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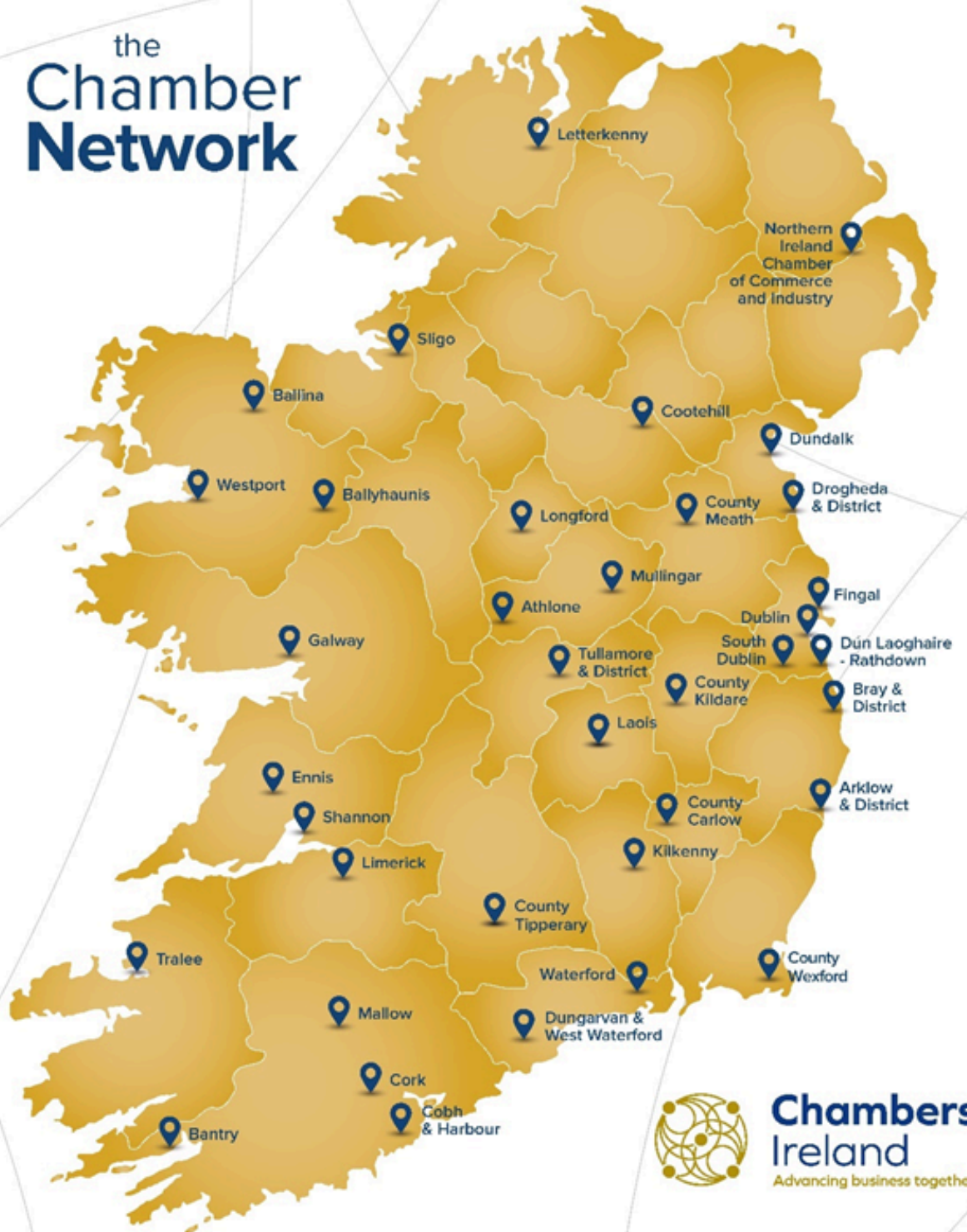
2027

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Message from the President and Chief Executive

Budget 2027 is being developed at a pivotal moment for Ireland. As the country assumes the Presidency of the Council of the European Union, the themes of competitiveness, resilience and security must be reflected not only in our international leadership, but in our domestic economic strategy.

