**Tourism Renewal Group Framework for Survival 2009-2010:  Urgent Actions – Update on Progress (October 2010)**

➤ The following report summarises the progress and position to date on measures under the Framework for Action set out by the Tourism Renewal Group

➤ The Report was reviewed by the Tourism Renewal Implementation Group, chaired by the Minister for Tourism, Culture and Sport, Ms Mary Hanafin TD, at its meetings in September 2010

➤ The Tourism Renewal Implementation Group identified the following as the priority issues to be pursued in relation to public policy, having regard to the Report of the Tourism Renewal Group, the progress to date on its Framework for Action and the most urgent challenges facing the Irish tourism industry -

  • The restoration of sustainable levels of business lending, in particular to ensure availability of working capital for viable tourism businesses given the seasonal nature of the business

  • Measures to restore and enhance access to overseas markets, in particular to redress the adverse impact of the Air Travel Tax on carrier services

  • Continued investment in Overseas Marketing at national level

  • Measures to address and reduce enterprise costs, including local authority rates and charges, energy and utility costs and the cost of labour - noting in particular the TRG recommendations in relation to the costs of employing those not full-time in the labour force (e.g. students) and in relation to the JLC system

➤ The Implementation Group highlighted the importance of pursuing these issues across Government, particularly in the context of the forthcoming Budget and Estimates for 2011


Abbreviations Used

D/TCS       –     Department of Tourism, Culture & Sport
D/CEGA      –     Department of Community, Equality & Gaeltacht Affairs
D/CEGA      –     Department of Community, Equality & Gaeltacht Affairs
D/Transport –     Department of Transport
D/Finance   –     Department of Finance
ATT         –     Air Travel Tax
TRG         –     Tourism Renewal Group

**Tourism Renewal Group Framework for Survival 2009-2010: Urgent Actions – Update on Progress (September 2010)**

|  | ACTION | MEASURES | PROGRESS |
|---|---|---|---|
| **Survival** Action 1 | Keep Ireland in the Market – Invest in Marketing | *Maintain the overall level and value of investment in International and Domestic tourism marketing in real terms, to ensure continued impact and sustained returns* | • Secured provision of €44.25 million for Tourism Marketing Fund in Budget 2010<br><br>• Level and value of investment in overseas marketing of Ireland therefore being maintained in real terms in 2010<br><br>• Fáilte Ireland undertook its biggest ever domestic marketing campaign in 2010. Initial indications are that the €4m domestic marketing campaign was highly successful in 2010 with strong domestic demand<br><br>• D/TCS will make case for sustained funding for next year as part of 2011 Estimates Process |
| **Survival** Action 2 | Keep Ireland in the Market – Cut Access Costs | *Abolish the Air Travel Tax* | *Air Travel Tax (ATT) still stands*<br>• 2009 Commission on Taxation Report recommended Government review of ATT in context of inclusion of air travel in the EU Emissions Trading Scheme from 2012. The Tax Strategy Group Papers noted ATT was not signalled as environmental tax, and queried the relevance of the Emissions Trading Scheme<br><br>• The Department is monitoring trends and assessing information in relation to the impact of the departure tax on routes. The Government will be making decisions on all taxation matters as part of the wider deliberations on the Budget, having regard to the general national fiscal situation.<br><br>• The strong consensus among stakeholders on the issue, as expressed at the Tourism Forum in September 2010, will be considered in the context of the deliberations on Budget 2011 |

