ROG

Recovery Oversight Group

PROGRESS REPORT

SEPTEMBER 2021

Table of Contents

RECOVERY OVERSIGHT GROUP MEMBERSHIP 2
CHAIRPERSON'S FOREWORD 3
EXECUTIVE SUMMARY AND RECOMMENDATIONS 4
SUMMARY OF PROGRESS 6
PROGRESS REPORT 9
- Support Business Survival 10
- Enhancing Sustainable Employment 12
- Re-establishing International Access 14
- Strengthening Marketing Investment 16
- Increasing Investment in Tourism Product 17
- Promoting Competitiveness 19
- Building a Sustainable Tourism Industry 21
- Overseeing Implementation of the Plan 22

RECOVERY OVERSIGHT GROUP MEMBERSHIP

Nóirín Hegarty (Chair)	*Media Consultant*
Ruth Andrews	*CEO – ITOA, Chairperson ITIC and special advisor to AVEA*
Paul Gallagher	*GM, Buswells Hotel, Dublin*
Niall Gibbons	*CEO, Tourism Ireland*
Helena Healy	*CEO, B & B Ireland*
Paul Kelly	*CEO, Fáilte Ireland*
Maria Melia	*PO, Tourism Policy and Marketing Division, Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media*
Rob Rankin	*MD, Vagabond Tours*
Aisling Reynolds-Feighan	*Professor of Transport Economics and College Vice Principal for Research, Innovation and Impact at the UCD College of Social Sciences & Law*

Secretariat:

Colm O'Connor *Assistant Principal – DTCAGSM*

Ken Mc Mahon *HEO – DTCAGSM*

Lisa Herlihy *EO – DTCAGSM*

CHAIRPERSON'S FOREWORD

Tourism in Ireland is coming through a crisis caused by the Covid-19 pandemic which has threatened its very existence. In the year since the Tourism Recovery Taskforce (TRT) submitted its Recovery Plan to Minister Catherine Martin, as can be seen in this report, good progress has been made on a number of the recommendations made by the Taskforce. Unfortunately, due to the evolution of the pandemic in Ireland and elsewhere, the sector's survival phase has gone on longer than had been anticipated at the time the TRT reported. Last September, the Taskforce saw Q4 2020 and Q1 2021 as the survival phase, with the recovery following on. In reality, tourism in Ireland continued in survival mode right up to this summer and most practitioners believe that remains the case, primarily in view of the fact that inbound overseas tourism remains at a fraction of pre-Covid levels.

The Recovery Oversight Group (ROG) very much welcomes the progress made in implementing the recommendations contained in the Tourism Recovery Plan. In particular, the action taken to ensure the survival of jobs and businesses in the tourism sector has been very effective up to now. Notwithstanding the progress made, the ROG is of the view that, as well as continuing to implement the Recovery Plan recommendations, particular areas require specific action to build on what has already been achieved. Our analysis is summarised hereunder.

As Chairperson, I wish to commend the members of the ROG for the work they have put in over the past nine months. This is our third report and the Group remains focused on providing expert advice to the Minister which it believes will assist her in identifying measures which will benefit the tourism industry as a whole. We look forward to continued engagement with the Minister in the coming months.

Nóirín Hegarty, Chairperson,
September 2021

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Recovery Oversight Group very much welcome the progress made in implementing the Recovery Plan presented to the Minister last September. Notwithstanding this, the survival phase for tourism has gone on longer than anticipated and significant challenges remain. Continued support should be targeted at those businesses which remain in difficulty as a result of the impact of restrictions and their after-effects. In this report, the ROG evaluates the progress made and makes a number of recommendations based on its analysis of the current situation in that context. The Group has identified a number of areas where further progress will act to secure the survival of many businesses in the tourism sector. It also identifies measures which, if acted upon now, will help to support and give impetus to the recovery. Our recommendations are as follows:

Securing Survival

1. An additional dedicated €75m Business Continuity Scheme for tourism businesses which remain negatively impacted, to be rolled out from Q4 2021.
2. An extension of the EWSS Scheme until the end of Q2 2022 for businesses continuing to experience a substantial reduction in turnover (40% or more) compared to pre-Covid levels.
3. Targeted funding for the aviation sector, in line with the recommendations of the Taskforce for Aviation Recovery, to help restore Ireland's lost connectivity, which is critical in view of its importance for tourism in Ireland.
4. Funding of measures to address the staffing and skills difficulties now being faced by tourism businesses, including continued funding for digitalisation initiatives.