Ireland's economy continues to perform strongly, but the conditions underpinning that success are under increasing strain. The experience of the past year has reinforced the extent to which Ireland, as a small and open economy, remains exposed to global instability - from geopolitical conflict to supply chain disruption and energy volatility. These pressures have intensified long-standing structural weaknesses, particularly in infrastructure, energy and delivery capacity.

The most immediate concern for businesses is the cost of operating in Ireland. Rising energy prices, labour costs, regulatory burdens and wider input costs are eroding competitiveness and constraining growth, particularly for indigenous SMEs. Addressing these pressures must be a central objective of Budget 2027. This requires not only targeted cost relief, but a sustained focus on reforming the structural factors that drive persistently high and volatile costs. Implementing the recommendations of the Cost of Business Advisory Group must be funded and prioritised.

At the same time, Ireland faces a broader challenge; the need to convert significant public investment into visible and timely delivery. While welcome progress has been made in areas such as grid investment, water infrastructure and transport, the pace and consistency of delivery remain insufficient. Housing shortages, infrastructure constraints and delays in project execution are now directly limiting economic expansion and undermining business and consumer confidence. Ireland does not lack resources - it must now demonstrate an enhanced capacity to deliver outcomes. In this context, the capacity of Government to design, approve and implement legislation at pace will become increasingly critical. As economic and technological change accelerates - particularly in areas such as artificial intelligence and digital markets - policy and regulatory frameworks must be capable of evolving in step, rather than lagging behind.

Rapid technological change is also reshaping the business environment. The adoption of artificial intelligence and advanced digital tools presents major opportunities for productivity and innovation, but many firms are struggling to keep pace. Skills shortages, limited capacity and fragmented supports are constraining progress. This challenge is compounded by the accumulation of a substantial surplus within the National Training Fund, at a time when businesses require immediate and practical investment in workforce development. These resources must now be deployed to address critical skills gaps and support enterprise adaptation.

Looking ahead, Ireland must strengthen its economic resilience. Windfall revenues have created fiscal space, but they also mask underlying vulnerabilities. A more sustainable and broadly based taxation model is essential if the State is to continue funding infrastructure, public services and competitiveness supports without overreliance on volatile income streams. In parallel, local government must be better empowered and resourced to support delivery at regional and community level.

Budget 2027 must therefore mark a shift in focus - from managing pressures to building capacity. It must reduce the cost of doing business, accelerate the delivery of housing and infrastructure, enable the practical transition to a low-carbon economy, address critical skills gaps and ensure that policymaking systems can respond more effectively to a rapidly changing environment.

This submission sets out five national priorities to achieve these objectives and to ensure that Ireland remains competitive, resilient and capable of delivering sustainable growth in an increasingly uncertain global context.

Margaret Considine
President

Ian Talbot
Chief Executive

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Top 5 National Priorities

This submission calls for Budget 2027 to reduce business cost pressures and strengthen the State's capacity to deliver. It also argues for conditions that support sustainable growth across all regions. The priority is to move towards reforms that restore business confidence and produce practical, tangible results.

1. The cost of doing business in Ireland is unsustainable.

Ireland's business environment is under growing strain. Rising energy, labour, regulatory and operating costs are eroding competitiveness and making it harder for firms to survive. The pressure is especially acute for domestic SMEs, which play a vital role in employment and regional economic activity. Budget 2027 must address the cost of doing business and give indigenous firms a clearer basis on which to start, grow, invest and thrive.

2. The State must turn investment into visible results.

Ireland has the fiscal capacity to address many of its structural challenges. The central issue is no longer whether resources exist, but whether the State can turn funding into visible delivery. Major public investment commitments have yet to produce change at the scale or speed required and Ireland Inc. risks being structurally disadvantaged unless delivery mechanisms improve. Budget 2027 should therefore place greater emphasis on implementation, backed by multi-annual funding where needed and clearer accountability for results.



