



**Letterkenny
Chamber**
Advancing business together

Letterkenny Chamber Pre-Budget Submission 2025

in association with



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Message from Letterkenny Chamber President

This budget submission outlines several critical points for the future of Letterkenny and the wider North West Region.

This forthcoming budget is an opportunity to prioritise the regional imbalance and look at the North West as a centre of growth by awarding enabling investment at a level that creates a level playing field and allows us to live into our ambitions .

This is time for a long -term budget that finally addresses inequalities and delivers long awaited infrastructure projects at pace. We have very much welcomed a recent announcement from the Cabinet about the Ten-T and we look forward to the government ensuring this vital infrastructure project is delivered in as short a timescale as possible.

In terms of delivering on improving competitiveness and productivity investment in infrastructure including roads, water, wastewater and grid connections is essential.

There is a legacy of underinvestment in the northwest leading to the region being designated as A “lagging region” by the European commission due to a significant underinvestment in infrastructure resulting in no motorway, no gas infrastructure, no rail connectivity to Donegal and underdeveloped power transmission infrastructure. This underinvestment can be seen clearly in Figure 1: National Infrastructure provision in Appendix A

Housing has now become the biggest issue cited by members over all our recent surveys. While the Housing issue is being felt across the Country, here in Donegal it is further amplified by the defective blocks crisis that is affecting so many families in the County. This added pressure on an already squeezed housing market is affecting recruitment and retention, so we are appealing to government to enable the delivery of affordable housing projects and enable developers and housing associations to deliver over target and at speed.

With talent shortages impacting businesses we need to unlock the skills and experience of people seeking international protection. Donegal has a high proportion of people seeking international protection, many of these are highly qualified individuals however they face a significant language barrier to entering the workforce therefore investment in delivering intensive English language courses would support some of these individuals in finding meaningful employment, becoming independent and integrating more fully in the community.

As a border Chamber, our members are being impacted by the tax residency issue of cross-border workers. Post-Covid many workers are working from home or have a more flexible working model which has helped with mobility of labour and attraction of much needed skills. Employers who were able to recruit on both sides of the border are now working in a more curtailed labour pool. There needs to be a solution that allows for increased flexibility for mobility, hybrid and work from home options of

workers across the island of Ireland, particularly given current constraints in the labour market.

We have seen too many budgets that promise a lot but this is the time for rapid action and sustained pace of change. The North West is the only County without a motorway connection, it has little of no prospect of rail connection, it's grid infrastructure lags well behind the rest of the Country and in urban centres such as Letterkenny, the water and waste water infrastructure is not going to cope with any future development.

There has been a deficit in investment for too many years and the progress of key projects has been dreadfully slow and insufficient to say the least. As we look towards the future with ambitious plans to grow the population we need significant infrastructure projects of scale if we are not to remain a region in transition.

Over the past year our members have implemented a suite of employment legislation that has increased already rising costs and squeezed margins. The pace with which these were introduced was overly punitive and while important to have modernised employment legislation small businesses find this challenging at a time when other costs are rising rapidly. We would call on you to focus on promoting business growth and development rather than more legislation.

This submission sets out the Chamber's priorities and our high-level ambitions and vision for the future social, economic and environmental development, which has a direct impact on business growth and competitiveness across the county. We have serious ambitions to grow County Donegal and become a net contributor to the Irish economy. Recognising the unique challenges from years of underinvestment in this budget would set us on our way to achieving that.

Claire McDonough
President

Toni Forrester
CEO

Message from Chambers Ireland

In spite of the financial resources available to Government, Budget 2025 will be extremely challenging to formulate. Described by the Financial Times as the “Year of Elections”, uncertainties abound as we prepare for the future. In Ireland we are directly affected by our own recent Local and European elections, with a General Election imminent. A new EU Commission and Parliament, as well as potentially seminal elections in the UK, France and the US also add greatly to the prevailing complexity.

This year’s Budget should be informed and guided by the most pressing concerns and priorities for our future economic growth and development. For too long Ireland has settled into a model of falling or low population growth. This modelling has seen the stultification of development that is now proving costly as growth is exceeding expectations. This has resulted in playing catch up with our housing, transport, water, energy and social infrastructure development needs.

To address this, Budget 2025 should be grounded with a long-term focus, and continued investment in such essential infrastructure is crucial. We welcome initiatives already taken to ensure future capital expenditures continue apace, even in an economic downturn. A budget of quick-wins and giveaway promises is not in the best interests of our national competitiveness agenda. Balance must be struck and we must also ensure essential efforts to broaden our tax base mean that our taxation system increasingly moves towards taxation of resource consumption, not work. State agencies essential to our infrastructure development, including Planning and Courts, must also be adequately resourced.

Reflecting on the past year for Irish businesses, we have witnessed the culmination of a suite of employment legislation that has compounded costs and squeezed margins, particularly for smaller businesses. At a time when, as a nation, we were recovering from the sequential crises of Brexit, Covid-19 and geopolitical instability, businesses are being hit with added regulation and red-tape at an EU and national level. The pace of implementation of these measures has been overly punitive, both in terms of cost and compliance.

In some element of recognition, we witnessed Ursula von der Leyen’s commitment last September to reducing reporting obligations at the European level by 25%, as well as the more recent national commitment to rolling out an enhanced SME test for all relevant new legislation. This is an important acknowledgement of the fact that businesses have been stretched and challenged and we now need to focus on promoting business growth and development.

Moving forward it is important that these commitments are carried through in Budget 2025 and beyond with the formation of a new Government. The Local, National and EU elections afford an opportunity for a comprehensive and coherent reset across all governing bodies. Placing businesses at the heart of this reset will ensure we can drive

economic growth, create more jobs, generate tax revenue, and foster innovation and development.

In a world where the pace of change and disruption is constantly increasing, we must also ensure that there is an acute focus on future-proofing our skills and innovation landscape to account for the increasing demands and opportunities of the twin transition for Sustainable and Digital economies, not least with the extraordinary surge in impact and relevance of Artificial Intelligence. Ensuring a robust and highly-skilled workforce, providing the right pro-business policies and incentives, as well as promoting comprehensive collaboration between government, industry and academia will mean that we can position Ireland as a global leader in sustainability and emerging technologies. Apparent hesitancy to deploy the employer-funded National Training Fund surplus must also be addressed, particularly as we face into a world where lifelong learning will be an increasing priority for all workers in adapting to rapidly changing technologies and job market demands.

We have outlined Chambers Ireland's budget priorities in more detail across the document below. These priorities represent the common concerns and collective challenges faced by our network of 37 affiliated chambers across the country and their member businesses.

Ian Talbot

Chief Executive

Executive Summary

Introduction

The Letterkenny Chamber, representing businesses across Donegal and the North West region, has put forward a Pre-Budget Submission for 2025, emphasizing the urgent need for strategic investments to address regional imbalances, support economic growth, and improve the quality of life in the area.

Key Priorities and Recommendations

1. Infrastructure Investment

- **Regional Imbalance:** The submission highlights the persistent underfunding in the North West, which has left the region without crucial infrastructure like motorways, gas networks, and rail connectivity.
- **Request:** The Chamber calls for targeted infrastructure investments to create a level playing field with other regions, enabling economic growth and achieving regional ambitions.

2. Housing Crisis

Defective Blocks Crisis: The lack of affordable housing in Donegal is exacerbated by defective blocks, further limiting the availability of quality housing which in turn has a negative effect on recruitment and retention.

Request: The Chamber urges the government to fast-track affordable housing projects and support developers and housing associations in exceeding housing targets.

