develop a Competitive Balanced Scorecard to enable the setting of wide-ranging targets to support policy objective delivery and competitive benchmarking.

Restoration of Irish competitiveness will require decisions in a range of areas where Irish tourism is uncompetitive. Some of the TRT recommendations outlined in other sections of the report will help underpin competitiveness including measures on upskilling and investing in strategic infrastructure. However in a much smaller international tourism market with excess capacity, competition for the reduced number of tourists will be intense, as countries attempt to increase their share of the international market to assist in the recovery of their sectors. The short-

8. NCC, Ireland's Competitiveness Challenge, September 2020

term survival and recover of Irish tourism will be impacted by the fact that currently Ireland is a high-cost tourism market. Action is therefore needed to reduce our tourism costs and a reduction in the rate of VAT which is higher than other destinations is required. There is also an urgent need to reduce the excessive costs of insurance on tourism businesses to underpin survival plans. The industry is also working to reduce internal costs and pass these to consumers but action by the Government is required.

To help restore competitiveness the TRT recommends that the Government reduce the VAT rate for the leisure and hospitality sector to 9% from 13.5% immediately and for the long term together with other VAT reform. Evidence from the financial crisis suggests there will be a high level of pass-through of the reduction to the consumer, thereby stimulating demand or providing cash flow assistance. This is a key priority, particularly in light of Brexit as the UK VAT rate is currently cut to 5%. The current Irish VAT rate for the sector remains the highest in Europe with the exception of Denmark. Reform should also look to resolve remaining anomalies in VAT, for example for coach operators between ROI and NI.

One other issue of particular concern for the competitiveness of Irish tourism is the cost and availability of insurance. As highlighted by the Cost of Insurance Group⁹ the price of insurance had increased and had become difficult to obtain for sectors such as tourism even before COVID-19. While the Competition and Consumer Protection Commission is finalising its market study investigation of the sector the time is now for action to increase the supply and reduce insurance costs for tourism businesses.

Rising insurance costs and difficulties securing affordable insurance are no longer acceptable. This is particularly critical for tourism businesses including adventure tourism, festivals and events as well as hotels and restaurants and bars. While the TRT welcomes the importance put on insurance reform in the Programme for Government, and the fact that the competitiveness issue facing tourism were specifically noted, we urge the cabinet sub-committee on insurance reform to take measures to address this as a matter of urgency. This should include protecting businesses from unwarranted COVID-19 claims. The evidence shows that insurance awards and costs in Ireland are significantly out of line with countries where Irish tourism is competing. For example, the Personal Injuries Commission found that the level of general damages for soft-tissue injuries in Ireland is more than four times that in England and Wales. The increase in the volume of claims is also unacceptable and evidence from a recent Fáilte Ireland Review has shown that over a recent four-year period the number of personal injury cases has increased by 21% per annum. The issues concerning the levels of competition within the industry must also be addressed. No single measure will be sufficient to reduce insurance costs, but Government action is urgently needed to improve competition in the insurance sector and to introduce legislation to deal with unwarranted and excessive claims. The tourism sector will also continue to develop its health and safety measures but there is a need for a level playing field with our competitor countries on the external factors where the Irish sector is facing higher costs.

The tourism sector has a significant deficit in terms of the quality and use of technology compared to international standards, which needs to be addressed; currently over 90% of all attractions sell below 30% of revenue online, 5% do not have any online presence at all and 23% do not have an integrated ticketing system. The fallout from the COVID-19 pandemic has heightened the need for both attractions and activity providers to dramatically improve their online booking capability. Digitalisation presents opportunities for businesses to expand their market reach, increase growth and improve operational efficiencies as well as enhancing the visitor experience and improving destination management. Websites, booking facilities and digital distribution technologies must be adopted to target those in the planning phase of their trip and those that are already in-destination researching things to see and do.