3. Housing and infrastructure bottlenecks are now constraining competitiveness and regional growth

Housing shortages and the underdevelopment of water, energy, transport and grid capacity are now directly constraining competitiveness and regional growth. Systemic failures in planning, land activation and urban regeneration are making it harder for businesses to expand and for towns and cities to grow in a sustainable way. Budget 2027 should prioritise housing delivery and infrastructure provision, while removing the barriers that continue to block more compact, investment-ready development.

4. Climate and energy policy must now move from ambition to delivery

The clock is ticking on Ireland's climate goals, which will not be met without faster delivery of renewable generation, grid infrastructure, storage, ports and wider enabling systems. At the same time, the transition must be made more practical and affordable for businesses through more realistic decarbonisation supports.

5. Rapid economic and technological change demands a faster policymaking response.

The pace of change is also increasing. Economic and technological shifts, along with wider geopolitical pressures, are reshaping the environment in which firms operate. Ireland cannot afford a reactive approach. Government decision-making and delivery systems need to be faster, more joined up and better equipped to respond in ways that support long-term growth.



Economic Overview

Ireland enters the Budget 2027 cycle from a position of apparent strength, but the lived experience of households and businesses tells a more complicated story. The economy continues to generate employment and attract investment, yet the foundations needed to sustain that success are under strain. The cost of doing business, housing, infrastructure, energy, water and delivery capacity are no longer background issues: they are now central competitiveness constraints and delivery is critical.

This is most visible in housing. House prices increased by 6.5% in the last twelve months, and rents are up 115 per cent since 2010. For workers, the problem is no longer simply one of affordability at the margins. Accommodation has become a labour market problem as much as a social one. Businesses cannot expand if staff cannot live within reach of work.

The same is true of infrastructure. The International Monetary Fund has indicated that the State's stock of physical infrastructure, from transport and energy to housing and water, lags international peers by approximately 32 per cent. That gap is not abstract. It appears in delayed housing schemes, constrained electricity connections, water capacity limits, congestion, weak regional connectivity and slower project delivery. We do not lack the money to solve these problems. The harder truth is that the State has struggled to convert resources into visible results.

The cost of doing business is becoming unsustainable. Rising energy, labour, regulatory and operating costs are eroding competitiveness and making it harder for firms to survive, invest and expand. The pressure is especially acute for domestic SMEs, which play a vital role in employment and regional economic activity. Irish-owned enterprises account for 74.9 per cent of total private employment, and they have played a vital role in the success of Ireland's employment market which is now more than double the size it was in 1990. Budget 2027 must therefore reduce the cost pressures facing business and give Irish enterprises a clearer basis on which to start, grow, invest and thrive.

The scale of the corporation tax windfall has allowed us to paper over structural weaknesses that may otherwise demand greater urgency. Corporation tax receipts reached €32.9 billion in 2025, compared with €4.6 billion in 2014. That exceptional growth has given Ireland choices many countries do not have, but it has also reduced the pressure for cost control. A country with temporary fiscal advantages can afford inefficiency for a time, but businesses and workers cannot. Windfall revenues should be used to build long-term capacity, not to normalise poor delivery or permanent spending commitments that may be difficult to sustain.

The National Training Fund should be treated as a practical delivery tool for meeting the skills needs that will enable infrastructure delivery and the workforce transition. Employer contributions have generated and are continuing to generate an accumulated surplus in excess of €1.8 billion, with further annual surpluses projected in the years ahead, at the same time as firms face acute skills shortages, rising operating costs and the need to adapt to AI, digitalisation and the green transition.

The central test for Budget 2027 is whether it can turn national wealth into national capacity. That means reducing the cost of doing business, accelerating housing and infrastructure delivery, making the climate and energy transition practical for firms, and building faster, more accountable systems of government. Ireland has the resources. The challenge now is delivery.