3. Labor Shortages and Talent Retention

Recruitment Challenges: Businesses in the region face significant difficulties in recruiting and retaining talent for a variety of reasons and this is a Country wide issue. However the pool of labour available from international protection applicants, although highly qualified face language barriers so find difficulty accessing employment.

Request: Investment in intensive English language courses for highly qualified individuals seeking employment is recommended to alleviate labour shortages.

4. Cross-Border Worker Tax Residency

Remote Working Challenges: The issue of tax residency for cross-border workers has become increasingly complex in the context of remote and hybrid working models.

Request: The Chamber advocates for a resolution that allows for greater flexibility in labour mobility across the island of Ireland, facilitating cross-border employment.

5. Business Support and Competitiveness

Ongoing Support: The Chamber emphasizes the need for continued government support for businesses, particularly in areas such as tax relief, grants, and access to finance, to enhance competitiveness and sustainability.

Conclusion

The Letterkenny Chamber's Pre-Budget Submission for 2025 outlines a clear vision for the region's future, focusing on the critical areas of infrastructure, housing, labour markets, and cross-border issues. The Chamber urges the government to take decisive action in the upcoming budget to address these challenges and unlock the full potential of the North West region.

Our Policy Priorities

Every year Chambers Ireland establishes a set of core policy priorities based on feedback from our network of the common challenges facing businesses across the country. These inform our policy outputs including this Pre-Budget Submission. While the NW and Donegal has added pressures and it faces a much more pronounced infrastructure deficit than other counties the priorities contained in this submission are shared by Letterkenny Chamber as the biggest representative business organisation in the County.

Our agreed priorities for 2024 are:

1. Productivity and Competitiveness

Ireland's national productivity and competitiveness can be viewed as overarching priorities for Letterkenny Chamber's Pre-Budget Submission.

Nationally, our productivity rate is the highest in the EU, however, this is largely attributable to multinational activity across the country and the domestic productivity rate is much lower, albeit still above the European average. Keeping a focus on SME productivity and supporting indigenous businesses is important as this will continue to drive economic growth, promote job creation and bolster our public finances. We also need to ensure that Ireland remains an attractive proposition for foreign investment by continuing to offer a competitive and stable economy with the right resources and pro-business environment for growth.

Competitiveness is multi-faceted and influenced by a myriad of factors. We need to invest in skills development for an adaptable labour force, infrastructure to facilitate business connectivity, innovation to drive technological advancement, and trade to ensure market access and efficiency. Additionally, economic stability and effective governance are essential in bolstering Ireland's competitive edge.

2. Housing and Planning

Housing remains one of the biggest issues facing Irish business in terms of recruitment and retention. The potential for a company to grow and expand their operations in Ireland is increasingly impacted by the availability and affordability of housing to meet employee needs. The Chamber network has consistently highlighted that the targets set out in Housing For All should be viewed as minimum thresholds, as opposed to an output ceiling, and the recent report from the Housing Commission affirms this position with a recommendation for a 'radical strategic reset of housing policy'.

Housing delivery has been continually compounded by the failure of the planning system to deliver speedy coherent decision-making. Lengthy and complex approval

processes, convoluted legal disputes and planning appeals, inconsistent application of rules across the country, and inadequate coordination between local and national authorities have all led to significant delays, spiralling costs and investor uncertainty. This impacts on our ability to build new homes, progress the objectives in the National Development Plan, and deliver essential transport, health, education, water, and energy infrastructure needed to meet the needs of our growing population and the demands of a modern, competitive economy.

3. Energy and Decarbonisation

The recent report by the EPA, released in May, indicated that Ireland is likely to miss both the national target from the 2021 Climate Act of a 51% reduction in emissions by 2030 compared to 2018, as well as the European target of 42% compared to 2005 figures.

While renewable energy represents an important cog in our national decarbonisation efforts, ensuring a secure and stable energy future is also a key priority. Our long-term security of supply will require a combination of renewables and hydrogen storage, significant grid development and reinforcement, as well as substantial investment in key technical skills required for the sustainability and digital transitions. Integrating our energy networks with the EU, particularly through electricity interconnectors, offers enormous opportunities. For Budget 2025, we want to see increased resourcing and investment in our renewable energy potential.

4. Workplace and Skills

Labour shortages are another key concern for businesses across the country, both large and small. The Irish labour market has recorded an impressive recovery post-Covid, with employment at an all-time high. This creates bottlenecks and constraints for businesses where talent attraction and retention has led to increased wage demands. This is on top of a suite of employment-focused legislation that has increased the national minimum wage, introduced the roll-out of a living wage, instituted statutory sick leave, advanced pension auto-enrolment, and increased employer PRSI contributions. For the hardest hit sectors in retail and hospitality, these changes have been on top of reform to VAT, increased supply chain and raw material costs, and the introduction of increased workplace flexibility. The increased cost of doing business has tightened business margins and we've seen closures of those that have been hardest hit. We call for the enhanced SME Test to be robustly applied to any relevant future legislation and for measures that protect and promote thriving businesses.

Skills gaps are also presenting issues for certain sectors. Rapid technological advancements and the evolving needs of industry have created a mismatch between available skills of the Irish workforce and those required by employers. It is therefore crucial that we implement a robust national skills strategy that addresses emerging

skills needs, foster a culture of lifelong learning across all levels of the labour force and enable flexible global talent recruitment.

Chambers Ireland and The Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

The Sustainable Development Goals are an urgent call for action which acknowledge the importance of partnership between all developed and developing countries.

Chambers Ireland and ICC Ireland, together with our nationwide network of affiliated Chambers, have unanimously pledged to support the Goals. This support was acknowledged by the Irish Government in 2023 when Chambers Ireland were appointed to be a national Sustainable Development Goals' Champion for 2023 – 2024. Our aim is to help businesses realise the opportunities the Sustainable Development Goals create and provide companies with the confidence that meaningful results can be readily achieved, positively impacting businesses, communities and livelihoods.

We have worked with our Chamber Network and our Sustainable Business Council to help to educate the 10,000+ businesses we represent about the Sustainable Development Goals.

All of our policy outputs, including this 2025 Pre-Budget Submission, are aligned with our selected Sustainable Development Goals and seek to help our members address the challenges of an increasingly 'shock prone' world.

Gender Equality - SDG 5

In 2023, Ireland ranked 9th in the EU on the gender equality index, which is down two places on 2022, showing the elastic nature of progress and the need for sustained policy-making and budgetary supports promoting gender equality.

The Chamber network is calling for more investment to increase the female participation rate in the workforce, foster greater representation of women in senior leadership positions and to support more women to establish their own businesses. Increased flexibility, remote or hybrid working, investment in targeted entrepreneurship supports, enhanced transparency on pay, and greater investment in childcare over the last number of years have helped to improve our positioning at an EU level but there is still much to be done in ensuring that women have equal access and opportunities in the workforce and to entrepreneurship supports.

Childcare

Enhancing Access to Early Learning and Childcare

Recommendation: Build upon the increased investment made in early learning and care (ELC) and school-age childcare (SAC) by increasing the universal subsidy from €2.14 per hour and the income thresholds from €60,000 under the National Childcare Scheme (NCS)

In Budget 2024, it was very welcome to see the universal subsidy rate increase from €1.40 to €2.14 per hour from September 2024. However, this needs to go further to enhance access to and affordability of childcare. Many families are still forced to weigh up the cost of childcare relative to their take home pay. Increasing the NCS subsidies would support more parents to remain in the workforce. This support should extend to the establishment of more breakfast clubs and after-school childcare programmes across all regions, enabling working parents to access quality care for their children. By investing in the necessary infrastructure and expanding childcare services, we can better support working parents and ensure that children have access to high-quality early learning and care facilities.