9. Cost of Insurance working Group (2018), Report on the Cost of Employer and Public Liability Insurance

Government backed schemes should stimulate investment in technology, for example:

- Expansion of the LEO 'Trading Online Voucher Scheme' to include cultural and heritage tourist attractions
- Development of a National Online Digital Platform for Culture and Heritage visitor experiences.
- Upskilling the digital competencies of the tourism and hospitality workforce in the implementation/ utilisation of digital technologies across the assets and support for tourism attractions including culture and heritage experiences to utilise digital technologies for interpretation where relevant.

In addition to the immediate actions needed to help the survival and recovery of the sector there are a number of other ongoing competitiveness challenges which must be addressed. These will require enhanced information on the sector to support benchmarking and to provide for evidence-based policy changes.

In order for the potential of the tourism sector to be accurately assessed as an economic driver of the economy and to enable robust investment, case analysis which reflects the opportunity cost needed, the sector requires robust data on economic, social and sustainability benefits. This data should be comprehensive, timely and comparable and enable the setting of wide-ranging targets to support policy objective delivery and competitive benchmarking. This should include the deployment of a Tourism Satellite Account. It will require the development of new ways to capture data and further enhancement of current data collections techniques. The use of comprehensive competitive data set to guide policy development and implementation will be the norm. A Competitive Balanced Scorecard could be developed to enable the setting of wide-ranging targets to support policy objective delivery and competitive benchmarking. This work should build the "value add" of comparative data that currently exist, supplemented by new "quick win" data sources in a systematic and prioritised manner. There currently exist a range of leading indicators on competitiveness and though they may not always be directly comparable against the competitive set, they do give a strong indication of competitive performance.

Another area where Ireland is facing challenges compared to some other competitors is in relation to visa schemes. The TRT recommends that the Government should institute a more facilitative visitor visa regime for holidaymakers with a focus on those countries with strong inbound tourism potential. Unless holidaymakers can easily visit Ireland and feel they are welcome we will lose business to other countries.

9. Building a Sustainable Tourism Industry

The current crisis has presented Ireland with an opportunity in relation to sustainability. Even before Covid-19, there was a growing consciousness amongst tourists all over the globe of the need for more sustainable tourism approaches which benefitted – rather than harmed – the very attractions and communities they were coming to see. Consumers' perceptions of Ireland already align well with this trend, though there is a lot more that we as an industry can do to ensure that we adopt best practices internationally regarding sustainability. The recommendations aimed at making Irish tourism sustainable are shown below.

Building a Sustainable Tourism Industry	
Recovery	<ul style="list-style-type: none"> Ireland should have the ambition to be amongst the world-leaders in sustainable tourism practices. The Sustainable Tourism Working Group should develop a suite of actions to promote the sustainable development of tourism by the end of 2020, which should underpin the development of a sustainable tourism policy to be adopted by the Government. Schemes and supports which promote the concept of and business case for sustainable tourism both at an enterprise and consumer level should be identified for implementation during the stabilisation and recovery phase, e.g. Origin Green.

Sustainable tourism balances the economic, the social and the environmental. The UNWTO define it as: “*tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities*”. A recovery plan that takes account of the needs of the visitor, the industry, the environment and the community will be all the stronger for it. It will ensure that communities welcome back visitors as strongly as ever, that enterprises can reduce costs and yet deliver the right product, and that Ireland becomes an even more attractive destination. A sustainable approach is a ‘win-win’ for the tourism sector.

Whilst it is recognised and acknowledged that short-term survival is currently paramount for tourism businesses, it has never been more important, that the safeguarding and successful recovery and growth of Ireland's tourism sector is based on a sustainable and balanced approach. The ambition that “*Ireland will seek to be amongst the world-leaders in sustainable tourism practices*” is more important than ever. Environmental protection, economic competitiveness, community involvement and visitor awareness, all play their part in successfully achieving and benefiting from this approach. The TRT strongly recommend that sustainability is put at the heart of this recovery Plan to ensure its recommendations deliver on the ambition, for the benefit of all.

The outgoing national tourism policy *People, Place and Policy: Growing Tourism to 2025* dates from 2015. It has been successfully implemented by way of two Tourism Action Plans, initially from 2016-2018 and latterly from 2019-2021. The implementation of the most recent TAP has been interrupted by the need to respond to the Covid-19 crisis. It contained the following action:

A working group has been established to review international policy and best practice in sustainable tourism and propose guiding principles for sustainable tourism development in Ireland. The Group will report to the Tourism Leadership Group with their recommendations.

