

First Progress Report  
of the  
Tourism Action Plan Implementation Group

**August, 2004**

Mr John O'Donoghue, T.D.  
Minister for Arts, Sport and Tourism

Dear Minister

I have the honour, on behalf of the Tourism Action Plan Implementation Group, to submit to you the first report on the implementation of the actions recommended by the Tourism Policy Review Group in its Report, *New Horizons for Irish Tourism: An Agenda for Action*.

The Report has been completed in accordance with the terms of reference you provided to us.

Yours sincerely

John Travers  
Chairman  
August 2004

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## Chairman's Preface

These are challenging times for Irish tourism. For more than three years world tourism has failed to recover its former rates of rapid expansion as economic growth stagnated and threats of global terrorism increased. At the same time the competitiveness and visitor perception of value for money of Irish tourism has deteriorated.

Many of the factors which have undermined the competitiveness of Irish tourism lie outside the direct control of the industry itself. For example, the general rate of inflation at a level many times higher than that of countries with which Ireland competes for visitors has raised input costs for the tourist industry at a rate of increase well above that of its competitors. These increases in input costs are inevitably reflected in the cost of tourism products and services.

But not all the factors which have undermined competitiveness and visitor perception of value for money are extraneous to the industry itself. Price escalation in tourism products and services has contributed to the general high rates of inflation as part of an upward spiral of inflationary pressure. Other factors which determine competitiveness and value for money also lie within the control of the industry itself. These include service quality, product innovation and the avoidance of aggressive, upward, opportunistic pricing at high-profile, major visitor – attracting events which generates widespread, negative publicity for the industry generally.

All of these factors remain a continuing challenge for Irish tourism. And many parts of the industry have risen well to these challenges. This is reflected in the fact that in 2003 both overseas visitor numbers and associated revenue increased by more than 4% compared with declines in world international tourism arrivals and receipts for the third successive year.

In 2004 to date visitor numbers and receipts from a number of markets are showing creditable performance. However, visitor numbers and receipts from the British market to date are showing little or no growth and this is a cause for significant concern. In addition, it appears that a number of regions and sectors are missing out on the increases that are taking place. As in 2003 occupancy levels and industry margins remain under pressure.

There are clearly no “quick fixes” to the significant challenges which Irish tourism faces at the present time. The industry itself has generally responded well to the more difficult trading conditions and “special offers” which provide good value are widespread throughout the sector. The underlying extraneous factors which drive up costs and, thereby, prices in tourism have started to ameliorate. A key task in driving forward the development of the industry lies in implementing the long-term strategy for the industry charted by the Tourism Policy Review Group in their Report, *New Horizons for Irish Tourism: An Agenda for Action*.

The work of the Implementation Group outlined in this Report points to overall reasonable initial progress in the implementation of the strategy and Action Plan recommended by the Review Group and which has been strongly supported by the industry itself and by the Government. But there are, as the Implementation Group points out, areas where further progress is required and areas where the lack of progress represents a significant impediment to the achievement of the targets and potential for tourism growth in Ireland outlined in the Report of the Tourism Policy Review Group. Much remains to be done if the intrinsic potential and the ambitious targets set for Irish tourism are to be achieved. The priority areas, in this respect, are set out in this Report.

I am pleased, on behalf of the Implementation Group, to bring forward this first Progress Report on the implementation of the new strategy and Action Plan for Irish tourism for the consideration of the industry and that of the Minister for Arts, Sport and Tourism, John O'Donoghue T.D., who established the Implementation Group for this purpose.

John Travers  
Chairman  
Tourism Action Plan Implementation Group

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## SECTION 1

### The Importance of Tourism to National and Regional Economic and Social Development

#### *Irish Tourism in Context—Contributing over €5 billion to Gross National Product*

- 1.1 Tourism is a powerful instrument of national economic development. It is the largest internationally traded services sector in Ireland. It embraces a wide range of diverse small and medium sized enterprises that are predominantly Irish-owned. In 2003 tourism generated export earnings of €4.1 billion, including Irish carrier receipts. Domestic trips are estimated to have generated an additional €1 billion, bringing total tourism revenue to over €5 billion in 2003.

#### *Irish Tourism in Context—a Significant Employer*

- 1.2 Tourism is a major employer in Ireland. It is estimated that tourism supports, directly and indirectly, some 140,000 jobs in Ireland, or 1 in 12 of all jobs in the economy. The first version of the Tourism Satellite Accounts tables for Ireland, expected to be available later this year, will provide a more precise measure of tourism-related employment, as well as the broader economic contribution of the sector to the national economy.

#### *Regional Impact*

- 1.3 Tourism has significant regional distributive effects because a great deal of tourism activity takes place outside intensive industrial areas and "consumption" of tourism product and service takes place in the geographic locations where the product and service is available.

**Table 1: Regional Distribution of Overseas Visitors' Spend<sup>1</sup>, 2002 and 2003**

	<b>2002</b>	<b>As a % of</b>	<b>2003</b>	<b>As a % of</b>	<b>Change</b>
	<b>€m</b>	<b>2002</b>	<b>€m</b>	<b>2003</b>	<b>2003 on</b>
		<b>revenue</b>		<b>revenue</b>	<b>2002</b>
Dublin	1,103	36%	1,051	33%	-5%
South West	537	17%	619	19%	15%
West	408	13%	457	14%	12%
Shannon	306	10%	334	10%	9%
Midlands/East	329	11%	310	10%	-6%
South East	260	8%	268	8%	3%
North West	144	5%	188	6%	31%
<b>TOTAL</b>	<b>3,088</b>	<b>100%</b>	<b>3,228</b>	<b>100%</b>	<b>4.5%</b>

Source: Fáilte Ireland Tourism Facts 2002 & 2003

- 1.4 Table 1 above sets out, by region, the level of overseas visitor spend in 2002 and 2003. Spending by overseas tourists increased by 4.5% in 2003. The four western regions—including Shannon—accounted for 49% of total overseas visitor spending in 2003 compared to 45% in 2002. In the case of the Dublin region, which attracts most of the urban break business to Ireland, its share of total overseas revenue fell from 36% in 2002 to 33% in 2003. When estimated revenue attributable to overseas holidaymakers

<sup>1</sup> These revenue figures exclude Irish carrier receipts which amounted to €723m in 2002 and €678m in 2003.

alone is examined, the regional distribution does not change significantly. Dublin and the South West combined continue to account for over 50% of overseas earnings.

- 1.5 Table 2 below compares the regional breakdown of revenue from the domestic market between 2002 and 2003, when total revenue increased by 14%. The four western regions accounted for 65% of domestic tourism expenditure in 2003 compared to 63% a year earlier.

**Table 2: Regional Distribution of Domestic Revenue**

	<b>2002</b>	<b>As a % of</b>	<b>2003</b>	<b>As a % of</b>	<b>Change</b>
	<b>€m</b>	<b>2002</b>	<b>€m</b>	<b>2003</b>	<b>2003 on</b>
		<b>revenue</b>		<b>revenue</b>	<b>2002</b>
South West	201	24%	232	24%	15%
West	174	20%	204	21%	17%
South East	132	16%	138	14%	5%
Shannon	99	12%	115	12%	16%
Dublin	105	12%	114	12%	9%
Midlands/East	75	9%	91	9%	21%
North West	63	7%	77	8%	22%
<b>TOTAL</b>	<b>849</b>	<b>100%</b>	<b>971</b>	<b>100%</b>	<b>14%</b>

Source: Fáilte Ireland/CSO

## SECTION 2

### Overview of Prospects for the Tourism Industry

#### *International Trends and Prospects*

- 2.1 In 2003, for the third successive year, world tourism faced events that threatened tourist confidence and led to a decline in both numbers of arrivals and international tourism receipts. The early months of 2003 saw the war in Iraq followed by the outbreak of SARS impacting on already vulnerable tourism industries, and tourism arrivals throughout the year stagnated. The overall effect for the year was a worldwide decline in both arrivals (down 1.2%) and receipts (down 2.2%) over 2002.
- 2.2 International holidaymaker behaviour has changed profoundly in recent years and this is inducing major changes in the structure of the tourism industry. In the area of leisure travel, and notwithstanding the many incentives developed by tour operators to induce early purchase, consumers are maintaining recent patterns in terms of last-minute and internet bookings. Low fare airlines continue to increase capacity and, in particular, to expand their regional coverage, reaching more and more destinations and triggering intra-regional demand. An increasing proportion of international holidaymakers are taking shorter holidays but with increased frequency.
- 2.3 Looking forward, analysts expect that world tourism will return to growth, although the nature, sources and destinations of international trips will continue to change and evolve over time. Long-term projections are for annual growth worldwide of 4% in visitor numbers, with visitors both to and within Europe expected to grow by 3%. This indicates a continuous contraction in Europe's share of world tourism.

#### *Trends in Ireland and Prospects for the Future*

- 2.4 The year 2003 emerged as one of the more successful in recent times for Irish tourism; overseas visitor numbers reached 6.2 million, 4.4% up on 2002 and just below the peak tourism year 2000. Revenue from overseas visitors, excluding Irish carrier receipts, reached €3.23 billion, an increase of 4.5% on the previous year, compared to a world decline of 2.2%. Table 3 illustrates the trend since 1990.

**Table 3: Overseas Tourism Revenue and Numbers 1990-2003**

	1990	2000	2001	2002	2003	Increase 2003 on 2002
<b>Revenue (€m)</b>						
<b>Overseas Revenue</b> (excluding receipts to Irish sea and air carriers)	1,112	2,681	2,952	3,088	3,228	<b>4.5%</b>
<b>Visitor Numbers (000s)</b>						
Britain	1,785	3,428	3,340	3,452	3,553	2.9%
Mainland Europe	744	1,436	1,336	1,378	1,484	7.7%
North America	443	1,056	903	844	892	5.7%
Other Overseas	124	261	261	245	249	1.6%
<b>Total Overseas Visitors</b>	3,096	6,181	5,840	5,919	6,178	<b>4.4%</b>

Source: Fáilte Ireland/CSO

- 2.5 The Central Statistics Office (CSO) has reported growth in the number of overseas visitors to Ireland for the first six months of 2004. It estimates that there were 2.97 million overseas arrivals during the period, an increase of 5.4% over the same period in 2003. However, there are significant variations in the performance of the different markets. The recovery from long-haul markets (North America, up by 13% and the Rest of the World, up by 50%) is welcome but the increases experienced over the first six months are expected to abate over the rest of the year. The aggregate performance of Mainland Europe, with a 7% increase for the first half of the year is encouraging. Within this figure strong growth from Spain, Italy, Holland and Scandinavia is being offset by early declines from France and Germany. It is expected that France and Germany will recover in the peak and shoulder season leaving Mainland Europe on track for good growth this year. More worryingly, the British market is showing little or no growth to date with a decline in May offsetting earlier growth. This stagnation has occurred despite the fact that, in the year to June 2004, the value of the euro fell by around 5.5% against sterling. This improved the competitiveness conditions for Irish enterprises and, other things being equal, should have made tourism goods and services more attractive to British visitors and increased their purchasing power. Halting and reversing this deterioration in performance from Irish tourism's biggest overseas market will require sustained efforts to improve the price competitiveness and value for money offered by the Irish tourism product.
- 2.6 While CSO data to date this year indicate increased inflows of foreign visitors, tourism enterprises report that these gains are not translating into increased business across the country. The trend towards shorter holidays, combined with lower expenditure levels, is depressing tourism revenue, particularly outside Dublin. At the same time, operating costs continue to increase. In consequence, many tourism enterprises are reporting difficult trading conditions, with margins being squeezed. Trading difficulties appear to be most pronounced in traditional tourist destinations outside Dublin, particularly along the Western seaboard and among the smaller non-hotel accommodation providers, caravan and camping sites, certain heritage and visitor attractions and regional car rental.

2.7 The health of Ireland's tourism industry, and the scale of its contribution to national economic development, is determined ultimately by its performance in export markets. In 2003, CSO statistics indicate that overseas visitors accounted for 67% of the 42 million bednights spent in paid accommodation in Ireland. While there has been a welcome continuing growth in domestic tourism, particularly in the short breaks segment, domestic tourism does not necessarily represent a good substitute for overseas tourism. For the greater part of domestic tourism, expenditure represents a reallocation of aggregate domestic spending while foreign tourism injects a new inflow of cash into the Irish economy. The need to regain momentum in foreign markets is all the more pressing because of the additions to industry capacity in recent years. For example, between 2000 and 2004, the stock of hotel rooms has increased by 7,800 or by almost 20%.

#### ***Short-Run Responses to Current Conditions***

2.8 In the short-run, efforts must be concentrated on capitalising on improving economic conditions in the principal overseas source markets for Irish tourism. This requires initiatives in four interdependent areas:

- (i) Ensuring to the greatest extent possible, low-cost tourist access to Ireland by air and sea from a widening range of departure points;
- (ii) Developing product packages that meet the needs of increasingly price-sensitive overseas visitors;
- (iii) Intensifying the marketing effort on the most accessible market that is exhibiting robust economic growth - Britain; and
- (iv) An enhanced emphasis on focusing the marketing effort specifically on 'promotable' market segments, including holidaymakers, conference travellers, language study and incentive travellers.

2.9 On the basis of trends to date in 2004, the initial targets set for the year – 6.4 million overseas visitors generating associated tourism revenue of €3.36 billion excluding carrier receipts – continue to be attainable.

#### ***The Challenges Facing Irish Tourism in the Medium-Term***

2.10 Tourism is an internationally-traded service industry. It operates in the exposed sector of the economy and, as a result, faces intense competition from competing tourism destinations. Market dynamics - including continuous reductions in air fares, the opening up of new regional and national tourism destinations within Europe and the growing importance of the internet - will ensure that the extent of industry competition will intensify in the years ahead. While there has been a welcome deceleration in Irish inflation over the past year, in absolute price terms Ireland is now an expensive tourism destination. In European terms, the advent of the euro has lent transparency to the level of Irish prices for goods and services. In terms of the North American market, the weakness of both the US and Canadian dollars against the euro has raised substantially the cost of holidaying in Ireland. In summary, the price competitiveness of the Irish tourism product is gradually being eroded by the high level of Irish prices on the one hand and by the increasing availability of easily accessed cheaper holiday destinations on the other.

2.11 The extent to which the deterioration in the competitiveness of the Irish tourism product is affecting decision-making by the travelling public was charted in the Report of the Tourism Policy Review Group. It noted the significant number of overseas visitors who expressed dissatisfaction with the value for money offered by Irish holidays. The latest available feedback from the marketplace reinforces this picture of growing visitor dissatisfaction. The latest Fáilte Ireland *Visitors Attitudes Survey* found that 62% of those surveyed in 2003 were not very satisfied that Ireland provided good all round value for money, up from 55% the previous year. The central challenge facing the Irish tourism industry is clear. It must deliver improved price competitiveness and value for money.

### ***Competitiveness and Value for Money***

2.12 There is no easy method of regaining price competitiveness in Irish tourism. The central reality is that while Irish tourism enterprises are operating in a highly competitive international environment, their costs - wages, insurance, materials, professional fees, taxes - are set in Ireland. Since the industry sources almost all of its labour, raw materials and services at home, it must pay Irish prices for most of its inputs. Thus, the cost base of the Irish tourist industry reflects the general level of prevailing Irish costs and prices - and the general level of Irish costs and prices is very high by international standards. This is an inescapable conclusion but its impact can undoubtedly be ameliorated through specific initiatives targeted on reducing tourism-related costs, prices and taxes. All of the main sectoral actors have a contribution to make.

2.13 Within a national economic environment where absolute costs and prices are high relative to competitor countries, emphasis must shift to improving value for money. In short, to the extent that tourism prices reflect prevailing costs in the national economy, then tourism enterprises will have to offer more value for existing prices if they are to prosper in the future. The sources of such additional value can include:

- a wider range of stronger, more attractive, tourism products;
- improved quality and integration of existing tourism products; and
- a higher level of service quality.

2.14 Restoring competitiveness continues to be the greatest challenge facing Irish tourism. Progress on measures required to address the deterioration in competitiveness on the part of the industry itself, State Agencies and Government Departments is outlined in Appendix C of this Report.

### ***Irish Tourism Competitiveness in an International Context***

2.15 The flow of holidaymakers to Ireland is influenced by a number of key considerations: (i) trends in personal disposable incomes in the major source markets for Irish tourism; (ii) tourism-related prices in Ireland - including the price of access transport, relative to similar prices in competing destinations; and (iii) the range of destination choices available to potential holidaymakers and the extent to which they meet consumer preferences.

2.16 In terms of the external environment, the relatively firm tone of economic growth in the US and Britain, together with the gradual revival of economic activity in Mainland Europe, creates the conditions for stronger growth in Irish tourism. The extent to which these conditions can be realised depends both on domestic competitiveness and the

intensity of competition from tourism destinations abroad. The advent of low fares airlines, the opening up of new national and regional tourist destinations within the European Union and strong growth in travel to long-haul destinations have caused the international tourism marketplace to become intensely competitive.

### ***The British Market***

2.17 Despite global political uncertainties, robust economic growth in Britain has seen continuing increases in the numbers of British tourists travelling abroad, with outbound visits exceeding 60 million in 2003. Britain remains the largest single overseas market for Irish tourism. In 2003, 3.6 million British visitors travelled to Ireland, spending €1.3 billion. However, over the past five years, Ireland's share of the British outbound market has declined from 6.5% in 1998 to 5.9% in 2003.

2.18 In 2003, British tourists accounted for 58% of all overseas visitors, but only 41% of all overseas tourism revenue. This divergence can largely be explained by:

- ***Length of Stay***: the average length of stay by British visitors to Ireland has declined by almost 30% over the last decade, declining from 7 days to 5 days in the process. Consequently, growth in bed-nights and expenditure generally has not kept pace with the growth in British visitor numbers;
- ***Regional Distribution of Visitors***: in recent years, growth in visits from Britain has been concentrated on the Eastern seaboard and reflect that air is the preferred mode of travel. The relative decline in seaborne travel from Britain to Ireland, where visitors take their cars with a view to touring the country, accounts, in part, both for the reduced length of stay and for the weaker regional impact of British tourism in recent years; and
- ***Mix of Visitors***: an above-average proportion of visitors from Britain is accounted for by visiting friends and relatives who tend to spend less on tourism-related products than pure holidaymakers.

2.19 Regaining Ireland's share of the British outbound market constitutes the immediate and pressing challenge facing Irish tourism. Tourism Ireland, in partnership with the industry, is undertaking a fundamental reassessment of the British market. A key objective of this process will be to develop better insights into consumer behaviour and on how best to increase the attractiveness and appeal of Irish tourism to a greater array of potential British holidaymakers. This process will need to embrace improving competitiveness and value for money; developing new tourism products and integrating existing tourism products into more attractive packages; ensuring higher levels of product and service quality; and improving regional access to Ireland, both by air and sea. Unless fundamental changes of this type are engineered in the national tourism product and its constituent elements, returns from tourism marketing expenditures will diminish. The first phase of the review currently underway at Tourism Ireland will be completed in September and the report and recommendations will be finalised by the end of the year.

### ***Widening the Regional Spread of Tourism Growth***

2.20 Widening the regional spread of tourism growth remains a central objective of tourism policy and many existing programmes and initiatives are aimed at promoting tourism development more widely around the country. In the meantime Tourism Ireland and Fáilte Ireland are proceeding with strategies to develop regional tourism. The Irish Tourist Industry Confederation (ITIC) is commissioning a research project to identify

the principal issues and to recommend strategies and actions that would lead to a greater regional dispersal of tourism expenditure.