Increased Core Funding

Recommendation: Increase core funding for childcare providers, particularly small and medium-sized providers, to ensure adequate supply of childcare places across the country.

The provision of high-quality and affordable childcare is contingent upon service providers receiving adequate support in order to meet employee pay and conditions, overhead costs and other related costs, particularly as fee freezes have been in place over the past two years for providers in receipt of core funding. Providing adequate

core funding ensures that providers can grow their business, recruit and retain qualified employees, and deliver a cost-effective service for both parents and providers.

Investing in Early Learning and Childcare

Recommendation: Commit to a 5-year programme of continued investment in Early Years and School Age Childcare.

While the commitments that have been made over the past two years have been very welcome, it would be positive to see a programme of investment for the coming years to ensure that the progress which has been made to date can be sustained and expanded upon. Programmes like the ECCE, NCS and AIM have all enabled children to benefit from quality early years and school age childcare provision. These initiatives require sustainable funding and a commitment to ongoing improvement.

Strengthening Quality and Support in Early Childhood Education

Recommendation: Expand mentoring programmes like "Better Start" that focus on improving the quality of childcare and early childhood education.

These mentoring initiatives provide valuable support to childcare providers, fostering continuous improvement and ensuring that children receive the best possible care and educational experiences. By investing in mentoring programmes, we can enhance the quality and standards of early childhood education, setting a strong foundation for children's development.

Gender Equality

Empowering Women in Entrepreneurship

Recommendation: Implement additional tailored entrepreneurial training programmes and funding opportunities targeted at women.

Offering dedicated support and resources to women participating in entrepreneurial training programmes will encourage them to open their own businesses. Additionally, allocating dedicated funding to support women pursuing entrepreneurship within the domestic economy will support the aim of addressing gender disparities in entrepreneurship and create a supportive ecosystem that enables women to thrive as business owners.

Access to Financial Resources and Accelerators

Recommendation: Establish funding initiatives such as microfinancing loans that specifically target female business owners. Furthermore, collaborate with Irish universities to implement start-up accelerators specifically designed for female-led businesses.

By providing financial resources tailored to the needs of women entrepreneurs, this enables them to overcome financial barriers and pursue their business ideas. These business accelerators should offer tailored support, mentoring, and networking opportunities to empower women entrepreneurs, fostering their growth and success.

Promoting Parental Leave Equality

Recommendation: Conduct a thorough review of parental leave supports, including maternity, paternity and parental leave, to identify any obstacles to uptake and barriers to achieving greater parenting equality.

Conducting such a review will provide valuable insights into the challenges faced by parents and inform the development of more inclusive and flexible parental leave policies. Simplifying parenting leave options may empower more families to decide how to allocate various leave options between parents. By providing flexible and simplified parental leave options, we promote greater parenting equality and support parents in balancing their work and family responsibilities.

Decent Work and Economic Growth - SDG 8

Promoting inclusive and sustainable economic growth, employment and decent work for all is crucial at a time when attracting and retaining suitably qualified staff is one of the biggest issues facing Irish businesses and threatening our national competitiveness. With the employment rate sitting at approximately 74%, the global race for skills means that we need to adopt agile solutions that focus on upskilling and reskilling initiatives, activating the workforce and streamlining the process for international jobseekers. Unlocking the National Training Fund and facilitating further investment in organisations such as Skillnet Ireland is a key priority. We also call for greater supports for entrepreneurs and Irish businesses that are looking to expand their operations through trade, both within the EU Single Market, and further afield availing of the EU's ever growing Free Trade Agreement network.

Making Ireland an attractive place in which to live, work, study and visit means we will diversify our national offering and ensure sustained economic growth into the future.

Developing & Attracting Talent

Intensive English Language Training

Recommendation: Unlock a portion of the National Training Fund surplus to deliver intensive language courses to people seeking international protection.

With talent shortages impacting businesses across the country, we need to unlock the skills and experience of people seeking international protection that face a significant language barrier to entering the workforce.

A €3,000 investment in delivering an intensive English language course that focuses on business English and a minimum standard of C1 level, should support an individual in finding meaningful employment and becoming independent.

Donegal has accepted a high number of people seeking International Protection and many, particularly those from Ukraine, have good qualifications and want to work but lack the language skills necessary to become part of the workforce. Intensive language courses would help unlock these much needed and potential skills.

The costs will be exchequer neutral within 12 months by reducing reliance on social supports and increasing income tax receipts. You can find out more about this proposal in our research report [‘Closing Skill Gaps: Intensive Language Training’](#).

Expanding on Apprenticeships

Recommendation: Increase employer funding for apprenticeships. Additionally, invest in more STEM-focused apprenticeship programmes.

More funding needs to be available for consortia-led apprenticeships where employers provide off-the-job apprenticeship training. The current annual grant of €2,000 is insufficient if we want to make the apprenticeship model more appealing to potential employers across the country. Additionally, while there will be over 80 national apprenticeship programmes in Ireland by the end of 2024, our members are calling for there to be a sustained focus on STEM-focused programmes.

Streamlining International Recruitment

Recommendation: Roll-out the single permit system for living and working in Ireland without delay.

The announcement earlier this year that a single visa/permit process will be initiated is very welcome and we would call for this to be rolled out without delay, as such a measure is important in reducing the administrative and cost burden faced by businesses looking to recruit from outside Europe. By streamlining these processes, we can also create a more inclusive workforce that welcomes diverse skills and perspectives.

Construction Skills Shortages

Recommendation: Increase investment in upskilling and apprenticeships in the construction sector to create sustainable employment opportunities and address skills shortages in the sector.

Skills shortages in the construction sector are negatively impacting our ability to deliver on essential infrastructure, which will inhibit our economic growth in the long run. Targeted training, apprenticeships and community outreach on the opportunities available is essential to build resilience and capacity in the sector.

Local developers and construction companies have reported that they have an aging workforce, with skilled workers being in their 50s. The construction sector never fully recovered from the recession resulting in a lack of capacity in the sector.

Younger people entering the workforce from apprenticeships are being attracted to the large scale infrastructure projects, leaving a deficit of skills in County Donegal.

Cross-Border Workers Reform

Recommendation: Reform tax rules to allow for better worker mobility between Northern Ireland and Ireland.

The issue of cross-border workers has become significantly more pronounced post-Brexit. We now have an issue where workers may live on one side of the border and work on the other. This was less of an issue pre-Covid when workers may have primarily commuted to their place of work. However, with increased workplace flexibility, we now have the issue of workers seeking remote or hybrid work opportunities creating Tax Residency issues. There needs to be a solution that allows for increased flexibility for mobility, hybrid and work from home options of workers across the island of Ireland, particularly given current constraints in the labour market.

Members without a base and payroll in the UK are finding that this issue is impacting their recruitment and retention and specifically reducing the available pool of labour. Businesses operating on the border have always been able to work seamlessly and have been able to recruit from a wide base across the region.

Supporting Transition into Employment

Recommendation: Introduce the proposed Working Age Payment to provide welfare equivalent subsidies for long-term unemployed individuals who engage with workplaces that offer part-time work opportunities. Additionally, implement a tapering process for the reduction in welfare supports to individuals re-entering the workplace after an extended absence.

The Working Age Payment initiative ensures that individuals transitioning back into the workforce receive adequate support, reducing the financial barriers associated with returning to employment. The gradual reduction in welfare supports enables a smoother transition, ensuring that individuals have the necessary support as they regain their financial independence. Such measures may have a positive impact on encouraging parents or carers back to the workforce where they may have taken time out from employment to focus on their family or caring responsibilities.

Human Capital Initiative

Recommendation: Extend the Human Capital Initiative funding for a further 2 years.