Supporting Recovery

5. Retention of the lower 9% VAT rate without review until 2025. This is vital for recovery and competitiveness and allows businesses to plan pricing with certainty.
6. A doubling of investment in overseas tourism marketing, in line with the TRT recommendation, in view of the strong competition Ireland now faces from other destinations to attract international tourists as well as additional resources for domestic marketing.
7. The initiation of a themed year project, to be held no later than 2024, to stimulate additional international demand for inbound tourism.

The progress outlined in this report has been critical in keeping the tourism sector alive during a time of unprecedented crisis. The fact that the economy is on the verge of fully reopening means that tourism can look forward to commencing the process of recovery. The clarity provided in the Government's recent reopening plan has been an important step in this regard and further

developments with regard to international travel are keenly awaited. The following factors are key as the sector seeks to move forward:

- The 2021 summer season was very positive for many parts of the sector. However, the late reopening of tourism, reduced operating capacity and the virtual absence of international tourists mean that liquidity remains an issue due to reduced turnover and many businesses continue to be vulnerable as a result.
- The low level of inbound international tourism is a key concern. Whilst the July easing of restrictions has made this feasible once more, reduced air access remains a major drag on a real recovery. ROG analysis shows that seats on international air routes from Ireland are only about half the total level which applied pre-Covid. The ROG notes that the TRT, in its Recovery Plan, supported the findings of the Taskforce for Aviation Recovery and these remain relevant.
- The EWSS has been a real help in assisting tourism businesses to retain employees. Nevertheless, indications are that many people who previously worked in the sector may choose other areas for employment with the later reopening of tourism a factor here also. The ROG notes that the unwinding of the PUP may have an impact on this issue but its impact remains uncertain.
- It is important to keep an eye on the future and policy decisions must take the sustainable development of the sector into account. The ROG notes and welcomes the Minister's intention to commence work shortly on a new national tourism policy.
- Continued support and resourcing of the tourism agencies as they operate in a vastly different environment is critical.

Overall, the view of the Recovery Oversight Group is that the measures taken to date in response to the TRT's Recovery Plan have been hugely important for the tourism sector in Ireland. The ROG welcomes the acknowledgment by Government in its Economic Recovery Plan of the particular challenges for tourism brought about by the pandemic. We urge the Minister, together with her colleagues in Government, to consider the additional steps set out above which we believe will set the sector on the road to a strong and sustainable recovery.

SUMMARY OF PROGRESS

Immediate Priority Recommendations for Survival

Supporting Business Survival

- The EWSS and its forerunner, the TWSS, have been instrumental in helping to keep employees engaged in the tourism sector. To date, employees in Accommodation and Food Services alone have received over €1.4bn from TWSS/EWSS.
- The CRSS has acted as a vital liquidity measure for many business in tourism with approximately €400m paid to businesses in hospitality, and over €110m going to accommodation providers alone.
- The provision of €55m in dedicated business continuity grants via Fáilte Ireland has been a vital lifeline for those tourism businesses which did not qualify for the CRSS scheme or have experienced severe financial and trading difficulties as a result of the pandemic.
- Following on from the Covid-19 Adaptation Fund administered by Fáilte Ireland, schemes including an Outdoor Dining Enhancement Scheme, an Urban Animation Scheme and an Outdoor Public Space scheme have helped to facilitate a move to outdoor services and activities.
- Commercial rates waivers for eligible businesses have been extended to the end of September 2021.

