



## **Jobs Action Plan 2013 - Recommendations**

Idea	Theme	Timeline	Impact	Responsibility
It is vitally important that Corporation tax remains at 12.5%.	Assisting business to grow/Supporting indigenous start ups/ Developing and deepening the impact of FDI.	Ongoing.	This would give all businesses the necessary confidence to grow into the future, thus creating new jobs.	Department of Finance.
The roles and functions of Local Enterprise Offices (LEOs) must be clearly defined. LEOs must fill the gaps left by existing funding mechanisms and should not duplicate them in terms of funding and bureaucracy. Terms of Reference (TOR) for all LEOs should be explicit and stated before they commence their functions. Local stakeholders should be consulted in the determination of these TOR.	Assisting business to grow/Supporting indigenous start ups.	In line with development of LEOs.	Jobs in the private sector would be protected while a new level of support would be created to help the business community develop and create jobs.	Department of Environment, Community and Local Government/ Individual local authorities/Local Enterprise Offices.

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<p>The local business community must be represented at governance level at their respective Local Enterprise Offices.</p> <p>Given the experience of Chambers of Commerce, and the trust they have built up with local business communities, it would be beneficial to involve them at every stage of the development of LEOs.</p>	<p>Assisting business to grow/Supporting indigenous start ups.</p>	<p>In line with development of LEOs.</p>	<p>Local business leaders are best positioned to understand the local business environment. Giving them governance roles would improve the business opportunities in communities resulting in job creation.</p>	<p>Department of Environment, Community and Local Government/Individual local authorities/Local Enterprise Offices.</p>
<p>Investigate scope for outsourcing of specific elements of the Local Enterprise Offices function to third parties.</p>	<p>A very successful template for this type of activity is the work of the Enterprise Europe Network offices in tandem with Enterprise Ireland.</p>	<p>The Five EEN offices located in Five regional Chambers of Commerce are on a multiannual contract or service delivering on targets agreed with the relevant EU Commission Directorate.</p>	<p>Local business leaders are best positioned to understand the local business environment. Giving them governance roles would improve the business opportunities in communities resulting in job creation.</p>	<p>Department of Environment, Community and Local Government/Individual local authorities/Local Enterprise Offices.</p>

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<p>Government must emphasise the importance of local tendering. We need to encourage public sector organisations to purchase goods and services from local firms and consortia rather than relying exclusively on end-to-end solutions provided by major international entities. Tender requirements must not be excessive and must be simplified.</p> <p>Specifically the Government must ensure that Department of Finance Circular <i>10-10 Guidance Doc on SME participation</i>, issued by the Department of Finance in October 2010 regarding how public procurement contracts should be awarded, should be fully enforced and policed—especially by Local Authorities.</p>	<p>Assisting business to grow.</p>	<p>Q1 2013.</p>	<p>This would enable SMEs to compete for business from Government and local authorities. This would provide necessary support for start-ups, leading to job sustainability.</p>	<p>Department of Finance/Reform and Delivery Office/Department of Environment, Community and Local Government.</p>

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The estimated €2.2bn deficit in the social insurance fund must not be met through an increase in PRSI. We believe any such move amounts to a tax on Labour. It is widely recognised that such taxes have a significant negative impact on economic activity and job creation.	Assisting business to grow/Supporting indigenous start ups/ Developing and deepening the impact of FDI.	Immediately.	Tax increases hurt both employers and employees. Not increasing the rate of PRSI would incentivise work and encourage employers to retain existing staff and create new jobs. Furthermore, the increased rise in the cost of doing business in Ireland would have a harmful effect on Foreign Direct Investment.	Department of Social Protection/Department of Finance.
New property tax should lead to an appropriately targeted reduction in rates and other charges being paid by local businesses by at least 20%.	Assisting business and securing employment.	In line with forthcoming property tax	A reduction in costs would help sustain businesses and enable them to create new jobs in due course.	Department of Environment, Community and Local Government
Improve the cash flow of SMEs by implementing the EU directive to allow them to utilise a cash accounting system. We fully support recommendations regarding the extension of the scheme to businesses with a turnover of less than €2.5 million. The full year cost of this proposal is zero, as there is no reduction in VAT paid, simply a deferral due to the timing payment.	Assisting business to grow/Supporting indigenous start ups.	Q1 2013	Businesses would have increased security and confidence, allowing them to plan for the medium term thus securing more jobs.	Department of Finance

