

## LVA Statement to Oireachtas Committee

The LVA appeared before the Joint Oireachtas Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht on Tuesday 23rd March 2021.

The statement provided by the LVA to the Oireachtas Committee, where we pressed the need for all hospitality to #OpenTogether is published below.

# LVA Opening Statement / Submission to the Joint Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht On The Impact of Covid-19 on the Hospitality Sector 23 March 2021

## Introduction

The Licensed Vintners Association (LVA) is the representative body for the publicans of Dublin. Collectively, the Dublin trade (pre-Covid) accounted for 30% of the national on-trade market and employed 12,000 people. See [lva.ie](http://lva.ie) for more information.

The LVA has supported all public health guidance from the start of this pandemic, beginning with our full backing of the Government request to close all pubs back on 15 March last. We know that the most effective pathway for our sector to reopen is as rapid a vaccine rollout as possible.

The LVA appreciates the opportunity to appear in front of the Joint Committee today, welcomes the fact that the Joint Committee recognizes the enormous impact of Covid-19 on our sector, and we look forward to answering members questions later in this session.

## Impact of Covid-19 on the Dublin Licensed Trade

There is no doubt that the hospitality and tourism sector has been hit extraordinarily hard by the pandemic, with the Dublin trade experiencing the longest, most severe lockdown in Europe as evidenced by the following statistics:

- Dublin's traditional (wet) bars, late bars and nightclubs closed on 15 March 2020 and have not traded for a single day since.
- As of today (23 March), these businesses have been closed for **372** days and counting.
- They have also had to deal with the appalling "will they, won't they reopen" through several NPHET/Govt review dates July-October of last year.
- Assuming a summer (June) reopening, these businesses will have been kept closed for a minimum of 15 months.
- Dublin's food pubs are currently in their third lockdown, with their trading being restricted as follows over the past year:
  - closed 15 March 2020
  - reopened 29 June 2020
  - closed for indoor service 18 September but allowed to trade outdoors for max of 15 customers

- closed for outdoor service 21 October
- reopened 4 December 2020
- closed 24 December 2020 and have remained closed to date
- In the 372 days since pubs first closed on 15 March 2020, our food pubs have only traded for 105 days or 28% of that time.
- They have also had to deal with the costs and stress of closing their businesses three times and, assuming a summer (June) reopening, they will have been closed continuously for six months.

## Reopening Hospitality

The LVA understands the specific reopening dates cannot be provided at this time. However, we are calling on the Government to publicly communicate the circumstances that must apply to allow the full reopening of the hospitality sector, and the trading environment post reopening, namely:

- What percentage of the adult population will need to be vaccinated to allow all pubs/hospitality businesses to reopen?
- What level of community transmission will need to apply to allow our sector reopen?
- Will it be the case the pubs/hospitality can only reopen for vaccinated customers?
- Confirm that, post vaccination, the previous artificial distinction between traditional (wet) bars and pubs that serve food will be eliminated and that all pubs and other hospitality businesses should be able to open at the same time.

There could be no justification for keeping wet pubs closed while allowing food pubs and restaurants to reopen this summer.

All hospitality businesses should face the same public health regime, the same Garda enforcement measures, and have the same opportunities to trade.

Given the extended closure our sector has endured, the pub trade could not countenance any further separation between food pubs and wet pubs. There must be a vaccination dividend in terms of reopening without restrictions.

## Government Financial Supports Required

We want to acknowledge the level of Government supports of our sector to date. They have proved a real life-line, with the CRSS payment proving absolutely critical in supporting these businesses. However, we have repeatedly called for an immediate doubling of the current CRSS payments for hospitality businesses, given the extended lockdown of our sector. This is to mitigate against the build-up of fixed costs and to facilitate these businesses reopening sustainably this summer.

A core underlying principle for Government must be recognition of the fact that the hospitality sector will require ongoing Government financial supports **post** reopening. This is to allow the sector to recover from such an extended lockdown, noting that it will take time to re-establish consumer behaviour, time for office and other workplaces to return to full occupancy, time for international tourism levels to re-build, and time for major events (sport, concerts, conferences etc) to be re-established.

### Immediate Reopening Support Required

Given that Dublin's wet pubs, late bars and nightclubs have been closed continuously since 15 March 2020 and will likely be fully closed for 15 months, noting that our food pubs are in their third full lockdown currently, and likely that their closure will be at least six months (24 Dec 2020 – June 2021), the entire licensed trade will require a significantly enhanced Restart Grant prior to opening again.

Taking account of these extended closures, this should be set at a level **double** the Restart Grant Plus payment businesses received in Summer 2020.

### Short-term Recovery Support Required (6-9 months after reopening)

We believe there are three priorities here:

- The extension of the EWSS to 31 March 2022 to allow businesses return to viability by Government assistance with labour costs, thereby ensuring the longer-term sustainability of both businesses and jobs.
- The ongoing payment of CRSS to those businesses who cannot generate more than 25% of their average weekly 2019 turnover because of any ongoing public health restrictions, in the scenario where all businesses are treated equally in terms of reopening (even though we assume vaccination will eliminate ongoing public health restrictions of the hospitality sector).

Examples here could include businesses (e.g. wet bars/late bars/nightclubs) which cannot achieve viability due to either continued social distancing requirements or an 11.30pm closing time which precludes them entirely from late trading.

The only requirement to qualify for an ongoing CRSS payment should be a 75% drop in turnover due to public health requirements which restrict the business from normal trading.

- The third area for Government support should be a waiver of commercial rates for all licensed premises to 31 March 2022. This also facilitates longer-term, more sustainable business recovery.

Combined, these three measures are crucial to support the industry's ability to retain staff and, over time, to rebuild employment levels as the sector recovers. Hospitality and tourism have a proven ability to reduce youth unemployment right across the country and this must be a strategic priority for the Government post-pandemic.

### **Longer-term Trading Support Required**

Vat 9% is in place for the hospitality sector to 31 December 2021 but obviously, the sector will not be able to avail of it for the first half of this year due to the ongoing lockdown of our sector.

Vat 9% needs to be extended to the end of 2025 to facilitate the longer-term recovery of the hospitality and tourism sector. Such certainty is now essential in terms of building business resilience and providing much-needed business planning clarity.

## **Other Challenges**

Government must also appreciate that our industry is facing huge challenges across a range of other fronts, including:

- banking (longer-term refinancing and restructuring needs)
- leases (need for more effective, speedy arbitration of disputes)
- staff retention and recruitment (given the numbers that left the industry or left the country)
- skills development / training needs (post Covid)

## **Conclusion**

Covid-19 has had an enormous impact on the licensed trade. We would appreciate this Joint Committee's support for our sector by recommending the following to Government:

1. Extension of Government financial supports to facilitate our longer-term recovery.
2. Clarification on reopening scenarios for our members, and what (if any) public health restrictions might apply post-vaccination.
3. Confirming there can be no justification for keeping wet pubs closed while allowing other parts of the hospitality sector to trade in summer 2021. As a result of vaccination, this artificial distinction between food businesses and wet pubs must be ended.

Thank you for your attention. We would welcome any questions you may have.

Noel Anderson, LVA Chair.

Donall O Keefe, LVA CEO.