Funding for the Human Capital Initiative is due to come to an end next year. However, the aim of increasing capacity in higher education to provide skills-focused programmes that meet priority skills needs is more important than ever. A full evaluation of the programme should be carried out and a programme for another two years should be optimised and implemented.

Pensions Reform

Recommendation: The current system for tax relief on pension scheme contributions requires modernisation.

The current scheme is currently being reviewed by Government, with a particular focus on the Standard Fund Threshold. We submitted recommendations to the Minister for Finance earlier this year, including automatic indexing. However, the entire scheme urgently requires modernisation to reflect both current employment legislation and the modern and future working career, facilitating contributions being made by people during career breaks or part time work periods for further education, undertaking caring responsibilities, parental leave and so on.

Encouraging Lifelong Learning

Recommendation: Create and implement a national Lifelong Learning Strategy.

Ireland's National Skills Strategy is due to be reviewed after 2025. The current Strategy does not focus enough on Lifelong Learning and improving pathways to education throughout a person's career. Raising overall educational attainment and implementing programmes for continuous learning in evolving and emerging sectors will support smoother transitions between working life and training throughout individuals' time in working life.

Regional Skills Fora Support

Recommendation: Increase resources, both in staff and funding, for Regional Skills Fora in line with population, empowering them to address skills needs across the country.

This investment will strengthen the efforts of the Regional Skills Fora in fostering collaboration between industry, education providers, and the community to ensure the availability of relevant skills for employment.

The North West has a very connected skills sector however more needs to be done on a cross border basis to address the skills gaps. Investment in the Regional Skills Forum would enable even more to be achieved.

Equitable funding for technological universities

Recommendation: Amalgamating the funding streams for the technological universities and traditional universities

Traditional universities can and do have the ability to borrow their own investment funding, thus giving them the autonomy to build their own future. The new Technological Universities do not have the same ability (outside of student accommodation) and therefore are hamstrung, as their funding streams come via the Government. By amalgamating the funding streams for the technological universities and traditional universities, both can co-exist, thrive and offer the best in education for all third level students, while also allowing equal pay for educators.

The Atlantic Technological University (ATU) has been welcomed by Letterkenny Chamber acknowledging the great impact of being a University Town and County however capital investment is key to increasing breadth and number of courses and consequently student numbers. The development of the ATU has a direct impact on attracting investment and on the local economy.

Promoting Equal Employment Opportunities for Persons with Disabilities

Recommendation: Carry out a comprehensive review of disability supports for employers and employees and implement a programme of reform to ensure that available training, financial supports and operational supports are accessible to all.

According to the 2022 Census, 22% of the Irish population reported having a long-lasting condition/difficulty or disability to any extent. Ireland also has the largest disability employment gap in the EU, therefore, reform of employment supports is needed to ensure more people with disabilities are empowered to join the workforce. There should be free Disability Awareness Training Schemes available to employers, making them accessible without the need to identify employees with disabilities in advance. There should be reform of the Reasonable Accommodation Fund to ensure it aligns with the needs of the modern workplace and all available supports should be consolidated under one overall grant. Personal assistant supports for persons with physical disabilities in all forms of employment, promoting inclusivity and accessibility, should be expanded. Additionally, funding for the Work Placement Experience Programme should be increased, delivering tailored supports to people with disabilities who are long-term unemployed and need work experience or upskilling to embark on or restart their employment journey.

Support for Parents of Children with a Disability or Additional Needs

Recommendation: Provide free professional training for parents who are caring for their children with a disability or additional needs in disciplines that support their children, such as Occupational Therapy, Speech & Language Therapy, Psychology, Special Needs Assistant etc.

There are many parents who are forced out of the workplace to care for their children due to lack of supports. Providing targeted training and upskilling opportunities will enable parents to learn valuable skills to better support their children and create an opportunity to explore a new profession when the time is right. This would not only take the pressure off the HSE and lengthy waiting lists for additional supports, but would provide a cohort of professionals who could not only help their own children, but also others.

Business Supports

Retirement Relief Reform

Recommendation: Defer the €10 million relief limit that will apply to the value of business assets that family business owners aged between 55 and 69 can pass free of CGT to their children from 1 January 2025, pending proper consideration and evaluation of the impact.

The €10 million relief limit that was introduced through last year's Finance Act will impact thriving Irish businesses right across the country, as many families will be forced to sell part of their company to meet their tax liabilities, it may encourage business owners to sell all or part of their business before it reaches the 10 million threshold, or it could potentially lead to SMEs relocating their tax residence. In the absence of the SME Test having been undertaken, the implications are uncertain and we recommend the existing change be reversed pending rigorous application of the SME Test and an appropriate consultation period. Failing to take action could be very detrimental to domestic Irish business growth and expansion and contra to the objectives of the White Paper on Enterprise 2022-2030. This contributes to the sub-goals of the Decent Work and Economic Growth SDG, promoting sustainable economic development and creating an enabling environment for entrepreneurship and investment.

Capital Allowances Reform

Recommendation: Increase the capital allowances granted for all plant and machinery purchases against Corporation Tax and Rental Income from 12.5% per annum to 25%.

Ireland's capital allowances framework is an important way to encourage businesses to invest in business assets. This framework has not been reformed in a number of decades and maintaining the effective 8 year timeframe is no longer realistic when the pace of technological development and obsolescence has accelerated so fast. Such reform would be a positive business incentive that would also encourage investment by indigenous businesses. This would be consistent with priorities 4 to 7 of the White Paper on Enterprise 2022 – 2030. Accelerated capital allowances of 100% are already in place for energy efficient equipment, gas vehicles and equipment in a creche or gym provided by a company to its employees. These allowances should continue unchanged.

Promoting Investment and Entrepreneurship

Recommendation: Reform the Employment Investment Incentive Scheme (EIS) by simplifying the qualifying criteria and prioritising flexibility to encourage broader investor participation.

The EIS is an important incentive designed to encourage investment in SMEs by offering tax relief to investors. The current qualifying criteria are overly-restrictive and this limits its potential scope and benefit to smaller businesses. A programme of reform will make it easier for individuals to invest in businesses and stimulate economic growth.

Review KEEP

Recommendation: Conduct further reviews and reforms of the Key Employee Engagement Programme (KEEP) to ensure its accessibility and user-friendliness.

KEEP is a particularly valuable incentive in competitive industries where skilled employees are in high demand. Conducting a detailed review of the programme is important in ensuring that KEEP remains an effective tool for attracting and retaining key talent in innovative enterprises. The accessibility of KEEP is important for businesses as a means of optimising financial efficiency and improving cash flow management for start-ups or growing enterprises.

Capital Gains Tax Reform

Recommendation: Reduce the Capital Gains Tax rate of 33% for non-passive investment. Additionally, increase the lifetime limit of €1 million in qualifying capital gains under Entrepreneur's Relief.

Such measures will result in better alignment of tax policies across the island and create a more attractive investment environment by fostering repeat investors and encouraging greater inward investment in Irish businesses.

Simplify Business Reliefs

Recommendation: Review and simplify the reliefs available, such as Retirement Relief, integrating them into a more comprehensive Entrepreneurs' Relief.

This will create a more supportive environment for entrepreneurs and small businesses, facilitating their growth and success.

Enhanced SME Test

Recommendation: Publish the terms of the new SME test and report on its application in policy-making.

Implement the enhanced SME test that was committed to by Minister for Enterprise, Trade and Employment, Peter Burke earlier this year. There should be enhanced transparency on the utilisation of the test in policy-making with greater reporting on the results of the test and mitigating measures that have been taken to ease the burden of legislation on smaller businesses.