|  | ACTION | MEASURES | PROGRESS |
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| **Survival** Action 3 | Make the Most of what we have | *Strengthen Ireland's Tourism Product by:* <br> • *Owners/operators of heritage and culture assets working more closely with the tourism sector* <br> • *Stronger linkages between tourism attractions in terms of information and marketing* <br> • *Using technology better to deliver interpretation more efficiently and easily* <br> • *Keeping people at work in the tourism sector while enhancing their skills* | • Factored into business and marketing plans of tourism agencies e.g. Fáilte Ireland focusing on linkages as part of its new Destination Management approach <br><br> • D/TCS **Cultural Tourism Initiative** secured more cohesive integration in marketing cultural attractions including new online event guide.  Better use of IT includes downloadable audio guides; and enhanced booking facilities for tickets <br><br> • New D/TCS Cultural Technology Grant Scheme launched – ca.210 applications received by closing date of 16 September, grants to be awarded by end-October <br> • New/additional mobile applications launched in Dublin/Cork <br><br> • Tourism opportunities for Ireland arising from launch of Google Street View being pursued <br><br> • Employment Subsidy Scheme extended to hotels; Work Placement Scheme also provides opportunities to achieve this objective and its potential has been promoted to the tourism trade representative bodies by D/TCS |
| **Survival** Action 4 | Prioritise spending | *Focus and coordinate public spending on tourism-related investment (particularly funding for investment in tourism-related product which, because of EU programmes or other reasons, is not channelled through tourism agencies e.g. Rural Development funding)* | • D/TCS is driving collaboration efforts with other Departments and agencies, to achieve common objectives and maximise impact on tourism (building on consolidation of bodies already achieved within tourism and other sectors) <br><br> • Working Group is strengthening cooperation on tourism-related supports for rural development with D/TCS, D/CEGA, Fáilte Ireland and selected Local Action Groups <br><br> • Fáilte Ireland is seeking to explore the potential for a closer working relationship with City/County Enterprise Boards in the area of supporting business start-ups in the tourism arena. <br><br> • Work ongoing to coordinate development of various walking and cycling trails and looped walks (involving variously Fáilte Ireland, the Irish Sports Council, Coillte, D/CEGA, Local Action Groups and, more recently, D/Transport) |

|  | ACTION | MEASURES | PROGRESS |
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| **Survival** Action 5 | Support Sustainable Enterprises and Employment | *Keep enterprises in business* | • Fáilte Ireland continuing to provide support for tourism enterprises on costs control, marketing, IT, etc. to enhance productivity/efficiency at enterprise level |
|  |  |  | • Budget 2010 set up Local Government Efficiency Review Group to review cost base, expenditure and numbers employed in local authorities |
|  |  | *by minimising costs – including wages, utility costs and local authority rates –* | • Budget 2010 enhanced capital allowances for energy efficient equipment to include catering and hospitality equipment |
|  |  |  | • Minister Gormley and Tánaiste jointly met Local Authorities to emphasise need to continue to focus on reducing costs to business.  Minister Hanafin has written to Minister Gormley on the rates burden being borne by the tourism sector and asked him to consider how this burden might be alleviated in the short-medium term.  Local Authority rates decreased by 0.62% in 2010.  D/EHLG advises that water charges in Ireland compare favourably internationally. |
|  |  |  | • Introduction of water charges and a site valuation tax that would be used to fund local authority services, signalled in Budget 2010, is a step towards broadening of revenue base at local level, which might ultimately relieve burden on tourism and other businesses |
|  |  | *and by ensuring access to working capital* | • Tourism has also been included in cross-cutting measures to support enterprises and jobs, including in particular measures to assist costs and credit such as the Employment Subsidy Scheme and the Credit Review System |
|  |  |  | • Industrial Relations (Amendment) Bill to update JLC system |

**Framework for Recovery and Growth:  Building for the Future 2010-2013**

|  | ACTION | MEASURES | PROGRESS |
|---|---|---|---|
| **Recovery** Action 1 | Reaffirm the value and importance of tourism | *Government, industry and others should acknowledge and make the case for tourism and put tourism at the heart of decision-making*<br><br>*Strengthen the innovative and knowledge content of tourism* | • Importance of tourism clearly reflected in Budget 2010 and in Government's broader strategies for economic renewal including Building Ireland's Smart Economy and Infrastructure Investment Priorities<br><br>• D/TCS included on Senior Officials Group on Economic Renewal and the National Competitiveness Council<br><br>• Tourism focus of Global Economic Forum in Farmleigh (September 2009); significant progress on initiatives, particularly Diaspora/Genealogy Tourism (supported by Census and other websites) and St Patrick's Day (largest ever tourism promotional effort for 2010)<br><br>• Importance of tourism highlighted in Taoiseach's statement on appointment of new members of the Cabinet and changes in Departmental responsibilities (March 2010)<br><br>• Tourism is a major element in "Trading and Investing in a Smart Economy: A Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015" which was launched by An Taoiseach on 28 September 2010, with targets of 8 million overseas visitors and 15,000 direct additional jobs by 2015 (based on TRG Scenarios and targets) |
| **Recovery** Action 2 | Sustain Investment in Tourism's Assets – the Brand | *Maintain the overall level and value of investment in International and Domestic tourism marketing in real terms, to ensure continued impact and sustained returns* | • Secured provision of €44.25 million for Tourism Marketing Fund in Budget 2010<br><br>• Level and value of investment in overseas marketing of Ireland therefore being maintained in real terms in 2010<br><br>• Fáilte Ireland undertook its biggest ever domestic marketing campaign in 2010.  Initial indications are that the €4m domestic marketing campaign was highly successful in 2010 with strong domestic demand<br><br>• D/TCS will make case for sustained funding for next year as part of 2011 Estimates Process |

