

# Department of Enterprise, Trade and Employment via website

Date: 11<sup>th</sup> August 2023

Dear Sir/Madam,

# RE: Review of the Critical Skills Occupations & Ineligible Occupations List- Public Consultation

## 1.0 INTRODUCTION

County Kildare Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 38,000 employees across the county, County Kildare Chamber is the largest business organisation in the mideast region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare.

## 2.0 SUBMISSION

As we look towards the next decade, Ireland and our businesses are facing a multitude of challenges, from decarbonisation, digitalisation, and wider economic and political unrest. County Kildare Chamber is pleased to be able to contribute to this conversation on the review of the critical skills occupation lists.

Ireland has been at full employment according to CEO data since April 2023, besting the previous record low unemployment figure of 3.9% recorded in October 2000 to April 2001 at the height of the Celtic Tiger. Employment in Ireland rose 1.6 percent quarter-on-quarter in Q1 2023 to 2.16 million, accelerating 3.7% for the same period in Q1 2022.

With this in mind, it is timely we take a whole of view appraisal of the work permit system and areas where particular skills shortages are prevalent. The covid pandemic brought with it several competing challenges, but key amongst them was the exodus of skilled workers out of the Irish workforce, which is leaving businesses in vulnerable and stressed positions.

Kildare, as a key commuter county with a large population and excellent connectivity to airports, rail, and port services, plays a vital role in the national economy. The county is home to numerous multinational and domestic companies that employ a highly skilled workforce. To maintain the region's international competitiveness and support its economic growth, it is crucial to create an environment conducive to the establishment of quality jobs in various locations throughout Kildare.

In 2022 alone, over 55% of IDA employment in the Mid-East region was accounted for within Kildare through Foreign Direct Investment. Similarly, over 34% of Enterprise Ireland growth in the region was accounted for in Kildare.

With Kildare continuing to attract new and expanding economic opportunities and with Ireland at record levels of employment, severe issues with regards to the availability of skills and talent have begun to emerge. County Kildare Chambers Q2 2023 business survey found that over 60% of our employers have struggled to fill a specific skills gap within the last 12 months<sup>1</sup>.

This is affecting Kildare and the mid-eastern region as an attractive location and undermining competitiveness.

Kildare businesses are grappling with this by introducing several measures including flexible working, revised benefits, mental health resources, access to training and development, improved communication and diversity policies, aided by the Work Life Balance and Miscellaneous Provisions Act 2023, introduced by the Department of Enterprise, Trade & Employment.

### Industry Breakdown

County Kildare Chamber has a membership base of 400 companies, representing over 38,000 employees in the Kildare & Mid-East region.

These businesses vary over a wide range of industries, from ICT, Pharma, Manufacturing to Media and the Arts.

<sup>&</sup>lt;sup>1</sup> Chamber Membership Sentiment Report Q2 2023



From interaction and communication with our membership County Kildare Chamber, bases policy on short-, medium- and long-term priorities.

Engagement with our members over a consistent period has placed the issue of skills gaps and problems surrounding staff retention as a major issue affecting Kildare's competitiveness as a county.

### **Areas of Concern**

Over a sustained 18-month period, our members have stated staff recruitment and retention are the biggest challenges facing businesses in Kildare.



When we delve into the data associated with staff recruitment and retention we find, many of our businesses in the skilled services and logistics areas are struggling to fill gaps within their industry.

Approximately, 50% of the skills gaps acknowledged by our members are in the skilled/qualified mechanic and electrical fitter occupations. A further significant proportion came from the hospitality industry, specifically chefs above 'Chef de Partie' level.

Accountants and audit professionals have constantly been raised by our membership as areas where severe shortages are occurring. However, these occupations are named within the critical skills list.

The ineligible list is designed as a list of occupations which can be derived from the current working population within the country. However, although apprenticeship levels have increased significantly over the last 3-4 years, with more than 36,000 now in the system, the level of skilled workers needed in these areas far exceeds the current level of qualified employees.

The pipeline of those in apprenticeships simply does not match the current needs of employers or the numbers due to retire from these skilled areas in the coming years.

One member company has faced significant shortages in Refrigeration Technicians. This shortage of technicians is having a significant negative impact on the company's current operations and expected growth. The company in question was unable to perform maintenance on 16% of its agreed Air Conditioning maintenance contracts with its clients over the last 12 months due to shortages, despite prolonged advertising for the technicians in question and hiring approximately 16 apprenticeships to cover the skills void.

### 3.0 CONCLUSION

County Kildare Chamber is the largest business organisations outside of our cities. Our membership base is diverse and unique as Kildare is a growing county with a talented population that is attractive for foreign direct investment and indigenous companies to locate/relocate to.

Our proximity to Dublin, its port and airport ensures Kildare continues to welcome investment. This ensures that the Chamber along with all key stakeholders in the region continue to work and collaborate, meaning business has every opportunity to thrive and success in Kildare.

A recent survey by the Manpower Group showed that four in five Irish companies are struggling to attract talent as Ireland endures its worst skills shortage for 17 years. Businesses are proactively trying to hire, but more than eight in ten are struggling to find the talent they need. This is set against a backdrop of decreasing job applications, increased job-hopping, and increasingly higher salary expectations from candidates. Many businesses are very worried about their future and the viability of their business, particularly our indigenous small & medium sized companies, who are trying to compete with multinationals for employees and are particularly feeling the pressure.

The body tasked with evaluating the skills needs for Ireland, The Expert Group on Future Skills Needs (EGFSN), is an independent, non-statutory body, made up of several different sections of society and government departments. However, out of the 11 strong membership of this body, only three are from outside of an educational or departmental background. County Kildare Chamber suggests the group increase its membership from the business community, in order to gain real time expertise of business sentiment and pressure points before they become significant problem areas.

This has a knock-on effect on many parts of our society and is limiting Ireland's capacity for economic growth.

County Kildare Chamber looks forward to working with the Department of Enterprise, Trade and Employment to deliver a successful outcome for Kildare and the country, and we are available at all times for consultation, discussion and support.

Yours faithfully,

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