## SECTION 3

### The Work of the Implementation Group

#### *Role of the Implementation Group*

- 3.1 The Minister for Arts, Sport and Tourism established the Tourism Action Plan Implementation Group in January 2004. The fundamental task of the Group is to monitor the implementation of the recommendations of the widely endorsed Tourism Policy Review Group Report, published in September 2003, to assess progress and to report to the Minister and the industry on that progress and on how any constraints that are found to be impeding that progress might be addressed. The terms of reference of the Group are set out in **Appendix A** and its membership in **Appendix B**.

#### *How the Group Approached their Task*

- 3.2 The Group held its first meeting on 5 February 2004 and has been meeting subsequently at monthly intervals. In addition, sub-groups held a number of representative meetings with individual bodies critical to the development of tourism both at Government and industry levels. The Group has consulted widely with key representative groups and enterprises associated with tourism in Ireland and with Government Departments and State Agencies whose policies and actions have a significant impact on the development of tourism in Ireland including:

- Irish Tourist Industry Confederation
- Aer Lingus
- Ryanair
- Irish Continental Group plc.
- Irish Hotels Federation
- Dublin Port Company
- Fáilte Ireland
- Tourism Ireland
- Department of Arts, Sport and Tourism
- Department of Communications, Marine and Natural Resources
- Department of the Environment, Heritage and Local Government
- Department of Finance
- Department of Transport

- 3.3 In meeting with the Irish Tourist Industry Confederation and the Tourism State Agencies, Fáilte Ireland and Tourism Ireland - to whom the majority of recommendations of the Review Group were addressed - the Group explored the extent to which they had advanced the action points for which they hold lead responsibility and, in particular, the strength of organisational commitment to the change agenda. The response of the industry representative bodies and the Tourism State Agencies has been strongly supportive.

- 3.4 In its work, and in line with its terms of reference, the Group has concentrated on the actions recommended in the Report of the Tourism Policy Review Group. In doing so it has:

- sought information on the scope and depth of commitment that has been made towards the implementation of the Review Group's recommendations by each of the bodies responsible for the actions;
- identified the actions where implementation is well advanced, those where further progress is required and those that represent key barriers to further development; and

- drawn up, following its consultations, a list of the ten priority actions which would most contribute to the continued successful development of the sector.
- 3.5 The Report of the Tourism Policy Review Group – *New Horizon for Irish Tourism: An Agenda for Action* - includes more than seventy recommended actions. These are categorised under the nine key drivers<sup>2</sup> of the future development of tourism in Ireland. The rationale, responsibility and proposed timeframe for each action is clearly set out in the Report. The current position on each action, on the basis of information provided by the bodies responsible, is summarised in **Appendix C** of this Report.

***Priority Actions for the Tourism Sector***

- 3.6 Arising out of its consultations with representatives of the tourism industry in Ireland and its own analyses of current and recent regional, national and international trends data, the Implementation Group has identified ten key areas where actions recommended in the Report of the Tourism Policy Review Group require to be prioritised at the present time. These ten priorities are:
- the restoration of greater competitiveness and value for money in Irish tourism;
  - the immediate renegotiation of the Ireland-US Bilateral Air Agreement to open up direct access to additional centres of population in the US by Irish based airlines serving the Irish market;
  - the provision of additional, competitive, fast turnaround terminal facilities at Dublin Airport to facilitate the development of more air services serving Irish tourism particularly from Mainland Europe;
  - the acceleration of arrangements to provide a National Conference Centre in Dublin;
  - further investment to address gaps in the Irish tourism product including the cultural infrastructure in Dublin and elsewhere;
  - the development of a new human resource development strategy for tourism including a strong management capability development programme for small and medium-sized (SMEs) tourism enterprises;
  - a new action plan to maintain and enhance Ireland’s share of outbound tourists from Britain;
  - greater commitment by Government Departments and State Agencies, other than those with direct responsibility for tourism, to support the development of tourism as an instrument of national and regional development;
  - the acceleration of arrangements to complete the National Roads Programme set out in the National Development Plan and to improve road signage on national and non-national routes;
  - further improvements in the information, research and intelligence available on tourism as a basis for better decision-making in tourism policy and its implementation and for promoting and facilitating business investment in the sector.

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<sup>2</sup> The nine key drivers of success for Irish tourism in the future are the business environment, competitiveness and value for money, access transport, information and communication technologies, product development and innovation, marketing and promotion, the people in tourism, the Government sector and information, intelligence and research.

The successful implementation of many of these key action areas would make a significant contribution to achieving a wider regional spread of visitor numbers and revenue in line with national policy objectives. The Implementation Group considers that the implementation of all of the recommendations of the Review Group relevant to broadening the scope for the promotion and development of tourism at regional level are of particular importance.

- 3.7 The Implementation Group wishes to point out that additional finance may well be required to fully implement a number of the priority actions identified in this section of the Report. However, any such additional funding should be viewed in the context of the wider economic returns from the further development of the tourism sector.
- 3.8 The following sections of this Report identify the key action areas, including the ten priority action areas outlined above, where good progress in their implementation has been made, action areas where further progress is required and action areas where the level of progress achieved represents a significant barrier to the development of Irish tourism and the achievement of the targets for the industry set out in the Report of the Tourism Policy Review Group.

## SECTION 4

### Action Areas of Good Progress

4.1 There are four action areas where good *initial* progress has been made in the implementation of the recommendations of the Tourism Policy Review Group. These are in the areas of:

- Government Commitment
- Industry Commitment
- Human Resource Development Strategy
- Tourism Information, Research and Intelligence.

#### ***Government Commitment***

4.2 The Government, collectively, and through its Ministers, Departments and Agencies, plays an essential and important role in the development of Irish tourism. It does this through its legislative, budgetary and regulatory activities which impact upon the entire investment climate for the industry and through its more direct activities in tourism policy-making and tourism promotion.

4.3 Good progress has been made in the implementation of the Tourism Policy Review Group's recommendations in this area:

- The Government, collectively, and in particular through the Minister for Arts, Sport and Tourism, have articulated a strong commitment to implementing the strategy and recommendations of the Review Group. This commitment is evident in the decision to establish an independent Implementation Group to monitor and report on the implementation process;
- The Tourism Division of the Department of Arts, Sport and Tourism has been restructured and strengthened to follow-through on the Review Group's Report and recommendations and to spearhead a wider and more effective Government approach to the development of tourism policy;
- A special project team has been established in the Department of Arts, Sport and Tourism to capitalise on the opportunities for tourism development that exist in promoting arts, sport and tourism as a cluster of mutually reinforcing activities;
- The Government have worked effectively to contribute to the reduction in inflation and insurance costs over the past twelve months—two of the areas of significance that have eroded the competitiveness of Irish tourism in recent years;
- The Tourism State Agencies, Fáilte Ireland and Tourism Ireland, have incorporated the recommendations of the Review Group on strategy and associated actions firmly within their business plans and have given strong support to the Implementation Group.

4.4 While good progress has been achieved in the area of Government commitment to the implementation of the Review Group's strategy and recommendations as outlined above, there is no ground for undue complacency in this respect. It does not appear that the role of tourism as a major source of national and regional wealth-creation, employment, foreign earnings and enterprise is as widely understood and acknowledged by Government Departments and Agencies generally, as is evidenced by

recent official reports in the economic and enterprise areas. The rates of increase in local authority charges, at a pace many times greater than the rate of general inflation, are a cause of concern because of their negative impact on the competitiveness of Irish tourism. The limited progress in addressing the problem of excise duties on alcoholic drink, which are among the highest in the EU, and the incidence of VAT on conference business that places Ireland at a considerable disadvantage compared with Britain and other countries, are further causes of concern.

### ***Industry Commitment***

4.5 Irish tourism is, demonstrably, the largest, indigenous, internationally-traded services sector. The industry through its key representative bodies, including the Irish Tourist Industry Confederation, the Irish Hotels Federation, the Irish Tour Operators Association, the Restaurants Association of Ireland and through many individual enterprises, has been strongly supportive of the strategy and recommendations of the Review Group and the work of the Implementation Group. This support is manifest in:

- the provision of secretariat resources to the Implementation Group;
- the hiring of additional staff and consultants by the Irish Tourist Industry Confederation and the Irish Hotels Federation to work on issues relating to the implementation of the strategy and recommendations of the Review Group;
- the engagement of both the Irish Tourist Industry Confederation and the Irish Hotels Federation in a number of joint working groups with Fáilte Ireland and Tourism Ireland to progress the recommendations of the Review Group in areas which include training, the promotion of e-commerce, joint public-private marketing initiatives, managing insurance costs, product development and information, research and development.

### ***Human Resource Development Strategy***

4.6 The ultimate determinant of the success of Irish tourism, as a key sector of enterprise opportunity and of economic and regional development, is the quality, professionalism and productivity of the people who work in the industry at all levels across its many segments.

4.7 The Review Group placed a particularly strong emphasis on the development of a comprehensive human resource development strategy including the establishment of a national recruitment strategy and the management of cultural diversity in an industry that is increasingly dependent on the international base of both employees and customers. Good initial progress has been achieved in implementing the recommendations of the Review Group in this area. In particular:

- Fáilte Ireland has identified the development of a human resource strategy for promoting the development of the tourism industry as a priority for the new organisation. A Steering Group with strong industry and professional training representation has been established to direct the preparation of the strategy with the objective of its completion by the end of 2004. Particular attention will be placed by Fáilte Ireland on the development of management capability in the SME ( Small and Medium Enterprises) sector of the industry following its consultations with the Implementation Group;

- A Tourism Careers Promotion Group had been established by Fáilte Ireland and chaired by the President of the Institute of Career Guidance Counsellors to prepare a national recruitment plan for the industry for completion in September 2004;
- Fáilte Ireland has also established a working group with representatives of the industry to develop, industry-wide, a guidance programme on how to manage the increasing cultural diversity that characterises both the employee and customer base of the tourism industry in Ireland.

4.8 The Implementation Group has noted that good initial progress has been made in the human resource development area. It notes that this progress, perhaps understandably at this early stage of the implementation process, covers mainly the formulation stages of the appropriate programme of action. The real challenge will be in ensuring that the programmes of specific actions now being formulated are well designed and adequately resourced to meet the practical needs and skill requirements of the different segments of the industry.

***Tourism Information, Research and Intelligence***

4.9 Good information, research and intelligence are essential foundations for effective policy formulation and implementation in tourism and in achieving adequate levels of private sector investment in the development of the industry.

4.10 In this area also good initial progress has been made in implementing the recommendations of the Review Group:

- Fáilte Ireland is nearing completion of the first stage in compiling a register of research based on the work of the Tourism State Agencies. The second phase will be extended to include the education/industry databank of research;
- The CSO is producing more extensive and timely tourism and travel related statistics;
- The preparation of "tourism satellite accounts" which show the contribution of tourism to national economic activity, in national account terms, is nearing completion and will be available later this year;
- The Department of Arts, Sport and Tourism will convene the proposed research advisory and coordination group when the register of research is available.

## SECTION 5

### Action Areas Requiring Further Progress

- 5.1 There are a number of key areas where progress has been made in the implementation of the strategy and recommendations of the Review Group but where the Implementation Group believes that further progress is required or the timeframe originally envisaged for implementation has not been met. These areas include:
- Actions to maintain and enhance Ireland's share of outbound tourism from Britain and other overseas markets;
  - Actions to accelerate the provision of a National Conference Centre in Dublin;
  - Actions to close gaps in the range and quality of the overall tourism product in Ireland;
  - Actions to accelerate and complete the National Roads and Signposting Programmes.

#### *Maintaining and Enhancing Ireland's Share of Outbound Tourism from Britain and Other Overseas Markets through Marketing and Promotion*

- 5.2 The marketing and promotion activities of tourism enterprises and of the Tourism State Agencies, particularly Tourism Ireland and Fáilte Ireland, play a major role in supporting employment and wealth-creation within the sector. Britain, the US, and Mainland Europe are the key overseas tourism markets for Ireland. British tourists, as already noted, account for some fifty-eight per cent of overseas visitors and for forty-one per cent of foreign earnings from overseas tourists to Ireland. It is by far the most important market for Irish tourism. Maintaining a strong presence and share in that market is absolutely fundamental to a profitable and expanding tourism industry in Ireland and its regions.
- 5.3 Good initial progress has been made in the ten action areas recommended by the Review Group, under the marketing and promotion heading, including:
- The largest ever level of funding was allocated by the Minister for Arts, Sport and Tourism for marketing purposes to Tourism Ireland and Fáilte Ireland for the year 2004. This level of commitment is matched by significant expenditure by tourism enterprises on marketing activities;
  - Sixty two per cent (62%) of the marketing budget of Tourism Ireland for 2004 has been allocated to the British and US markets. This includes funding for joint cooperative marketing projects with tourism industry partners, including sea-carriers operating between Ireland and Britain to encourage tourists to bring their own cars;
  - A significant number of new Mainland European air routes were launched in 2004. Tourism Ireland has, through cooperative marketing arrangements, supported those routes with good inbound tourism potential which are contributing to an overall increase of 17% in European seat capacity this summer;
  - A fundamental review of marketing and promotion in key Mainland European markets by Tourism Ireland is underway including consultation with industry on the appropriate strategic response to the initial findings;

- A series of all-island (North-South) promotional programmes for 2004 encompassing clusters of complementary products are under way and more are planned by Tourism Ireland;
- Tourism Ireland has created a specialist e-Marketing Unit within its organisation and has upgraded and extended significantly the e-marketing of Irish tourism in close cooperation with the industry - which, in addition, has benefited from a range of e-commerce training courses provided by Fáilte Ireland;
- A great deal of data to facilitate market share analysis has been completed by Tourism Ireland and Fáilte Ireland and this analysis is being used in consultation with the Department of Arts, Sport and Tourism to shape the business plans of the Agencies with the aim of maintaining and enhancing Ireland's share of outbound tourism from its main overseas markets.

5.4 While satisfactory initial progress has been achieved in implementing the strategy and recommendations of the Review Group in the area of marketing and promotion, as outlined above, it remains a cause of concern that, despite this effort, there has been little or no increase in visitors from the British market in the first half of 2004, particularly in the case of those bringing their own cars - who are of major importance in achieving a good regional spread of tourism visitors and expenditure. For this reason, the Implementation Group has adjudged overall marketing and promotional effort as only partially successful in terms of results achieved. In doing so, the Implementation Group recognises that maintaining and enhancing Ireland's share of the British outbound tourist market is not simply a marketing and promotion issue. It is also determined by a range of other issues including competitiveness, value for money, product innovation, the quality, frequency and price of air and sea access and other factors that define the Irish tourism experience. Because the British market, which is so significant as a source market for Irish tourism, has been changing so fundamentally in recent years, Tourism Ireland is undertaking a major review of the market, in partnership with the industry. The first phase of the review will be finalised in September and the final report and recommendations will be completed by the end of 2004. The Implementation Group strongly commends this initiative.

#### *National Conference Centre*

5.5 The absence of a National Conference Centre in Dublin is a significant impediment to the attraction of major conference events to Ireland with their potential to add significantly to visitor numbers and expenditure not alone in the Dublin area but more widely in Ireland. The announcement in June, 2003 by the Minister for Arts, Sport and Tourism that the Government had agreed in principle to the provision of a National Conference Centre by way of a leasing, or other, arrangement through an open competitive procurement process was a significant development towards realising one of Ireland's long-standing national tourism objectives. The Implementation Group welcomes the Government commitment to providing such a centre in partnership with the private sector.

5.6 The Implementation Group has been informed that much work has been done since the Government announcement in progressing the competitive procurement process, which by its nature is necessarily complex and time-consuming. The closing date for receipt of expressions of interest was 21<sup>st</sup> January, 2004 and four such expressions of interest were received by that date, of which three have been short listed for further assessment.

- 5.7 Because of the procedural requirements of the PPP (Public Private Partnership) process and the development of the detailed design and contract documentation, the successful private sector partner is not now likely to be chosen before the end of 2004 - more than 6 months later than had been originally anticipated by the Review Group. While welcoming the overall progress made, the Implementation Group has concerns that momentum should not be lost at this point in relation to an essential tourism infrastructure project that has been under consideration for many years. It therefore is strongly of the view that the procurement process currently under way between the Government and private sector interests should be completed as early as possible.

#### ***Closing Gaps in Tourism Product***

- 5.8 Ireland's overall tourism product is based on the three pillar concepts of people, place and culture. The product offering to tourists in each of these three areas requires constant renewal, upgrading and innovation to maintain the overall competitiveness of the sector with that of alternative locations in other countries. Sustaining high levels of environmental sensitivity in relation to the tourism product is also required. The Implementation Group has been informed of, and supports the proposal by Fáilte Ireland to undertake in the autumn a strategic review of the existing tourism product portfolio in order to guide future development. The Tourism Policy Review Group identified some fifteen action areas to address these issues. Progress in the implementation of these recommendations has been mixed with good progress on some and unsatisfactory progress on others.

- 5.9 Key areas where good progress has been made include:

- The closing date for the availability of tax incentives for investment in hotels in the course of development has been extended to 2006 providing the industry with a generous transitional period to get investment projects in place;
- The commitment to discussions between tourism industry interests and the Revenue Commissioners to establish the extent to which expenditure in existing premises will qualify for write-off/ depreciation over an eight year period for tax purposes;
- Fáilte Ireland is in the process of developing a new scheme to support the undertaking of feasibility studies by enterprises into innovative tourism products. Such a scheme is being piloted at present, in the Mid-West Region, by Shannon Development. This scheme requires to be fast-tracked to finalisation and operation;
- Two pilot schemes on the promotion of product clusters in North Clare/East Galway and East Cork/Waterford are being developed by the Irish Tour Operators Association (ITOA) in conjunction with Fáilte Ireland and the Regional Tourism Authorities (RTAs);
- Since November 2003, the Tourism Product Management Board has approved funding of more than €25 million for some thirty tourism projects, encompassing Major Attractors, Clusters of Existing Attractions, and Special Interest Pursuits, and involving a total proposed investment of €50 million;
- Discussions are underway with UNESCO to identify further sites for designation as UNESCO world heritage sites.

#### 5.10 Progress is less satisfactory in the following areas:

- While some progress has been made in advancing the recommendation for a new and mandatory classification system for hotels and guesthouses, including the competitor benchmarking of alternative classification systems and discussions with the Irish Hotels Federation, more needs to be done. The current system was designed over twelve years ago. Since then significant changes have taken place in tourism investment in Ireland and internationally which require to be reflected in a new classification system. A new system can make a major contribution to upgrading the quality of product and services in Irish hotels and guesthouses. However, the process of finalising a scheme, which undoubtedly involves complex issues, appears unduly long and should be accelerated jointly by Fáilte Ireland and the Irish Hotels Federation;
- Actions to narrow the gap in cultural and artistic infrastructure between Dublin and other capital cities include the redevelopment of the Abbey Theatre and the relocation/redevelopment of the National Concert Hall. The Implementation Group has been informed by the Department of Arts, Sport and Tourism that the issues involved are far from straightforward and the costs involved are significant. It has been advised that the Department is currently giving priority consideration to a range of options in relation to the development of these projects with a view to obtaining Government decisions on both projects at an early date. The Implementation Group urges the Department to bring its work to finalisation with a view to filling these important infrastructural gaps at the earliest possible date;
- The Review Group proposed that clear guidelines and codes of practice on rights of access for visitors to the countryside be developed and that the legal position in relation to public liability relating to such access be clarified by the start of the main tourism season in 2004. This is also a complex area that is being examined by the Department of Community, Rural and Gaeltacht Affairs. However, uncertainty about these matters is an increasing problem in promoting countryside based recreational tourism, for both domestic and overseas holidaymakers. The progress achieved to date in addressing the issues involved is unsatisfactory.