| | ACTION | MEASURES | PROGRESS |
|---|---|---|---|
| **Recovery** Action 3 | Sustain Investment in Tourism's Assets – People | *Help tourism enterprises to retain staff*<br><br>*Help workers to renew and strengthen their skills*<br><br>*Use tourism's potential to keep people in the labour market*<br><br>*Ensure diversity of skills and labour are available*<br><br>*Make tourism more attractive as a career for life* | • Fáilte Ireland finalising its review of Human Resources Development Strategy for tourism<br><br>• Fáilte Ireland continuing to provide support for tourism enterprises on cost control, marketing etc<br><br>• Employment Subsidy Scheme extended to hotels<br><br>• Work Placement Scheme also provides opportunities to achieve this objective and its potential has been promoted to the tourism trade representative bodies by D/TCS |
| **Recovery** Action 4 | Sustain Investment in Tourism's Assets – Product | *Renew investment in priority projects, including funds for public attractions and infrastructure and incentives for refurbishment of accommodation*<br><br>*Improve management of sites through staff training and Service Level Agreements*<br><br>*Secure more World Heritage Site designations* | • Increased capital allocation for tourism product development in Budget 2010<br><br>• €190 million tourism capital envelope announced by Government in Infrastructure Investment Priorities to 2016<br><br>• Investment will focus on completing upgrades of some major tourism attractions, developing select number of new visitor attractions, improving infrastructure for recreational cycling, walking & water-based activities and heritage attractions<br><br>• Since the beginning of 2009, funding of just over €31 million has been approved, including almost €9 million in respect of the Waterford Viking Triangle, €3m in respect of Tralee Lee Valley and over €7.5m toward developments of New Ross Quay, Dublin Writers Museum, the Irish National Heritage Park in Wexford, Phase II of the Mayo Greenway, and Meeting House Square, Temple Bar<br><br>• Fáilte Ireland, DTCS and OPW in ongoing engagement to identify investment opportunities and complementary ways to enhance interpretation through e.g. technology<br><br>• Ireland's new Tentative List of World Heritage Sites was submitted to UNESCO in April 2010 for consideration. For details of the process and the nominations on the list see: http://www.worldheritageireland.ie/tentative-list/ |

|  | ACTION | MEASURES | PROGRESS |
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| **Recovery** Action 5 | Make Ireland a world leader in tourism e-business | *Ensure Ireland's tourism agencies and tourism enterprises maximise their exploitation of new technologies – particularly the web – by*<br>• *Enabling enterprises to have effective web presence by rolling out broadband nationwide & enhancing enterprise supports for eCapability*<br>• *Ensuring that e-marketing of the island of Ireland is world-class by sustained investment, increased use of Customer Relations Management/ Engagement and facilitating booking/buying over the internet*<br>• *Structuring our web presence around the customer experience* | • Tourism agencies are continuously enhancing the discoverireland.com and .ie sites e.g. Tourism Ireland launched its Arabic discoverireland.me site in Sept 2010<br><br>• This is complemented by increased supports for e-business provided by Fáilte Ireland at enterprise level e.g.<br>➤ Web Supports: Over 1,300 businesses to date benefitted from e-business support (Web-Start, Web-Check, Web-Check Plus) which provides a range of services to enhance e-capability of individual tourism enterprises<br>➤ To support the new outsource business model for management of eBusiness services, two eBusiness frameworks were posted to the e-tenders website, to provide FI with the services and capacity required for e-Business related projects into the future<br><br>• Report carried out for ITIC (with Tourism Ireland assistance) published in September 2010, *Tourism & Travel Distribution in a Changed World*, makes key recommendations for enterprises/industry – including practical guidance, with complementary recommendations for agencies<br><br>• Broadband investment is a central element in the Government's Infrastructure Investment Priorities with allocation of €320m for ICT capital envelope up to 2016 |
| **Recovery** Action 6 | Prioritise Market Segments where Ireland can gain competitive advantage | *Select, Invest in, and Develop key market segments based on Ireland's strengths, e.g. by*<br>• *Improved packaging and marketing of leisure segments where we have critical mass*<br>• *Public/Private Cooperation to develop additional niches with potential*<br>• *Maximising the opportunity to grow business tourism nationwide, arising from the opening of the Convention Centre Dublin, by targeted promotion and securing additional gala venues for functions* | • Factored into business and marketing plans of tourism agencies<br><br>• Focus on business tourism to maximise impact of recently opened Convention Centre in Dublin<br><br>• Other priority areas include food tourism, cultural tourism, outdoor activities and events, as well as closer collaboration with other bodies on rural tourism. Initiatives include niche mobile applications such as iWalks and the recently launched Visit Dublin App for iPhone and Android platforms<br><br>• EFL and other tourism aspects included in new International Education Strategy |