This work was completed in late 2019 and the report of the Working Group, having been presented to the Tourism Leadership Group, was subsequently published. The report set out the ambition that; “Ireland will seek to be amongst the world-leaders in sustainable tourism practices”. It also set out accompanying Guiding Principles for Sustainable Tourism Development in Ireland as well as a suggested implementation framework for the future.

The TRT recommend that the Sustainable Tourism Working Group should develop a suite of actions to promote the sustainable development of tourism by the end of 2020. This in turn should underpin the development of a sustainable tourism policy adopted by the Government. Schemes and supports which promote the concept of and business case for sustainable tourism both at an enterprise and consumer level should be identified for implementation during the stabilisation and recovery phase, e.g. Origin Green.

10. Overseeing Implementation of the Plan

Given the urgency and scale of impact that Covid-19 is having on Irish tourism, we would ask that the Minister establish a Recovery Oversight Group to monitor the implementation of the recommendations in this report and monitor the sector's recovery.

Overseeing Implementation of the Plan

- Establish an independently chaired Recovery Oversight Group to monitor the implementation of the recommendations in this report and monitor the sector's recovery.

The Recovery Oversight Group should be established immediately and comprise representation from industry, agencies and the department and independently chaired. It is recommended that the Group convene as frequently as necessary during the survival phase and at least every three months during the stabilisation and recovery phase. The Group would also be responsible for recommending adjustments to this Plan in light of changing developments given the uncertainty surrounding the Covid-19 pandemic.

11. Conclusion

The Tourism Recovery Taskforce, in designing the recommendations for Government action, have been very conscious of the need to ensure that the best use is made of scarce Exchequer resources and that there is a net economic return from any initiative proposed. The scale of economic decline of this labour intensive internationally traded sector has resulted in a major loss in economic output, taxation revenues and rising Exchequer payments on unemployment benefits. Targeted measures are reflected in the recommendations, which if implemented, will result in high economic returns as well as benefiting thousands of lives and the viability of numerous businesses.

Tourism is as integral to the national economic recovery now as it was in the jobs led recovery after last recession. The sector is uniquely positioned to contribute strongly to job creation and reversing unemployment in communities throughout the country. This recovery provides an opportunity to strengthen the industry and reaffirm the importance of the sector as an economic driver and an export led industry.

The Taskforce wishes to acknowledge and thank all those who made detailed submissions. We also wish to extend thanks to those industry participants who gave freely and willingly of their time in framing the recommendations output in this report which are of greatest importance to tourism recovery.

Finally the Taskforce wishes to acknowledge the excellent work done by the Government to date in controlling the spread of the virus and protecting the health of the nation. The TRT welcomes the Resilience and Recovery 2020-2021 Plan for Living with Covid-19 as well as supporting businesses and employees. Protecting lives and livelihoods during this pandemic will require resilience, innovation and collaboration. The Tourism industry stands ready to work with the Government to secure a sustainable recovery.

APPENDIX 1

Terms of Reference of the Tourism Recovery Taskforce

The Tourism Recovery Taskforce was established by Minister for Tourism on 20 May 2020. The purpose of the Taskforce was to prepare a Tourism Recovery Plan for submission to the Ministers which will include a set of recommendations on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of the Covid-19 crisis.

The Terms of Reference of the Taskforce set out that, in drawing up a Tourism Recovery Plan, the Taskforce would:

- Evaluate evidence of the capability of tourism enterprises to resume trading and identify immediate to medium term goals for recovery and sustainability.
- Commission research and consultancy as appropriate, by the tourism agencies and other bodies, which will assist the Taskforce in developing its understanding of the problems facing the sector as well as potential solutions.
- Consult with stakeholders and invite proposals for consideration by the Taskforce.
- Identify actions by the industry, agencies and Government which, subject to market conditions, would help to generate demand for tourism services, both domestic and overseas, in the initial recovery period.
- Develop a framework for ongoing monitoring of the sector as it adapts and recovers, including consumer and business sentiment.
- Agree where the focus should lie with regard to domestic and international promotional activity for 2021-2023 in view of the evolving situation.
- Examine the prevailing situation and outlook for tourism with regard to access and connectivity by source market.
- Identify possible policy initiatives or impediments to a robust sustainable recovery
- Recommend whole of Government policy initiatives to support sustainable tourism employment.
- Recommend how best to optimise the use of exchequer resources for tourism and explore EU funding opportunities to assist the recovery.
- Consider appropriate next steps in terms on monitoring and reporting on the Plan.

APPENDIX 2

Membership of TRT Workstreams

Competitiveness & Tourism

John Herlihy (lead)	VP, EMEA and LATAM, LinkedIn
Elaina Fitzgerald Kane	Director – Fitzgerald's Woodlands House Hotel
Shane Clarke	Tourism Ireland
Caeman Wall	Fáilte Ireland

Culture & Heritage Attractions Workstream

Pat O'Leary (Lead)	Chair of Kerry Tourism Industry Federation
Orla Carroll	Fáilte Ireland
Tony Larkin	Wexford County Council
Niall O'Callaghan	AVEA
Des Annett	ITOA (Inbound Tour Operators) & CIE Tours

Domestic Demand

Martin Dalby (lead)	CEO, Center Parcs
Elaina Fitzgerald Kane	Director – Fitzgerald's Woodlands House Hotel
Niall Tracey	Fáilte Ireland
Tom Enright	Wexford County Council
Alison Levins	Fáilte Ireland
Brendan Kenny	IAAT
James McGinley	CTTC

International Access & Connectivity

Stephen Kavanagh (lead)	Non-executive Director Aer Lingus & CDB Aviation
Eoghan Corry	Travel Industry Commentator
Niall Gibbons	Tourism Ireland
Nick Mottram	Irish Ferries

International Demand

Eoghan Corry (lead)	Travel Industry commentator
Siobhán McManamy	Tourism Ireland
John McLaughlin	North & West Coast Links Golf Ireland
Stephen McNally	Dalata Hotel Group
Vanessa Castles	The Abbey Group
Ronan Flood	AIPCO
Derry Cronin	Coach Tourism and Transport Council of Ireland

Sustainability

John Kelly (lead)	A/Secretary for Tourism and Sport – DTCAGSM
Colm O'Connor	DTCAGSM
Mark Henry	Tourism Ireland
Orla Carroll	Fáilte Ireland
Eoghan O'Mara Walsh	ITIC
Rob Rankin	Vagabond Tours
Shane Dineen	Fáilte Ireland
Fiona Dunne	Tourism Ireland

Sustainable Employment

Eimear Killian (lead)	GM, Brassiere on the Corner & Blake's Bar, Galway
Paul Hayden	Fáilte Ireland
Mary Rose Stafford	IT Tralee
Jenny De Saulles	Fáilte Ireland
Fiona Maloney	Director of FET Support Services at ETBI
Denise Brophy	Executive Director Dublinia
Michael Vaughan	IHF Education and Training Committee
Aine Doyle	Group Training & Development Manager, Dalata
Breda McNally	Solas