#### ***National Roads Programme and Signposting***

5.11 The national, regional and local roads network is of fundamental importance in providing access for visitors, from home and abroad, to Ireland's diverse tourism product and in facilitating a balanced spread of tourism visitors and revenue, together with their associated employment and development opportunities. In addition, signposting has been identified in successive *Visitor Attitudes Surveys* as an area of dissatisfaction for visitors.

5.12 The roads investment programme set out in the National Development Plan 2000–2006 is comprehensive and ambitious. Its early completion is of major importance to tourism as it is to other sectors of the economy. In formulating the programme, the priorities identified by the Department of Arts, Sport and Tourism, and the Tourism State Agencies were acknowledged. Clearly, a significant upgrading of the roads system has taken place since the programme was introduced, with good progress on key

inter-urban routes including Dublin – Belfast and Dublin – Cork. But this progress requires to be measured against need, plan and budget. The programme has fallen behind in meeting overall completion targets for a number of reasons including planning objections and delays, the "learning curve" that applied to the National Roads Authority and the Local Authorities in rolling out an unprecedented level of investment in roads and cost escalation. Nevertheless, the slippage that has occurred in the implementation of the National Roads Programme is a significant negative factor in promoting tourism at national and regional levels. As regards signposting, a new 5-year Signposting Programme for Non-National Roads commenced in 2003 and, within this Programme, tourism routes need to be prioritised. Efforts should also be intensified to ensure that tourism priorities are adequately reflected in the non-national roads programme.

## SECTION 6

### **Irish Tourism: Key Barriers to Development**

- 6.1 The international competitive environment for tourism has been difficult since 2000. The downturn has coincided with a period of high inflation in Ireland generally, including in the tourism sector, which has exacerbated the difficult market conditions. Unlike other internationally-traded sectors in Ireland, however, cost escalation in the tourism industry has not, to any significant extent, been offset by productivity increases so that the price competitiveness of the industry has deteriorated at the same time as market conditions have worsened. This combination of factors means that the impact of issues which constrain the development of Irish tourism or reduce its potential for growth are magnified. In this section of the Report a number of such constraining issues are identified.
- 6.2 At the present time, the most serious barriers or impediments to the development of Irish tourism include:
- the competitiveness and value for money of Ireland's tourism products and reports from the industry of only marginal improvement in profitability - and none in some sectors;
  - slow progress in the renegotiation of the Ireland-US Bilateral Air Agreement;
  - the lack of progress in the provision of additional, competitive, fast turnaround terminal facilities at Dublin Airport;
  - slow progress in removing the increasing uncertainty about access to the countryside and the development of national guidelines and a code of practice on such access;
  - the absence of a National Conference Centre in Dublin;
  - the redevelopment of the Abbey Theatre and the National Concert Hall to narrow the gap in cultural and artistic infrastructure between Dublin and other capital cities in Europe;
  - changing consumer and market trends and associated loss in share of the British outbound market in recent years which make the attraction of increased visitor numbers to Ireland more challenging.

#### ***Value for Money***

- 6.3 Value for money is an essential foundation for all international competing industries seeking to hold and expand their share of the markets in which they compete. It is particularly important in tourism where repeat business on the basis of "brand loyalty" is not a strong, widespread feature of the industry. Any deficiencies in value for money in the industry is increasingly transparent through the direct experience of both domestic and overseas customers, through the increasing availability to tourists of comparative data on prices and value for money from the internet and other sources and through the increasing pro-active commentary of consumer groups and the media on these issues.
- 6.4 The Review Group highlighted a wide range of actions required to address the clear deterioration in the customer perception of the value for money available within Irish

tourism in recent years. The detailed Progress Report on the implementation of the recommended actions to date is set out at Appendix C. It indicates a good deal of positive progress on a range of relevant actions. These include a widespread acknowledgement by the tourism industry itself of the challenge it faces in restoring competitiveness and the positive steps being taken by many tourist enterprises to offer better value for money, the success in reducing both inflation and the rate of increase in insurance premia and the many other steps which have been taken by the industry and by the Government to contain the cost base facing tourism enterprises.

- 6.5 Strong areas of concern remain, however, in relation to the competitiveness and value for money available in wide segments of Irish tourism. Customer perception of any progress in this area remains low. The latest Fáilte Ireland *Visitor Attitudes Survey* has confirmed the increasing rates of dissatisfaction with all round value for money. In 2003 some 62% of overseas visitors were not very satisfied with the value for money they obtained. This is up from the 55% who expressed dissatisfaction the previous year. Such poor customer perceptions are not helped by opportunistic price increases by certain elements of the tourism and hospitality industry during special sporting and other entertainment events that attract high visitor numbers.
- 6.6 The underlying causes of the deterioration in competitiveness and value for money in Irish tourism will not be rectified overnight. Negative customer perceptions, once they become ingrained, take time and sustained effort to change, even beyond the rectification of the underlying factors themselves. Many of these factors such as general national high price levels, high relative rates of inflation, high real estate costs, high - even abnormal - escalation of costs facing tourism enterprises in areas such as insurance and high rates of increase in local Government charges, lie outside the direct control of the tourism industry itself. But many such factors remain within its control. Sustained efforts to address the issues that have undermined competitiveness within both the industry itself and within the Government sector, along the lines of the Review Group's recommended actions, are essential. In the meantime, the current perception of competitiveness and value for money in Irish tourism remains a significant barrier to its further development and expansion.
- 6.7 Recent reports from the tourism industry on performance, such as the Tourism Barometer compiled by Fáilte Ireland, have reported little or no growth in business in many regions outside the established tourist areas and in certain sectors and, for example, the hotel industry reported only marginal improvement in profitability in 2003. For a developed economy like Ireland, productivity improvements are the key to future growth potential. Generally speaking, improvements in productivity are realised at individual enterprise level and the compilation of data to accurately assess productivity trends could have a positive effect on enabling tourism enterprises to achieve higher productivity growth.

#### ***Ireland–US Bilateral Air Agreement***

- 6.8 Direct access for Irish-based airlines to additional airports strategically serving large areas of population in the US would provide a powerful stimulus to increasing tourist numbers from the US to Ireland. This requires the renegotiation of the current Ireland-US Bilateral Air Agreement. The Department of Transport fully understands and is supportive of the needs of tourism in this area. However, lack of progress in achieving a new Ireland-US Bilateral Air Agreement this year represents a missed opportunity for stimulating immediate and significant tourism growth from a market source with

proven potential for Ireland. It has not been helped by the failure to make progress in recent months on a new EU–US "Open Skies" aviation agreement. The Implementation Group understands that within such a framework agreement, acceptable bilateral arrangements in respect of the phasing out of the Shannon stop requirement, coupled with the opening up of new U.S. gateways, could have been negotiated. The lack of progress in these areas remains a major concern and a serious barrier to achieving the full potential for growth of US tourists to Ireland.

#### ***Dublin Airport Terminal Facilities***

- 6.9 The tourism industry requires additional, competitive, fast turnaround terminal facilities at Dublin Airport. This essential infrastructure is required to facilitate a faster turnaround of aircraft and to enhance the capacity of the airport to secure an increase in the number of visitors, particularly from Mainland Europe. There is widespread consensus that clear plans and timeframes for these facilities are urgently needed if the ambitious targets for growth in Irish tourism, set by the Review Group, are to be achieved. However, progress in putting them into place has been delayed pending progress on the proposed restructuring of Aer Rianta, which is designed to develop the potential for additional services to and from Shannon and Cork Airports. This delay is a serious barrier to the development of tourism. While the issues that require to be addressed in such a restructuring are clearly complex these should not, in themselves, be allowed to delay further essential decisions on the capital investments required at Dublin Airport to meet the needs of airlines in a position to develop the tourism potential of European markets, building on the significant development of new routes in recent years.

#### ***Countryside Access***

- 6.10 The beauty and diversity of the Irish countryside is a major attraction for both domestic and overseas tourists. Traditionally, access to the countryside for visitors has not been a difficulty. This has changed in recent years with increased levels of visitor numbers, some failures on the part of visitors to respect good practice in undertaking leisure use in the countryside, changes in traditional methods of farming and uncertainty in relation to the public liability position of visitors and land-owners. The closure of certain traditional areas of access and a number of confrontations between landowners and leisure-use visitors to the countryside have been highlighted in the media. Negative publicity and perceptions have been generated in relation to the traditionally strong components of Ireland's overall tourism product - beautiful countryside with ease of access, friendly people and a relaxed pace of life. The negative impact extends beyond those visitors or potential visitors who wish to avail of access to the countryside. The issues involved are complex and are under consideration by the Department of Community, Rural and Gaeltacht Affairs. However, a resolution to the current difficulties has yet to be identified and they remain a further barrier to the development of Irish tourism.

#### ***Other Impediments to Tourism Development***

- 6.11 A number of other impediments to the development of Irish tourism are discussed in the section of this Report dealing with areas requiring further progress in advancing the implementation of the recommendations of the Review Group. These include:
- the absence of a National Conference Centre in Dublin;

- the redevelopment of the Abbey Theatre and the National Concert Hall to narrow the gap in cultural and artistic infrastructure between Dublin and other capital cities of Europe, and;
- changing consumer and market trends and associated loss in share of the British outbound market in recent years which, if it becomes ingrained, will have major long-term, negative implications for Irish tourism.

## SECTION 7

### Overview of Progress and Next Steps

#### *Overview of Progress*

- 7.1 This is the first Report of the Implementation Group established by the Minister for Arts, Sport and Tourism to consider and report on progress in the implementation of the strategy and actions recommended by the Tourism Policy Review Group in their Report, *New Horizon for Irish Tourism: An Agenda for Action*.
- 7.2 Overall the initial progress in the implementation process has been good with strong commitment and support from the tourism industry and the Government to the strategy and recommendations of the Review Group. Inevitably, progress in advancing some of the recommended actions has been more or less satisfactory than others - as highlighted in Sections 4, 5 and 6 of this Report. They are described in more detail in the schedule at Appendix C which sets out progress achieved up to mid-2004. In general, it can be said that the areas where progress is most advanced lie in those relating to administrative and coordinating activities as the key actors gear up to implement the new strategy. The areas where progress is least advanced lie in the more specific areas of what can be termed the "real economy". Significant barriers to the development of Irish tourism remain as outlined in Section 6. Progress in removing these barriers is essential if the ambitious targets set by the Review Group for the development and growth of the industry are to be achieved.

#### *Next Steps*

- 7.3 The Implementation Group will continue its work over the remainder of the period of the initial Action Plan. It will continue over the next six months to meet at monthly intervals and to encourage, through regular consultations, the relevant Government Departments, State Agencies and industry representative groups to progress the implementation of the recommended actions in the Report of the Review Group. The Group will also monitor the work of the independent steering group established by Fáilte Ireland to develop a human resource development strategy for the tourism industry.
- 7.4 In November 2004 the Implementation Group will convene a Forum, in conjunction with the Department of Arts, Sport and Tourism, Fáilte Ireland and Tourism Ireland, to report progress on the implementation of the strategy and recommendations of the Review Group some twelve months after its report was published and disseminated. The Forum will provide an opportunity for the tourism industry itself to reflect and put forward its views on the progress made in advancing the development of the industry over the previous year. It will also help to identify the actions that require to be prioritised by both the industry itself and by the Government, in order to underpin the future development of an industry that has been a major sector of enterprise, employment and wealth-creation for Ireland and its regions.

**Terms of Reference for the  
Tourism Action Plan Implementation Group**

Having regard to the new strategy for Irish tourism over the period 2003 to 2012, as set out in ***New Horizons for Irish Tourism; An Agenda for Action*** (September 2003) and in order to drive forward and give best effect to the implementation of the first *rolling action plan*, the terms of reference for the Implementation Group are

- to advise the Minister for Arts, Sport and Tourism, John O'Donoghue, T.D., on the implementation on the Tourism Action Plan 2003-2005
- to publish a report on its work, results and deliberations at six-monthly intervals
- to sit for a period up to the end of 2005

and, in that context,

- capitalise on the current impetus for change and modernisation within both the public and private sectors, ensuring that the Action Plan is seen as an integrated set of actions requiring a co-ordinated and partnership approach, across Departments, agencies and industry, towards implementation
- discuss with lead actors their operational plans for, and commitments to, the implementation of actions falling within their remit including effectiveness indicators against which performance will be measured
- highlight any constraints to progress and recommend how they might be addressed and by whom
- recommend any changes that should be made to the Action Plan in the light of experience as it is rolled out

and also

- to contribute to the evaluation of the tourism strategy in autumn 2005 (or earlier if the tourism environment proves to be more volatile than anticipated) – this step to be a major milestone in the ongoing review process which will be an inherent element of the development process for the industry going forward.

**Members of the Implementation Group**

The membership of the Implementation Group is as follows:

John Travers (Chairman)	former Chief Executive of Forfás, also chaired the Interim Board of the National Tourism Development Authority and the Tourism Policy Review Group
Philip Furlong	Secretary General, Department of Arts, Sport and Tourism
Jim Murphy	Managing Director, Prem Group and former President of the Irish Hotels Federation
Michael O'Donoghue	Managing Director, O'Donoghue/Ring Hotels
Eileen O'Mara Walsh	O'Mara Travel and former Chairperson of the Irish Tourist Industry Confederation
Raymond Rooney	Managing Director, Rooney Auctioneers Ltd
Paul Tansey	Economist

<u>Strategic Success Driver 1</u>	Business Environment			
<u>Objective</u>	To facilitate the development of the tourism industry through a range of tourism-supportive Government macroeconomic and other policies that enhance the business environment and encourage investment			
<u>Rationale</u>	The ultimate determinant of success in Irish tourism will be an energetic, innovative and profitable private sector operating within a domestic environment where Government policies and actions are supportive of business investment in tourism.			
	<b>Actions</b>	<b>Milestones/Timeframe</b>		
	<p><b>1.1 Government Commitment:</b> Strengthen Government commitment to creating and maintaining a positive legislative, budgetary and regulatory environment for tourism investment and development by</p> <ul style="list-style-type: none"> <li>• a stronger and more frequent acknowledgement of tourism as an important, highly-valued instrument of national and regional development policy</li> <li>• a redefinition of tourism policy to encompass not only the traditional role and functions of the "Department of Tourism" and the Tourism State Agencies but, in addition, all areas of Government policy and actions that impact in a significant manner on the development of tourism</li> <li>• establishing a stronger analytical and resource base within the Department of Arts, Sport and Tourism, to monitor, influence and shape developments, in conjunction with the Tourism State Agencies, across the wider arena of Government policy that significantly affects tourism.</li> </ul>	<p>Immediate and ongoing</p> <p>The Report of the Tourism Policy Review Group was well received by Government and was launched publicly by the Minister for Arts, Sport and Tourism on 30 September 2003. The Government agreed that individual Departments should engage in consultations on the actions recommended by the Review Group that have implications for them.</p> <p>The Minister for Arts, Sport and Tourism appointed a high-level Group in January 2004 to oversee the implementation of the first two-year Tourism Action Plan. The Tourism Division of the Department has been re-structured with the establishment and resourcing of a new Impact Assessment Unit which is providing the secretariat to the Implementation Group with the support of the Tourism State Agencies and the Irish Tourist Industry Confederation (ITIC).</p> <p>The Department of Arts, Sport and Tourism is using the Implementation Group consultation process, together with its own membership of inter-Departmental Working Groups and consultative fora, as a mechanism for more effective interaction with other Departments whose policies impact on tourism. This process has started well with a particularly productive dialogue developing with the Departments of Transport and Finance during the first six months of the Plan.</p> <p>The Department of Arts, Sport and Tourism has also made a number of contributions to draft submissions to Government on issues that impact on tourism (e.g. White Paper on Regulation, insurance reform, waste management, housing guidelines, the transport reform agenda) with a view to influencing the wider agenda in favour of tourism development. It has also been</p>		
	<table border="1"> <tr> <td><u>Lead Role</u></td> <td>Government/Department of Arts, Sport and Tourism</td> </tr> </table>	<u>Lead Role</u>	Government/Department of Arts, Sport and Tourism	
<u>Lead Role</u>	Government/Department of Arts, Sport and Tourism			

		<p>agreed that the Department of Arts, Sport and Tourism will attend and participate at future meetings of the National Competitiveness Council.</p> <p>Following submissions by the Department and the tourism industry, the Enterprise Strategy Group, in its report "Ahead of the Curve", published in July 2004, confirmed tourism as a sector of enterprise of specific opportunity for Ireland and endorsed the new tourism strategy as recommended in the Report of the Tourism Policy Review Group.</p> <p>In a further initiative to heighten awareness of the importance of Irish tourism, the Department agreed to undergo a written and oral review process by the OECD Tourism Committee of Ireland's tourism policy, in June 2004. The Committee endorsed the new strategy for tourism development set out in the Report of the Tourism Policy Review Group. It regarded the efforts to promote and support the provision of a "tourism experience" that exceeds customer expectations as "an exemplary approach" to rejuvenate Irish tourism business models. The Committee urged Ireland to keep up its efforts for the recovery of competitiveness, continue to recognise the importance of human resources development, training and education in acquiring competitive edge, increase research work on tourism economics and further support the building of networks/clusters.</p>		
<p><b>1.2 Competition:</b> Strongly support competition, or pro-competition regulation where market competition does not operate, in the case of both private and public sector activities that affect tourism - including the hospitality sector, access transport carriers and infrastructure (ports and airports) and internal transport services.</p> <table border="1" data-bbox="192 1082 981 1137"> <tr> <td data-bbox="192 1082 338 1137"><u>Lead Role</u></td> <td data-bbox="338 1082 981 1137">Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies	<p>Immediate and ongoing</p>	<p>The Department of Arts, Sport and Tourism has been strongly supporting Government measures to introduce a greater level of competition in the provision of private and public services, in particular in the case of those that impact on tourism. Specific areas include the insurance reform agenda which seeks to lower premiums and the transport reform agenda which is designed to bring about more competition in the provision of airport infrastructure, air services, internal transport services and taxis.</p>
<u>Lead Role</u>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies			

<p>1.3 <b>Inflation:</b> Take resolute action to maintain recent progress to bring inflation and tourism prices down to the eurozone average and below through</p> <ul style="list-style-type: none"> <li>• the full implementation by all the social partners of the provisions relating to pay, productivity and the facilitation of change in the workplace contained in the Social Partnership Agreement 2003-2005 —<i>Sustaining Progress</i>, as well as the Agreement's anti-inflation initiative</li> <li>• Government commitment to an inflation target benchmarked to the eurozone average rate</li> <li>• maintaining any increases in charges for Government services below the general rate of inflation</li> <li>• avoiding further increases in excise duties and VAT in Budget 2004.</li> </ul>	<p>Immediate and ongoing</p>	<p>There has been a significant improvement in Ireland's overall inflation rate. Averaging 3.5% in 2003, the annual inflation rate fell to 1.3% in March 2004—the lowest level since the beginning of monetary union—before rising again over the following four months to reach 2.7% in July 2004. The annual rate of inflation for Services was 4% in July 2004. Ireland's inflation rate, which was at the top of the eurozone league in 2003, is now only slightly above the eurozone average.</p> <p>While the reduction in the inflation rate is to be welcomed, the overall level of prices and costs in Ireland remains high as evidenced in many international surveys and statistics. In 2003, Ireland's labour competitiveness position worsened as wages and salaries per head increased by 5.1% compared with 2.6% in the eurozone area. Prices for certain Government and Local Government services have also increased well ahead of general inflation rates. This continues to highlight the need to moderate costs and prices in order to address concerns relating to competitiveness and value for money for tourism services.</p> <p>The Anti-Inflation Initiative Group is co-ordinating activities in line with the "<i>Sustaining Progress</i>" commitment, on public sector modernisation and expenditure controls, increasing competition, support for small businesses, fiscal and budgetary policy and consumer price awareness. The Group submitted its first formal report to Government in November 2003. Recent action on foot of the report includes the major Government-funded campaign—"Price Awareness Pays"—overseen by the Office of the Director of Consumer Affairs.</p> <p>There were limited changes to indirect taxes in Budget 2004 and systems are in place, as set out below, to ensure that tourism concerns are taken into account in the budgetary process.</p>
<table border="1"> <tr> <td data-bbox="190 767 331 799"><b>Lead Role</b></td> <td data-bbox="331 767 981 799">Government/Department of Finance</td> </tr> </table>		
<b>Lead Role</b>	Government/Department of Finance	

1.4 **Taxation:** While company and personal taxation rates in Ireland are generally competitive and the narrow base of taxation in Ireland and EU State Aid Rules constrain Government action in this area, nevertheless, within that framework a number of actions should be taken

- promote reinvestment in maintaining the capital stock in Irish tourism at high standards through use of the accelerated write-offs already available for plant and machinery
- establish and publish annually information on investment in tourism facilities undertaken with the aid of capital allowances and other tax reliefs in order to monitor and assess investment in maintaining the quality of Ireland's tourism stock
- bring indirect taxation levels on key tourism-related consumables down to average eurozone levels – focussing initially on the high excise duties on wine.

