



Pre-Budget Submission 2018

A message from the Chief Executive



Budget 2018 is challenging with little room for manoeuvring. With ongoing talks in relation to Brexit, our economy will face challenges and periods of uncertainty over the coming years.

Budget 2018 cannot be “Brexit Proofed” but it must address the challenges that face business and it must focus on supporting our domestic economy and ensuring that we remain competitive.

County Kildare Chamber is an affiliated member of Chambers Ireland and along with the network of Chambers throughout the country; our message is loud and clear:

***Ireland needs further funding in infrastructure, without it,
we cannot continue to grow or meet the demands of a modern economy.***

Our next three Budgets need to decrease the marginal rate of tax, increase the entry point to the marginal rate, remove the USC surcharge that applies only to the self-employed, and maintain the 12.5% corporate tax rate. Ireland needs to become a competitive country that can attract FDI and ensure that we are competitive when it comes to attracting talent.

The Chamber is focusing on 3 main areas in relation to Budget 2018 and this follows extensive consultation with our members.

Our budget priorities are:

- Investing in Infrastructure
- Supports for Business
- Tax Reform



If Government support business, we will be in a position to seize opportunities as they emerge. If Government reduce our tax base and seek tax reform, business will thrive and we will welcome FDI, if Government invest in infrastructure, business will be more competitive.

Allan Shine

Chief Executive, County Kildare Chamber

Our Vision: *To make Kildare the location of choice for existing and potential business enterprise*



Introduction

County Kildare Chamber is the business organisation of choice in Kildare. With a membership of 400 businesses that employ 47,000 people in the county, we understand and represent the concerns and views of business throughout the county.

Representation is key and the Chamber is represented on the following key groupings in Kildare and the Mid-east region:

- Action Plans for jobs – Mid east region
- Region Skills Forum – Mid east region
- Kildare Local Community and Development Committee
- EDEN Advisory Board, Maynooth University
- Kildare Wicklow Education Training Board
- Strategic Policy Committees, Kildare County Council
- County Kildare Economic Forum
- Board of Chambers Ireland
- Employment, Workplace and Skills Policy Council, Chambers Ireland
- Ratepayers and Local Government Council, Chambers Ireland

Our vision:

“To make Kildare the location of choice for existing and potential business enterprise”

ensures that we work closely with our colleagues in Kildare County Council, LEO Kildare, IDA Ireland, Enterprise Ireland, Chambers Ireland, Local and Central Government.

Our submission is based on the concept that we must work towards a budget that will see key decisions being implemented over a 3-year term.

- *A focus on spending on long term capital investment is sustainable and will create jobs*
- *A broad tax base will ensure Ireland remains competitive*
- *Supports for business ensure that business can prosper and contribute to a growing economy*





Investing in Infrastructure

“Through investment in vital infrastructure projects across the country, Ireland can tackle the major issues facing the economy. Serious deficits in transport and water infrastructure, housing shortages in urban areas and a digital divide in terms of broadband provision all require urgent and adequate investment. This can only be achieved through Government commitment to increase capital spending to at least 4% of GDP. Significant investment in such infrastructure will enable businesses to thrive and keep pace with the demands of our growing economy”, Ian Talbot, CEO Chambers Ireland

- Immediate roll out of the delayed National Broadband Plan. Ireland currently has the second slowest broadband speeds in Europe. Significant investment and timely roll out of the National Broadband Plan is needed to protect the competitiveness of Irish business and to provide for a well-functioning, modern business environment across Ireland
- Investment in our road networks and especially our ports. Kildare companies are using our ports on a daily basis for both importing and exporting product. Increased capacity is now essential at our ports mainly due to Brexit.
- Bring forward the Vacant Site Levy to January 2018 (Currently January 2019). This will disincentive land hoarding and increase land available for development.
- Double the Local Property tax on properties vacant for 2 or more years.



Supports for Business

“Government must assist business and ensure that business can survive and thrive in the challenging times that we face with uncertainty with Brexit high on the agenda. Government can create the environment where jobs can be created”, Allan Shine CEO County Kildare Chamber

- Retention of the 9% VAT rate for the Tourism/Hospitality Sector and commitment of same for the next 3 years.
Business tourism is essential to our hospitality sector in Kildare. The retention of the 9% VAT rate and a commitment from Government of the same for the next 3 years will support this sector which employs over 7% of our total employment in the country.
- Maintain the 12.5% corporation tax for companies trading in Ireland. Ireland is an attractive destination for Foreign Direct Investment and the UK's exit from the EU will present opportunities to attract businesses that may move out of the UK in the coming years.
- Increase funding to our state agencies (IDA Ireland, Enterprise Ireland, Inter Trade Ireland and LEO's). Our agencies are operating in an ever increasing competitive space and appropriate increase in funding will secure more jobs and supports for business.
- Put in place a Business Brexit Fund. Funds should be targeted at supporting innovation, market diversification and the upskilling of staff. Businesses will face additional costs, administration and possible time delays that new customs procedures will introduce. A Business Brexit fund must be made available to support business.



- Immediate review and overhaul of the National Training Fund where currently 77% of spending goes to those seeking employment and 23% is spent on further up skilling those in employment. Focus must now be on up skilling people in employment
- Increasingly there is a shortage of particular skills required by industry including SMEs. A significant proportion of such skills shortages can be addressed by the proposed expansion of apprenticeships and traineeships presently being undertaken by Education and Training Boards and Institutes of Technology. The current shortage of “coal face” and operational skills in such areas as information technology, hospitality, marketing etc. needs to be addressed urgently and the process of expansion of apprenticeships and traineeships must be prioritised if industry needs are to be met. A key requirement also is the need to market such courses as viable alternatives to third level. The establishment of www.fetchcourses.ie is a recent helpful development in this regard.



Tax Reform

The taxation of work in Ireland is distinct by a narrow base and high effective tax rates. Employees in Ireland have some of the highest effective tax bills in the world as salary levels rise above the average wage. The global shortage of talent is making its impact felt in Ireland and elsewhere, with our member companies believing that the lack of availability of key skills is a top business threat to growth.

- Introduction of full equity in taxation between self-employed and PAYE workers
- Introduction of an “Opt IN” PRSI system for self-employed and owner directors
- Introduction of a short-term credit on employer PRSI to enable micro enterprises employ additional staff.
- Increase Capital gains tax entrepreneur’s relief from €1 million to €10 million- this will encourage increased investment in Irish businesses.