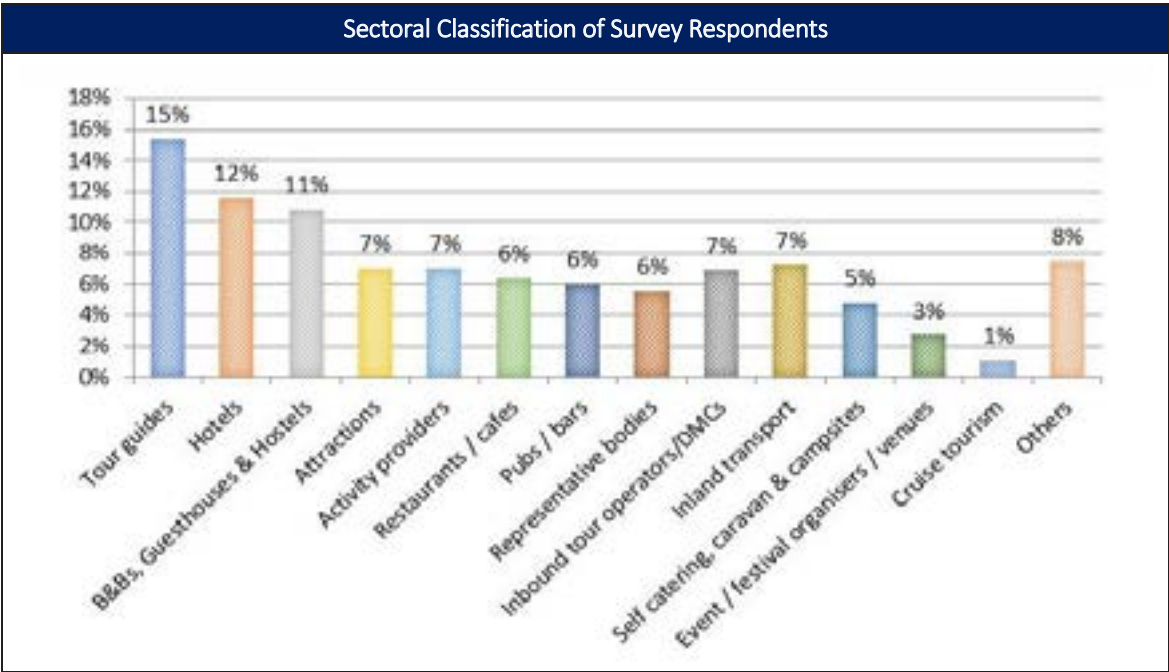
Research and Consultancy

Jane Stacey (lead)	Head of Tourism Unit, OECD
Ruth Andrews	CEO, ITOA and special advisor to AVEA
Neil Aulton	Tourism Ireland
Maria Melia	DTCAGSM
Colm O'Connor	DTCAGSM

APPENDIX 3

Consultation

In June 2020 the TRT conducted a public consultation aimed at giving individuals and businesses in the tourism sector input into the Taskforce's Recovery Plan. A survey was published on the TRT website between 19th and 28th June 2020. The survey comprised a small number of pre-coded questions, plus the opportunity to give open-ended views via the survey or through submitting submissions. A total of 813 responses were received, and over 60 organisations made separate submissions. The sectoral breakdown of respondents to the survey is shown below and indicates that a broad cross-section of the tourism industry responded.



Source: *Tourism Recovery Taskforce, Wave 1 Consultation Survey*

A list of those who made submissions is shown below and highlights the extent of involvement in the work of the Taskforce.

- 365 Chauffeur Drive
- ATGI CLG (Approved Tourist Guides of Ireland)
- Abacus Chauffeur Services
- Airbnb
- Assoc of Irish Professional Conference Organisers
- Assoc of Visitor Experiences & Attractions
- B&B Ireland
- Browns Chauffeur Tours
- Business Tourism Working Group
- Cannmed Products Limited
- Car Rental Council of Ireland
- Celtic Student Travel
- Cogs & Marvel
- Cruise Belfast
- DC Chauffeur Drive
- Deerpark Holiday Cottages
- Donegal County Council
- Dublinia
- Earls Court House Hotel
- Enterprise Holdings
- Events Industry Ireland
- Galway Mayo Institute of Technology
- Green Hospitality Programme
- Grogan Tours Ireland
- Guinness Storehouse and Irish Homes
- ITIC – Irish Tourism Industry Confederation
- Incoming Tour Operators Association
- InflightFlix International Ltd
- Inis Meain Restaurant & Suites
- Institute of Technology
- Ireland's Association for Adventure Tourism
- Irish Hotels Federation
- Irish Self Catering Federation (ISCF)
- John F Kennedy Trust
- Licensed Vintners Association
- Longford County Council
- Loophead Tourism Network
- Mid Shannon Wilderness Awareness Group
- Moloney & Kelly / The Abbey Group
- NCDA
- National Transport Authority
- ORH Marketing Ltd.
- Original Irish Hotels
- Private Tour Driver Guide
- Restaurants Association of Ireland
- Ring of Kerry Sightseeing Tours
- Royal Marine Hotel
- Sligo Tourism
- Small Public Service Vehicle (SPSV)
- Stephen Delaney - Tour Guide
- The Abbey Group
- The Art of Fundraising
- The Coach Tourism and Transport Council of Ireland
- The Gathering
- The Loophead Summer Hedge School
- The Venue Operators and Promoters Forum
- Tourism Transport Alliance
- Unite the Union
- Vintners Federation of Ireland
- Visit Cork
- Western Chauffeur Drive Association Ireland
- Westport Woods Hotel and Dublin Skylon Hotel