<u>Lead</u> <u>Role</u>	Fáilte Ireland/Revenue Commissioners/Tourism Industry Representative Bodies/Department of Finance
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Immediate and ongoing

First Investment Report published in 2004

From Budget 2004 and ongoing

The tourism accommodation sector has benefited in the past from generous tax incentives, in particular favourable treatment in respect of capital allowances. The 7-year capital allowance regime for investment in hotel projects as well as a number of other property-based reliefs were ended as a result of Budget 2003, as part of the policy of widening the tax base while keeping direct tax rates low. In response to concerns expressed by the industry, generous transitional arrangements, for the relief to apply in full, have been put in place for certain projects in the course of development provided expenditure is completed by end July 2006. Thereafter the annual write-off for hotels will be 4% per annum for 25 years—in line with that for industrial buildings.

Under general taxation rules, expenditure that qualifies as current expenditure is tax deductible in the current year, whereas plant and machinery qualifies for 8 year capital allowances. Much expenditure in existing premises should be able to qualify under these categories. The tourism industry associations will be meeting the Revenue Commissioners to clarify the position in relation to various expenditure items.

The Minister for Finance announced in May 2004 that revenue tax returns would be amended to allow for the collection of certain data in respect of the tax foregone under particular schemes—the information to be available in 2006. Fáilte Ireland has commissioned consultants to report, in the autumn, on investment data in tourism facilities.

The Irish Tourist Industry Confederation (ITIC), the Irish Hotels Federation (IHF) and the Irish Tour Operators Association (ITOA) have commissioned consultants to examine the case for a range of tax-related issues. These include a reduction in VAT rates on tourism services and allowing the refund of VAT on corporate hotel and restaurant expenses in order to promote business and conference tourism and improve our competitive position with other European countries in this important market niche.

There were limited changes to indirect taxes in Budget 2004. Systems have been put in place to ensure that tourism concerns are taken into account in the budgetary process through the Tax Strategy Group and in bilateral consultations with officials in the Department of Finance.

There was no increase in VAT or excise duties on alcohol in Budget 2004.

		<p>The Department of Finance has pointed out that there has been no increase in excise duties on wine or beer since 1994 and, as a flat rate tax, its real value has declined significantly as a percentage of sales prices in recent years. The absence of tax increases on alcohol in Budget 2004 and the increased awareness on the part of the Department of Finance of the potential adverse impact on tourism of any upward adjustment in such rates is welcomed by the Implementation Group. However, there is still concern, in the tourism sector, about the high levels of taxation on the cost of eating out and drink prices in Ireland compared with other European countries. Ireland has the highest rate of excise duty on wine and virtually the highest rate on spirits among the original 15 EU Member States.</p>				
<p>1.5 <b>Insurance:</b> Address the factors generating the high absolute levels of, and high rates of increase in, insurance costs for tourism enterprises through</p> <ul style="list-style-type: none"> <li>the acceleration of the Government's Insurance Reform Programme, in particular the establishment of the Personal Injuries Assessment Board on a statutory basis</li> <li>the consideration of the particular impact on tourism of insurance increases in the analysis/report on the insurance sector being prepared at present by the Competition Authority</li> <li>the consideration of the scope for co-operative action by the tourism industry in areas such as the management of claims, health and safety measures and self-insurance.</li> </ul> <table border="1" data-bbox="192 1070 981 1157"> <tr> <td><u>Lead</u></td> <td>Department of Enterprise, Trade and Employment/Competition Authority/Tourism Industry Representative Bodies</td> </tr> <tr> <td><u>Role</u></td> <td></td> </tr> </table>	<u>Lead</u>	Department of Enterprise, Trade and Employment/Competition Authority/Tourism Industry Representative Bodies	<u>Role</u>		<p>Reduction in insurance charges levied from 2004</p> <p>By end 2003</p> <p>Immediate</p>	<p>Good progress is being made in implementing the Government's Insurance Reform Programme and there has already been some downward movement in motor insurance premia in the order of 10% to 15%, with more reductions in the pipeline. Tourism industry groups are also reporting evidence of reductions in insurance premia for employer's liability and public liability insurance.</p> <p>In June 2004, the Personal Injuries Assessment Board (PIAB), which has been established on a statutory basis, began to deal with employer liability cases. From the end of July, all personal injury claims (including those arising from public liability and motor accidents) must be referred to PIAB before legal proceedings are initiated. The Civil Liability and Courts legislation, enacted at the end of July 2004, has been designed to reduce the time taken and the costs involved in personal injuries cases. It should lead to a clamp down on fraudulent claims and result in an easing of the insurance burden on the business sector.</p> <p>The Competition Authority published a preliminary report and consultation document on competition issues in the non-life insurance market in February 2004. A final report containing recommendations resulting from its findings will be published later.</p>
<u>Lead</u>	Department of Enterprise, Trade and Employment/Competition Authority/Tourism Industry Representative Bodies					
<u>Role</u>						

		<p>The Fáilte Ireland/Irish Hotels Federation/Marsh Initiative has been underway since October 2003 with a view to identifying the scope for reduced premia through group business and greater pooled information on claims experience. A number of other industry representative groups are taking their own initiatives and actions to address the high cost of insurance.</p>		
<p>1.6 <b>Infrastructure:</b> Accelerate the completion of key elements of tourism related infrastructure including</p> <ul style="list-style-type: none"> <li>• National Conference Centre (Strategic Success Driver 5 also refers)</li> <li>• National Sports Stadium (Strategic Success Driver 5 also refers)</li> <li>• National Roads Programme, in particular the early completion of the Dublin M50 orbital route and the route network around international air and sea access points and routes/centres of high tourism demand (e.g. Kerry, Connemara and the mid-West) including regional and inter-regional access to Shannon Airport (Strategic Success Driver 3 also refers)</li> <li>• National and Regional Road Signposting Programmes (Strategic Success Driver 3 also refers).</li> </ul> <table border="1" data-bbox="192 799 981 885"> <tr> <td><u>Lead Role</u></td> <td>Department of Arts, Sport and Tourism/Department of Transport/Department of Environment, Heritage and Local Government</td> </tr> </table>	<u>Lead Role</u>	Department of Arts, Sport and Tourism/Department of Transport/Department of Environment, Heritage and Local Government	<p>See later Actions for details</p>	<p>Details of progress in implementing the key elements of tourism-related infrastructure are set out later in this Appendix.</p>
<u>Lead Role</u>	Department of Arts, Sport and Tourism/Department of Transport/Department of Environment, Heritage and Local Government			
<p>1.7 <b>Regional Infrastructural Priorities:</b> Update the audit of the tourism-related infrastructural needs of each of the regional tourism authority areas and prioritise the key actions required to bridge the gaps for submission to the relevant Department/agency.</p> <table border="1" data-bbox="192 1015 981 1045"> <tr> <td><b>Lead Role</b></td> <td>Regional Tourism Authorities/ Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Regional Tourism Authorities/ Fáilte Ireland	<p>Immediate and ongoing</p>	<p>The Regional Tourism Authorities have been asked to undertake an audit of tourist related infrastructure needs, in particular in the roads and signposting areas, in order to help prioritise key actions needed. These will be available as an input to infrastructural expenditure planning for 2005.</p>
<b>Lead Role</b>	Regional Tourism Authorities/ Fáilte Ireland			

<p><b>1.8 Tourism State Agencies – Business Plans:</b> In order to facilitate investment in tourism and tourism related bodies from a number of sources in the private and public sectors, Fáilte Ireland and Tourism Ireland to prepare and publish annually business development plans which establish key targets of performance in the development, promotion and marketing of tourism at national and regional levels within a clear policy framework articulated by the Department of Arts, Sport and Tourism and set out in the plans.</p> <table border="1" data-bbox="190 518 974 590"> <tr> <td data-bbox="190 518 336 590"><u>Lead Role</u></td> <td data-bbox="336 518 974 590">Fáilte Ireland/Tourism Ireland /Department of Arts, Sport and Tourism</td> </tr> </table>	<u>Lead Role</u>	Fáilte Ireland/Tourism Ireland /Department of Arts, Sport and Tourism	<p>For 2004 and ongoing</p>	<p>In December 2003, Tourism Ireland, following extensive consultation with industry interests, published its Marketing Strategy for 2004-2006, together with detailed marketing operational plans for 2004. These plans included performance targets for visitor numbers and promotable visitors to the island of Ireland for the next three years. In July 2004, Tourism Ireland submitted its draft 2005-2007 Corporate Plan to its sponsor Government Departments, North and South, which takes into account the appropriate recommendations in the Report of the Tourism Policy Review Group. The Corporate Plan will be finalised later this year and will include objectives, targets and resource requirements for the period 2005-2007.</p> <p>Details of Fáilte Ireland's Operational Plan for 2004 were published in December 2003 and included an outline of its programmes in the marketing, training, enterprise development, product development and research areas. Fáilte Ireland's Corporate Strategy for 2005 to 2008 is being prepared, in consultation with industry interests and taking into account the new policy agenda set out in the Tourism Review. It is expected to be completed in the Autumn. Regional Tourism Strategies are also under preparation for the same period.</p>
<u>Lead Role</u>	Fáilte Ireland/Tourism Ireland /Department of Arts, Sport and Tourism			
<p><b>1.9 Proposed Smoking Ban in the Workplace:</b> While supporting action to reduce the adverse impact on public health of smoking in the workplace and in the light of the overall assessment by Tourism Ireland that the proposed ban will not have a dramatic effect on visitor numbers, discussions should continue between the Department of Health and Children and the tourism sector on the detailed arrangements for the introduction of the new measures to help minimise any adverse impact on the sector.</p> <table border="1" data-bbox="190 1133 974 1204"> <tr> <td data-bbox="190 1133 336 1204"><u>Lead Role</u></td> <td data-bbox="336 1133 974 1204">Department of Health and Children/Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Department of Health and Children/Tourism Industry Representative Bodies	<p>Immediate</p>	<p>The health-related tobacco smoking ban in the workplace came into effect in March 2004 and has been well received by the public, with virtually 100% compliance. Following concerns expressed by tourism accommodation providers, the Minister for Health and Children published the Tobacco Smoking (Prohibition) (Amendment) (No.2) Regulations which exempted, from the ban, bedrooms in tourism accommodation registered under the Tourist Traffic Acts. The impact of the smoking ban on the tourism sector is being monitored by the Tourism State Agencies.</p>
<u>Lead Role</u>	Department of Health and Children/Tourism Industry Representative Bodies			

<u>Strategic Success Driver 2</u>		Competitiveness and Value for Money	
<u>Objective</u>		To address the deterioration in the competitiveness of Irish tourism in recent years	
<u>Rationale</u>		The competitiveness of Irish tourism is a function of the total visitor experience relative to other locations. Restoring competitiveness is a major challenge for Irish tourism. It is not just a pricing issue, it is about wider value for money. It encompasses the experience for customers from the initial point of contact with Ireland as a potential tourist destination, through the transport services used in getting to and from Ireland, travel experience within the country, the price and quality of products and services, and a host of intangible factors that influence the perception of customers of the Irish tourist product. Accordingly, the competitiveness of Irish tourism is influenced by the full range of factors and actions set out in this Chapter. There is, however, a need to focus on a number of issues in this section that have a more direct impact on competitiveness.	
		<b>Actions</b>	<b>Milestones/Timeframe</b>
<p><b>2.1 Tourism Industry to Acknowledge Primary Responsibility for Restoring Competitiveness:</b> The Irish tourism industry should acknowledge through its representative bodies and through individual enterprises that</p> <ul style="list-style-type: none"> <li>in recent years it has lost competitiveness and that a high and increasing proportion of customers have expressed concerns about value for money</li> <li>primary responsibility for restoring competitiveness and better value for money rests with the industry itself.</li> </ul>		Immediate and ongoing	<p><b>Update (mid 2004) on Actions Recommended</b></p> <p>The Report of the Tourism Policy Review Group highlighted the growing and significant number of overseas visitors who have expressed dissatisfaction with the value for money of the Irish Tourism experience. Indeed the situation has deteriorated even further since then – the latest Fáilte Ireland visitor attitudes survey found that 62% of those surveyed in 2003 considered that Ireland did not provide good value for money. Given the dependence of certain segments of the industry on domestic business, it is equally important to combat Irish perceptions of declining value for money, given the variety of alternative holiday options available internationally.</p> <p>The Irish Tourist Industry Confederation (ITIC) has informed the Implementation Group that it does not accept that the tourism industry has primary responsibility for restoring competitiveness as it argues that most of the influencing factors are outside its control. Through its representation on Social Partnership, ITIC will continue to raise awareness of the importance of industry costs on the sector's competitiveness.</p> <p>Through its own direct marketing activity and cooperative joint promotion programmes with Fáilte Ireland and Tourism Ireland, the industry publishes tactical promotional offers from air and sea carriers, accommodation providers, tour operators and other product segments. Many discounted special offers are available, particularly this year.</p> <p>The Restaurants' Association of Ireland (RAI) and the Irish Hotels Federation (IHF), with the support of Fáilte Ireland, re-launched the value menu initiative in August 2004. The pricing levels for 2004/5 are more flexible with a new value menu for wines supported by the wine trade. A full colour booklet with a</p>
<u>Lead Role</u>	Tourism Industry Representative Bodies and tourism enterprises		

		<p>print run of over half a million copies, listing the participating establishments and the associated offers was published and received wide distribution through the print media in August 2004.</p> <p>The Irish Tour Operators Association (ITOA), through its Winter Value Breaks Programme in 2003/4, offered a go as you please programme featuring over 100 hotels and 4 car rental companies. The packages included up to 40% reductions on normal prices for the period. This programme will be extended in 2004/5 to include B&amp;B accommodation providers.</p>		
<p><b>2.2 Government Action on Inflation:</b> The Government should resolutely implement the package of anti-inflation actions identified in Strategic Success Driver 1.</p>	<p>Immediate and ongoing</p>	<p>Details of actions to combat inflation have already been set out earlier in this Appendix.</p>		
<table border="1"> <tr> <td data-bbox="190 608 331 635"><b>Lead Role</b></td> <td data-bbox="331 608 981 635">Government/Department of Finance</td> </tr> </table>	<b>Lead Role</b>	Government/Department of Finance		
<b>Lead Role</b>	Government/Department of Finance			
<p><b>2.3 Benchmark the Competition:</b> The price and product offerings against which Irish tourism competes should be identified each year and the information widely distributed within the industry.</p>	<p>For 2004 and ongoing</p>	<p>Tourism Ireland benchmarks interest in visiting Ireland using Brand Tracking research in the 10 largest source markets each May/June. The top-line results of the 2003 research were included in Tourism Ireland's Marketing Strategy for 2004-2006.</p> <p>Fáilte Ireland and Tourism Ireland have price and product offering benchmarking studies underway. The two studies intertwine and will deliver price comparisons between Ireland and its competitor markets at a general level (food and drink, restaurants and hotels, alcohol and transport) and at specific level – e.g. hotels, car hire, golf and visitor attractions. These studies are well advanced and will be finalised by Autumn 2004 and the results communicated to the industry. Future focus will be on in-depth sector studies (angling, golf, cruising, walking, equestrian etc.); 2004 studies will be carried out during the peak season and will be reported on in November 2004.</p> <p>IHF is working with Fáilte Ireland on their Best Practice programme module, which includes benchmarking exercises in award winning hotels in Germany and Spain.</p> <p>The Coach Tourism Council has commissioned a benchmarking study of comparable charges with the French Coach Tourism Sector – the report is now being completed. The RAI has recently commissioned consultants to carry out research that will benchmark the restaurant business.</p> <p>As mentioned earlier in this Appendix, ITOA has engaged consultants to prepare a report on the impact of VAT on prices</p>		
<table border="1"> <tr> <td data-bbox="190 826 331 890"><u>Lead Role</u></td> <td data-bbox="331 826 981 890">Tourism Industry Representative Bodies/Fáilte Ireland/ Tourism Ireland</td> </tr> </table>	<u>Lead Role</u>	Tourism Industry Representative Bodies/Fáilte Ireland/ Tourism Ireland		
<u>Lead Role</u>	Tourism Industry Representative Bodies/Fáilte Ireland/ Tourism Ireland			

		and competition. Included in the consultants' report will be an exercise on benchmarking the inbound Tour Operators' sector with a view to providing quality comparative financial and management information for members to judge their own performance.		
<p><b>2.4 New Management Development Capability Programme:</b> Fáilte Ireland should develop and introduce a programme on management development capability for the industry similar to that which Enterprise Ireland has developed for Irish-owned industry and internationally-traded services (non-tourist). The objective of the programme will be to enhance the capability of industry to manage changes more effectively the major changes now affecting it, and those in prospect, to increase productivity and standards and to restore competitiveness.</p> <table border="1"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	Early 2004 and ongoing	Fáilte Ireland has informed the Implementation Group that there has been a fundamental shift in its training policy towards Capability Development Programming. Fáilte Ireland has met with Enterprise Ireland officials; assessed its programme in May 2004 and set up a Human Resource Development Steering Group, chaired by Dr. Frank Roche, in June 2004. Fáilte Ireland's new programme, with initial focus on the hotel sector, is in development—for launch later in 2004. The programme will have a high e-learning content, and will include a business mentoring dimension as a final link into the application and practice of skills developed during the programme.
<b>Lead Role</b>	Fáilte Ireland			
<p><b>2.5 Customer Relations Management:</b> Fáilte Ireland should develop and introduce a programme to improve the standards of the tourism industry in customer relations management (CRM), making particular use of the potential which modern information and communication technologies provide to enterprises for this purpose, including the sharing of information for mutual benefit between enterprises offering products and services that are complementary. (Strategic Success Drivers 4 and 6 also refer)</p> <table border="1"> <tr> <td><u>Lead Role</u></td> <td>Fáilte Ireland in partnership with Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Fáilte Ireland in partnership with Tourism Industry Representative Bodies	Early 2004 and ongoing	Fáilte Ireland is in the process of developing an extranet facility for use by the Irish tourism industry. This facility will allow different product and service providers to share mutually beneficial information. It will also have an area that will deal specifically with CRM and will allow each enterprise to benchmark its own performance. In addition it will include recommendations on how to improve capabilities in these areas.
<u>Lead Role</u>	Fáilte Ireland in partnership with Tourism Industry Representative Bodies			
<p><b>2.6 Competition:</b> Strongly support competition, or pro-competition regulation where market competition does not operate, in the case of both private and public sector activities that affect tourism – including the hospitality sector, access transport carriers and infrastructure (ports and airports) and internal transport services. (Strategic Success Driver 1 also refers)</p> <table border="1"> <tr> <td><u>Lead Role</u></td> <td>Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies	Immediate and ongoing	Details of actions to support competition have already been set out earlier in this Appendix.
<u>Lead Role</u>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies			