Industry, Innovation and Infrastructure

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



1. Need to scale the delivery of essential infrastructure

Turn funding commitments into visible delivery through binding targets, multi-annual investment and stronger accountability.

2. Fix the system bottlenecks restricting delivery

Reform planning, courts and coordination structures to remove delays and unlock delivery at scale.

3. Strengthen innovation and competitiveness

Support SME digital adoption, strengthen R&D incentives and invest in future-focused strategic sectors.





1. Need to scale the delivery of essential infrastructure

Recommendation: Ringfence resources and introduce binding delivery targets for key actions under the Accelerating Infrastructure Action Plan, with public reporting every six months on progress.

While the plan introduces statutory timelines and prioritisation of major projects, the main challenge remains delivery. Delays arising from judicial review, fragmented decision-making and capacity constraints across agencies continue to slow progress.

Recommendation: Housing is now a major competitiveness constraint and delivery must be scaled rapidly to meet national need. We need in excess of 60,000 homes per year.

36,284 new dwellings were completed last year but this is not sufficient in meeting current or future demand. Government should utilise all tools available including investment and tax incentives if required to increase the supply of housing.

Recommendation: Introduce a multi-annual funding model for water and wastewater infrastructure to provide long-term certainty for planning and delivery.

Multi-annual funding would allow Uisce Éireann to plan, procure and sequence major projects more effectively, reduce delays linked to annual budget cycles and support housing growth, economic development and environmental outcomes.

Recommendation: Deliver electricity grid reinforcements at pace in line with the objectives and investment plan set out in Price Review 6 (PR6).

Grid capacity and connection delays remain a major risk to renewable delivery. PR6 investment should therefore be treated as system-critical and implemented with a system-value approach that integrates reinforcement, storage, demand response and interconnection.

Recommendation: Accelerate delivery across major public transport and active travel programmes, including DART+, MetroLink, BusConnects, Cork Luas, Limerick-Shannon metropolitan transport plan and regional rail.

Support is needed for inter-urban and intra-urban networks, alongside sustained funding for Local Link services in rural and regional areas. Investment in walking and cycling infrastructure should continue so expanded networks deliver reliable, low-carbon connectivity.

Recommendation: Make Transport-Oriented Development principles obligatory for major new developments.

Budget 2027 should move Transport-Oriented Development from policy ambition to a consistent delivery standard by requiring integrated public transport, walking and cycling access in major residential and mixed-use developments.



2. Fix the system bottlenecks restricting delivery

Recommendation: Reduce infrastructure delays by enacting the Civil Reform Bill, publishing annual data on the cost of judicial review, and resourcing the courts to deliver faster, more predictable outcomes.

Judicial review and court delays continue to affect infrastructure delivery and competitiveness. Greater transparency on the cost of litigation, stronger use of Alternative Dispute Resolution across the State sector, and sufficient judicial and administrative capacity would support more timely and evidence-based outcomes.

Recommendation: Strengthen planning capacity across local authorities, state agencies and Regional Assemblies through targeted recruitment, retention, training and expert support.

Recent funding increases and planning reforms are welcome, but planning capacity remains under pressure. Budget 2027 should resource planning and multidisciplinary teams so statutory timelines, plan-led development and stronger regional coordination can deliver timely and consistent outcomes.

Recommendation: Streamline regulations governing change of use and adaptive reuse to accelerate the activation of vacant property.

New grant supports for above-the-shop conversions and adaptive reuse are welcome but regulatory barriers continue to limit delivery. Better alignment across planning, fire safety and building control systems is needed to make conversion and reuse more viable.

Recommendation: Mandate the Land Development Agency to lead a National Land Management Strategy for compact, infrastructure-led development.

Government should strengthen coordination of state land by giving the Land Development Agency a clear mandate to lead strategic land management in support of compact growth and infrastructure-led development.

3. Strengthen innovation and competitiveness

Recommendation: Create an Irish tax-advantaged investment account with a tax-free yearly allowance and reform deemed disposal to encourage long-term investing, support wealth creation and mobilise domestic savings.