APPENDIX 4

June Statement from Tourism Recovery Taskforce

The Tourism Recovery Taskforce (TRT) was appointed by Minister Ross and Minister of State Griffin on 20 May. The purpose of the Taskforce is to prepare a Tourism Recovery Plan 2021-2023 for submission to the Ministers including a set of recommendations on how best the Irish tourism sector can adapt and recover from the unprecedented impact resulting from the Covid-19 pandemic. Conscious of the existential crisis facing the tourism industry the TRT has already met twice and will continue to meet weekly.

In its initial discussions, the TRT has focused on priorities for the survival phase and the issues which businesses are grappling with as they seek to reopen. The Taskforce has had very informative discussions and heard from all members and through engagement with industry what they consider to be the imminent concerns for businesses. Aside from the overriding issue of financial viability, it is already clear that certain matters are emerging as urgent in short term.

Acknowledging the excellent work done by Government in controlling the spread of the virus and its Roadmap for Reopening, at its meeting on June 3rd the TRT agreed that there are a number of specific items which could usefully be recommended into Government to inform it as to how tourism can be assisted in the short-term to emerge from the current crisis. In doing this, the Taskforce took cognisance of the fact that, by making some changes to the measures currently set out, tens of thousands of additional jobs could ultimately be saved.

The issues which the TRT is asking the Government to consider are:

1. Move to 1m Social Distancing (and apply additional precautionary measures, as set out in Protocols due to be published by Fáilte Ireland).
2. Accelerate Phase 4 "Social / Recreational" re-openings to Phase 3. This would mean hotels and other visitor accommodation and attractions such as museums and galleries would reopen by June 29th.
3. Accelerate Phase 5 "Social / Recreational" re-openings to Phase 4. This would mean that pubs and bars could reopen by July 20th.
4. Move "Extend travel to outside your region" from Phase 4 to Phase 3. This would mean that people could travel for domestic holidays from June 29th.
5. Delay the school re-opening to week beginning August 31st. This would allow the domestic holiday season to maximise August.
6. Allow schools the option of taking the week long October mid-term break during one of two weeks (rather than just one week). This would facilitate families wishing to holiday in Ireland.
7. Remove the 2 weeks of self-isolation recommendation for travellers from overseas countries that are considered to be "safe" points of origin.
8. Re-introduce a reduced rate of VAT to stimulate demand in the tourism and hospitality sector.

Commenting, the Chairperson of the Tourism Recovery Taskforce Ruth Andrews said:

"It is clear that the Taskforce has a great deal of work to get through and when we come up with a Recovery Plan I want to be sure that we will have taken everything we need into consideration in that intervening period which is crucial to restarting tourism albeit with limitations. We aim to do this as quickly and efficiently as we can. It is clear that the issues we are highlighting are urgent from the perspective of those tourism businesses which are evaluating whether and how to reopen.

As a group we believe that we would not be doing our job properly if we did not alert Government as to the importance of these issues in the short term. We welcome the measures taken by Government thus far which have helped many businesses to survive up to this point. However, by taking these additional steps now, the Government would be saving so many businesses and preserving jobs in Irish tourism".