<p><b>2.7 Management/Employee Partnerships:</b> In order to enhance the scope to anticipate and introduce change in the workplace as an inherent and ongoing element of work practice, management/employee partnership arrangements to enhance performance, productivity and competitiveness should be strongly encouraged by the Tourism Industry Representative Bodies, in consultation with Fáilte Ireland and the National Centre for Partnership and Performance (NCP).   <table border="1" data-bbox="190 470 981 523"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Tourism Industry Representative Bodies</td> </tr> </table> </p>	<u>Lead Role</u>	Tourism Industry Representative Bodies	<p>Immediate and ongoing</p>	<p>The IHF is currently researching companies that have implemented these partnerships in the hotel sector or similar industries with a view to developing a model/template for the industry. No further actions have been reported under this heading.</p>
<u>Lead Role</u>	Tourism Industry Representative Bodies			
<p><b>2.8 Make High Standards the Competitive Advantage of Irish Tourism:</b> Recognising that at its current stage of development, Ireland is a high-wage, high-productivity economy, a relentless upgrading of standards within the tourism sector should be promoted as a competitive response to lower cost alternatives in other countries. These high standards should encompass product, (accommodation, restaurants, visitor centres, activity products, natural and built environment), transport infrastructure and services.   <table border="1" data-bbox="190 853 981 906"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Fáilte Ireland/Tourism Industry Representative Bodies</td> </tr> </table> </p>	<u>Lead Role</u>	Fáilte Ireland/Tourism Industry Representative Bodies	<p>Immediate and ongoing</p>	<p>A new Tourism Best Practice Initiative – Optimus – was developed by Fáilte Ireland with Excellence Ireland and launched in May 2004. It is a total business excellence model – linked to the European Foundation for Quality Management (EFQM) family of awards. The initiative is currently being rolled out following a pilot study.</p> <p>New classification proposals for hotels and other tourist accommodation are being drafted by Fáilte Ireland and are being discussed with the industry. The new classification system for hotels is being progressed as outlined later in this Appendix.</p> <p>The question of quality accreditation for attractions and activities is also being considered by Fáilte Ireland and will be decided later this year.</p> <p>FÁS is delivering a project aimed at establishing national job training programmes for car rental personnel; a collaborative effort with Tourism Ireland yielding a core promotional brochure – Touring Ireland by Car – that will be distributed at trade shows, overseas offices, call centres and local offices.</p> <p>The Irish Boat Rental Association operates a 'Code of Practice' to monitor standards and safety of hire cruising on the Shannon and Grand Canal in the absence of any statutory regulations.</p> <p>Marketing English in Ireland/Recognised English Language Schools Association (the language training representative body MEI/RELSA) has made a submission to the Department of Education and Science to formalise a regulatory body and ensure mandatory licensing of language schools.</p>
<u>Lead Role</u>	Fáilte Ireland/Tourism Industry Representative Bodies			

<p><b>2.9 Stronger Role for Tourism Industry Representative Bodies:</b> The tourism industry itself should strengthen the capability of its representative bodies through a widening of their functions and the recruitment or secondment from industry of people with the requisite analytical and other required expertise to promote and to provide leadership in relation to competitiveness throughout the industry and its different segments. Measures in which industry representative bodies should take a lead include</p> <ul style="list-style-type: none"> <li>• identifying and promoting competitiveness enhancing actions</li> <li>• facilitating joint cooperative action between enterprises in areas such as marketing, training and insurance provision</li> <li>• joint product development initiatives</li> <li>• the establishment of management networks at local and regional level</li> <li>• providing training supports in productivity enhancement, cost management, marketing and customer relations management</li> <li>• benchmarking performance of Irish tourism against developments in competitor countries</li> <li>• investing in research and planning that supports the development of tourism and enhances the objectivity and credibility of tourism representative bodies</li> </ul> <table border="1" data-bbox="190 1082 981 1141"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Tourism Industry Representative Bodies	<p>For 2004</p>	<p>The main Irish tourism industry representative body, the Irish Tourist Industry Confederation (ITIC), has taken responsibility for coordinating and engaging its members, through the industry representative groups, in the implementation of the Tourism Action Plan. ITIC has allocated resources and designated an official to work with the Implementation Group Secretariat. ITIC does not see itself as delivering on specific recommendations in the Action Plan but acknowledges that its individual members will have crucial roles to play in their delivery.</p> <p>In April, 2004, IHF appointed a strategy Manager to implement a series of actions that are in line with the Report of the Review Group including</p> <ul style="list-style-type: none"> <li>○ the establishment of the Dublin Convention Bureau</li> <li>○ the Hibernia College on line Masters in Hospitality Management, and the IHF Branch</li> <li>○ Marketing initiatives.</li> </ul> <p>ITIC has developed an extensive research programme for 2004 including proposed studies on tourism industry performance, industry spend in overseas markets, future product development needs and incentives, the harmonisation of indirect taxation and the regional distribution of promotable visitors.</p>
<u>Lead Role</u>	Tourism Industry Representative Bodies			
<p><b>2.10 Training:</b> Develop specific training supports to enhance the industry's capability in cost management.</p> <table border="1" data-bbox="190 1300 981 1359"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Fáilte Ireland/Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Fáilte Ireland/Tourism Industry Representative Bodies	<p>Early 2004 and ongoing</p>	<p>Fáilte Ireland have commissioned Horwath Bastow Charleton to develop a two-day cost management training programme, for completion in summer 2004. The programme will be rolled out with industry bodies on a cost recovery basis - the initial focus will be on hotels and restaurants.</p> <p>A working collaboration has been developed with the Association of Certified Chartered Accountants (ACCA) – a leading professional accountancy body – with a view to offering</p>
<u>Lead Role</u>	Fáilte Ireland/Tourism Industry Representative Bodies			

		the Diploma in Financial Management to a group of managers in the tourism sector in September 2004.
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<u>Strategic Success Driver 3</u>	Access Transport (External)				
<u>Objective</u>	To ensure that the price, quality, frequency and route access of air and sea transport to and from Ireland are at least as good as that available to potential visitors of alternative tourist locations				
<u>Rationale</u>	Competitive and convenient air and sea access is a crucial determinant of international demand for a tourist destination and, especially, in the case of Ireland – as an island destination.				
	<b>Actions</b>	<b>Milestones/Timeframe</b>	<b>Update (mid 2004) on Actions Recommended</b>		
	<b>3.1 Ireland-US Bilateral Air Agreement:</b> <ul style="list-style-type: none"> <li>Renegotiate the Ireland-US Bilateral Air Agreement, in advance of an EU-US Aviation Agreement, in order to remove the US gateways constraint and maximise the benefits to Ireland from additional air services and enhanced visitor flows.</li> <li>Establish a high-level Task Force to advise on the issues involved, from the perspective of tourism, general business investment, the airline industry, the airport authorities and regional development including enhanced promotional and regional and inter-regional access requirements.</li> </ul>	<p>Immediate</p> <p>Immediate</p>	<p>The Tourism Review Group identified as one of its key recommendations the early re-negotiation of the Ireland-US Bilateral Air Agreement in order to open up new air services from the US. The importance of this recommendation to the future development of Irish Tourism has been stressed by many of the key tourism interests, including Aer Lingus, who made submissions to the Implementation Group.</p> <p>The Implementation Group understands from the Department of Transport that initial bilateral discussions between Irish and US transport officials took place in May 2004. The outline of a possible draft agreement had emerged under which there would be a gradual opening up of new US gateways in response to a phased easing of the existing Shannon stop requirements. It was expected that these negotiations could have been brought to a conclusion in the event of a successful outcome to the broader EU-US Open Skies Agreement negotiations. In spite of extensive efforts during the Irish EU Presidency to bring about such an agreement, the June EU Transport Council concluded that the draft first phase of an Aviation Agreement between the EU and the US was weighted too much in favour of the US side and was not acceptable. Additional efforts by the European Commission to improve the balance of the deal in the time between the Transport Council and the EU-US Summit in June were unsuccessful. Further substantive negotiations between the EU and the US are now unlikely to take place until early in 2005.</p> <p>The Department of Transport has indicated that it is aware of the importance of this issue and notwithstanding the current EU-US position, would wish to see adjustments made to the Ireland-US Bilateral Air Agreement which would secure additional routes for Aer Lingus on the North Atlantic, provided acceptable arrangements for Shannon were also secured. Contacts are being maintained between Irish and US officials on the issue.</p>		
	<table border="1"> <tr> <td><u>Lead Role</u></td> <td>Department of Transport</td> </tr> </table>	<u>Lead Role</u>	Department of Transport		
<u>Lead Role</u>	Department of Transport				

<p><b>3.2 Dublin Airport Terminal Facilities:</b> Facilitate additional, competitive, fast turnaround terminal facilities at Dublin Airport to help develop additional air services, particularly from Mainland Europe.</p> <table border="1" data-bbox="190 347 981 406"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Department of Transport</td> </tr> </table>	<u>Lead Role</u>	Department of Transport	<p>Decision in principle on provision of terminal by end 2003</p>	<p>The importance of securing additional competitive fast turnaround terminal facilities at Dublin Airport has been highlighted in submissions to the implementation group by the main Irish air carriers. Passenger traffic is expected to grow at Dublin Airport from 16 million passengers in 2003 to 30 million by 2020. New infrastructure capacity and facilities, both airside and landside, will be needed to cater for this growth, including further terminal capacity. The Implementation Group understands from the Department of Transport that, following the enactment in July of the State Airports Bill, an immediate priority for the new Dublin Airport Authority to be appointed, will be to urgently address current and emerging capacity deficits at the airport. This will include a review of the earlier Pier D proposal to consider how to provide additional contact stands at the airport in the short-term on a value for money basis.</p> <p>Meanwhile the Department of Transport is finalising its position in relation to the concept of a second independent terminal at the airport, having regard to the need to maintain the operational integrity of the airport and the potential benefits of competition. The intention is to present recommendations to the Government in September.</p>
<u>Lead Role</u>	Department of Transport			
<p><b>3.3 Dublin Airport Visitor Reception Facilities:</b> Implement a series of actions to improve visitor reception facilities at Dublin Airport including baggage handling, information and general facilities in arrivals/departures areas.</p> <table border="1" data-bbox="190 992 981 1051"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Aer Rianta/Dublin Airport Authority</td> </tr> </table>	<u>Lead Role</u>	Aer Rianta/Dublin Airport Authority	<p>By start of 2004 season</p>	<p>Aer Rianta has reported that actions taken to enhance visitor facilities at Dublin Airport, over the past two years, include the establishment of a Passenger Services Council which has just completed a Passenger Charter; detailed service level agreements with airlines and ground service providers; the appointment of a senior manager to co-ordinate customer service initiatives and the recruitment of up to ninety staff to provide additional support at the security screening areas. A volunteer taskforce, largely comprising office staff, has been established to provide additional passenger service support at weekends and at other peak periods during the summer travel period.</p>
<u>Lead Role</u>	Aer Rianta/Dublin Airport Authority			
<p><b>3.4 Additional Air-Routes:</b> Actively pursue the best prospects for additional route access into Ireland from Mainland Europe and Britain with airport authorities and air carriers, including low fare airlines that demonstrate an ability to develop and sustain new routes and carry significantly increased numbers of visitors. (Strategic Success Driver 6 also refers)</p> <table border="1" data-bbox="190 1348 981 1393"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Tourism Ireland in conjunction with airlines and airport authorities</td> </tr> </table>	<u>Lead Role</u>	Tourism Ireland in conjunction with airlines and airport authorities	<p>Immediate and ongoing and for inclusion in operational plans of Tourism State Agencies and Airport Authorities for 2004 and subsequently</p>	<p>Tourism Ireland has established an internal Access Development Group and has created a Departmental Head post with responsibility for Access Development. Tourism Ireland agreed organisational access objectives for 2004, developed a policy for co-funded marketing and allocated a €1m marketing fund to co-fund the successful launch programme of new routes that correspond to strategic priorities. The new routes that received co-operative marketing funding and the routes that received funding as a result of additional capacity are working</p>
<u>Lead Role</u>	Tourism Ireland in conjunction with airlines and airport authorities			

Role	authorities		
			<p>well. Seat capacity in summer 2004 has increased over last year by 5.5% in the case of Britain, 17% in the case of Mainland Europe and 3% in the case of North America.</p> <p style="text-align: right;">Funding has been set aside for new route research and case building consultancy for regional airports. Tourism Ireland has held meetings with airports in Ireland and Europe to outline the support programme for new routes and to identify best prospects and potential new routes or capacity expansion with Irish, European and American airlines.</p> <p>Within North America:</p> <ul style="list-style-type: none"> <li>○ Marketing plans are in place to support the second year of the US Airways service to Dublin and Shannon and options to achieve year round service are being pursued.</li> <li>○ Advertising, e-marketing and promotional activities are in place with Continental, Delta and American Airlines, to achieve levels of growth to strengthen the case for additional, and in the case of American Airlines, new, services to Ireland.</li> </ul>

		<ul style="list-style-type: none"> <li>○ A programme of co-operative advertising, e-marketing and trade promotions is in place to support Air Canada's direct seasonal service in an effort to stimulate the demand that could sustain a year-round direct service.</li> <li>○ Co-operative marketing programmes have recently been put in place to assist in ensuring the sustainability of expanded charter services to Dublin/Shannon in 2004.</li> </ul>		
<p><b>3.5 Regulation of Sea Ports:</b> Appoint a regulator, similar to that for aviation, to regulate port charges with a specific mandate to enhance facilities, services, competitiveness and transparency.</p> <table border="1" data-bbox="192 564 981 624"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Department of Communications, Marine and Natural Resources</td> </tr> </table>	<u>Lead Role</u>	Department of Communications, Marine and Natural Resources	Before end 2003	The High Level Review of the State Commercial Ports recommended that a ports ombudsman, rather than a regulator, should be appointed. The response of the Minister for Communications, Marine and Natural Resources to the review of the ports and outcome of the associated consultation process, should be available later this year.
<u>Lead Role</u>	Department of Communications, Marine and Natural Resources			
<p><b>3.6 Visitor Facilities at Seaports:</b> Develop a programme to improve facilities for visitors at major seaports including information on arrival, improved reception facilities, easier and more attractive access through the ports.</p> <table border="1" data-bbox="192 778 981 831"> <tr> <td style="text-align: center;"><u>Lead Role</u></td> <td>Port Authorities</td> </tr> </table>	<u>Lead Role</u>	Port Authorities	By start of 2004 season	The Implementation Group has been informed by the Department of Communications, Marine and Natural Resources that it considers that there has been significant investment in this area in recent years, and the facilities compare well with those provided outside Ireland.
<u>Lead Role</u>	Port Authorities			

<u>Strategic Success Driver 3</u> <b>continued</b>	<b><u>Access Transport (Internal)</u></b>				
<u>Objective</u>	<b><u>To ensure that tourism priorities are reflected in national infrastructural development plans – in order to improve internal travel arrangements and facilities for tourists</u></b>				
<u>Rationale</u>	<b><u>Direct, easy and affordable access to all tourism areas within Ireland, through improvements in roads, sign-posting, public transport and domestic transport links, is essential if regionality targets are to be achieved. Management of tourism flows and congestion in developed tourist areas, especially in peak season, must also be addressed in terms of the impact on sustainability.</u></b>				
	<b>Actions</b>	<b>Milestones/Timeframe</b>	<b>Update (mid 2004) on Actions Recommended</b>		
	<p><b>3.7 National Roads:</b> Improve and upgrade the National Roads Programme and, in particular, accelerate actions to achieve the early completion of the Dublin M50 orbital route and the route network around international air and sea access points and routes/centres of high tourism demand (e.g. Kerry, Connemara and the mid-West including regional and inter-regional links to Shannon Airport). (Strategic Success Driver 1 also refers)</p> <table border="1" data-bbox="192 770 978 828"> <tr> <td><u>Lead Role</u></td> <td>Department of Transport/Department of Environment, Heritage and Local Government</td> </tr> </table>	<u>Lead Role</u>	Department of Transport/Department of Environment, Heritage and Local Government	Tourism priorities reflected in the 2004 Roads Programme	<p>The National Development Plan provides for an ambitious investment programme in national roads, over the period 2000 to 2006 including upgrading of major inter-urban routes, the completion of the M50 orbital route and better access to and from the main ports and airports.</p> <p>The Department of Transport has informed the Implementation Group that it considers that good progress is being made in the implementation of the National Roads Upgrade Programme provided for in the NDP. Over the period since 2000 a total of 41 projects (277kms) have been completed including such major projects as the upgrading of the M1 to Dundalk (including a by-pass of Drogheda) to motorway standard, and by-passes of Kildare, Youghal, Limerick and Watergrasshill. Work is underway on another 19 projects (214kms) including by-passes of Monasterevin, Cashel, Dundalk, Carrickmacross, Sligo, Ennis and Fermoy and a further 11 projects (73kms) are at tender stage. Priority is being given in implementing the upgrade programme to the elimination of traffic bottlenecks on the national road network.</p> <p>However, the Implementation Group understands that there has been slippage in the timeframe for delivery and the cost of the National Roads Programme and that full implementation will extend beyond 2006.</p> <p>Under the Department of the Environment, Heritage and Local Government's annual scheme of EU co-financed grants for non-national roads, grants are given to Local Authorities for specific improvement works to non-national roads. Works eligible for funding under the scheme include improvement of designated tourist routes, roads (including scenic routes) within or providing access to tourism areas, improvement of access to</p>
<u>Lead Role</u>	Department of Transport/Department of Environment, Heritage and Local Government				

		<p>existing or planned tourism developments/facilities or to support agri-tourism activities. Eligible projects also include new or improved roads linking tourism development activities directly to the national roads network, ports, airports or public transport.</p> <p>The general guidelines on the selection of roads projects, and the conditions relating to grant payments, are set out in the Road Grants Memorandum issued to Local Authorities in 2001. This requires Local Authorities to consult the Tourism State Agencies to ensure that selected projects reflect the priority tourism needs of the area.</p> <p>Fáilte Ireland has advised the Department of the Environment, Heritage and Local Government of the hierarchy of routes used by car touring holidaymakers. The Department of Arts, Sport and Tourism is finalising its submission for input into the revision of the Road Grants Memorandum which is currently being updated.</p>
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<p><b>3.8 Signposting:</b> Prioritise major tourism routes in the National and Regional Road Signposting Programmes and provide annual progress report on implementation – with particular reference to tourism routes. (Strategic Success Driver 1 also refers)</p> <table border="1" data-bbox="190 379 981 438"> <tr> <td><u>Lead</u></td> <td>Department of Transport/Department of Environment, Heritage and Local Government</td> </tr> <tr> <td><u>Role</u></td> <td></td> </tr> </table>	<u>Lead</u>	Department of Transport/Department of Environment, Heritage and Local Government	<u>Role</u>		<p>2004 annual reports to include progress on meeting tourism priorities</p>	<p>Directional signposting is a matter for the National Roads Authority and the Local Authorities. In 2003 a new 5-year Regional Roads Signposting Programme on non-national roads commenced. A sum of €5m was initially allocated to a number of Local Authorities in 2003 under this programme and a sum of €5m has also been allocated in 2004. One of the aims of the programme is to facilitate tourists. Under the programme it is intended that directional signposts at significant junctions on all regional roads in County Council areas will be provided.</p> <p>A consultancy project to assess existing signage at the Brú na Bóinne UNESCO World Heritage Site, and to recommend improved signage in the area, should be completed by end 2004.</p> <p>Fáilte Ireland has submitted initial views to the Department of the Environment, Heritage and Local Government on more effective signage for tourist attractions/accommodation. Any revision of the 1988 Guidelines to Planning Authorities will take account of general principles or recommendations arising from the above mentioned study to address the signage requirements at the Brú na Bóinne site.</p>
<u>Lead</u>	Department of Transport/Department of Environment, Heritage and Local Government					
<u>Role</u>						
<p><b>3.9 Bus Services:</b> Bus Eireann should work more closely with the Regional Tourism Authorities to improve bus services to, and within, key tourist destinations.</p> <table border="1" data-bbox="190 954 981 1013"> <tr> <td><u>Lead</u></td> <td>Bus Eireann in consultation with Regional Tourism Authorities</td> </tr> <tr> <td><u>Role</u></td> <td></td> </tr> </table>	<u>Lead</u>	Bus Eireann in consultation with Regional Tourism Authorities	<u>Role</u>		<p>By start of 2004 season</p>	<p>Bus Eireann operates through a decentralised structure having nine Area Managers and a team of seven Sales Executives in strategic locations so as to maximise customer contact at local level. Local managers maintain ongoing contact with regional and county bodies including local tourism agencies. Certain Expressway routes are designed to cater specifically for tourist and holiday traffic in the peak season e.g Cork-Tralee, Tralee-Galway (via Tarbert/Cliffs of Moher) and Galway-Westport (via Clifden) in addition to a number of local bus services (e.g. circular routes in Kerry and Sligo/Donegal).</p> <p>Integrated ticketing between any two destinations is available as are a range of "unlimited travel" tickets and the website provides an e-ticketing facility and features a Journey Planner with links to a range of tourism-related sites and a Places of Interest section.</p>
<u>Lead</u>	Bus Eireann in consultation with Regional Tourism Authorities					
<u>Role</u>						