Over €170 billion in household savings held in low-yield accounts represent a missed opportunity for savers and the wider economy. A simple, tax-incentivised scheme built using existing tax frameworks, alongside reform of the deemed disposal regime, could improve returns for households while unlocking capital for essential infrastructure. It could also strengthen Ireland's competitiveness.

Recommendation: Increase investment in Ireland's defence capabilities, particularly national risk assessment and threat-identification systems, while deepening Ireland's engagement in EU and international security cooperation in cyber, maritime and technology.

Security threats are evolving rapidly, particularly in cyber, maritime and technology. Strengthening national risk assessment capabilities and deepening international cooperation would improve Ireland's resilience and ability to respond effectively to emerging and interconnected security challenges. Securing our physical infrastructure should be a key national priority.

Recommendation: Ensure the new Digital and AI Strategy includes practical, locally delivered AI adoption supports for SMEs through Skillnet networks and Local Enterprise Offices.

SMEs represent over 99% of Irish businesses and most private-sector employment, yet AI adoption remains lower than in larger firms. Practical supports focused on leadership, advisory services and pilot projects are needed to help SMEs adopt AI effectively.

Recommendation: Enhance the R&D tax credit by increasing the first-year repayment threshold to €100,000, introducing a pre-approval mechanism for SMEs and extending the 12-month claim window to four years in line with other tax claims.

Despite recent improvements, key barriers remain for smaller firms. Raising the repayment threshold, providing upfront eligibility certainty and extending the claim window would improve cashflow, reduce risk and make the scheme more accessible for SMEs investing in innovation.

Recommendation: Introduce a €200 million Strategic Capital Investment Scheme over five years to support large-scale, high-growth projects in sectors such as biotechnology, artificial intelligence and renewable energy.

Ireland faces growing external risks and internal competitiveness challenges that require forward-looking investment. A strategic capital scheme could unlock private investment, support high-potential sectors and strengthen Ireland's position in sustainable, high-value industries.

Recommendation: Publish a clear plan for the shift away from petrol and diesel vehicles, with particular focus on the future taxation implications.

Fuel, VRT and motor tax receipts will decline during the transport transition and must be replaced over time. Early visibility on the approach and timeframe will give businesses and households greater certainty. Innovative opportunities 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

11 SUSTAINABLE CITIES AND COMMUNITIES



- 1. Scale housing supply and delivery at pace**
Strengthen accountability, expand direct delivery, increase affordable housing output and build long-term capacity for faster housing delivery across regions.
- 2. Unlock land, vacancy and urban viability**
Activate brownfield, derelict, vacant and underused sites through stronger powers, better incentives, tax reform and more coordinated reuse and site activation measures.
- 3. Strengthen regeneration and place-based development**
Simplify regeneration delivery, support town and city centre viability, and enable more effective local investment through stronger local capacity and more flexible urban schemes.



1. Scale housing supply and delivery at pace

Recommendation: Publish an annual regional housing target scorecard.

Ireland sets regional housing targets that flow through the National Planning Framework but there is no single, transparent account of whether they are being met. A more transparent framework would strengthen accountability, identify bottlenecks earlier and improve implementation across regions.

Recommendation: Expand strategic landbanking and site servicing initiatives to ensure an adequate supply of development-ready land for housing, enterprise and infrastructure projects in key growth locations.

A shortage of development-ready land is constraining housing delivery, business expansion and infrastructure investment across many parts of Ireland. While significant land may be zoned, much of it lacks the enabling infrastructure required to bring it into productive use. A strategic landbanking programme would allow the State to acquire and service strategically important sites in advance of demand, ensuring a pipeline of development-ready land.

Recommendation: Increase the direct delivery of affordable housing to match the current social housing target by 2030.

Matching these targets will better reflect the scale of current housing needs and address the widening affordability gap for households who do not qualify for social housing but cannot access market prices.

