

# Minutes of the Second Meeting of the Retail Consultation Forum

11<sup>th</sup> September 2014

**Chair:** Minister for Business and Employment, Ged Nash, T.D.

**Attendance:** The attendance list is at Appendix 1.

## 1. Opening comments

The meeting was chaired by the newly appointed Minister for Business and Employment, Ged Nash, T.D. Minister Nash welcomed the members of the Forum and outlined his interest in the Forum working collaboratively to support the recovery of the Retail sector. The Minister acknowledged the impact which the recession has had on the sector, but reminded the Forum that the Government's Statement of Priorities for the remainder of its term stressed the importance of supporting the recovery of the domestic economy, particularly in areas like retail, construction and tourism.

The Minister noted that the CSO's employment figures for the Second Quarter of the year showed that, in spite of an increase of over 31,000 in the number of people at work in the economy, there was only a small increase in the numbers employed in Retail and, indeed, there was a drop in employment in Wholesale. This was why the Forum was important. Its purpose is to provide an opportunity for the sector to engage collectively with Government, to highlight the issues that can support the recovery of the Retail sector and job creation, and to try to find feasible solutions to barriers to growth. Minister Nash explained that, as a "Super Junior" Minister, he attends full Government meetings and can be a voice for the Retail sector at the Cabinet table.

Following the Minister's opening remarks, members of the Forum briefly introduced themselves.

## 2. Budget 2015

Following on from the first meeting of the Forum, a draft paper reflecting the views of Forum members on proposals for Budget 2015, had been compiled and circulated by the Secretariat for further discussion. Proposals identified by the Retail members of the Forum for Budget 2015 included:

- No increases to be introduced in Excise Duties or Income Taxes.
- In relation to VAT: retention of the 9% VAT rate, a reduction in the 23% top rate of VAT to improve Ireland's competitiveness, addressing VAT Categorisation anomalies, and reduced VAT on building and hardware materials to support construction suppliers.
- Reintroduction of the lower rate of Employers' PRSI of 4.25% for those earning less than €356 per week.
- Introduction of a Scrappage Scheme to stimulate purchases of Water Efficient and Energy Efficient dishwashers and washing machines.

- Introduction of Grants/Tax Relief for investment in Energy Efficiency measures in retail stores.
- Doubling the visitor tax-back level from €2,000 to €4,000 to stimulate additional spending by overseas visitors.
- Reducing the level at which Low Consignment Tax Relief applies.
- Targeting more NTF funding at training people in employment.
- Extending the Home Renovation Scheme beyond 2015.

Retail members of the Forum pointed out that the reintroduction of the 4.25% employers PRSI rate was the priority issue for the retail sector and that this should be reflected by ordering it prominently in the paper.

Clarification was provided that the proposed Scrappage Scheme for washing machines and dishwashers would cost in the region of €10-€15 million. Department of Finance officials explained that introducing a VAT rebate on purchases of water-efficient products was not a feasible option if such a scheme was introduced, due to EU regulations (this did not, however, rule out other possible administrative options). The Department of the Environment, Community and Local Government also highlighted the need to avoid consumers disposing of energy efficient electrical and electronic equipment products prematurely if a Scrappage Scheme was introduced.

Other clarifications were provided by Forum members on their proposals around the Home Renovation Incentive scheme and difficulties retailers were experiencing in accessing credit to invest in upgrades of equipment and premises. It was agreed that the Secretariat would incorporate the various comments which had been made into the pre-Budget paper and that it would be recirculated in the next week or so with a view to getting final sign-off by the Forum and submitting the proposals to the Department of Finance.

The SFA queried why the paper was presented as reflecting the views of the retail members of the Forum rather than the Forum as a whole. It was explained that, given the nature of the paper (i.e. pre-Budget submission), there could be a potential conflict of interest for some public sector members represented on the Forum. However, this was particular to the Budget and future discussions or papers that were prepared might well reflect the views of the Forum as a whole.

### **3. Action Plan for Jobs 2015**

Members of the Retail Forum had been invited to submit proposals for inclusion in the 2015 Action Plan for Jobs in advance of the meeting. Submissions were received from the Small Firms Association, Retail Ireland, Retail Excellence Ireland and ISME.

Minister Nash invited the representatives from these bodies to outline the key points in their submissions, and this formed the basis for discussion amongst the wider group. Specific suggestions were raised which covered the following general areas:

- Business Costs and administrative burdens

- Regulation of Working Conditions
- Training and upskilling for the sector
- Trading Online
- Support schemes for the Retail Sector
- Recovery of Town Centres, including tackling anti-social behaviour
- Making work pay – improving the social welfare system
- Tackling the Black Market

Some of the suggestions mirrored elements of the Budget proposals which had been discussed earlier in the meeting.

It was agreed that the Secretariat would capture the suggestions which were made in a composite paper for further consideration by the Forum. It was suggested that the Action Plan for Jobs needed to rank the many commitments into an order of priority.

In the course of the discussion on the Action Plan for Jobs, the role of the new Local Enterprise Offices (LEOs) was raised. Minister Nash invited Forum members to share their experience to date of the LEOs. There was a consensus amongst retail members that more work needs to be done to make it easier for SMEs to find out the types of supports which are available through the LEOs and other State agencies.

There were mixed views on the value of the JobsPlus scheme to the retail sector, with some retail representatives reporting a good take-up by their members, while others found that the calibre of people who had been engaged under the scheme was not adequate. This highlighted the importance of training people for the sector; the need to attract innovative people into the sector was also highlighted.

#### **4. Agreement of Work Programme**

A draft Work Programme for discussion had been circulated by the Secretariat in advance of the meeting. This Work Programme was drawn up on the basis of the discussion at the first meeting of the Forum and attempted to reflect the priority which members seemed to place on the various topics which had been identified at that meeting.