Enhancing Sustainable Employment

- Funding of €2 million provided for focused upskilling training to support business survival and recovery in the sector, and for the improvement of the digital presence and e-commerce capability of tourism businesses has delivered a total of 3,438 training days to 2,800 staff in 1,000 businesses in 2021 to date.

Re-Establishing International Access

- The new travel regulations in force from July 19th have allowed for a resumption of inbound international travel, albeit at much reduced levels given the much lower level of connectivity in place.

Strengthening Marketing Investment

- Fáilte Ireland launched a new domestic marketing campaign in May to promote tourism with Irish consumers. The campaign is being supported by significant sales promotion campaigns and a Covid Safety Charter campaign.
- Following on from the easing of travel restrictions, Tourism Ireland is relaunching its Green Button campaign this September. This will seek to drive business for the end of 2021 but also lay the groundwork for the 2022 season.

Promoting Competitiveness

- A lower VAT 9% rate for tourism services has been introduced and remains in place until September 2022.
- Substantial progress has been made with the Government's Action Plan for Insurance reform.

Recommendations for Stabilisation and Recovery

Supporting Business Survival

- The issue of introducing an additional bank holiday to support tourism remains under consideration.

Enhancing Sustainable Employment

- A review of the Tourism & Hospitality Careers Oversight Group collaborative framework has been carried out and members have agreed to implement the recommendations arising.
- It has been agreed that a sub-group of the Tourism & Hospitality Careers Oversight Group be set up to review the relevant Tourism Recovery Taskforce recommendations under "Enhancing Sustainable Employment" and progress actions arising.
- A feasibility study commissioned by Fáilte Ireland has been completed to consider the proposal to initiate and implement a Tourism Education Gateway. A meeting between D/TCAGSM and D/FHERIS and Fáilte Ireland is due to take place in September to discuss the findings of the report.

Re-Establishing International Access

- An €80m funding package for Irish airports was put in place in 2021 across a number of initiatives.

Strengthening Marketing Investment

- Tourism Ireland launched an Industry Market Access Programme in July to support industry sales and marketing activities overseas, with an initial value of €1m.

Increasing Investment in Tourism Product

- Fáilte Ireland is preparing four Regional Development Plans which will identify and align all stakeholders on the strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering.
- Fáilte Ireland have a pipeline of over 50 tourism product projects in varying stages of development.
- A National Outdoor Recreation Strategy is currently being developed by Comhairle na Tuaithe (The Countryside Council) in conjunction with the Department of Rural and Community Development.
- St. Patrick's Festival 2021 was held virtually, supported by the tourism agencies and D/TCAGSM
- Fáilte Ireland and Dublin Destination Recovery Taskforce are working on a new Winter Festival Proposition for Dublin.
- A themed year initiative is currently under consideration by D/TCAGSM.

Promoting Competitiveness

- D/TCAGSM has been engaging with the CSO on the issue of tourism statistics and specifically around the introduction of a Tourism Satellite Account. The Chair of the ROG has also written to the CSO on this issue.
- Fáilte Ireland has developed a €6m Digital That Delivers programme will support the digital transformation of the Irish visitor experiences sector.

Building a Sustainable Tourism Industry

- The Sustainable Tourism Working Group has drawn up a Plan to promote sustainable tourism practices.
- Initial steps to develop a new national tourism policy which mainstreams sustainability will be taken in Q4 2021.

Overseeing Implementation of the Plan

- The Recovery Oversight Group has met 10 times to date since its appointment and this is its third report to the Minister.

PROGRESS REPORT

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.

These lines above are from the Chairperson's Foreword in the Tourism Recovery Plan presented to Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, Catherine Martin last September. The Recovery Plan to the Minister set out a number of recommendations aimed at helping the tourism sector to survive and recover from the pandemic. In the period since the Plan was presented, the sector has remained imperilled as the public health restrictions put in place to combat the spread of Covid-19 have resulted in conditions ranging from the total closure of the tourism sector to partial reopening to, presently, full reopening. The additional unwinding of restrictions in October will be strongly welcomed by tourism industry operators. However, it will not mean the end of the challenges facing the sector.

