**Mr Michael McNamara T.D.**

**Chairperson**

**Dail Covid Committee**

**Leinster House**

**Kildare Street**

**Dublin 2**

**D02 XR20**

**14 July 2020**

**RE: Submission and Observations from Mandate Trade Union to the Dail Covid Committee Concerning the Hospitality Sector, in particular the Licensed Bar Sector**

**Dear Members of the Committee**

* Mandate Trade Union represents over 35,000 workers employed across the Retail, Hospitality and Bar Sectors and traditionally Mandate has been the lead union on matters concerning bar workers.
* The Licensed Bar Sector employs over 50,000 workers and supports thousands more jobs throughout the supply chain.
* The Bar Sector and the jobs it supports are vital to local economies and communities throughout Ireland, the Sector also provides a vital social outlet for communities and plays a lead role in the Irish Tourism Sector.
* The Bar Sector closed to customers voluntarily in St Patrick’s week 2020 as a measure to prevent the spread of Covid 19. All businesses closed and all workers were temporarily laid off, they have and are being supported financially by Pandemic Unemployment Payments [PUP] of €350.00 per week. As you are aware this payment will be reviewed by Government on 10th August 2020. The PUP, while welcome, is still far less than the net take home pay of the majority of full-time qualified bar workers.
* There is no doubt that the Bar Sector has been devastated by the lockdown restrictions, the impact on workers and business is severe and lasting. Even those “Food Bars” which returned to trading on 27th June 2020 have not recovered to pre-pandemic trade levels, the conditions imposed on their re-opening while understandable from a health perspective have an ongoing negative impact on the level of business. Our members estimate that these bars are trading at less than 50% capacity and that so long as the health advice is restricting the nature and method of trade, there is no doubt that there will not be a return to normal trading levels any time soon - therefore there is the potential for ongoing damage to employment prospects and business sustainability.
* The so called “Wet Bars” which have as yet not re-opened, we estimate that these are over 50% of the total number of bars across the country, they also tend to be the smaller bars, but none the less they employ significant numbers of workers in the overall total, maybe 20,000 plus.

It is important for workers in these bars that they get some certainty as to when and under what conditions they might return to work. The vast majority of workers in the Bar Sector want to return to work for financial reasons but they also wish to return safely and in a safe environment for staff and customers alike. There is no argument from our members that the health advice must be followed in all circumstances, our members and the businesses for whom they work are responsible and have put their communities first during the crisis.

* The impact on the Bar Sector as previously stated has been devastating and will continue right up to at least the end of 2020 and we believe it will be well into 2021 before some form of normality returns to the sector. Again, the pace of recovery will depend on the success or otherwise in suppressing the Covid 19 virus.
* Jobs and businesses need urgent Government support to survive and to give them a fighting chance of staying the course until things improve. Some recently published reports have suggested that up to 22,000 jobs could be lost in the Bar Sector as a result of the Covid 19 impact on businesses, this would be a disaster for workers and their families and we must ensure that this does not happen.
* Mandate Trade Union are calling for the following measures to be included in the Government’s “July Stimulus Package”, if these are introduced we believe that the Bar Sector has a fighting chance of maintaining employment levels and decent jobs in local small businesses in communities.

Support Measures

* Seeking a reduction in the VAT rate on sales of alcohol in the “On Trade” Bar Sector. We think that this reduction should be at least to the end of year 2020, at which time it can be reviewed in the context of where the Licensed Bar Sector is at, at the end of 2020.

The current VAT rate of 23% on “On Trade” alcohol sales, we are seeking a temporary rate of 9%. There is past precedent for such reductions in the hospitality sector, we believe that this should be now available to the Bar Sector. This would provide a cash stimulus to small business and assist in opening/maintaining employment. We do not see this measure as a lever to drive demand i.e. it should not be reflected in price competition.

* As the Bar Sector re-opens and workers return to employment over a phased basis there will be a continued need to support employment via the Temporary Wage Subsidy Scheme (TWSS). There are suggestions that the Government are renewing this scheme on an ongoing basis as the economy slowly opens up but as previously stated the Bar Sector has been particularly damaged and will continue to suffer right up to the end of the year and into

Mid-2021. Therefore, to avoid negative impacts on employment levels and the wages and conditions enjoyed by workers in pre-pandemic times we are calling on Government to extend the TWSS temporarily in the Bar Sector where businesses can prove continued significant negative impacts on their turnover (the same criteria as currently apply in the TWSS) with the addition of a further criteria that the scheme will only apply where workers return to work on the same terms and conditions as previously enjoyed pre-Covid crisis. This additional condition on the TWSS is to prevent employers “profiting” both from the “scheme” and reducing labour costs and thereby passing all or most labour costs onto the State.

Mandate Trade Union is also seeking the extension generally of the ban on evictions and rent increases , this will assist workers who are still under financial pressures as many are in the bar sector. This measure would greatly assist hospitality workers who need to build up some savings again so as to pay rents and deposits.

We believe that the above measures together if extended up to at least end of year 2020 and thereafter reviewed would have a significant beneficial impact in supporting jobs and working conditions in the Bar Sector nationally.

****In conclusion, the Bar Sector is in serious difficulty, it needs short term support to maintain employment and we urge the Committee to recommend the above mentioned measures to Government for inclusion in the “July Stimulus Programme”.

**On Behalf of Mandate Trade Union**

**John Douglas**

**General Secretary**