The Work Programme was agreed, with the issue of Town Centre retailing to be discussed at the next meeting of the Forum in November, subject to the report of the Joint Oireachtas Committee on Jobs, Enterprise and Innovation on this topic being available. Members requested that a representative of An Garda Síochána be invited to the next meeting as part of the discussion on Town Centre retailing, since addressing anti-social behaviour is an important part of this issue. It was also agreed that a paper could be made available by the Secretariat, providing some best-practice examples from Local Authorities on actions being taken to support town-centre retailing.

The Work Programme which was agreed is at Appendix 2. Minister Nash explained that while some issues might not be scheduled to be discussed in detail at the Forum for a number of months yet (e.g. skills and training), background work could still be carried out by the Secretariat on these matters between meetings.

#### **5. Other business**

The possibility of retailers providing input to draft legislation was raised. Some Departments were better than others at consulting on draft legislation, but it would be helpful to be aware of

the Government's legislative programme. It was agreed that the Secretariat would circulate the legislative programme to the members when it was finalised for the new Oireachtas session.

The next meeting of the Retail Consultation Forum was scheduled for 10<sup>th</sup> November 2014.

**Secretary to the Retail Consultation Forum**

**Appendix 1**  
**Attendees - Retail Consultation Forum, 11<sup>th</sup> September 2014**

<b>Name</b>	<b>Position</b>	<b>Organisation</b>
Minister Ged Nash (Chair)	Minister for Business & Employment	
<b>Retail Sector Representatives</b>		
Stephen Lynam	Director General	Retail Ireland
Seán Murphy	Deputy CEO	Retail Excellence Ireland
Tara Buckley	Director General	RGDATA
Mark O'Mahoney	Director of Policy & Communications	Chambers Ireland
Patricia Callan	Director	SFA
Alan Sherlock	SFA Executive	Small Firms Association
Mark Fielding	Chief Executive	Irish Small & Medium Enterprises
Vincent Jennings	Chief Executive	CSNA
Annemarie Harte	Chief Executive	Hardware Association of Ireland
Jim Curran	Director of Communication & Strategy	Irish Pharmacy Union
Rebecca Birchall	Director	Fishers of Newtownmountkennedy
Keith Rogers	Head of Retail	Ecco Ireland
Edel Clancy	Director of Communications	Musgrave Group
Helen O'Donnell	Owner	Dolmen Catering
Conor Whelan	CEO	Easons
Aidan Candon	CEO	Euronics Ireland
<b>Public Bodies</b>		
Clare Dunne	Assistant Secretary, Indigenous Enterprise Development	D/Jobs, Enterprise & Innovation
William Parnell	Head of Unit, Enterprise Initiatives	D/Jobs, Enterprise & Innovation
Marcus Breathnach	Assistant Principal, Economic Policy	D/Taoiseach
Brendan Coogan	Medium Term Economic Strategy	D/Finance
Colm Forde	Fiscal Division	D/Finance
Denise Tully	Tax Division	D/Finance
Sean O'Suilleabhain	Local Government Policy	D/Environment, Community & Local Government

Phil O'Flaherty	Further Education & Training Section	D/Education & Skills
Noel Sheahan	Tourism Marketing & Impact Assessment	D/Transport, Tourism & Sport
Joan Gordon	Principal Officer	D/Social Protection
Dr. Stephen Brennan	Communications Division	D/Communications, Energy & Natural Resources
Ronan Murphy		Local Government Management Agency
<b>Secretariat</b>		
Gráinne O'Carroll	Secretary to Forum	D/Jobs, Enterprise & Innovation
Jennifer Billings	Enterprise Initiatives Unit	D/Jobs, Enterprise & Innovation
Katrina Flynn	Enterprise Initiatives Unit	D/Jobs, Enterprise & Innovation

**Apologies:**

Conor Whelan, Managing Director, Easons

John Foy, Managing Director, Supervalu, Coothill

Eoin Fitzpatrick, Managing Director, Fitzpatrick Wholesale

Ray Heran, Chief Executive, Arnotts

Danny McLoughlin, Chief Executive South Dublin County Council, CCMA

## Appendix 2

### Work Programme for Retail Consultation Forum

The Retail Consultation Forum will examine issues relevant to the sector on a thematic basis. Additional stakeholders may be invited to attend the Forum to contribute to its proceedings, where appropriate.

In order to provide a structure for the future work of the Forum and to facilitate the preparation of meetings, the following Work Programme for the next 12 months has been agreed by the members.

Sept 2014	Sign off on Budget 2015 proposals  Proposals for Action Plan for Jobs 2015
Nov 2014	Revitalising Town Centre shopping (subject to Oireachtas Committee report being finalised)  Potential for replicating best practice initiatives from Local Authorities to support retail
March 2015	Costs to Business in Retail (including Employers' labour costs, regulation, impact of re-valuation process, administrative burdens, Personal Injuries claims, Credit cards costs and bank charges for retailers).  Update on Business Licencing Application Portal
June 2015	The Black Economy, including Casual Trading, smuggling (of fuel and other goods) and "Personal Use" limits for duty-free or duty-paid imports
Sept 2015	eCommerce  Skills for Retail, including promoting retail as a career

Other themes which have been identified for discussion by the Forum members are:

- Initiatives from the Department of Health and implications for the retail sector
- Credit worthiness database
- Impact of National Payments Plan
- Grocery Sector specific issues

- Innovation as a means of improving competitiveness in the sector
- Communication of new and existing schemes and incentives available to retailers
- Licensing regime for Pharmacy sector