

Paschal Donohoe TD  
Minister for Finance  
Department of Finance  
Government Buildings  
Merrion Street Upper  
Dublin 2

30<sup>th</sup> June 2020

**Re: Support for the Leisure, Health and Fitness sector as part of the July stimulus package**

Dear Minister Donohoe,

Firstly, we wish to congratulate you on your reappointment to the position of Minister for Finance as part of the recent government formation process. We know from your time in the Department of Transport, Tourism and Sport that you have a deep understanding of the contribution of physical activity to Irish society in terms of employment, economic, health and wellbeing returns.

Ireland Active is the national association for the leisure, health and fitness sector with over 350 member organisations in the local authority, public, private, hotel leisure, education and recreation sector. Our members operate leisure centres, gyms, swimming pools, exercise studios, outdoor recreation and education centres.

The leisure, health and fitness sector gets over 1 million people active each week and caters for the two sports with the most participation amongst adults (personal exercise and swimming) as well as catering for a broad range of sports for children in facilities in every community in Ireland. It is anticipated that many schools will not recommence activities (e.g. swimming lessons) until 2021 and therefore this will lead to a huge loss of income to the sector as well the impact on physical activity for our children's health and wellbeing.

The industry employs over 12,000 people in roles such as lifeguards, swimming teachers, fitness instructors, personal trainers, sports coaches, and operational staff.

Facilities have been closed for over 3 months with little or no income and have been covering the cost of operation (rents, insurance, wage top-ups, energy costs [which is sector specific in terms of swimming pools for example]). The sector income is generated largely off memberships and 'pay as you go' payments which have been frozen for the period of closure. Many businesses that do reopen will not survive beyond a few months without government support due to cashflow issues. The effect of social distancing reduces capacity by circa 50% and this has the knock-on impact on income that can be generated by operators. It is essential that the July stimulus package addresses the needs of the sector.

The **Programme for Government** places a renewed focus on exercise and wellbeing and aims for 60% participation in physical activity (46% currently) with swimming as a priority sport.

#### *Exercise*

- *Promote more physical exercise among all sections of the community, young and old, for the long-term health and benefit of society.*

#### *Sport*

- *Target overall participation in sport to reach at least 60% of the population by 2027.*

- *Place a strong emphasis on swimming, cycling, walking, and running, which are especially suitable for all generations.*

Without sector specific support for the commercial sport/leisure sector, the increase in participation (in particular in relation to swimming) will not be possible as many leisure centres and pools face the prospect of closure. Leisure centres, waterparks and swimming pools also play an important role in supporting the tourism sector by providing leisure amenities for visitors.

**In a survey of our members,**

- 91% of facilities froze their memberships during closure, meaning little or no income was received for a period of 3-4 months in addition to the lost revenue from 'pay as you go' users
- 63% of members expect refund requests from up to 20% of members upon reopening
- 57% of members have suffered loss of revenue of between 85%-100% during closure
- 74% of our members employees benefitted from the temporary wage subsidy scheme which has given a lifeline for businesses and which must continue beyond the end of August

All of the above means that cashflow will be extremely important over the coming months and unless a significant package of measures are put in place for the sector, many facilities in both the local authority/public and private sector will have no option but to close.

Ireland Active are members of SME Recovery Group and support the aims of the group in providing liquidity supports for small and medium enterprises in the sector. We welcome the inclusion of sector specific support for the leisure sector in the Programme for Government as part of the July Stimulus package, and we wish to ensure that this support is followed through on for the sector.

- ***Take further sector specific measures where required. We will consider additional measures that may be needed to support the hospitality, retail, entertainment, arts and leisure sectors.***

The leisure sector delivers on government's aims to improve public health through the promotion of physical activity and improved fitness amongst the population which ensures better outcomes from the COVID-19 pandemic in addition to the economic and employment benefits.

To assist government with the targeting of supports for the sector we have outlined below supports we believe should be prioritised for the sector which align with the programme for government:

- Extension of the Temporary Wage Subsidy Scheme for the period of restrictions being in place due to the pandemic, to include provision for seasonal workers
- Extension of the exemption from rates for a period of 12 months
- Reduction in the VAT rate for sports facilities to 0%
- Sector specific grants which could be in the form of energy and operational grants
- A state backed 'leisure centre and gym' voucher scheme, similar to that being proposed in the tourism sector to encourage use of local facilities
- State backed loans for the sector with 0% interest and no repayments for 12 months
- Code of Conduct for commercial landlords put in place to avoid evictions during the pandemic
- Tax liabilities warehoused for a further 12 months
- SME Recovery Group established with representation from Ireland Active for our sector

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**Ireland  
Active**

**Leisure, Health  
and Fitness  
Association**

- Sector taskforce established for the sector

We look forward to your response in due course and to engage with you and other government departments as we look to recover from the pandemic and contribute to the improved health and wellbeing of the nation.

Kind Regards,



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**Conn McCluskey**  
Chief Executive

Cc:

- Micheál Martin TD, Taoiseach
- Leo Varadkar TD, Tánaiste and Minister for Enterprise, Trade and Employment
- Catherine Martin TD, Minister for Media, Tourism, Arts, Culture, Sport and the Gaeltacht
- Michael McGrath TD, Minister for Public Expenditure and Reform
- Darragh O'Brien TD, Minister for Housing, Local Government and Heritage
- Special Committee for COVID-19 response