Below the ROG has outlined the progress that has been made in helping tourism businesses and jobs to survive the pandemic and be in a position to benefit from the recovery. The Group fully accepts that the measures taken, particularly around business and employee supports, have saved tens of thousands of jobs in tourism. The Fáilte Ireland Business Continuity Schemes, the CRSS and the EWSS have all helped enormously. Schemes to facilitate outdoor services and activities have enabled businesses to respond to a new kind of demand. The lower VAT rate has been a key enabler also. The ROG notes important progress in other areas too, especially with regard to insurance reform, skills and the tourism offering.

Notwithstanding the good progress made, the sector remains in a challenging place. The ROG has evaluated that progress in view of the TRT recommendations, the current state of tourism and the key issues at play – not least the low level of inbound international tourism. Using this analysis, the Group has identified a number of areas where further progress would be very helpful to secure the sector's recovery and get it moving towards recovery. These areas are highlighted below together with an overview of the progress achieved.

Support Business Survival	
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. • 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	• 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.

Progress to date

The Recovery Oversight Group agrees that the measures introduced, both economy wide and sector-specific, have been crucial for the survival of tourism.

The Employment Wage Subsidy Scheme (EWSS) replaced the Temporary Wage Subsidy Scheme on 1st September 2020. It was originally expected to continue until 31st March 2021 and was eventually extended until 31st December 2021. According to Revenue figures, as of the 26th August 2021, there are 40,900 Employers registered for EWSS. The amount of EWSS payments processed till the end of August 2021 by Revenue is €4.7 billion with employees in the Accommodation and Food Sector being the biggest sectoral beneficiaries of the EWSS receiving €1.1 billion since the start of the scheme. The EWSS has been an essential survival tool for the tourism sector. At the height of the pandemic, the TRT estimated that 180,000 jobs were at serious risk or lost in the wider tourism sector. Many of these jobs have been maintained as a result of the support provided through EWSS.

While the domestic market was a welcome and essential return for many tourism businesses, over 75% of tourism revenue is from international inbound tourism for the 20,000 business within Ireland's tourism and hospitality industry.

The Business Continuity Scheme of €55 Million announced in Budget 2021 was administered by Fáilte Ireland. The purpose of the funds was to enable tourism businesses to withstand the impact of Covid 19 in the short and medium term, by providing financial supports to the tourism and hospitality sector contributing to their sustainability until the end of 2021. It has been delivered over a number of phases for businesses right across the tourism spectrum. Specific schemes for inbound tour operators and tourism coach operators were also developed.

The **Covid Restrictions Support Scheme (CRSS)** also supported a significant number of businesses across the sector. This scheme has continued to the end of 2021 for those businesses that are still directly affected by public health restrictions that may remain in place. Overall, by 12th August, €691m had been paid out under this scheme, with almost €400m going to the wider tourism and hospitality sector (and over €112m to hotels and accommodation alone).

Further to the Covid-19 Adaptation Fund, on the 31st March last, Fáilte Ireland launched a €17 million **Outdoor Dining Enhancement Investment Scheme**. The Scheme comprised of two parts, the 'Outdoor Seating & Accessories for Tourism & Hospitality Businesses' and the 'Weatherproofing and Outdoor Dining Infrastructure Enhancement Scheme'.

The first part of the scheme, was administered by the individual local authorities, was Outdoor Seating & Accessories for Tourism & Hospitality Businesses. The focus of this scheme provided a level of financial support to tourism and hospitality businesses, in our town centres, to purchase or upgrade equipment to provide additional outdoor seating and, therefore, increase their outdoor dining capacity for the summer of 2021. The second part of this scheme, the Weatherproofing and Outdoor Dining Infrastructure Enhancement Scheme, will provide capital funding to local authorities for direct investment in weatherproofing and enhancement of public outdoor dining infrastructure.