<p><b>3.10 Rail Travel, Facilities and Customer Services:</b> A significant upgrading of station facilities, passenger communications and rolling stock on main inter-urban routes is required which, for example, makes provision for</p> <ul style="list-style-type: none"> <li>• simplified ticketing arrangements for tourists to allow greater interchange between bus and rail services</li> <li>• the priority delivery of electronic information systems at key transport locations for journey planning and on board trains</li> <li>• ensuring sufficient and adequate seating and luggage facilities for all passengers on inter-urban routes</li> <li>• higher standards of service in terms of punctuality, cleanliness, reliability, frequency and comfort of trains and stations and more independent monitoring of customer service charters</li> <li>• the priority deployment of modern rolling stock on key tourist routes.</li> </ul> <table border="1" data-bbox="190 678 985 734"> <tr> <td><u>Lead Role</u></td> <td>Irish Rail</td> </tr> </table>	<u>Lead Role</u>	Irish Rail	<p>Immediate and ongoing</p>	<p>The current focus of Irish Rail's NDP-funded investment programme has been on the renewal of rail infrastructure.</p> <p>Work is advancing (and funding has been committed) towards a planned increase in frequencies of over 60% on the service from Dublin to Cork, Limerick, Sligo and Rosslare by 2007 with extra services to Galway, Tralee, Waterford and Westport to come on stream by 2008.</p> <p>Rolling stock on intercity routes is to be replaced by 2008 – by which stage the average age of carriages will be less than 3 years.</p> <p>Performance in respect of key customer indicators (i.e. punctuality, reliability, cleanliness, frequency and comfort) is the subject of a six-monthly review by the Department of Transport under the Service Level Memorandum effective from July 2003.</p> <p>Other Customer Services being developed include– electronic information screens at main railway Stations, website enhancement to include a Journey Planner, an online booking and seat reservation system, automatic ticket vending machines, a text facility for real time information on DART services and Smartcards.</p>
<u>Lead Role</u>	Irish Rail			
<p><b>3.11 Dublin Airport Metro Link:</b> Accelerate proposals for developing a metro link between Dublin airport and Dublin city centre with provision for ease of transfer to national road, rail and bus services.</p> <table border="1" data-bbox="190 973 985 1029"> <tr> <td><u>Lead Role</u></td> <td>Department of Transport</td> </tr> </table>	<u>Lead Role</u>	Department of Transport	<p>Decision in principle to proceed by end 2003</p>	<p>The Metro proposal is currently being assessed by the Department of Transport with a view to presenting proposals to Government later this year, with the initial phase comprising of a link between Dublin airport and the city centre. If there is an early decision to proceed, Phase 1 of the Metro could be in place in 2010.</p>
<u>Lead Role</u>	Department of Transport			

<u>Strategic Success Driver 4</u>	Information and Communication Technologies			
<u>Objective</u>	To accelerate the exploitation of the potential of information and communication technologies and e-commerce for the tourism industry			
<u>Rationale</u>	The use of internet-based technologies remains at an early stage of development across the majority of operators in Irish tourism. The impact of information and communication technologies on tourism will intensify in the years ahead. Enterprises that have the capability to effectively use information and communication technologies in areas such as customer relations management, marketing, payment, cost control, accounting, training and human resource management, will have a competitive advantage.			
	<b>Actions</b>	<b>Milestones/Timeframe</b>		
	<b>Update (mid 2004) on Actions Recommended</b>			
<p><b>4.1 Information and Communication Technologies Development Programme:</b> Develop a programme with the industry to maximise the use of information and communication technologies for training, marketing and customer relations management, including a strong demonstration campaign, co-operative networks and shared databases, web-based training and the alignment of websites. Fáilte Ireland will have the "enterprise facing role" and Tourism Ireland will have the "market and consumer facing role"</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Fáilte Ireland/Tourism Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland/Tourism Ireland	Early 2004 and ongoing	<p>Recent improvements to the tourismireland.com website have included the ability to purchase holidays on the island of Ireland directly. This is in direct response to consumer demand. This facility is currently available on the British, French, Dutch, US, Australian and German sites and will roll out to all the other market sites by the end of 2004.</p> <p>A technical facility has been established for tour operators/ regions/ trade associations to enter offers directly on international tourismireland.com sites. Contact Centre systems have been put in place to handle/categorise/store customer details in accordance with data protection requirements.</p> <p>www.ireland.ie has been relaunched as the consumer site for Fáilte Ireland. It is now the 'call to action' for all Fáilte Ireland marketing of home holidays. The site has a number of customisation tools for consumers as well as providing over 20,000 pages of information on holidaying in Ireland.</p> <p>Other activities being developed by Fáilte Ireland include a review of internal ICT strategy and capability due for completion in Autumn 2004; websites being aligned (working closely with the Regional Tourism Authorities) for roll out over the summer months; the launch of e-zines for different product areas such as golf, walking, water based activities etc.</p>
<b>Lead Role</b>	Fáilte Ireland/Tourism Ireland			
<p><b>4.2 Support Programme:</b> Support the industry in the introduction and development of effective customer friendly e-commerce applications and in building capability in their use.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	In 2004 and ongoing	<p>ICT skills development is an integral component of Fáilte Ireland's Optimus programme and includes competitor benchmarking/case studies; in-company consultancy /mentoring; and seminars. Fáilte Ireland's updated 'Guide to Marketing your Product/Service on the Web' is currently being finalised.</p>
<b>Lead Role</b>	Fáilte Ireland			

<p><b>4.3 Co-operative Networks:</b> Promote best practice models of co-operative networks in the application of information and communication technologies and e-commerce strategies.</p> <table border="1" data-bbox="192 352 981 408"> <tr> <td><u>Lead Role</u></td> <td>The Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	The Tourism Industry Representative Bodies	<p>Details of case studies published in 2004</p>	<p>Co-operative networks and best practice models are being incorporated into the development of the successful irelandhotels.com site.</p> <p>Many sectors of the industry report that they have significantly increased transactions through the Internet e.g. 90% of Irish Farm Holidays Association members currently use the internet (this development is supported by e-commerce courses provided by Fáilte Ireland for individual owners). The ITOA advises that most of its members have on line real time reservation systems. Marketing of the Shannon is now unified with a strategy of Internet promotion through the website boatingholidays.com.</p> <p>A number of industry sectors provide co-operative platforms for members, including small and micro enterprises, to participate in marketing initiatives – including representation and attendance at consumer /trade shows.</p>
<u>Lead Role</u>	The Tourism Industry Representative Bodies			
<p><b>4.4 Training Courses – New Technologies:</b></p> <ul style="list-style-type: none"> <li>• Ensure that training courses operated directly, or supported, by Fáilte Ireland involve a computer use and operation module.</li> <li>• Make it an objective that graduates from Fáilte Ireland operated or supported courses are proficient in the use and application of new technologies in the industry.</li> </ul> <table border="1" data-bbox="192 979 981 1010"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	<p>Early 2004</p>	<p>Trainees on programmes directly provided by Fáilte Ireland, through its Training Centres, have access to computer facilities as a part of their course. Much of this is elementary and/or "return to work" skills and trainees develop a level of familiarisation and practice in computer use that will enable them to operate relevant technology in the workplace.</p> <p>All further and higher education students on courses supported by Fáilte Ireland in Institutes of Technology have routine access to Information Technology as an integral part of the resources available to them and, in this way, they are enabled to develop computer skills appropriate to their course.</p>
<b>Lead Role</b>	Fáilte Ireland			

<p><b>4.5 Leadership Role for State Agencies:</b> Fáilte Ireland and Tourism Ireland should be seen as strong leaders in the application of information and communication technologies in all aspects of their business including operations, communications, training and the standards of their web-sites/portals.</p> <table border="1" data-bbox="190 406 981 438"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland/Tourism Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland/Tourism Ireland	<p>Immediate and ongoing</p>	<p>As set out above, the ICT strategies of the Tourism State Agencies have been designed to derive maximum benefit from the opportunities presented by new technologies, in line with this recommendation. Activity includes:</p> <ul style="list-style-type: none"> <li>• Since January major accommodation associations have been circulated with information on literature requests from the consumer Contact Centre.</li> <li>• Extranet and Corporate websites have been developed or are in development</li> <li>• Consumer usability testing is ongoing.</li> </ul>
<b>Lead Role</b>	Fáilte Ireland/Tourism Ireland			
<p><b>4.6 Award/Recognition Schemes:</b> Fáilte Ireland should establish, promote and widely communicate awards to acknowledge excellence in the application of information and communication technologies in different areas of tourism including hotels, other accommodation, visitor centres etc.</p> <table border="1" data-bbox="190 726 981 758"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	<p>Programme initiated in 2004</p>	<p>This recommendation is still under consideration.</p>
<b>Lead Role</b>	Fáilte Ireland			

<u>Strategic Success Driver 5</u>	Product Development and Innovation	
<u>Objective</u>	To ensure that the tourism product which Ireland offers to overseas and domestic customers provides, and continues to provide, a positive and memorable experience beyond their expectations	
<u>Rationale</u>	The Irish tourism product is highly diverse, built around the three pillars of <i>people, pace and place</i> . It encompasses the natural and built environment, a wide range of hospitality products and services, a range of visitor attractions and cultural facilities, transport facilities and, importantly, the interaction with people. The tourism product is the fundamental determinant of the tourist customer experience on which the success of the Irish tourism industry rests.	
	<b>Actions</b>	<b>Milestones/Timeframe</b>
	<b>Update (mid 2004) on Actions Recommended</b>	
<b>5.1 Reinvestment in Capital Stock:</b> In order to maintain and enhance the standards of the capital stock in Irish tourism, strongly promote reinvestment in plant and equipment with the aid of the accelerated tax write-offs available. (Strategic Success Driver 1 also refers)	Immediate and ongoing	Progress in relation to actions to support reinvestment in capital stock, through taxation relief, has been set out earlier in this Appendix.
<u>Lead Role</u>	Fáilte Ireland/Tourism Industry Representative Bodies/Regional Tourism Authorities	
<b>5.2 Innovation Fund:</b> Establish, on a pilot basis, for a 3 year period, an innovation fund to promote and support on a competitive basis, the development of tourism products that are new to the Irish market, have a clear potential to attract additional visitors and incorporate best practice particularly in terms of environmental sustainability, accessibility for tourists with disabilities and equality in service provision.	2004-2006	The only capital funding being administered currently by Fáilte Ireland is the European Regional Development Fund monies allocated to the Tourism Product Development Scheme 2002-2006. There is no capital budget line available at present for an Innovation Fund. Instead, an alternative approach is being developed with a view to providing feasibility study funding for products new to the Irish market. The proposal is that this scheme would provide a grant aid rate of up to 50%, up to a maximum grant of €40,000. Such an approach is being piloted at present in the mid-west region by Shannon Development.
<u>Lead Role</u>	Fáilte Ireland	
<b>5.3 Product Clusters:</b> In order to address the under-utilisation of certain historical, cultural and sporting attractions and facilities, it is essential to achieve a better presentation and more integrated and cooperative marketing of clusters of products that complement each other and broaden the offerings available to visitors, including those with disabilities. The clusters can be single product (e.g. golf, heritage etc.) or multi-product (e.g. golf/health-related, culture/heritage etc.) and could be promoted and supported at regional level or on an all-island basis.	Immediate and ongoing	Fáilte Ireland currently supports sixteen niche product marketing groups. They are being reviewed in the context of Fáilte Ireland's Corporate Strategy for 2005 to 2008 with a view to seeing how product clustering might ensure more adequate product coverage and regional spread, within an all Ireland basis where appropriate.  As set out earlier in this Appendix, one of the research projects planned by ITIC, in conjunction with Fáilte Ireland, is an assessment of the existing tourism product range and associated marketing strategy. Other product clustering initiatives reported to the Implementation Group were

<u>Lead Role</u>	Groups of Tourism Product Suppliers/Regional Tourism Authorities/Fáilte Ireland		<ul style="list-style-type: none"> <li>○ The successful joint marketing initiative for 2004 by Heritage Island (HI) and the Blue Book (established co-operative marketing organisations) that is now being extended to 2005.</li> <li>○ HI's marketing of the Heritage Towns of Ireland in 2004; its offer of overseas marketing services to the National Cultural Institutions for 2005; and its proposed feasibility study, in conjunction with Theatre Forum, to integrate the performing arts and entertainment venues into tourism product/marketing.</li> <li>○ The ITOA proposal to carry out, in conjunction with Fáilte Ireland and the Regional Tourism Authorities, a feasibility study on commercial opportunities in two separate locations (i.e. North Clare/East Galway and East Cork/Waterford) where visitors might experience a mix of built and cultural heritage and soft activities to enhance their holiday experience.</li> </ul>
<b>5.4 Product Research:</b> Identify international trends in the supply and demand of tourism products (to anticipate/meet emerging best prospects such as demand for well being and health breaks, quality destinations for city breaks, car touring, cruising) particularly in the markets against which Ireland competes. Communicate this information widely within the tourism industry in Ireland and use it to support product development and market development plans.	Immediate and ongoing	<p>The Tourism State Agencies have developed a full research programme to address this recommendation. They meet with the Northern Ireland Tourist Board every six weeks to co-ordinate their research activity and annual programmes. <i>2020 Insight</i> is a sustained programme of competitor analysis of emerging activity and attraction opportunities for Irish tourism. The findings are communicated to the industry through established communication channels.</p> <p>Tourism Ireland is to launch detailed profiles of the best prospects within the top four source markets in Summer 2004 and it will make these available to industry via the website and on compact disk. It plans to produce similar profiles for the next four biggest source markets, if possible by the end of the year.</p> <p>Fáilte Ireland proposes to undertake in the autumn a strategic review of the existing tourism product portfolio in order to guide future development. A steering group, to include industry representatives, will be established for this review and it will be required to report before end 2004.</p>	
<u>Lead Role</u>	Fáilte Ireland/Tourism Ireland/Tourism Industry Representative Bodies jointly	Complete by early/mid 2004 the selection, following open competition, of private sector partners	<p>The Minister for Arts, Sport and Tourism announced in June 2003 that the Government had agreed in principle to the provision of a National Conference Centre by way of a leasing, or other, arrangement through an open competitive procurement process.</p> <p>The closing date for expressions of interest from the private</p>

<b>Lead Role</b>	Department of Arts, Sport and Tourism		<p>sector to develop the National Conference Centre was 21 January 2004. An Assessment Panel, representative of the Department of Arts, Sport and Tourism, Office of Public Works, Department of Finance, Fáilte Ireland and the National Development Finance Agency, evaluated the four expressions of interest received. A separate Assessment Panel evaluated site proposals.</p> <p>Three candidates were short-listed in early July to proceed to the next stage with a view to completing the selection process by end year.</p>
<p><b>5.6 National Sports Stadium:</b> In order to better exploit the visitor attraction and overseas marketing potential of major field-based sporting events of international interest, finalise on the basis of objective, value for money, marketing and environmental analysis, a decision on the provision of a National Sports Stadium in Dublin. (Strategic Success Driver 1 also refers)</p>	<p>Decision in principle by end 2003</p>	<p>The Government decided, at the end of January 2004, to provide €191m. towards the joint Irish Rugby Football Union/Football Association of Ireland (IRFU/FAI) project at Lansdowne Road for a 50,000 all seated stadium. Construction is due to begin in 2006, for completion by end 2008. A Steering Group under the chair of the Secretary General, Department of Arts, Sport and Tourism, and representative of the IRFU, the FAI and the Office of Public Works, has been appointed to advance the project. The formal agreement with the IRFU and FAI has been signed, a Project Leader has been appointed and a separate company has been set up to develop the project.</p> <p>The Minister for Arts, Sport and Tourism also announced in January 2004 that the Government would support the phased delivery of a sports campus at Abbotstown.</p>	
<p><u>Lead Role</u></p>	<p>Department of Arts, Sport and Tourism in partnership with the main field sports organisations</p>	<p>Complete guidelines by start of 2004 season</p>	<p>The Minister for Community, Rural and Gaeltacht Affairs has set up a Countryside Council, 'Comhairle na Tuaithe' to address issues relating to access to the countryside for recreational and leisure purposes, including walking. Fáilte Ireland participates on the Comhairle. A Research and Development Officer was appointed recently and work has commenced on major projects such as developing a Countryside Code, organising a seminar for October 2004 with a view to producing a National Countryside Recreation Strategy.</p> <p>In May 2004, the Minister for Community, Rural and Gaeltacht Affairs launched the Rural Social (Employment) Scheme (RSS) under which national waymarked ways and other walks developed through community co-operation are eligible for support. The first of the RSSs began in July 2004 and the works to be carried out include replacing markers, erecting styles, clearing undergrowth and putting down boardwalks in some bogland paths.</p>
<p><u>Lead Role</u></p>	<p>Department of Community, Rural and Gaeltacht Affairs in consultation with farm organisations, Local Authorities, Regional Tourism Authorities, Coillte and Fáilte Ireland</p>		

		<p>As regards clarification of the legal position in relation to public liability, the Supreme Court has not yet heard the case appealing the High Court decision (March 2003) that a Donegal landowner should compensate an accident victim who was injured after falling down a cliff.</p>		
<p><b>5.8 UNESCO World Heritage Site Designation:</b> Put in place the consultation, management and conservation arrangements necessary to achieve the designation of additional sites in Ireland as UNESCO World Heritage Sites, to add to the two so designated at present – Boyne Valley and Skellig Michael.</p> <table border="1" data-bbox="192 555 978 630"> <tr> <td data-bbox="192 555 338 630"><u>Lead Role</u></td> <td data-bbox="338 555 978 630">Department of the Environment, Heritage and Local Government</td> </tr> </table>	<u>Lead Role</u>	Department of the Environment, Heritage and Local Government	<p>Immediate and ongoing. Seek an additional designation by 2005</p>	<p>The Department of the Environment, Heritage and Local Government had identified Clonmacnoise as a possible third site for submission to UNESCO for designation as a World Heritage Site. A draft Management Plan was drawn up and a public consultation process was completed. However, following discussions with a recent UN Mission to Ireland about their current views on ecclesiastical sites, the Department has decided to reconsider its approach to site nomination. It is now considering proposals to establish an independent advisory panel whose role would be the identification of new sites and the prioritisation of new and existing sites for nomination for inscription or inclusion in the tentative list of World Heritage Sites. The Department has agreed to liaise with the Department of Arts, Sport and Tourism on identifying what sites might be prioritised, in terms of tourism development.</p>
<u>Lead Role</u>	Department of the Environment, Heritage and Local Government			