|  | ACTION | MEASURES | PROGRESS |
|---|---|---|---|
| **Recovery** Action 7 | Make Access into Ireland easier | *Tourism agencies should identify and follow up opportunities to maximise the level of air and sea access as they arise, in cooperation with carriers or other State agencies where possible*<br><br>*Make immigration procedures for tourists cheaper, easier and friendlier* | • Tourism agencies are working to support the maintenance of access levels through complementary and cooperative marketing with carriers and to encourage new routes by offering to work with carriers<br><br>• Nonetheless, the dynamic nature of the industry means that consolidation by airlines in the face of demand declines and reduced margins has led to significantly fewer seats being available in 2010 than last year<br><br>• Access levels remain vulnerable to further such changes<br><br>• Ongoing consultation with D/JLR at Ministerial, Departmental and agency level to improve immigration procedures for tourists.  D/JLR is already working on potential administrative measures to facilitate tourism from the New and Developing Markets |
| **Recovery** Action 8 | Make Getting around Ireland easier | *Invest in key transport links and nodes*<br><br>*Improve signposting and information*<br><br>*Make public transport, cycling and walking more attractive*<br><br>*Support tourism-specific transport services (e.g. coach tours and car hire)* | • Government policy framework for transport, "Smarter Travel", recognises need for greater accessibility and efficiency in transport and contains actions to support economic competitiveness<br><br>• Capital Investment Framework prioritises nodes/linkages, including access to Dublin Airport<br><br>• Tourism Renewal Group highlighted that transport infrastructure must be used as efficiently as possible.  Ongoing regulatory reform in public transport will help deliver the levels of service and efficiencies<br><br>• "Golden Trekker" rail travel scheme for senior citizens visiting Ireland from abroad, piloted in 2010, to boost overseas visitor numbers - provides for free mainline, commuter and DART rail tickets to all tourists to Ireland aged 66 and over, with no restriction on nationality or country of residence.  It was extended to Northern Ireland for July-September 2010.  Review of scheme commencing with partners |

| | ACTION | MEASURES | PROGRESS |
|---|---|---|---|
| **Recovery** Action 9 | Maintain Supports for Enterprises and Employment | *Keep costs as low as possible for tourism enterprises and ease the burden of regulation* | • Fáilte Ireland continuing to provide support for tourism enterprises on cost control, marketing, IT etc to enhance productivity/efficiency at enterprise level<br><br>• Budget 2010 set up Local Government Efficiency Review Group to review cost base, expenditure and numbers employed in local authorities<br><br>• Budget 2010 enhanced capital allowances for energy efficient equipment to include catering and hospitality equipment<br><br>• Minister Gormley and Tánaiste jointly met Local Authorities to emphasise need to continue to focus on reducing costs to business. Minister Hanafin has written to Minister Gormley on the rates burden being borne by the tourism sector and asked him to consider how this burden might be alleviated in the short-medium term. Local Authority rates decreased by 0.62% in 2010. D/EHLG advises that water charges in Ireland compare favourably internationally.<br><br>• Introduction of water charges and a site valuation tax that would be used to fund local authority services, signalled in Budget 2010, is a step towards broadening of revenue base at local level, which might ultimately relieve burden on tourism and other businesses<br><br>• Tourism in cross-cutting measures to support enterprises and jobs, particularly measures to assist costs and credit e.g. Employment Subsidy Scheme, Credit Review System<br><br>• Industrial Relations (Amendment) Bill to update JLC system |