Trade

Expanding Trade Supports

Recommendation: Broaden the scope of industries eligible for trade supports to include sectors such as Green and Sustainable products, Skills, Culture, and all SMEs seeking to export to the EU.

This expansion ensures that a wider range of businesses can access the necessary resources and expertise to enter international markets successfully. By supporting their export endeavours, we foster growth, job creation, and sustainable development across various sectors of the economy.

Facilitating SME Engagement in International Trade

Recommendation: Allocate additional resources to the Trade and Investment Strategy to actively support small and medium enterprises (SMEs) in engaging with international trade.

By providing targeted assistance, both within and outside the EU, we empower SMEs to enhance their productivity and navigate post-Brexit trading challenges. This support enables SMEs to seize new market opportunities, contributing to their growth and the overall economic development.

Boosting E-commerce and Digital Engagement

Recommendation: Offer additional supports to businesses, including those in the retail sector, that aim to expand their activities in e-commerce and embrace the Digital Single Market.

These initiatives enable businesses to harness the power of digital technologies, broaden their customer base, and improve their competitiveness. By facilitating their transition into the digital realm, we empower businesses to thrive in an increasingly interconnected global marketplace.

Tourism

Strengthening Tourism

Recommendation: Publish a comprehensive national aviation strategy that outlines multi-annual funding allocations for capital expenditure, operational expenditure, and marketing activities.

This strategic approach supports airports, particularly those affected by the pandemic, in retaining existing routes and developing new connections. Strengthening air connectivity contributes to the recovery of tourism and regional economies, positioning Ireland as an attractive destination for visitors.

Donegal Airport is our regional airport connecting the North West to Dublin, Scotland and onward connections. It is used by businesses, families, students and people accessing healthcare on a regular basis and is vital to our regional economy in terms of connectivity and driving tourism to the county.

Promote Niche Industries

Recommendation: Provide increased resources to state agencies to invest in niche areas that differentiate Ireland, such as its unique and high-quality food offerings and its potential as a hub for active tourism.

These investments enhance Ireland's competitive advantage, attract visitors, and stimulate economic growth in these specialised sectors.

Industry, Innovation and Infrastructure - SDG 9

Building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation is at the core of this Sustainable Development Goal. At a time when increasing competitiveness is integral for future-proofing our national economic development, we need to ensure there is consistent delivery of essential infrastructure including transportation, energy, water, housing and our grid network. Central to this objective is the need for urgent reform of Ireland's planning system in order to improve the efficiency, transparency and responsiveness of the system.

Planning Reform

Planning Legislation Reform

Recommendation: Enact the Planning and Development Bill without delay and initiate a programme for reform.

It is increasingly hard to see how Ireland can meet its climate commitments and ambitions, and deliver Project Ireland 2040, without urgent delivery of more rapid planning processes. Therefore, progressing and enacting the Planning and Development Bill without delay is essential, along with any additional related Acts and regulations that are needed to give rise to the effective and clear reform of the Irish planning system.

Strengthen Planning Departments

Recommendation: Strengthen planning professionals in local authorities and relevant state agencies.

By providing additional resources and support to multidisciplinary teams, we can enhance their decision-making capabilities, ensuring comprehensive and well-informed choices. Improved resourcing of local authority planning departments is essential to achieve timely, consistent and integrated decisions across regions.

Streamline the Planning Regime with Firm Guidelines

Recommendation: Introduce clear and coherent planning guidelines for all planning officials to improve decision-making and minimise inconsistencies.

Streamlining the planning regime is crucial to reduce uncertainty for key infrastructure investments. By simplifying procedures, introducing firm guidelines throughout the

planning process and narrowing the objection timelines, decision-making efficiency will be improved and delays will be reduced.

Local Authority One-Stop-Shops

Recommendation: Effective where established, all Local Authorities must be empowered and provided with the right resources to establish planning department one-stop-shops in every growth city and town.

These one-stop-shops should streamline the planning process for change-of-use construction projects and above-the-shop conversions. They should also offer guidance and advice to individuals on how to successfully apply for the Vacant Property Refurbishment Grant. By centralising these services, authorities can efficiently facilitate sustainable urban development practices and ensure that climate considerations and social inclusivity are integrated into urban planning decisions.

Encourage Adaptive Reuse and Repurposing

Recommendation: Streamline the regulations and processes currently in place for changing the use of existing properties.

Encouraging adaptive reuse and repurposing of vacant properties can contribute to their activation. Croí Conaithe can be improved by making it more useful in the redevelopment of vacant properties as it cannot be included in the secured financing of projects at present as it is unguaranteed. A lack of coherence between fire-regulations and other planning requirements is also hampering the repurposing of above street level properties to housing.

Invest in the Judicial System

Recommendation: Continued investment in the Courts and the Judicial System is essential to improve competitiveness.

Court delays are contributing to Ireland's competitiveness challenge. Investment in the Courts and Judiciary, together with greater encouragement of the use of Alternative Dispute Resolution methodologies, including by the State and Semi-State sectors, is essential. The new Environment and Planning Court must also be adequately resourced to improve efficiency in the system and ensure the swift adjudication on planning decisions.

Regional Assemblies Investment

Recommendation: Invest more in Regional Assemblies.

Utilising the Regional Assemblies' expertise and resources is important for strategic planning. By increasing their internal resources, Regional Assemblies can offer high-skilled expert planning services to local authorities. They can also guide the integration of Local Area Plans with regional and national infrastructure.

Essential Infrastructure Investment

Invest in Grid Infrastructure

Recommendation: Reinforce and upgrade our grid infrastructure through front-loaded investment.

Grid reinforcements and upgrades need to scale to meet anticipated demand in future years based on expected population growth and increasing demands from industry. So much of our necessary infrastructure development over the next 15 years is dependent on our continued strong investment in grid infrastructure. We should also utilise the REPowerEU guidance on 'overriding public interest' in order to deliver the grid upgrades and reinforcements needed to support high capacity onshore and offshore energy networks.

Donegal Electricity Grid Network needs up front investment. It is currently still 110kv and as such has less resilience than other regions. Members are consistently telling us that the need energy security yet there seems no long or short-term plan to upgrade the grid. This is another barrier to new investment and to expansion of existing employers.

Invest in Water Infrastructure

Recommendation: To ensure sustainable supplies of clean water into the future and adequate waste water treatment, we must increase investment in water infrastructure with the commitment of a multi-annual funding structure.

We should provide additional investment for water infrastructure and grant state bodies the powers to finance such investments through land value capture. Additionally, we need to ensure the delivery of large-scale national water and waste water projects, which are essential in supporting our national economic development and the delivery of increased housing targets. Such investment will bolster the resilience of our water infrastructure for future growth and development.

Uisce Eireann have made investments in recent years in County Donegal however much more investment is needed if Letterkenny and the wider County is to grow and develop in line with the County Development Plan. Infrastructure investment needs to be aligned with County Development Plans and growth ambitions. If there was a more joined up approach in aligning infrastructure investment with development plans particularly in regions such as the North West then all stakeholders and developers would be more confident in investing and bring key projects forward.

Urban Development and Land Management

Recommendation: Transport Oriented Development principles should form the core of all new developments.

Transport oriented development principles should be applied to all new developments in order to promote sustainable urban growth by reducing reliance on private vehicles and enhancing the accessibility of public transport. This includes a focus on people-friendly infrastructure, segregated cycleways, and rest spots for mobility-impaired pedestrians. It is also important to resource local authorities to provide infrastructure supporting active transit and to link residential areas with civic and economic centres.

In County Donegal this approach is already being taken in development projects, however without the support of adequate public transport and a transport hub, people will still primarily use their cars to access services, education, work and leisure. Segregated cycleways and people friendly infrastructure needs to be developed with a joined up approach in order for it to be truly effective.