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Government needs to move exclusively to e-Payment. A move to e-payment would take approximately €1 billion in cost out of the economy and would support competitiveness in Ireland.	Assisting business to grow/Supporting indigenous start ups.	Set a date for application of ePayment by Government using the Dept of Agriculture's Single Farm Payment as an example.	This would act as a spur for all businesses to move towards e-Payment. Thus increasing productivity and security (lessening the risk of cash in transit robberies and tiger kidnappings), and reducing costs and black-market opportunities.	Central Bank/CMOD.
Give certainty to hospitality sector on 9pc VAT rate. This should be a 'rolling' 2-year commitment that rates will remain at this level.	Exploiting sectoral opportunities (Tourism/hospitality).	Immediately.	This would enable those in the sector to guarantee advertised prices, and allow them to accept bookings well in advance. This would safeguard jobs in the tourism and hospitality sectors.	Department of Finance.

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<p>We support the introduction of an entrepreneurs' relief which would reduce the effective Capital Gains Tax rate from 30% to 10% for "qualifying disposals". Entrepreneurs' relief should apply to gains made on the disposal of entrepreneurial businesses by individuals following the sale of all or part of a business, and gains made from the sale of any assets when a business ceases to trade. This would act as a reward for the risk taking of entrepreneurs and an incentive for them to establish new businesses in the future.</p>	<p>Supporting start ups/ Attracting inward entrepreneurial start ups.</p>	<p>Q1 2013.</p>	<ol style="list-style-type: none"> <li>1. This relief would incentivise entrepreneurs to grow the value of their businesses in a manner which will create employment and stimulate Ireland's economic growth.</li> <li>2. This relief would promote investment in start up companies.</li> <li>3. This relief would encourage many SME owners to grow and sell their businesses as the effective rate of capital gains tax would be much lower for disposal of qualifying assets.</li> </ol>	<p>Department of Finance.</p>

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<p>Deliver on reforms to Ireland's multi-layered and lengthy process for labour market regulation and wage-setting including: Employment Regulation Orders (EROs); Registered Employment Agreements (REAs); and The National Minimum Wage (NMW). It is the view of Chambers Ireland that this is insufficiently flexible to account for changes in the broader economy. Wages should reflect economic conditions and should be in line with other indicators of growth.</p>	<p>Assisting business to grow/Supporting indigenous start ups/ Developing and deepening the impact of FDI.</p>	<p>Q1 2013.</p>	<p>This would increase flexibility in the labour market. Allowing businesses to pay wages in line with contemporaneous economic conditions would allow them to retain more staff.</p>	<p>Department of Jobs Enterprise and Innovation.</p>
<p>Government must guarantee that the code of practice produced by the Labour Relations Commission on Sunday premiums takes into account the considerable hardships faced by many small businesses, especially those in the retail, tourism and catering sectors.</p>	<p>Assisting business to grow/Supporting indigenous start ups/ Developing and deepening the impact of FDI.</p>	<p>Q1 2013.</p>	<p>This would protect SMES from unjust and excessive wage bills. This would allow them to retain existing staff members and allow them to create new jobs.</p>	<p>Department of Jobs Enterprise and Innovation.</p>



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Government should give serious consideration to cutting VAT rates given the ongoing softening of retail sales in particular on the back of poor economic performance and the impact of the 2pc VAT increase that occurred in Budget 2012.	Assisting business to grow.	Q1 2013.	This would increase consumer confidence, leading to increased sales. In turn this would allow businesses to employ more staff.	Department of Finance.
Government should embrace a policy of outsourcing and plan for transformative change by transferring up to 30,000 public servants involved in clear 'end to end' business processes such as passport processing to the private sector while also securing their jobs.	Developing employment opportunities within the community.	Q1-4 2013.	This would not only safeguard a substantial number of jobs, it could also save the Government up to €1 billion over ten years. These savings would not only come from a reduction in the wages bill, but also from reduced training costs, lower levels of investment in new technologies and lower consultancy bills.	Reform and Delivery Office/Department of Public Expenditure and Reform.
Government must take effective measures to reduce the level of black-market activity in the Irish economy. Cigarette smuggling provides particular problems for small retailers.	Assisting businesses to grow.	Q1 2013.	All retailers would benefit from the increase in money in circulation in the economy. This would allow them to safeguard existing jobs and enable them to grow and create new jobs.	Department of Justice and Equality/Revenue Commissioners/Customs and Excise.