On the 7th April Fáilte Ireland launched The Urban Animation Capital Investment Scheme which is a new pilot Capital Grants Scheme for Local Authorities. The scheme supported the sustainable development of public realm and urban animation projects that have the potential to transform and re-imagine urban centres for visitors and transform the destination.

Both the Weatherproofing and Outdoor Dining Infrastructure Enhancement Scheme and The Urban Animation scheme will work in a complimentary and balanced way to the DTCASGM Outdoor Public Space Scheme and the Fáilte Ireland Destination Town Scheme already in progress.

Commercial Rates Waivers put in place by the Government, and extended on a number of occasions, have also contributed positively to reducing overheads for tourism businesses.

A tourism specific loan scheme has not been brought forward, albeit the ROG notes that many tourism businesses have availed of the Government's Covid-19 **Credit Guarantee Scheme**. To date, for example, 856 Accommodation and Food Service businesses have borrowed a total of €60m since the scheme launched.

In terms of longer term measures, the ROG understands that Government is keeping the possibility of an **additional bank holiday** under review.

Overall, therefore, action taken on recommendations to support business survival have been effective. However, the ROG is of the view that the survival phase has gone on longer than had been anticipated at the time of the TRT report and additional measures are needed for those businesses, and their employees, who continue to suffer significantly reduced turnover, primarily as a result of the very low level of inbound overseas tourism being experienced at the moment. In this context, in order to secure the survival of these businesses and jobs, the ROG calls for:

- **An additional dedicated €75m Business Continuity Scheme for tourism businesses which remain negatively impacted, to be rolled out from Q4 2021 , and**
- **An extension of the EWSS Scheme until the end of Q2 2022 for businesses continuing to experience a substantial reduction in turnover (40% or more) compared to pre-Covid levels.**

Enhancing Sustainable Employment	
Survival	• 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	• 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.

Progress to date

In Budget 2021, funding of €2 million was provided for focused **upskilling training** to support business survival and recovery in the sector, and for the improvement of the digital presence and e-commerce. Fáilte Ireland has delivered a total of 3,438 training days to 2,800 staff in 1,000 businesses in 2021 to date.

Main areas of Business Supports

- Finance Planning & Restructuring
- Business Mentoring 1:1
- Strategic Leadership Programme
- HR – Retention and Legal compliance
- Demand Creation (Sales and Marketing)
- Digital Optimisation
- Domestic Market repivoting
- Sales – Saleable Experiences/Pricing & Contracting
- F&B Lean Operations – Food Waste
- New online courses added in July to learning hub includes Digital Marketing & Owned Media:SEO
- Over 85,000 Businesses have accessed the Business Supports Hub with Webinars, Expert advice & FAQ'S. With the top viewed Webinars on Finance and HR & Re-Opening Guidelines.

Officials in the Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media along with officials in Fáilte Ireland have liaised with officials from the Department of Further and Higher Education, Research, Innovation and Science in respect of the recommendations of the Tourism Recovery Taskforce.

It was agreed that **a sub-group of the Tourism and Hospitality Careers Oversight Group** would be established. The group will consist of officials from D/FHERIS and D/TCAGSM with a Fáilte Ireland representative, to review the relevant Tourism Recovery Taskforce recommendations under "Enhancing Sustainable Employment" and progress actions arising.

The sub-group will consider the following items:

- Recognised Prior Learning
- Skills to Advance
- Apprenticeships
- Skillnet (Climate/Green)

The sub-group will report back to the Ministers with recommendations to support considerations for Budget 2022.

A feasibility study has been completed for Fáilte Ireland, which included a consultation process, based on the proposal "Building capability for a new Tourism World – an Irish Perspective". The research, requisitioned on behalf of the Tourism and Hospitality Careers Oversight Group, reviewed the suitability of the proposal, recommended options to initiate and implement a **Tourism Education Gateway** (including resources/relevant agencies/budget, timelines etc.), and proposed governance structures.

