

Micheál Martin T.D.
An Taoiseach
Government Buildings
Upper Merrion Street
Dublin 2

1 September 2020

Re: Chambers Ireland Concerns regarding the EWSS and the co-ordination of the response to Covid-19

Dear Taoiseach,

Chambers Ireland welcomes the early reconvening of the Dáil as there remain many policy areas which need the immediate attention of government.

Since the Government's July package was introduced circumstances for business have evolved and gaps have become apparent. Government needs to address the long-term nature of this pandemic with an appropriate suite of responses and the critical need to introduce a programme of structured interventions focused on regions which see restrictions reintroduced, and separately the sectors which are most acutely affected by the impact of Covid-19.

Chamber Ireland Concerns:

1. There is a need for additional supports to help areas where restrictions have to be reintroduced to sustain businesses that are active in those areas, and then to support them upon reopening.
2. There are failings in the Employment Wage Subsidy Scheme which need to be addressed urgently.
3. It is critical that there is a co-ordinated, coherent, and clear programme of policy and communications from government, the absence of which is undermining the viability of businesses and the sustainability of our economy.

Government Action Required:

There needs to be:

1. Specific tailored packages for businesses that are operating in areas where restrictions are reintroduced, and,
2. A review of:

- I. The qualifications that businesses must meet if they are to be included in the EWSS
 - II. The delay between the payment of wages under the EWSS and the payment to businesses which is obviously going to cause cashflow problems that will lead to people losing their employment
 - III. The step change in payments which ought to be more graduated in general, and more generous to sectors, such as tourism and hospitality, and regions that have been affected most by the impact of Covid-19¹
3. A move towards a stabilised, rather than reactive, policy response to Covid-19 combined with an effective communications strategy that provides clarity regarding the policy environment which businesses are trying to operate in.

1. Effective Plans For Local Areas Where Restrictions Have Been Reintroduced

With the reintroduction of generalised restrictions on gatherings, and the tightening of restrictions in areas where there are localised surges, further supports will be necessary if it is to be possible to keep businesses open and workers in employment – but the July measures reduced the flexibility of the policy response.

We have seen that the reopening of business and social premises has been accompanied by an increase in cases. With schools reopening we will likely see further outbreaks which will in their turn need immediate policy responses. The easing of the earlier restrictions was accompanied by a foreseeable increase in Covid-19 cases, however the necessary preparations had not occurred in sufficient measure or speed.

Where local spikes occur, it must be possible, when a member of staff tests positive for Covid-19, for all their colleagues to be tested and the business be given the ‘all clear’ where it is an isolated case, rapidly.

But that is not happening, and businesses are suffering reputational damage as people are assuming that if anyone is positive that everyone in that business is a contact risk. This lack of testing capacity which emerged over the last couple of weeks is undermining businesses, particularly in the hospitality sector, which are already struggling.

Businesses need to know what will happen if their area gets caught up in the future restrictions of an outbreak. Staff need to know that their jobs will be supported if their area is locked down. Government action in the three counties that suffered the reintroduction of restrictions, while welcome, has been limited to mentoring supports, marketing for the county, and training vouchers. If businesses and jobs are to be sustained through periods of restrictions, supports for cashflow will be required.

¹ <https://www.chambers.ie/wp-content/uploads/2020/05/Business-Community-Survey-Sectoral-and-Regional-update-April-2020-final.pdf>

At a national level, we call for the publication of a plan that includes well-defined strategies for supporting business continuity in the areas that are enter lockdown as well as detail on adequate reopening supports once restrictions are reduced.

2. Problems With Government Employment Support Packages

The transition from a set of temporary schemes to a longer-term response is to be welcomed but has not been handled well:

- Businesses that have been part of the TWSS and qualify for the new, replacement, EWSS scheme will have to wait for almost two months before they will receive their first payments under the new scheme, creating a foreseeable cashflow problem.
- Businesses which qualified for the TWSS but do not qualify for the EWSS will see those supports completely withdrawn instead of being phased out in a graduated manner.
- Businesses in areas where there are travel restrictions will be treated the same as those where there are no restrictions and so will see wage supports reduce by 42% even as people are being told to avoid unnecessary travel in that area.
- There remains the unaddressed risk that people will continue to work, even where they may be infected out of a fear of a the loss of earnings.
- The messaging around the requirements for qualifying for the EWSS, the initial confusion on status of proprietary directors), the confusion about the dates for registration, all undermine confidence in the purpose, effectiveness, and adequacy of the scheme.

Businesses have been calling on Government to provide certainty and sustainable long-term support during what will be a difficult winter trading period. The transition from the TWSS to the EWSS scheme is concerning for several reasons, including , the sudden change of rate from €350 per week to €203 a week, the apparent seven week delay in payment, the initial exclusion of proprietary directors, the removal of the Minister's discretion on when to cease the scheme and the absence of measures for areas that are seeing restrictions reintroduced are going to count against the aim of that policy, which is to keep people in their jobs.

3. The Need for a Coherent Long-Term Covid-19 Strategy

Critically, we need a generalised, co-ordinated and coherent policy response to this disease. It is six months since the first Irish case of Covid-19 was diagnosed, and still businesses are trying to make decisions while the policy and regulatory environment is shifting on a month by month, even week by week, basis.

It has to be expected that we will be living with the impact of this pandemic until at least next summer. The government response should be realistic about this, and there should be clarity for businesses and society about what they can expect to occur during that time.

Finally, the testing regime needs to be fully supported to ensure it is able to react at speed and be deployed where required at very short notice, both to help manage outbreaks and also to reduce reputational damage in areas impacted. In addition, we should be investing in the most up to date technology available so we can deliver results in the shortest possible time.

Yours sincerely,



Ian Talbot
Chief Executive