Efficient Infrastructure Planning and Financing

Recommendation: To optimise investment in capital projects and infrastructure, greater transparency and an open approach to infrastructure funding models are necessary.

Improving reporting requirements for all large projects and programmes ensures accountability and efficient utilisation of resources. Feasibility studies, cost-benefit analyses, and carbon accounting should be initiated to upgrade rail links between National Development Plan growth cities. By aligning critical infrastructure investments with the European Commission's 'Sustainable Finance' definitions, we ensure sustainable and environmentally responsible financing.

Transport Networks

Sustainable Urban Transport Infrastructure

Recommendation: Accelerate the delivery of keystone urban infrastructure transport programmes.

The success of the Luas should act as a motivator to deliver similar public transport infrastructure at speed. These initiatives that support new high-density housing developments and enhance connectivity within cities and large urban centres. We must prioritise the development of intercity rail transport infrastructure and expand train lines to integrate freight transport with our trading seaports.

In terms of Letterkenny, connectivity is poor within the urban centre as current roads are at capacity. As the urban centre it acts as a hub for health services, education, work and leisure. However public transport is lacking, there is only one access route and it consistently is at capacity. Plans for a Ten-T network are in place however the project is moving at a very slow pace.

Integrated and Sustainable Public Transport

Recommendation: Develop a robust network of inter-urban and intra-urban public transport networks.

We should invest in the urban built environment to promote local active transport networks, such as walking and cycling paths that extend the utility of public transport. Implementing BusConnects projects in National Development Plan growth cities and investing in shared cycling schemes and cycling infrastructure are essential steps toward achieving sustainable and accessible transportation systems.

Sustainable Energy Transition

Recommendation: Accelerate the decarbonisation of public transport.

This involves increasing investment in bio-methane vehicles and electrifying trains and buses. Additionally, we should invest in appropriate infrastructure to support the transition of Heavy Goods Vehicles (HGVs) to low-carbon fuel options like Bio-CNG. Furthermore, we can expand the usage of Green Hydrogen-fuelled buses across cities, towns, and intercity fleets. By promoting sustainable fuel alternatives, we actively contribute to reducing emissions and fostering a cleaner and greener transportation sector.

Inclusive and Accessible Urban Environments

Recommendation: Introduce Section 28 town planning guidelines that require the inclusion of people-friendly infrastructure, segregated cycleways, and rest spots for mobility-impaired pedestrians.

Resourcing local authorities to provide social and community spaces, such as parks and community centres, enhances the quality of urban life. Additionally, we should prioritise infrastructure that supports active transit by linking residential areas with civic and economic centres. By investing in the urban built environment, we foster vibrant communities and promote well-being.

Fostering Innovation

AI Innovation for All Businesses

Recommendation: Appoint a national AI Lead to support Irish businesses in the adoption of emerging technologies.

Adopting developing and emerging technologies, particularly in the field of AI, offers many potential benefits and opportunities for Irish businesses of all sizes. However, it is traditionally bigger enterprises that can capitalise on these opportunities first. Regulation in this space is likely to be rolled out from an EU level over the coming years with the passing of the AI Act in March of this year. In order to ensure a just transition, smaller businesses need supports and guidance on what they can do to adopt new technologies to enhance their operations.

AI Sandbox

Recommendation: Rapidly introduce an AI regulatory sandbox to foster innovation.

Bringing together innovators and regulators will help support the transition from initial idea to marketable product in the AI space. This will ensure that when EU legislation starts to be introduced, we will have a much clearer national picture of the regulatory environment needed to foster growth in this emerging technology.

Encouraging Research and Development

Recommendation: Expand and simplify the eligibility criteria for R&D tax credits to encourage research activities in medium-sized enterprises.

By streamlining the process and expanding access, we can incentivise businesses to invest in research and development, driving innovation and economic progress.

AI Innovation Hubs and Research Centres

Recommendation: Expand the research and innovation ecosystem referenced in the National AI Strategy.

The research and innovation ecosystem referenced in the National AI Strategy is aimed at fostering connections between industry, research, and academia to ensure that businesses and entrepreneurs developing AI have access to the necessary support systems to utilise AI. This can be done by developing AI innovation hubs and research centres that bring together researchers, startups, and established companies to collaborate on cutting-edge projects.

Future Tax Base

Recommendation: A migration plan for the inexorable move away from diesel and petrol fuelled cars and the impact on taxes raised must be formulated.

Government raises several billion in tax on fuel, VRT and annual motor tax. This will be increasingly eroded during the sustainability transition and must be replaced. Visibility on the migration plan and timeframe is essential. Innovative opportunities also exist such as incentivising the potential for car batteries to be used to supplement electricity grid storage capacity, particularly in urban areas.

Sustainable Cities and Communities - SDG 11

Chambers Ireland's network of Chambers across the country expands across almost every county in Ireland. Chambers are deeply embedded in the fabric of local towns and cities and are important cornerstones in connecting with and representing communities and businesses at a local and national level.

Fostering sustainable cities and communities means ensuring that Ireland is an attractive place in which to live, work, visit and invest in. This means ensuring that there is adequate housing and urban planning that allows for sustainable growth and development with appropriate densification to facilitate improved and effective public services. It means fostering vibrant and bustling town and city centres that are focal points for community engagement and small businesses to sell their goods and services. Finally, it means promoting social cohesion and tackling issues that lead to areas becoming run-down and unsafe including crime or anti-social behaviour and vacancy and dereliction.

Housing Development

Housing Investment Aligned with Population Growth

Recommendation: Increase the Housing for All target from 33,000 units per year to 50,000 units per year.

Housing investment should align with the needs of a growing population. The current target of 33,000 units per year under Housing for All is insufficient. To meet the demands highlighted by the Housing Commission and the growing economy and population, investment in the budget needs to reflect the requirement of delivering up to 50,000 units per year.

Donegal is not seeing any significant level of housebuilding, there are only a small number of developers who are struggling to make developments worthwhile. In addition the Defective Blocks crisis is placing added pressure on housing supply.

Housing targets need to significantly ramp up in the short term to enable the County to have sufficient housing to accommodate current and future growth.

Members are consistently identifying lack of housing as a significant barrier to recruitment and retention.

Housing Commission Report

Recommendation: Introduce a transparent plan with clear priorities for implementing the recommendations in the Report of the Housing Commission.

The Report of the Housing Commission offers a clear and concise analysis of housing in Ireland, including the shortcomings and key issues facing the sector. It highlights a deficit of between 212,500 and 256,000 homes based on the 2022 census and calls for a radical reset. The introduction of a clear and ambitious plan to prioritise and tackle the recommendations is needed.

Revise Cost Rental Limits

Recommendation: To address housing affordability challenges, the income limits for cost rental should be raised to include higher incomes.

Raising the income limits will better reflect the average industrial wage of couples who currently do not qualify. This will unlock access to cost rental for a larger proportion of the population. Additionally, there is a need to increase investment in cost rental housing to expand the supply of units. The current number of planned units is limited, and the allocated budget is inadequate to meet the demand.

Increase the Supply of Affordable Homes on the Open Market

Recommendation: There is a need to increase the supply of affordable homes that are available to buy or rent on the open market. This target should align with the social housing target.

In many areas, the majority of new builds are one-off houses, while remaining scheme homes lead to bidding wars with local authorities. This market failure in new supply for individuals or families to buy or rent demands attention. Although much has been done over the last number of years, by implementing targeted measures and incentives, the availability of affordable housing can be boosted, addressing the housing crisis and promoting equitable access to suitable housing options.