Notwithstanding the progress outlined above, the ROG notes that issues have emerged since the reopening with regard to staffing recruitment and retention in many tourism businesses. There are a number of factors at play, including the unwinding of the Pandemic Unemployment Payment (PUP) and staff choosing other sectors. It is an issue that requires attention to ensure that it does not act as a significant drag on recovery. In view of this, the ROG seeks:

- **Funding of measures to address the staffing and skills difficulties now being faced by tourism businesses including continued funding for digitalisation initiatives**.

Re-establishing International Access	
Survival	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.
Recovery	• 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.

Progress to date

Health restrictions which severely restricted inbound travel into Ireland meant that inbound overseas tourism was virtually impossible between last March and this July. As a result of our improving epidemiological situation and our very successful vaccine rollout, these **restrictions were eased in July** and that was a hugely positive step for tourism in Ireland. Nevertheless, it will not automatically follow that inbound access will return to anything like pre-Covid levels.

According to the Centre for Aviation, in 2019, Ireland was the 16th largest in the aviation market in Europe by total seat capacity. In June 2021, Ireland ranked 23rd in Europe, a significant decline. CSO figures show that, in July 2021, international arrivals into Ireland by air and sea were only 17% of the same month in 2019. Whilst the situation has been improving as Ireland reopens, ROG analysis shows that seats on international air routes from Ireland in September 2021 are only about half the total level which applied pre-Covid.

In late 2020, Government agreed an €80m **funding package for aviation** to be disbursed in 2021. This included €32.1m in capital and operational supports for Cork and Shannon Airports under a new Covid-19 Regional State Airports Programme and €21.3m in funding for a new Regional Airports Programme 2021-2025 (published 4 Feb 2021), which will support the airports Knock, Kerry and Donegal.

As part of the package, Government also provided €26m to help address liquidity issues at Irish airports as a result of Covid-19. Associated aid measures, which were approved by the Commission on 24 February, provided compensation to State airports (approx. €20m) for damage caused by Covid in 2020. This funding provided the State airports with flexibility to roll out route incentives/charge rebates, in consultation with airlines, with a view to supporting recovery and growth of connectivity

at the appropriate time. Up to €6m was also made available to regional airports that provide connectivity (Knock, Kerry and Donegal) under the EU's Temporary Framework on State aid measures.

These supports, as well as PSO supports provided for strategic ferry routes during the pandemic, have been very important in ensuring that we retain an access infrastructure to support the recovery. However, further action is now needed to facilitate overseas tourism, particularly through helping aviation to recover. The ROG believes the following is required:

- **Targeted funding for the aviation sector, in line with the recommendations of the Taskforce for Aviation Recovery, to help restore Ireland's lost connectivity, which is critical in view of its importance for tourism in Ireland.**

Strengthening Marketing Investment	
Survival	• 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	• 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.

Progress to date

The focus in marketing in both 2020 and 2021 has been on the domestic market. The Fáilte Ireland **'Keep Discovering'** marketing campaign launched in May of this year to promote tourism amongst domestic & NI consumers. The campaign particularly focused on areas most in need of support across summer months – including Dublin, Cork city & Limerick. From September, the campaign focuses on more counties/destinations across the country as most destinations will be in need of support across the autumn and winter months. These campaigns are being supported by significant sales promotion campaigns and a Covid Safety Charter campaign.

In terms of marketing overseas, Tourism Ireland has been constrained by travel restrictions and was forced to delay the relaunch of its international marketing campaign in summer 2021. This campaign – **'Press the Green Button'** – is now ready to go with a rollout in main markets starting from this September. International tourism marketing will be a challenge in the short term given the strong level of competition coupled with a reticence to travel on the part of many consumers.

Tourism Ireland is also rolling out a scaled **cooperative market access programme** with industry to assist the industry directly in their overseas sales and marketing efforts. It launched an Industry Market Access Programme in July to support industry sales and marketing activities overseas, with an initial value of €1m.