<p><b>5.9 Litter:</b> In order to address an issue of frequently expressed concern to tourists and building on the success of the plastic bag levy and the expressed commitment of the Minister for the Environment, Heritage and Local Government and his Department to intensify anti-litter measures</p> <ul style="list-style-type: none"> <li>local Authorities should further strengthen their actions in co-operation with local business and commercial sectors including those engaged in tourism, and with greater public participation, to tackle litter pollution – with a particular focus on fast tracking projects in established tourist areas</li> <li>the Regional Tourism Authorities should ensure that litter abatement is kept at the top of tourism development priorities throughout their regions, support periodic surveys of litter pollution and follow through on the necessary abatement measures</li> </ul> <table border="1" data-bbox="192 667 981 751"> <tr> <td><u>Lead Role</u></td> <td>Department of the Environment, Heritage and Local Government/Local Authorities/Regional Tourism Authorities/Tourism Industry Representative Bodies</td> </tr> </table>	<u>Lead Role</u>	Department of the Environment, Heritage and Local Government/Local Authorities/Regional Tourism Authorities/Tourism Industry Representative Bodies	<p>Immediate and ongoing</p>	<p>The Government's Litter Action Plan outlines a range of anti-litter actions, on a sectoral basis, to tackle litter pollution including partnership agreements between Local Authorities and the business, commercial, community and voluntary sectors at local level. The Department of the Environment, Heritage and Local Government is currently assessing progress to date on implementation of the Litter Action Plan.</p> <p>Local businesses and communities engage in clean-up and awareness actions to improve the local environment through the national anti-litter campaigns funded by the Department – e.g. the National Spring Clean campaign (run by An Taisce) the Irish Business Against Litter (IBAL) Litter League (inaugurated in 2002) and the annual allocation of litter awareness grants to county and city councils. These initiatives, together with the National Litter Pollution Monitoring System, serve to complement the primary responsibility of Local Authorities in tackling litter pollution.</p> <p>The Irish Hotels Federation is represented on Irish Business Against Litter (IBAL) and the Town and Country Homes Association—the leading B&amp;B group—has written to its representatives on regional boards urging them to keep litter at the top of the agenda, to support surveys and the implementation of litter plans.</p>
<u>Lead Role</u>	Department of the Environment, Heritage and Local Government/Local Authorities/Regional Tourism Authorities/Tourism Industry Representative Bodies			
<p><b>5.10 Working Closely with the Planning Authorities:</b> In order to support the sensible conservation of the natural and built environment which is a fundamental foundation of Ireland's tourism industry, the Tourism State Agencies should work more closely and with county, city and urban planning authorities in the preparation and implementation of their development and litter abatement plans and in the operation of planning control, particularly in areas of visual amenity and historical importance. In doing so, the Agencies would renew a role they previously undertook with significant benefits to the tourism industry but which has been less strongly pursued by them in recent years.</p> <table border="1" data-bbox="192 1187 981 1217"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland/Regional Tourism Authorities</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland/Regional Tourism Authorities	<p>Immediate and ongoing</p>	<p>Fáilte Ireland has decided to work proactively in the area of planning issues and to invest in the necessary resources to do so. It is currently examining what would be the most effective and efficient response from Fáilte Ireland in this regard— a consultant has been appointed and proposals for a specialist advisory service are being progressed. This recommendation is also being pursued with Regional Tourism Authorities in the context of the Regional Tourism Partnership.</p>
<b>Lead Role</b>	Fáilte Ireland/Regional Tourism Authorities			
<p><b>5.11 The Tourism Industry and the Environment:</b> A top-class environment awareness and promotion programme should be put in place by the Tourism Industry Representative Bodies which emphasises the importance of environmental conservation to the future of Irish tourism and which provides a series of guidelines on good environmental management practice, covering areas such as</p>	<p>Immediate and ongoing</p>	<p>The Irish Hotels Federation has produced a Waste Management strategy for hotels and an environment guide for hotels and guesthouses. It has entered an arrangement with <i>Repak</i> to facilitate compliance with Waste Management requirements. It is currently working on a scheme seeking tax relief in respect of use of renewable energy sources—a pilot</p>		

<p>waste-management, energy use and conservation, litter abatement, and the design principles for buildings and facilities.</p> <table border="1" data-bbox="190 247 981 279"> <tr> <td><b>Lead Role</b></td> <td>Tourism Industry Representative Bodies</td> </tr> </table>	<b>Lead Role</b>	Tourism Industry Representative Bodies		<p>programme commences in September – and it is continuing to work with a consultant on a scheme that would reward electrical energy efficiency.</p>
<b>Lead Role</b>	Tourism Industry Representative Bodies			
<p><b>5.12 Hotel and Guesthouse Classification:</b> In order to underpin the increased emphasis on quality of product and service on which Irish tourism must compete in a higher cost national environment, Fáilte Ireland should, in close consultation with the industry, put in place a mandatory classification system for hotels and guesthouses on the basis of the best up-to-date criteria.</p> <table border="1" data-bbox="190 459 981 491"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	<p>New classification system agreed with industry by mid-2004</p>	<p>Fáilte Ireland has completed its benchmarking of alternative classification systems and proposals for a new classification system have been drafted. Structured discussions with the Irish Hotels Federation have taken place and a detailed review of two specific international systems, as requested by IHF, are being undertaken—prior to further discussions.</p>
<b>Lead Role</b>	Fáilte Ireland			
<p><b>5.13 A Unified Representation Structure for the B&amp;B Sector:</b> In order to better develop and promote the important and unique product which the B&amp;B sector offers to tourists, there is a strong case for the different groups representing the sector to come together into a more unified and single structure to more effectively represent their industry and work closely with Fáilte Ireland and Tourism Ireland for that purpose.</p> <table border="1" data-bbox="190 758 981 790"> <tr> <td><b>Lead Role</b></td> <td>The B&amp;B Representative Bodies</td> </tr> </table>	<b>Lead Role</b>	The B&B Representative Bodies	<p>By early 2004</p>	<p>Fáilte Ireland has had consultations with the relevant representative structures on this recommendation but while Irish Farmhouse Holidays support the proposal, Town and Country Homes Association is not in favour of a single representative structure at this stage.</p> <p>In May 2004, a number of representative groups (both accommodation and other service providers) came together to form a National Rural Tourism Federation (facilitated by officials from Teagasc and LEADER ) with a view to establishing a unified structure to more effectively represent the needs of the smaller tourism enterprises in rural areas. Their first project has been to design and build a website to link the various organisations. Initial discussions with Fáilte Ireland, on the recognition of the Federation as a niche product group, have begun.</p>
<b>Lead Role</b>	The B&B Representative Bodies			
<p><b>5.14 Cultural and Artistic Infrastructure of Dublin:</b> In order to narrow the gap in cultural and artistic infrastructure which exists between Dublin and other capital cities in Europe, early decisions should be taken to secure</p> <ul style="list-style-type: none"> <li>• the redevelopment of the Abbey Theatre</li> <li>• the relocation of the National Concert Hall.</li> </ul> <table border="1" data-bbox="190 1189 981 1220"> <tr> <td><b>Lead Role</b></td> <td>Department of Arts, Sport and Tourism</td> </tr> </table>	<b>Lead Role</b>	Department of Arts, Sport and Tourism	<p>Decision to proceed with public private partnership by mid 2004</p> <p>Decision to proceed by end 2003</p>	<p>The development of the Abbey Theatre is currently the priority cultural infrastructure project of the Minister for Arts, Sport and Tourism. The current Government decision on the redevelopment of the Abbey Theatre is to re-build it on the existing site (cost in the region of €100 million) but there are major problems with securing the necessary "footprint" at ground floor level. The Minister for Arts, Sport and Tourism may have to go back to Government when the outcome of the review of alternative sites is available, with a view to securing a decision on the future location of the Abbey by year end.</p> <p>The proposal in relation to the National Concert Hall (NCH) is to redevelop the Earlsfort Terrace site to meet long term needs—to secure a new 2,500 seater auditorium (double present capacity) and convert the current hall into an 800 seater venue, at a cost of some €130/140 million. A submission for</p>
<b>Lead Role</b>	Department of Arts, Sport and Tourism			

		Government is being finalised for presentation shortly.		
<p><b>5.15 Product Development Scheme:</b> In order to accelerate the processing of applications for grants under the Tourism Product Development Scheme 2002-2006, primarily in non-traditional tourism areas, Fáilte Ireland should allocate additional resources to make early decisions on the applications that were received in 2002.</p>	Immediate	<p>The Tourism Product Management Board has approved more than €25 million in grant aid for some thirty projects, with a proposed total investment of some €50 million, including major projects in Lough Key Forest Park and at the Cliffs of Moher. The approval phase is near completion and additional resources are being secured to enable Fáilte Ireland to oversee the critical monitoring phase – the additional personnel to be engaged during Summer 2004.</p>		
<table border="1"> <tr> <td data-bbox="181 453 338 483"><b>Lead Role</b></td> <td data-bbox="338 453 981 483">Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland		
<b>Lead Role</b>	Fáilte Ireland			

<u>Strategic Success Driver 6</u>	Marketing and Promotion			
<u>Objective</u>	To focus marketing and promotion activities on the market prospects and segments which hold the characteristics and potential to best meet the expenditure, visitor number and regionality objectives of Irish tourism policy			
<u>Rationale</u>	Marketing links Ireland's tourism product with potential overseas and domestic customers. The tourism sector is highly diverse with a predominance of small enterprises which lack the individual scale, resources and knowledge to engage effectively in international marketing. Partnership arrangements and State support are, therefore, appropriate in marketing tourism products. The State has a particular responsibility in supporting destination marketing to the island of Ireland in partnership with the Northern Ireland authorities and representatives of the various segments of the tourism industry.			
	<b>Actions</b>	<b>Milestones/Timeframe</b>		
<p><b>6.1 Market Focus:</b> Continue to concentrate overseas marketing expenditure on the British and US markets which account for over 70% of visitor numbers. In doing so, continue to work to ensure better integration with the co-operative marketing and promotion strategies of different segments of the tourism industry at national and regional levels, including the car-brought market from Britain, major sporting, artistic and cultural events and by strengthening the role of the niche product marketing groups.</p>	<p>Immediate and ongoing</p>	<p><b>Update (mid 2004) on Actions Recommended</b></p> <p>By July 2004, €22.3 million (62%) of Tourism Ireland's marketing funds had been directed towards the British and US markets. Co-operative advertising and promotion with market and Ireland-based industry partners features strongly in the plans for both markets, including partnering with sea-carriers in Britain to encourage tourists to bring their own car. Tourism Ireland is undertaking a fundamental review of the British market with a view to identifying the correct market focus to ensure further market share gains. The project is being lead by Tourism Ireland and a steering group (which represents both the domestic and British industry). The steering group has broadened the scope of the study, in line with suggestions from the Implementation Group. The first phase of the review will be finalised in September and the final report and recommendations are due at the end of 2004.</p> <p>Tourism Ireland works closely with Fáilte Ireland in the overseas promotion of major sporting, artistic and cultural events and it deploys the marketing plans of niche product marketing groups overseas on behalf of Fáilte Ireland.</p> <p>Fáilte Ireland has reviewed its approach to the Meetings Incentives Conferences and Exhibitions (MICE) sector and has established a new Business Tourism partnership board with the industry, as a successor to the Convention Bureau of Ireland. Fáilte Ireland has also undertaken a review of its engagement with the trade, in national co-operative groups and regional groups, and a report is due to be finalised by August 2004.</p> <p>A number of niche product marketing groups have launched their own marketing initiatives e.g. MEI-RELSA – the English language schools marketing group – members are targeting accession countries and they are making inroads in Asia.</p>		
	<table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Tourism Ireland/Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Tourism Ireland/Fáilte Ireland	
<b>Lead Role</b>	Tourism Ireland/Fáilte Ireland			



<p><b>6.2 Mainland Europe:</b> Undertake a fundamental review of marketing and promotion operations in key Mainland Europe markets where market share and market capture has remained relatively low, stagnant or fallen over the past decade and where the perception of visitors with respect to tourism product in Ireland is below average.</p> <table border="1" data-bbox="192 331 981 419"> <tr> <td><b>Lead Role</b></td> <td>Tourism Ireland in consultation with the Department of Arts, Sport and Tourism and Tourism Industry Representative Bodies</td> </tr> </table>	<b>Lead Role</b>	Tourism Ireland in consultation with the Department of Arts, Sport and Tourism and Tourism Industry Representative Bodies	Complete by early 2004	Tourism Ireland has undertaken this review which consisted of an analysis of market trends, Ireland's market share and the opportunities and threats facing Ireland. Tourism Ireland is currently completing its extensive consultations with the industry on the initial findings and views on the appropriate strategic response.
<b>Lead Role</b>	Tourism Ireland in consultation with the Department of Arts, Sport and Tourism and Tourism Industry Representative Bodies			
<p><b>6.3 Partnerships with Airline Industry:</b></p> <ul style="list-style-type: none"> <li>• Work closely with air carriers, including lowfare airlines and airport authorities, to identify new direct routes with high visitor market prospects which are sustainable from/to Britain, Mainland Europe and the US and the marketing and cost/price requirements necessary to effectively exploit this potential. (Strategic Success Driver 3 also refers)</li> <li>• Encourage airlines providing direct routes from/ to Europe from Australia, New Zealand and the Far East to have attractive through route fare arrangements to Ireland.</li> </ul> <table border="1" data-bbox="192 778 981 850"> <tr> <td><b>Lead Role</b></td> <td>Tourism Ireland in conjunction with airlines and airport authorities</td> </tr> </table>	<b>Lead Role</b>	Tourism Ireland in conjunction with airlines and airport authorities	Immediate and ongoing	To strengthen Tourism Ireland's role in seeking out new routes into Ireland, a Departmental Head post with responsibility for Access Development has been created, an Access Development Group (who have regular meetings with airlines and airport authorities to explore best prospects and potential new routes and maximise the inbound opportunities offered by the significant number of new routes from Europe) has been set up and €1m in marketing funds have been allocated to support the successful launch programme of new routes which correspond to strategic priorities. The new routes that received Co-operative Marketing funding, and the routes that received funding as a result of additional capacity, are working well in 2004. Capacity from Europe for the summer has increased by 17% (led by a 61% change on Spanish routes), while capacity from Britain is up by 5.5% and from North America, by 3%.
<b>Lead Role</b>	Tourism Ireland in conjunction with airlines and airport authorities			
<p><b>6.4 All-island Marketing Initiatives:</b> Promote more strongly the development and marketing of clusters of complementary products on the island of Ireland in areas such as cultural facilities (museums, music festivals, theatre events) and sporting facilities (golf, angling, walking).</p> <table border="1" data-bbox="192 1066 981 1121"> <tr> <td><b>Lead Role</b></td> <td>Tourism Ireland/Tourism Industry Representative Bodies North and South</td> </tr> </table>	<b>Lead Role</b>	Tourism Ireland/Tourism Industry Representative Bodies North and South	Immediate	<p>Individual market specific promotional programmes have been developed for each of the main products listed for 2004 on an all-island basis and a range of brochures for these products has been produced. Work will take place during this year on identifying further all-island clustering opportunities especially of cultural products for incorporation into 2005 plans.</p> <p>Within Britain, a series of Cross Border projects are underway. Four product-based projects are at the design/implementation stage – namely Golf, Angling, Houses and Gardens, and Ireland Cruising. These will build on the success experienced by the 'North by North West' campaign, first implemented in 2003 and which is being further developed this year.</p> <p>Many ITOA members currently offer all Ireland programmes and the organisation is supportive of efforts to make these products more readily accessible to the overseas visitor.</p>
<b>Lead Role</b>	Tourism Ireland/Tourism Industry Representative Bodies North and South			

<p><b>6.5 Customer Relations Management:</b> Put in place a programme to upgrade the capability of tourism enterprises in customer relations management including the strong and effective use of computer-based CRM systems. (Strategic Success Driver 4 also refers)</p> <table border="1" data-bbox="190 304 981 331"> <tr> <td><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	By end 2003	Details of progress in implementing the actions to improve the use of information technologies are set out earlier in this Appendix.
<b>Lead Role</b>	Fáilte Ireland			
<p><b>6.6 E-Marketing:</b> Enhance e-marketing capability to ensure that potential and repeat international and domestic customers receive world class information services and can be easily directed to online purchasing services for the full range of Irish tourism products/packages/flights and ferries.</p> <table border="1" data-bbox="190 549 981 576"> <tr> <td><b>Lead Role</b></td> <td>Tourism Ireland/Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Tourism Ireland/Fáilte Ireland	Immediate and ongoing	<p>Since its inception, Tourism Ireland has invested significantly in developing its e-marketing capability and resource. To further strengthen management resource and capability in this area a new Internet Unit has been created; interim external expertise to guide the renewed focus has been engaged and internal resources have been re-aligned to provide development support. Recent activities include:</p> <ul style="list-style-type: none"> <li>• The development of database systems to store customer information.</li> <li>• The roll-out of a new suite of tourismireland.com sites that include: <ul style="list-style-type: none"> <li>○ Open links to Irish industry sites</li> <li>○ Links to their online reservation systems – where available</li> <li>○ High prominence on each page of tourismireland.com site for “Book Online” services</li> <li>○ Comprehensive range of links to Ferries/Airlines, although full package booking systems are still rare</li> <li>○ Research feedback from consumer testing incorporated into the sites.</li> </ul> </li> </ul> <p>Fáilte Ireland has appointed a company to work with it on improving its e-marketing capabilities. A new e-business strategy is currently in development and is due by Autumn 2004. The new version of www.ireland.ie gives consumers all the information they need for holidaying in Ireland.</p>
<b>Lead Role</b>	Tourism Ireland/Fáilte Ireland			
<p><b>6.7 Gulliver:</b> In order to address the expressed concerns of certain segments of the tourism industry and to enhance the contribution of the Gulliver computerised information and reservation system to meeting the needs of the industry and individual tourists, Gulliver should meet with representatives of the industry to clarify how this can best be done.</p> <table border="1" data-bbox="190 1273 981 1300"> <tr> <td><b>Lead Role</b></td> <td>Gulliver/B&amp;B Representative Bodies</td> </tr> </table>	<b>Lead Role</b>	Gulliver/B&B Representative Bodies	Immediate	<p>In late September/early October 2003, Gulliver organised seminars in Dingle, Killarney, Cork City and Clonakilty, to address concerns expressed by tourism operators. Staff from Gulliver and the Cork/Kerry Regional Tourism Authority were present to answer specific queries relating to individual providers. The Dingle seminar did not proceed due to lack of numbers. The other three were well attended and generated useful and constructive discussions.</p>
<b>Lead Role</b>	Gulliver/B&B Representative Bodies			