APPENDIX 5

Initial Report to Minister

TOURISM RECOVERY TASKFORCE

Initial Report to the Minister for Transport, Tourism and Sport

25th June 2020

Survival Phase Recommendations: June 2020

As a result of the impact of the Covid-19 crisis on tourism in Ireland, the Tourism Recovery Taskforce was established to develop a recovery plan for the tourism industry from 2020–2023, in recognition by Ministers Ross and Griffin that this is a sector that has been hardest hit and will not recover quickly. The impact of Covid-19 on global tourism has been existential. According to the OECD¹⁰:

The tourism economy has been heavily hit by the coronavirus (Covid-19) pandemic, and measures introduced to contain its spread. Depending on the duration of the crisis, revised scenarios indicate that the potential shock could range between a 60-80% decline in the international tourism economy in 2020. Beyond immediate measures to support the tourism sector, countries are also shifting to develop recovery measures. These include considerations on lifting travel restrictions, restoring traveller confidence and rethinking the tourism sector for the future.

Tourism is Ireland's largest indigenous sector, employing over 260,000 and generating over €9 billion for the economy in 2019 of which over 75% was export earnings from overseas tourists. It is a significant contributor to regional and local economies and societies. Tourism is predominantly made up of over 20,000 SMEs, 70% of which are regionally dispersed. According to Fáilte Ireland statistics, for every €1M of tourist expenditure 27 jobs are supported and every euro spend generates 23c in tax.

As an island nation and open economy, tourism's dependence on air and sea access, the unfettered movement of people and a service delivery requiring close personal contact means that the tourism sector has felt the greatest impact of border and business closure and cannot resume as before. Transitioning to re-opening in a Covid-19 environment with restrictions required to protect public health will mean a greater dependence on state supports to adjust to the prevailing environment.

Since its establishment at the end of May, the Taskforce has focused on what the tourism sector needs in order to be able to resume trading and survive in an environment where social distancing is a limiting factor, there is a very short domestic tourism window and overseas tourism has collapsed. The Taskforce is in agreement that if jobs are not to be lost permanently, action needs to be taken right away to support tourism businesses in the immediate term.

Acknowledging the excellent work done by the Government to date in controlling the spread of the virus and the Roadmap for Reopening, the Taskforce has reached a consensus with regard to specific priority measures which need to be taken to save and bring back tens of thousands of additional jobs and sustain businesses for recovery.

10. OECD: Tourism Policy Responses to the coronavirus (Covid-19), 2 June 2020

The measures which the Taskforce is asking the Government to implement for the immediate Survival phase, from now until the end of 2020, are focused on business supports and demand generation, as follows:

Tourism Enterprise Survival Supports

- €66m tourism adaptation grant to provide funding to tourism enterprises towards the capital costs associated with adapting their businesses to meet social distancing measures and interventions necessary to ensure visitors feel safe.
- €500m business survival grant scheme to support viable businesses in distress.
- €250m working capital loan scheme to enable tourism businesses to continue to operate in a post Covid-19 environment.
- An extension to the temporary wage subsidy scheme will be required to April 2021 to support tourism enterprises retain highly skilled experienced staff. A review of the current scheme to incorporate seasonal staff employed annually will also be required.
- A reduction of the 13.5% VAT rate to 5% to December 2021 and return to the 9% VAT rate to sharpen Irish tourism competitiveness and stimulate consumer demand.
- Extension of the waiver of commercial rates for the remainder of 2020.

International Demand Recovery

The Taskforce supports the interim recommendations of the Taskforce for Aviation Recovery and is also calling for:

- Implementation of appropriate test and trace measures as an alternative to the 14-day recommended quarantine to facilitate the restoration of international tourism as soon as possible.
- An initial €32m investment in air access restoration and international marketing of Ireland now that recovery is underway.
- Appropriate incentives to stimulate inbound demand on short haul routes.

Domestic Demand Recovery

- Government leadership and support is urgently required to stimulate domestic tourism demand.
- In addition to a review of the 2m social distancing requirement in all tourism enterprises, a review of the appropriate social distancing measures for functions, events and meetings based on venue size is required as a matter of urgency.

The TRT wish to acknowledge and thank Government for implementing some of the key measures identified in its statement of 3rd June and would ask that the recommendations in this report are considered as a matter of urgency.