Land Value Capture

Recommendation: There should be a move towards a land value model of taxation of land which is ambivalent to the current use of the property.

The current model distorts the market by facilitating long-term land banking and it also alters the incentives for Local Authorities when it comes to zoning properties for commercial or non-commercial uses. Our existing Commercial Rates model subsidises the inefficient use of land and creates financial risk for Local Authorities by concentrating their funding within the retail sector which is often low margin and subject to significant economic volatility. This has also incentivised bad planning that has resulted in the increased footprint of out of town-centre retail developments and competition between Local Authorities for rates income.

Development of Residential Zoned Sites

Recommendation: To address underdeveloped residential zoned sites, the government should introduce a legislative framework for Compulsory Sales Orders (CSOs).

This framework would apply to sites where there has been a consistent failure to develop the land despite its residential zoning. By implementing CSOs, the government can encourage the timely and appropriate development of these sites, ensuring efficient use of land resources and increasing housing supply.

Direct Procurement Approaches

Recommendation: There should be a core emphasis on direct procurement approaches.

Councils need to ensure that their purchases of new housing from developers, as well as existing housing stock does not inadvertently reduce the availability of housing on the private market. It is essential that such housing is in addition to the housing supply that would otherwise be built as Local Authorities are both inflating the cost of housing and creating market inefficiencies with such purchases. Focusing on direct procurement will ensure that local authorities and AHBs, take a leading role in housing development. By adopting a direct procurement approach, agencies can expedite housing delivery and promote sustainable and inclusive communities.

Renew Legislation to Incentivise Sustainable Construction

Recommendation: The Derelict Sites Act 1990 should be renewed and strengthened to incentivise infill and brownfield construction.

This renewal must focus on enhancing its elements to encourage the repurposing of neglected sites. By promoting the development of vacant and underutilised areas, local authorities contribute to sustainable urban growth while preserving green spaces and reducing the need for new construction on greenfield sites.

Optimise Building Stock

Extend and Expand the Living City Initiative

Recommendation: To support the sustainable development of cities and communities, the Living City Initiative (LCI) should be extended and established on a long-term basis until 2040.

This extension provides stability and encourages long-term planning for construction projects. Expanding the LCI to properties built after 1915 would broaden the eligibility criteria and promotes the repurposing of underutilised commercial spaces for residential or mixed-use purposes.

Strengthen the LCI in National Planning Framework Cities and Towns

Recommendation: In alignment with the National Planning Framework, the LCI should be extended to all cities and towns specified in the framework.

This expansion ensures that a wider range of urban areas can benefit from the incentives and support offered by the LCI.

Introduce Assistance Schemes and Residential Relief

Recommendation: To support homeowners investing in LCI properties, an upfront scheme similar to the 'Help to Buy' should be introduced.

An upfront help-to-buy like scheme should provide immediate assistance and incentives for individuals seeking to bring LCI properties back into use as homes or mixed-use properties. This reform would streamline the process and facilitates the revitalisation of eligible properties, contributing to sustainable urban development.

Vacant Property Registration

Recommendation: Monitor and evaluate the effectiveness of the Vacant Home Tax. Expand the tax to include commercial properties.

Improvements have been made in recent years to the vacant residential property system with the introduction of the Vacant Home Tax. Revenue needs to monitor and evaluate the effectiveness of the tax against the policy objective of reducing vacancy. With the learnings made from the Vacant Home Tax, the Government should roll out a similar scheme that aims to tackle commercial vacancy with the holistic view that long term vacancy and dereliction is an act of vandalism against communities.

Set Vacancy Reduction Targets

Recommendation: The Department should establish vacancy reduction targets for local authorities at the electoral district level.

Clear objectives should be set to encourage active management of vacant properties, minimise the environmental impact associated with abandoned buildings, and promote sustainable urban development.

Above the Shop Living

Recommendation: Establish a Taskforce of experts to address barriers to Above the Shop conversions.

Above the Shop development opportunities have significant potential to increase housing stock, reduce vacancy rates and revitalise urban areas. However, there are a number of obstacles facing such refurbishment and development including regulatory and planning issues, financial challenges, infrastructure and accessibility, administrative hurdles, and safety and security concerns.

Modern Methods of Construction

State Investment

Recommendation: The government should establish a procurement framework for off-site manufactured housing projects. This framework should include multi-annual funding commitments and set annual fixed targets, ensuring a steady demand for modular housing.

Within this sub-sector of construction, the state will likely be acting as a monopsony for the next decade which offers an enormous opportunity to shape this sector for the enormous task that is ahead of us in making our cities and towns sustainable. By implementing this framework, the government can stimulate the off-site manufacturing sector and ensure the availability of quality housing at scale.

Introduce Financial Incentives

Recommendation: Consider a range of financial incentives to stimulate a Modern Methods of Construction sector.

Government can further incentivise developers to use Modern Methods of Construction by offering financial incentives such as tax credits, grants, and low-interest loans to help offset the higher upfront costs associated with Modern Methods of Construction.

Increase Education and Awareness

Recommendation: Create an education and awareness programme on the benefits and best practices of Modern Methods of Construction.

The shift to Modern Methods of Construction involves higher upfront capital investment than traditional construction methods, which can make financing a challenge. Government needs to provide greater training resources and education programmes to help developers, planners, agencies, lenders and construction professionals learn about the potential opportunities of Modern Methods of Construction.

Utilise Land Resources for Temporary Housing Solutions

Recommendation: To optimise land resources, the government should consider movable modular housing as a "meanwhile-use" option for landbanks that are unlikely to be developed in the short term.

This approach allows for flexible utilisation of land and provides temporary housing solutions while awaiting long-term development plans. By adopting this strategy, the government can effectively address immediate housing needs and make efficient use of available land resources.

Vibrant Cohesive Communities

Gardaí Resourcing

Recommendation: Undertake a review of Garda resourcing to realign needs with population growth.

In some areas of the country, crime and anti-social behaviour are having a detrimental impact on the safety and attractiveness of urban centres, as well as negatively harming local businesses both directly in terms of theft and other criminal activity and indirectly in terms of reduced footfall and business traffic. Garda resources need to be efficiently deployed in areas that have seen strong population growth in order to ensure better visibility in towns and cities to detect and deter against criminal activity.

Promote Mixed Tenure in Apartment Developments

Recommendation: The Croí Conaithe Cities scheme should be revised to allow a percentage of apartments to receive support but be sold on the open market without the requirement for 100% owner occupancy.

To foster sustainable and diverse communities, incentivising mixed tenure in high-density apartment developments is crucial. Changing the Croí Conaithe Cities scheme will facilitate the viability of apartment developments and enable a mix of tenures. While still maintaining a condition for a minimum percentage of units to be owner-occupied, this adjustment will activate sites across the country that currently have planning permission for large-scale apartment developments.

Accelerate the Town Centre First Initiative

Recommendation: Increase funding for the Town Centre First Initiative through the Urban Regeneration and Development Fund (URDF) and the Rural Regeneration and Development Fund (RRDF)

The Town Centre First Initiative (TCF) holds promise, but its implementation has been sluggish. To make this programme effective, increased funding through the Urban Regeneration and Development Fund (URDF) and the Rural Regeneration and Development Fund (RRDF) is necessary. By providing adequate financial resources, the TCF can be expedited, revitalising town centres and promoting vibrant, inclusive, and sustainable urban communities.

Town Centre First needs to be resourced adequately, one person per county council area will just scratch the surface.

Social Infrastructure Funding

Recommendation: Ensure adequate investment in social infrastructure that aligns with population growth.

Creating vibrant and thriving towns and cities requires investment in social infrastructure that contributes to the health and wellbeing of residents. Provisions for health, education, culture and community infrastructure must be adequately funded.