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<p>Everything must be done to ensure that viable SMEs and start ups have access to the funds necessary to grow and develop. Delays affecting the operation of the Microfinance Fund Facility must be expedited immediately. The Partial Loan Guarantee Scheme must be delivered as soon as possible.</p>	<p>Assisting businesses to grow/ Supporting indigenous start ups.</p>	<p>Ongoing- ideally Q3 2012.</p>	<p>The financial security offered would encourage enterprising individuals to take the first steps into business and give SMEs the confidence to grow.</p>	<p>Department of Jobs Enterprise and Innovation.</p>
<p>Government should give consideration to all 'market stimulation' strategies. This could be as simple as providing free car parking in town centres around the Christmas period or supporting campaigns that show the benefits of shopping locally. Government could involve the local business community and chambers of commerce to assist with or coordinate these plans.</p>	<p>Assisting businesses to grow/ Developing employment opportunities within the community.</p>	<p>Ongoing.</p>	<p>This would help local retailers in many of our town centres to meet the challenges they face in the current economic climate. Furthermore, these measures would help to reverse the economic decline in many of our town centres, making them more attractive places to live, work and do business.</p>	<p>Department of Environment, Community and Local Government.</p>

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<p>Government should continue to invest in the development and maintenance of secondary and tertiary roads across Ireland:</p> <p>M18/N18—completion of Gort-Oranmore Road;  N4—complete final sections of this road in particular the N4 realignment of Collooney/Castlebaldwin section; N11—complete the road to Rosslare Europort;  A5—providing certainty on Irish Government commitments to support the upgrading of the A5 linking Donegal to the East Coast;  N7—Newlands Cross Upgrade; and M20—Cork to Limerick road .</p>	<p>Improving productivity</p> <p>Assisting business to grow/Supporting start ups/ Developing and deepening the impact of FDI.</p>	<p>Ongoing. While there has been Government commitments made for most of these schemes, a start date needs to be set for work to commence on a range of these initiatives including Newlands Cross which is supposed to be delivered from 2012 on.</p>	<p>A range of investments, some of which are relatively minor, could unblock significant road bottlenecks around the country .This would enable business to move their goods around the country cost effectively. Furthermore, an improved road network would be attractive to MNCs looking to invest in Ireland. These would both have a positive impact on job creation, productivity and ultimately costs.</p> <p>The Newlands Cross Upgrade would also ensure continuous motorway from Cork to Belfast.</p>	<p>Department of Transport.</p>

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The Next Generation Broadband Taskforce must continue to work towards the development of an: “informed and ambitious National Broadband Plan for Ireland which delivers on the objective of faster broadband to more places as soon as possible.” <sup>1</sup>	Assisting business to grow/Supporting start ups/ Developing and deepening the impact of FDI.	Q1 2013.	As a country with a dispersed population, many situated in rural areas, it is essential that all businesses in Ireland benefit from the connectivity offered by a fast and reliable broadband service. This would also make Ireland a more attractive location for FDI.	Department of Communications, Energy and Natural Resources.
Government should continue to support initiatives that promote a culture of Corporate Social Responsibility in Ireland.	Assisting business to grow/Supporting start ups/ Developing and deepening the impact of FDI.	Ongoing.	It been shown in a range of studies that solid CSR policies can increase productivity, efficiency and profitability, which allows businesses to grow. Furthermore, this makes companies more competitive when seeking contracts, especially with public bodies. Finally, a culture of CSR makes Ireland as a ‘brand’ more attractive to foreign companies seeking to invest.	Department of Environment, Community and Local Government.

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<sup>1</sup><http://www.dcenr.gov.ie/NR/rdonlyres/1AE24C27-40AD-4A73-879F-4536250C87BC/0/FullReport.pdf>

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Franchising must be recognised as a successful mode for business development, job creation and expansion. Increase funding support to relevant Enterprise Development Centres with a track record in this area, re-examine grant aid support for franchising and restructure qualifying criteria to include this group of entrepreneurs.	Supporting Indigenous Business Start-ups/ Assisting Indigenous Business to Grow.	Immediately. (For example, in the last 18 months the National Franchise Centre has been responsible for the creation of up to 100 jobs with more potential for the future.)	Franchising as a model for business development increases start-up success rates and employment figures. Furthermore, existing businesses expand, creating additional Jobs.	Department of Jobs Enterprise & Innovation/ Department of Social Protection.
SMEs should be offered targeted/learner centred education and training in order to understand what internationalisation is and the opportunities it creates. Regrettably expansion and internationalisation opportunities have not been aligned to the needs of the SME. It is evident that new approaches must be sought.	Assisting Indigenous Business to Grow.	Immediately.	SME's will increase their international exports (currently only 7% of SMEs are engaged in exports). This would create stability for the jobs supported by this grouping.	Department of Jobs Enterprise & Innovation.