

**RE: Recovery package for the Hair, Beauty and Spa Industry**

Heather Humphreys TD  
Department for Business, Enterprise and Innovation  
23 Kildare Street, Dublin 2

**01/04/2020**

Dear Minister,

As a collective, we acknowledge the significant work of the Government in tackling the spread of COVID-19, as well as the interim supports outlined for Irish businesses and employees. However, following on from our previous correspondence on 19/03/2020, we are extremely concerned that the supports announced recently will not have the desired impact on the hair, beauty and spa industry.

Liquidity is one of the main issues facing our industry at this time. The recent announcement that micro-finance loans are available through LEO at a rate of 6.8% (after the first 6 months) is not a viable liquidity option for the 9,286 businesses in NACE 9602 (CSO, Business figures, Q4 2019). No business owner should be placed in the position of taking on an additional debt burden during such volatile and uncertain times. Finance available to SMEs must be available in the form of easily-accessed, **100%-funded grants or helicopter payments** to SMEs.

Additionally, following consultation with our members, we believe that government intervention in regard to commercial mortgages, rents, and rates is essential. Landlords are still seeking full rents, and banks are still requesting repayment while a business can no longer trade. These payments are significant amounts of money, and are enough to render a business insolvent if there is not rapid intervention. We urge the government to support SMEs and mandate a **national commercial mortgage, rent and rates suspension** during this pandemic.

Additionally, businesses nationally have paid commercial insurance premiums in good faith, and now find themselves in limbo. We ask the Minister to intervene on this matter so that Business Interruption Policies are honoured in good faith.

The hair and beauty industry employs 25,800 (CSO, labour market figures Q4 2019). The vast amount of these employees have joined the live register on the COVID-19 Pandemic Unemployment Payment. We welcome the new amendment outlined in Section 29 of the Emergency Measures in the Public Interest (Covid-19) Bill 2020, which outlines the suspension of the Redundancy Payment Act 1967 until the 31<sup>st</sup> of May 2020. However, we urge the government to closely monitor this situation in relation to the hair, beauty and spa industry.

Furthermore, we ask that clear health and safety guidance and recommendations are given to the hair, beauty and spa industry in order to support business continuity and a return to daily trading activity in the recovery period of the COVID-19 Pandemic.

As previously outlined in our last correspondence, 2019 has been an extremely hard year for all salons nationally. See attached a more detailed industry overview of the issues that have faced the industry in our Low Pay Commission Submission.

As an industry collective, we call on the Irish Government to develop an inclusive economic recovery package that supports domestic SMEs in the hair, beauty and spa industry. This recovery package should focus on:

- 100% funded cash grants in order to ensure liquidity of organisations.
- Suspension of commercial mortgages, rents and rates during COVID-19.
- Intervention and support in regard to Insurance policies/Business Interruption cover
- Reduction in the VAT Rate from 13.5% to 9% for services to enable recovery.
- Reduction in Employers PRSI contributions to enable recovery.
- Reduction in commercial rates for a period of 1 year to enable recovery.
- Review of the apprenticeship payment model to include a training allowance to simulate employment and consistent pipeline of skilled professionals.
- One-month vulnerable industries wage support grant - paid to employers who rehire laid off employees to generate cash flow as the business enters recovery mode.
- Reinstatement of Statutory Redundancy Rebate.
- Fully funded online trading vouchers to encourage online trading.

It is vital that inclusive economic recovery supports are put in place in order to help our members to rebuild Ireland.

Our call is echoed by our industry colleagues. To date, almost 12,000 professionals have signed a petition seeking Government support for the Hair, Beauty and Spa industry.

[Direct link to Petition 1, from the Hair, Beauty and Spa Industry to Government RE COVID-19](#)

[Direct link to Petition 2, from the Hair, Beauty and Spa Industry to Government RE COVID-19](#)

Yours sincerely,



**Margaret O'Rourke Doherty**, CEO, Hair and Beauty Industry Confederation (HABIC) & Vice Chairperson of ISME (Irish SME Association),

**David Campbell**, President of the Irish Hairdressers Federation

**Sean Taaffe**, President of the Hairdressing Council of Ireland

**Anita Murray**, Chairperson of the Irish Spa Association

**Catherine Finn**, Chairperson of Synergy Hair Group

Copy; **Paschal Donohue TD**, Minister of Finance

**Regina Doherty TD**, Minister for Employment Affairs and Social Protection

**Neil McDonnell**, ISME