Whilst the ROG appreciates that Tourism Ireland is well-resourced in the short term for its re-entry into the market, it notes that a significant boost is required to promote Ireland overseas in 2022 and beyond. Similarly, it is important that domestic marketing programmes are appropriately funded as the industry seeks to build on strong summer seasons for many areas in 2020 and 2021 and spread this performance on a seasonal and geographic basis. As a result, the ROG calls for:

- **A doubling of investment in overseas tourism marketing, in line with the TRT recommendation, in view of the strong competition Ireland now faces from other destinations to attract international tourists as well as additional resources for domestic marketing.**

Increasing Investment in Tourism Product	
Recovery	• 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.

Progress to date

Fáilte Ireland has initiated four **Regional Development Plans** covering the full country with all relevant stakeholders engaged which will identify and align all stakeholders on the strengths, gaps, opportunities and impediments to inform future investment in the development of the visitor offering. These plans are likely to be published in early 2022.

Fáilte Ireland also has a pipeline of **over 50 projects** in varying stages of development. Funding of €19m for the development of 22 world class shared facilities for water sports activity providers and participants has been announced, while in June of this year, it was announced that €73million will be invested in new world-class visitor experiences under Fáilte Ireland's Platforms for Growth Investment scheme in Cavan, Donegal, Dublin and Mayo.

There is a **review of the National Parks and Wildlife service** underway, which will be cognisant of its full role in terms of not only nature conservation, biodiversity and enforcement of wildlife legislation but also in terms of development, management and presentation of our national parks, nature reserves and restored peatlands, including their amenity use and importance to local communities, regional economic development, sustainable tourism and employment.

A **National Outdoor Recreation Strategy** is currently being developed by Comhairle na Tuaithe (The Countryside Council) in conjunction with the Department of Rural and Community Development. The strategy will provide a vision and an overarching framework for the growth and development of outdoor recreation in Ireland, creating a shared approach for the many strategies, programmes, agencies and elements in Ireland's outdoor recreation sector.

There is a two-stage consultation process whereby interested stakeholders and individuals are encouraged to share their views on outdoor recreation. Access to Land featured in the initial consultation document as a potential theme for the Strategy.

St. Patrick's Festival 2021 was held virtually, supported by the tourism agencies and D/TCAGSM and featuring content which can be used as a demand driver in overseas markets. Fáilte Ireland is working with the **festivals** in its portfolio from September to December to support them as motivators for visitors. It is working with the Dublin Destination Recovery Taskforce on a new Winter Festival Proposition for Dublin, while a scaled-back Púca Festival will be held this year.

With regard to a **themed year**, officials within the Department, along with the tourism agencies, are currently examining what type of project would best support recovery in the tourism sector as well as an appropriate timeframe for such an initiative. This is an area on which the ROG believes further progress can be made at this stage and, as such, recommends:

- **The initiation of a themed year project, to be held no later than 2024, to stimulate additional international demand for inbound tourism.**

Promoting Competitiveness	
Survival	• 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	• 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.

Progress to date

In Budget 2021, the **VAT rate** for the Tourism and Hospitality Sector was reduced to 9% from 1st November 2020 to help improve competitiveness and viability of businesses. This lower rate was extended to September 2022 as part of measures announced in the Economic Recovery Plan. This has been a very helpful measure as tourism businesses seek to stimulate demand and will be of great assistance in providing pricing certainty for most of the 2022 season.

In the Recovery Oversight Group's first report to the Minister in February 2021, the Group recommended that the 9% VAT rate be extended out to 2025 to provide certainty for businesses in pricing in what will be a hugely competitive tourism environment when international travel resumes. This remains the Group's view.