Review the Social Housing Targets

Recommendation: Government should review both the targets for social housing in Housing for All and the means for delivering them.

Given the pressing need for homes arising from the number of people seeking international protection in Ireland there are significant increased demands being placed on an already overstretched housing stock. Therefore, a review of the current targets is warranted.

This review of targets should also be aligned with an urgency of delivery.

Postal Network Support

Recommendation: Continue existing supports for Ireland's postal network.

Ireland's post offices and postal network are crucial in connecting people and businesses locally and globally. The Post Office network currently stands at 900 offices nationwide. In recent years Postmasters who run the majority of post offices have received direct Government funding introduced in 2023 of €30 million over 3 years and which is due to come to an end next year. Establishing this support on a permanent basis will ensure that post offices can continue contributing to social cohesion, supporting local commerce, facilitating community banking and maintaining access to cash.

Climate Action - SDG 13

Ireland is on track to only deliver a 29% reduction in greenhouse gas emissions by 2030, compared with our international commitment of 51%, and almost all sectors are set to exceed their 2021- 2025 and 2026- 2030 sectoral emissions ceilings. While some sectors are performing better than others, these statistics indicate that there are fundamental flaws in either the level of ambition of the Climate Action Plan or a lack of capacity in the system for delivering at the pace of change that is needed.

Chambers Ireland continues to emphasise the economic opportunity on our doorstep in the form of renewable energy and, in particular, offshore wind. We have the potential to not only ensure a sustainable and secure energy future for the country, but to become a net exporter of excess energy to Europe. Capitalising on this opportunity requires a rapid acceleration of plans, tackling fundamental development obstacles in the planning system and grid network, and investing in the new technologies and skills needed to drive forward this progress.

Energy Security

Reinforcing Grid Infrastructure for Renewable Energy

Recommendation: Reinforce and upgrade our grid infrastructure through front-loaded investment to effectively support Ireland's renewable energy generation capacity. Additionally, invest in battery storage at all generation sites to effectively ensure a steady, sustainable reserve of power.

Upgrading the grid infrastructure with front-loaded investment is crucial to harnessing the full potential of renewable energy sources. Grid upgrades need to scale to meet anticipated demand in future years based on expected population growth and increasing demands from industry. Investing in battery storage at all generation sites will ensure that the potential impact of interconnector outages or downtime in energy generation is minimised. By enhancing the capacity and resilience of our grids, we can facilitate the integration and transmission of clean energy, enabling us to seize the benefits of renewable energy.

End of Life Wind Energy Assets

Recommendation: Permitting for existing wind energy assets should be extended where the asset has reached end of life and repowering or redevelopment is being pursued by the developer.

Some of Ireland's existing windfarms will be reaching the end of their planning permission over the coming years. If such permitting is not extended and if the assets

are not given the opportunity to be repowered or redeveloped, then many will be decommissioned, resulting in a significant drop in Ireland's wind generation capacity and representing a blow to our decarbonisation targets. Many of these windfarms are also large rate-payers, meaning Local Authority income will be detrimentally impacted where permitting is not extended.

Research and Innovation for Clean Technologies

Recommendation: Allocate funding and resources to support research into innovative technologies like Hydrogen, Biomethane, and Anaerobic Digestion.

These technologies offer promising solutions for clean energy generation and emissions reduction. By investing in research and development, we can unlock their potential and drive the transition to a more sustainable and low-carbon future.

Future Planning

Recommendation: Develop ambitious post-2030 targets for renewable energy.

It is important to create a strong outline for Ireland's post-2030 framework for renewable energy and the transition to net-zero. Establishing key targets now will give greater clarity and certainty to all sectors.

Enhancing Gas Infrastructure for Hydrogen

Recommendation: Invest in upgrading our existing gas infrastructure to ensure its compatibility with hydrogen and its ability to store Compressed Green Hydrogen.

By making these investments, we can pave the way for a smooth transition to cleaner energy sources and effectively utilise hydrogen as a sustainable alternative. Additionally, all future gas infrastructure should be designed to accommodate the use of hydrogen, promoting a hydrogen-ready energy system.

Renewable Energy Generation

Stimulating Green Hydrogen Production and Renewable Energy

Recommendation: Introduce a subsidy scheme as part of government tendering for Green Hydrogen, setting targets for a minimum state demand for Green Hydrogen and implementing an appropriate floor price.

This incentivises the production of Green Hydrogen, promoting its adoption and facilitating the transition to a renewable energy future.

Strategic Investments and Offshore Wind Energy

Recommendation: Implement a robust and ambitious strategy for Irish ports, with a specific focus on delivery of offshore wind farm construction.

Ireland's National Ports Policy was developed in 2013 and a review is currently underway. This should be expedited, as there has been a national refocusing on Ireland's renewable energy potential. The capacity of Irish ports to support the delivery of our offshore wind targets is insufficient and there needs to be a clear development roadmap and significant investment allocated. By developing suitable ports, we can support the growth of the offshore wind sector and strengthen Ireland's position as a leader in renewable energy.

Pace of Deployment

Recommendation: Accelerate the pace of development and implementation of wind energy generation projects.

Progress to date has been much too slow in developing and implementing new wind energy assets. Streamlining planning and consenting at all levels of the planning system, accelerating the deployment of renewable technologies, and investing in Irish ports is required to speed up Ireland's journey to net zero and meet our 2030 wind energy targets.

Promoting Biomethane

Recommendation: Offer financial supports for Biomethane producers to help the sector reach the national target of 5.7 TWh by 2030.

Support schemes for biomethane are essential in ensuring that we can stimulate an Irish biomethane market to the scale that is needed to reach the 5.7TWh target set out in the Climate Action Plan. A minimum guaranteed price for producers is one such example that has been successful in supporting renewable electricity and which could be used to stimulate biomethane production.

Decarbonisation

Retrofitting at Scale

Recommendation: Refocus the retrofitting programme to prioritise large-scale shallow retrofits.

By scaling up these retrofitting efforts, we can significantly improve energy efficiency in existing buildings and reduce emissions.

Commercial Retrofitting

Recommendation: Introduce a non-domestic retrofitting scheme without delay.

Under the Sectoral Emissions Ceilings, the residential buildings sector has seen the greatest reduction in greenhouse gas emissions between 2018 and 2022 compared with any other sector. Conversely, the commercial and public buildings sector has seen less progress. We need to address this with the implementation of a non-domestic retrofitting scheme that provides enhanced funding and grants for smaller businesses to undertake retrofitting measures.

Targeted Training Programmes

Recommendation: Invest in re-training programmes to facilitate the transition from fossil fuel-dependent jobs to low-carbon employment opportunities in sectors such as energy retrofitting, sustainable forestry, renewable energy, and peatland restoration.

These programmes equip individuals with the skills needed for a sustainable workforce and foster the growth of green industries.

Energy Efficient Equipment

Recommendation: Classify SEAI-supported retrofitting projects as 0-5% VAT rated products.

This will make energy-efficient upgrades more accessible and affordable for individuals and businesses.

Create a Second-Hand EV Market

Recommendation: Extend grants to buyers looking to purchase second-hand electric vehicles.

The affordability of second-hand electric vehicles is still beyond the reach of many buyers. As a result, the second-hand market for electric vehicles is not as buoyant as needed to reach our national target of 845,000 private EVs and 95,000 commercial EVs on the road by 2030. Extending grants to second-hand buyers may increase the sale and circulation of such vehicles by improving affordability and increasing viability where such grants can additionally be used to fund battery replacements.

Appendix A

Figure 1: National Infrastructure provision



Source NWRA (2021)