<p><b>6.8 Market Expenditure Analysis:</b> As part of the annual expenditure allocation process by the Department of Arts, Sport and Tourism, the Department should undertake and publish, in conjunction with Fáilte Ireland and Tourism Ireland, reviews of the marketing expenditure allocated and results achieved relative to objectives in the previous year. The reviews should differentiate between the main expenditure programmes and between destination and product marketing and in each of these areas between direct spend, outsourced spend, overheads and outturn compared with objectives.</p> <p><b>Lead Role</b>   Department of Arts, Sport and Tourism</p>	<p>For 2004 and ongoing</p>	<p>One of the key tasks included in the Business Plan of the Department of Arts, Sport and Tourism is to undertake an Expenditure Review, in 2005, of the marketing budgets of Tourism Ireland and Fáilte Ireland comparing performance and results achieved relative to objectives. The terms of reference for the review will take account of the recommendations of the Review Group</p>
<p><b>6.9 Agility/Flexibility:</b> Maintain and enhance the capacity demonstrated in recent years to respond to unforeseen market changes at home and overseas by the timely reprioritisation of marketing activities and associated expenditure allocations, including the use of contingency funding.</p> <p><b>Lead Role</b>   Department of Arts, Sport and Tourism/Tourism Ireland</p>	<p>Immediate and ongoing</p>	<p>Tourism Ireland has built into its operating procedures a capacity to respond quickly and flexibly to emerging market circumstances in consultation with industry partners, tourist agencies and sponsoring Departments. For example, in order to maximise organisational flexibility in 2004, Tourism Ireland planned only its first half of the year above-the-line marketing activity at the end of 2003. Approximately a quarter of the total marketing funds were held in a contingency reserve to respond to any unforeseen market changes to be allocated for second-half of the year above-the-line activity if no negative circumstances prevail.</p> <p>The Department of Arts, Sport and Tourism is satisfied that Tourism Ireland can respond quickly and flexibly to emerging market circumstances and that it continues to build its capacity in this regard. Recent examples of such a coordinated approach, including Department of Arts, Sport and Tourism involvement, were the response to the Iraq war, SARS and the Madrid bombings.</p>
<p><b>6.10 Market Share Analysis:</b> The Tourism State Agencies should monitor market share performance at operational level in all markets (geographical, segment, product/niche) with a view to the information gathered being used by the Department of Arts, Sport and Tourism and the Agencies as a trigger for review, analysis and action response where negative trends emerge.</p> <p><b>Lead Role</b>   Tourism State Agencies/Department of Arts, Sport and Tourism/Tourism Ireland</p>	<p>Immediate and ongoing</p>	<p>Data to facilitate market share analysis of the leading markets has been acquired by Tourism Ireland with a view to preparing a market share analysis to inform the organisation's strategic planning for 2005-2007. These plans are being developed in consultation with the Department of Art, Sport and Tourism.</p>

<u>Strategic Success Driver 7</u>	The People in Tourism		
<u>Objective</u>	To ensure that the people working in tourism in Ireland operate to the highest international standards of professionalism and that the generally highly positive experience of tourists with the people they meet in Ireland, well-documented in successive surveys over the years, is maintained and enhanced		
<u>Rationale</u>	Tourism is an industry in which the attitudes, competence, enterprise, innovation, hospitality and friendliness of the people in it are an intrinsic part of the product itself. The people in tourism are at the heart of the tourist experience in Ireland and the ultimate determinant of the quality of that experience.		
	<b>Actions</b>	<b>Milestones/Timeframe</b>	<b>Update (mid 2004) on Actions Recommended</b>
<p><b>7.1 Human Resource Development Strategy:</b> In order to further strengthen the human resource base, standards of performance and professionalism of Irish tourism and in the context of the extended organisational remit and development responsibilities which have recently been allocated to Fáilte Ireland, a new Human Resource Strategy should be put in place which</p> <ul style="list-style-type: none"> <li>• supports the development of professional career paths for key occupations in the tourism sector and provides clear, flexible and relevant courses and programmes leading to National Qualifications which hold international recognition for excellence</li> <li>• positions the industry as a highly attractive career choice through the excellence of its induction and in-career training, the provision and support of internationally recognised qualifications, clear career progression paths and opportunities within and across the different functional areas and the promotion of good work practices including employee participation in decisions that affect their work</li> <li>• provides a focus for leading, instigating and influencing the education and training policy and practices of the State and private sectors to enhance capability at all levels in the industry through quality assurance, facilitation and support for training and development interventions</li> <li>• stimulates actions aimed at achieving more and better training within the tourism industry</li> <li>• emphasises the particular importance of communication and inter-personal skills in tourism in recruiting new employees and in training existing employees</li> </ul>	2004 Programme		<p>Fáilte Ireland has prioritised the implementation of this recommendation in relation to Human Resource Development. Initially an Internal Working Team was set up to advance the action and a number of meetings with focus groups were held and a survey was undertaken across the sector. An inclusive approach has been adopted and an Independent Steering Group, under the chairmanship of Dr. Frank Roche of the Smurfit Graduate School of Business, was set up in June 2004, with representation from the industry. The Group's work is scheduled for completion by the end of 2004. The Chair of the Steering Group will make a presentation to the Implementation Group in the autumn.</p> <p>Stage two of the Optimus Achieving Business Excellence Programme, Best Practice, was launched by Fáilte Ireland in June 2004.</p> <p>The Irish Hotels Federation has developed the first on line Masters programme for the Hospitality Industry.</p>

<ul style="list-style-type: none"> <li>• ensures the delivery of training programmes for existing employees at times and places convenient to the needs of enterprises and employees</li> <li>• takes full advantage of the significant potential of distance based e-learning in training and educational programmes</li> <li>• supports the development of partnership arrangements between management and other employees as a means of employee incentivisation and of enhanced business performance by tourism enterprises</li> <li>• promotes training networks of tourism enterprises in conjunction with the Tourism Industry Representative Bodies</li> <li>• evaluates the impact of the full range of education and training supports and services provided at national, regional and local levels with a view to streamlining their availability and operation.</li> </ul>				
<table border="1"> <tr> <td data-bbox="181 639 338 699"><b>Lead Role</b></td> <td data-bbox="338 639 999 699">Fáilte Ireland (with Tourism Industry Representative Bodies and training and education providers)</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland (with Tourism Industry Representative Bodies and training and education providers)		
<b>Lead Role</b>	Fáilte Ireland (with Tourism Industry Representative Bodies and training and education providers)			
<p><b>7.2 National Recruitment Plan:</b> Establish a Tourism Career Promotions Group comprised of key stakeholders, including students, to formulate a National Recruitment Plan, designed to intensify and strengthen linkages with schools, communities and career guidance services.</p>	Immediate	<p>In April 2004, Fáilte Ireland set up a Tourism Careers Promotion Group, chaired by Brian Mooney, President of the Institute of Guidance Counsellors and it is due to produce a Draft Plan by September 2004.</p>		
<table border="1"> <tr> <td data-bbox="181 839 338 868"><b>Lead Role</b></td> <td data-bbox="338 839 999 868">Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland		
<b>Lead Role</b>	Fáilte Ireland			
<p><b>7.3 Managing Cultural Diversity:</b> Develop and implement a strategy and detailed implementation programme to provide for the integration of non-national employees within the work-place and more widely in our society in a way that recognises and supports cultural diversity and enhances their personal and professional development and their potential to add a new and valuable dimension to traditional Irish tourism values.</p>	Immediate	<p>A Cultural Diversity Group, representative of the Irish Hotel and Catering Institute, the Irish Hotels Federation, the Restaurants Association of Ireland and Fáilte Ireland has been established and held its first meeting in May 2004.</p> <p>The Irish Hotels Federation is developing an on-line self assessment questionnaire for members to test their knowledge and awareness – and that of the hotel/guesthouse–of cultural diversity.</p>		
<table border="1"> <tr> <td data-bbox="181 1066 338 1093"><b>Lead Role</b></td> <td data-bbox="338 1066 999 1093">Fáilte Ireland/Tourism Industry Representative Bodies</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland/Tourism Industry Representative Bodies		
<b>Lead Role</b>	Fáilte Ireland/Tourism Industry Representative Bodies			

<u>Strategic Success Driver 8</u>	The Government Sector				
<u>Objective</u>	To improve and enhance the effectiveness of Government leadership and interventions in promoting Tourism				
<u>Rationale</u>	Government policies and actions across a wide range of areas strongly affect the development of tourism. It is essential to put in place new organisational and operational arrangements which more fully acknowledge and reflect the importance of tourism as an instrument of national and regional development and which improve the effectiveness of Government interventions which support the development of tourism.				
	<b>Actions</b>	<b>Milestones/Timeframe</b>	<b>Update (mid 2004) on Actions Recommended</b>		
	<p><b>8.1 Redefine the scope of Tourism Policy:</b> Because of the significant impact on tourism of a wide range of Government activities that are the responsibility of a number of different Government Departments, the scope of tourism policy should be redefined beyond its traditional domain within the "Department of Tourism" to encompass all areas of Government activity that impact in a significant way on tourism. (Strategic Success Driver 1 also refers)</p> <table border="1"> <tr> <td><b>Lead Role</b></td> <td>Department of Arts, Sport and Tourism</td> </tr> </table>	<b>Lead Role</b>	Department of Arts, Sport and Tourism	Immediate and Ongoing	Details of progress in implementing the actions to support more effective Government interventions in promoting tourism were set out earlier in this Appendix.
<b>Lead Role</b>	Department of Arts, Sport and Tourism				
	<p><b>8.2 Strengthen the capacity and role of the Tourism Division of the Department of Arts, Sport and Tourism:</b> The Division of the Department of Arts, Sport and Tourism dealing with tourism matters requires to be strengthened</p> <ul style="list-style-type: none"> <li>to include additional people with the wider range of analytical skills and competencies required to deal with the more extensive scope of Government activities encompassed within the wider definition of tourism policy advocated in this Report</li> <li>to follow through effectively on the recommendations of this Report in consultation with a number of other Government Departments and agencies and with the industry itself</li> <li>to interact more effectively with other Government Departments and agencies on issues important to the development of tourism.</li> </ul> <table border="1"> <tr> <td><b>Lead Role</b></td> <td>Department of Arts, Sport and Tourism</td> </tr> </table>	<b>Lead Role</b>	Department of Arts, Sport and Tourism	Immediate	As above
<b>Lead Role</b>	Department of Arts, Sport and Tourism				
	<p><b>8.3 Tourism and the National Competitiveness Council:</b> In order to strengthen the focus of Government policies in supporting competitiveness in tourism, the Department of Arts, Sport and Tourism should be included among the Government Departments in attendance and participating at meetings of the National Competitiveness Council which reports directly to the Taoiseach on issues affecting the competitiveness of the economy and its different sectors.</p> <table border="1"> <tr> <td><b>Lead Role</b></td> <td>Department of the Taoiseach/Department of Arts, Sport and Tourism</td> </tr> </table>	<b>Lead Role</b>	Department of the Taoiseach/Department of Arts, Sport and Tourism	Immediate	The Department of Enterprise, Trade and Employment has agreed that the Department of Arts, Sport and Tourism will participate at future meetings of the National Competitiveness Council.
<b>Lead Role</b>	Department of the Taoiseach/Department of Arts, Sport and Tourism				

<p><b>8.4 Inter-Departmental Bilateral Consultation Arrangements:</b> Establish standing consultation arrangements between the Department of Arts, Sport and Tourism and the Government Departments/Agencies whose activities most impact on tourism including the Department of Finance, Department of Transport and Department of Environment, Heritage and Local Government.</p> <p><b>Lead Role</b>   Department of Arts, Sport and Tourism</p>	<p>Immediate</p>	<p>Details of progress were set out earlier in this Appendix.</p>
<p><b>8.5 Fáilte Ireland:</b> Following the recent amalgamation of Bord Fáilte and CERT into a single organisation for the development of tourism in Ireland, the organisational structure for the new body should be quickly finalised taking account of the new strategy and action plan that flows from this Report.</p> <p><b>Lead Role</b>   Fáilte Ireland</p>	<p>Immediate</p>	<p>The Executive Team at Fáilte Ireland was brought together in December 2003 and an organisational structure has been put in place to deliver the 2004 business plan.</p>
<p><b>8.6 Regional Tourism Authorities:</b> Establish a closer correlation between the identified core visitor servicing and development functions provided by the Regional Tourism Authorities and the State financial support provided to them through Fáilte Ireland. Agree the new regional structures for the discharge of Fáilte Ireland's functions and determine the appropriate relationships and arrangements at regional level.</p> <p><b>Lead Role</b>   Fáilte Ireland</p>	<p>Early 2004</p>	<p>Agreement in principle has been reached between Fáilte Ireland and the Regional Tourism Authorities, on a new funding model that will cover</p> <ul style="list-style-type: none"> <li>- core visitor servicing</li> <li>- regional marketing</li> <li>- product development</li> <li>- planning and</li> <li>- programme implementation.</li> </ul> <p>Specific targets will be agreed for each area.</p>
<p><b>8.7 Regional/Sub-National Structure:</b> In order to more effectively harness the depth of knowledge, interest and commitment to the development of tourism at regional, county and sub-county level, it is essential that an early review of the functions, activities and interactions of the many bodies involved in tourism promotion and development be undertaken as a matter of urgency. The key principles underlying the review required should encompass the following:</p> <ul style="list-style-type: none"> <li>• a clear definition of the roles and functions of different bodies involved in the promotion and development of tourism at regional and local levels</li> <li>• the identification of areas of overlap and duplication together with the actions required to remove such overlap and duplication. The establishment of a coherent framework (e.g. in the form of regional tourism plans) within which the roles, functions and specific actions of the different bodies active in tourism promotion and development at regional level are articulated and coordinated</li> <li>• the establishment of a forum and supporting organisational structure at regional, county and local tourism development level to develop the coherent framework required, to monitor its implementation and to</li> </ul>	<p>Immediate</p>	<p>The review of regional structures was deferred pending consultations with the Regional Tourism Authorities on Action 8.6. A Sub-Committee of the Fáilte Ireland Authority has been set up to advance this action and consultants have been engaged to review the regional structures and to recommend the most effective system for the future delivery of national tourism policy in the regions.</p> <p>The overall future of Shannon Development, which is responsible for tourism development in the Mid-West Region, is under consideration by the Department of Enterprise, Trade and Employment and the tourism implications of any changes are included in this examination.</p> <p>As a separate but complementary initiative, ITIC has drawn up the terms of reference for a research project (to be completed before end 2004) on growing promotable business to Ireland and on increasing business to the regions.</p>

coordinate effectively the range of activities undertaken by different bodies.

**Lead Role** | Department of Arts, Sport and Tourism/Fáilte Ireland

<u>Strategic Success Driver 9</u>	Information, Intelligence and Research				
<u>Objective</u>	To provide the essential foundations of comparative data, knowledge and intelligence on which to develop the policies and actions by both the public and private sectors that promote tourism across the full range of the <i>nine strategic success drivers</i> outlined in this Report				
<u>Rationale</u>	Good policy and development decisions by both Government and the private sector depend on a good base of data, knowledge and intelligence relevant to the tourism industry in Ireland and internationally.				
	<b>Actions</b>	<b>Milestones/Timeframe</b>	<b>Update (mid 2004) on Actions Recommended</b>		
	<p><b>9.1 Research, Advisory and Co-ordination Group:</b> Set up a Research Advisory and Co-ordination Group, with representatives of the industry, Tourism State Agencies, relevant Government Departments and the research community in third level education to identify information and research gaps.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Department of Arts, Sport and Tourism</td> </tr> </table>	<b>Lead Role</b>	Department of Arts, Sport and Tourism	By end 2003	<p>The Department of Arts, Sport and Tourism decided to defer the setting up of this Group pending the compilation of the research register, which is in hand by the Tourism Agencies (see Action 9.2 below), and the experience that emerges from that process.</p> <p>In addition to the current research programmes being carried out by the Tourism State Agencies, the Irish Tourist Industry Confederation's Research Programme for 2004 includes</p> <ul style="list-style-type: none"> <li>○ Tourism Industry Performance</li> <li>○ Survey on Industry Spend in Overseas Markets</li> <li>○ Product development - future needs and incentives</li> <li>○ Monitoring the Harmonisation of Indirect Taxation</li> <li>○ Spatial Spread.</li> </ul>
<b>Lead Role</b>	Department of Arts, Sport and Tourism				
	<p><b>9.2 Research Register:</b> Compile, maintain and publish a comprehensive database on information and research relevant to Irish Tourism recently completed, under way and planned.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Fáilte Ireland</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland	Initial database published in 2004	<p>The format for the Research Register was developed and agreed by the Tourism State Agencies. The initial scope was confined to the State Agencies and the first draft will be produced in 2004. It is proposed that phase 2 will extend to the education/industry databank of research.</p>
<b>Lead Role</b>	Fáilte Ireland				
	<p><b>9.3 Tourism Satellite Accounts:</b> In order to more accurately reflect the importance and contribution of tourism to national economic development, a revised approach to the quantification of the economic contribution of tourism in national accounting terms through the use of the Tourism Satellite Accounts (TSAs) model developed by the WTO should be put in place.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Lead Role</b></td> <td>Fáilte Ireland and Tourism Ireland in consultation with the Central Statistics Office</td> </tr> </table>	<b>Lead Role</b>	Fáilte Ireland and Tourism Ireland in consultation with the Central Statistics Office	Feasibility study and action plan to be completed by early 2004	<p>Following an initiative by the British Irish Council, a proposal for a UK and Ireland Tourism Satellite Account – First Steps Project was agreed. Working in partnership, Fáilte Ireland and Tourism Ireland commissioned the National Centre for Tourism Policy Studies at the University of Limerick to compile TSA tables for the Republic of Ireland, in as far as it is currently possible, and to identify any outstanding information required to complete a fully comprehensive TSA. Fáilte Ireland is managing Ireland's representation and the first set of accounts is due to be delivered in autumn 2004.</p>
<b>Lead Role</b>	Fáilte Ireland and Tourism Ireland in consultation with the Central Statistics Office				

<u>Implementation Arrangements</u>		
<u>Objective</u>	To drive forward and monitor the effective implementation of actions recommended in this Action Plan and to put in place a process to ensure continuing review of strategy to reflect changing circumstances.	
<u>Rationale</u>	The strategy and recommended actions set out in this Report encompass a wide and complex range of issues. These will require to be followed through with resolution, commitment and energy if they are to effectively support and sustain the further development of Irish tourism as a major sector of opportunity for enterprise and investment and as a powerful instrument of national and regional development.	
	<b>Actions</b>	<b>Milestones/Timeframe</b>
		<b>Update (mid 2004) on Actions Recommended</b>
<b>10.1 Implementation Group:</b>	In order to follow through quickly and effectively on this Report, so that it can make a real difference to the further development of the tourism industry in Ireland, a high-level Implementation Group should be established to drive forward and monitor the recommended actions. The Implementation Group should be representative of the tourism industry and public sector and should <ul style="list-style-type: none"> <li>report directly to the Minister for Arts, Sport and Tourism</li> <li>sit for a fixed period of no more than 2 years (2003-2005)</li> <li>publish a report on its work, results and deliberations at 6 monthly intervals.</li> </ul>	Immediate
<b>Lead Role</b>	Department of Arts, Sport and Tourism	The Minister for Arts, Sport and Tourism established a high-level Group in January 2004. The fundamental task of the Group is to monitor the implementation of the recommendations of the Tourism Policy Review Group, to assess progress and to report to the Minister and the industry on that progress – highlighting constraints and recommending changes in the light of the experience as the Action Plan is rolled out. The Group held its first meeting on 5 February 2004 and, since then, it has convened in formal session at monthly intervals. It will report twice a year to the Minister for Arts, Sport and Tourism.
<b>10.2 Tourism Forum:</b>	An annual forum of the tourism industry should be established to consider developments in the sector and, to review performance in the implementation of the new strategy in the context of these developments. The first forum should be established in October 2004, 12 months after the publication of this Report.	First Forum in October 2004
<b>Lead Role</b>	Fáilte Ireland	The first annual forum is scheduled for the end of November 2004.