The ROG strongly welcomed the Government's **'Action Plan for Insurance Reform'**, launched in December 2020. The Action Plan sets out 66 actions for reform to bring down the costs for consumers and business and to introduce more competition into the market. In July 2021, the Government published the first implementation report of the Action plan for Insurance reform, showing that over 50% of actions have been implemented in the first 6 months of the plan. Of 66 actions 34 have been completed and a further 21 are scheduled to be completed this year. Among the principal actions delivered under this Plan, the Personal Injuries Guidelines have been adopted and commenced. The office to promote competition has been established. Legislation to strengthen the laws on perjury has been passed by the Oireachtas.

Fáilte Ireland worked with Ireland's Association for Adventure Tourism to help them establish a **group insurance scheme** for activity providers which will be a significant enabler of this sector that has struggled with insurance availability and cost to secure long term competitive insurance cover. This scheme went live in July 2021. FI are working to see if this scheme can help those particular businesses that are now without an insurance provider.

Officials in D/TCAGSM continue to engage with the CSO regarding the development of a Tourism Satellite Account. The Satellite account will provide a data framework on the impact of tourism to the economy and will inform more efficient evidence based policies and provide evidence of return on investment in tourism.

In the area of digitalisation, Fáilte Ireland has invested €6m in a **'Digital That Delivers'** programme. This will not only enhance the online presence of tourism attractions and activities but will enable them to avail of the many benefits of bringing their business operations online, such as:

- Increased bookings from integration with third party channels including travel agents, tour operators and aggregators
- Improved ecommerce and cross-selling capabilities which will create new revenue streams and promote the development of a more resilient and competitive sector
- The adoption of new digital infrastructure and technologies such as new or updated websites, booking facilities and digital distribution platforms to target consumers in the planning phase of their trip and those that are already in-destination researching things to see and do
- Tailored digital training to improve the digital capabilities of business owners and their staff to utilise the functionality of 'connected' booking systems to enhance and streamline the management of inventory, staff, equipment, marketing, communications, invoicing, reporting, and other businesses processes
- Promotion of up to 2,500 free things to see and do in Ireland on updated websites to enhance the visitor experience and increase dwell time.

This investment is very much welcomed by the ROG and the Group notes the importance of maintaining and developing such initiatives.

Overall, competitiveness remains an evolving issue for Irish tourism with many contributing factors. Given the need to provide as much certainty for pricing in the medium-term, the ROG reiterates its call for:

- **Retention of the lower 9% VAT rate without review until 2025. This is vital for recovery and competitiveness and allows businesses to plan pricing with certainty.**

Building a Sustainable Tourism Industry	
Recovery	• 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.

Progress to date

The Sustainable Tourism Working Group reconvened in January 2021 to complete the development of a set of **actions that promote sustainable tourism practices** which can be implemented prior to a new national tourism policy been developed. The Group's final report has been submitted to Minister Martin and it is expected to be published shortly.

Officials within D/TCAGSM are taking initial steps towards the development of a **new national tourism policy**. Subject to Ministerial approval, it is likely that the policy will be developed over the coming year. The ROG notes that it is important to keep an eye on the future and policy decisions must take the sustainable development of the sector into account. The Group welcomes the Minister's intention to commence work shortly on a new national tourism policy.

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.

Implementation of the Plan

Progress to date

Given the urgency and scale of impact that Covid-19 had on Irish tourism, the TRT asked that the Minister establish a Recovery Oversight Group to monitor the implementation of the recommendations in this report and monitor the sector's recovery. A Recovery Oversight Group was established in December 2020. The Group comprises members from industry, agencies, the Department and is independently chaired. It works together for the good of Irish tourism as a whole, which is beneficial for all businesses that depend on the sector. To date, the ROG has met ten times. This is its third report to the Minister. The Group has previously sent two reports to the Minister which can be viewed, along with previous progress reports and minutes of meetings in the following link: https://www.gov.ie/en/publication/91d04-recovery-oversight-group/.

The Group will continue to monitor the implementation of the Tourism Recovery Taskforces recommendations and monitor the sector's recovery, as required by the Minister.