Recommendation: Develop a long-term market-building framework for Modern Methods of Construction, combining public procurement, multi-annual demand signals and targeted financial incentives.

A stable pipeline of public demand is needed to help build a viable off-site manufacturing sector and accelerate housing delivery at scale. Offering tax credits and low-interest loans can help offset the higher upfront costs associated with this form of housing delivery and stimulate market signals.

Recommendation: Increase local authority borrowing limits to enable increased housing delivery across the country.

Existing local authority borrowing limits may no longer reflect the scale of Ireland's housing and infrastructure requirements. Where borrowing capacity is fully utilised, local authorities can face constraints in progressing viable housing and capital projects.

Recommendation: Prioritise direct delivery of new housing so that local authorities, Approved Housing Bodies and the Land Development Agency add to overall supply rather than displacing private market availability.

Public housing should focus on additional supply rather than competing for existing stock. A stronger direct delivery approach would increase capacity while avoiding unintended pressure on the private market.

2. Unlock land, vacancy and urban viability

Recommendation: Strengthen vacancy reduction policy through formal evaluation of the Residential Zoned Land Tax (RZLT) and Vacant Homes Tax, widen the scope to include long-term vacant commercial properties, and set clear local vacancy-reduction targets for local authorities at the electoral district level.

A clearer vacancy framework would improve accountability and strengthen the use of taxation and enforcement tools to tackle long-term vacancy and dereliction more effectively.

Recommendation: Strengthen the policy and financial framework for activating brownfield, derelict and underused residential land through enhanced supports, stronger site activation powers and more effective enforcement. This should include the strengthening of the Derelict Sites Act 1990.

Higher upfront costs, site complexity and weak enforcement continue to limit the reuse of serviced urban land. There should be increased up-front grant aid and financing help for high-density development projects. Enhancements to the Derelict Sites Act 1990 should include more robust enforcement mechanisms, increased transparency in the Derelict Sites Register, and targeted financial incentives or penalties to encourage the repurposing of underutilised land.

Recommendation: Introduce a legislative framework for Compulsory Sales Orders (CSOs) to encourage appropriate development of residential zoned sites.

This framework would apply to sites where there has been a consistent failure to develop the land despite its residential zoning. Implementing CSOs would help address vacancy and dereliction, speed up urban regeneration, increase housing supply, encourage responsible land use and improve community wellbeing by enabling local authorities to initiate the sale of long-neglected properties.

Recommendation: Establish a coordinated delivery model for above-the-shop and change-of-use projects through local authority one-stop-shops and a dedicated taskforce of cross-sector experts.

While funding under the Vacant Property Refurbishment Grant has been increased, conversions remain constrained by fragmented processes and planning barriers. Local Authority one-stop-shops could better support applicants through the process, while a dedicated taskforce could work alongside the grant scheme to coordinate agencies and remove non-financial obstacles to systematically unlock vacant Above-the-Shop space for new homes. A more coordinated model would help unlock underused urban buildings while protecting town centre vitality.

Recommendation: Strengthen long-term regeneration incentives through a post-2030 framework for the Living City Initiative, expanding Special Regeneration Areas and reforming tax barriers to investment in vacant property.

Long-term certainty and a stronger tax framework would help unlock private investment in the refurbishment and reuse of underutilised buildings, particularly in urban areas where viability remains challenging. To stimulate housing stock and promote sustainable development, Special Regeneration Areas should be further expanded in cities where they are active under the Living City Initiative. Recent enhancements to tax reliefs for refurbishing vacant properties are welcome but further streamlining of tax treatment - such as enabling the transfer of unused capital allowances upon property ownership change - could reduce investment barriers.

3. Strengthen regeneration and place-based development

Recommendation: Establish clear planning criteria and funding guidelines to ensure that ground-floor conversions in town centres preserve space for commercial units.

Budget 2027 should introduce explicit national planning guidance and differentiated funding supports that prioritise retaining active street-level commercial and community uses. This is important in complementing residential conversions to ensure town centre revitalisation does not undermine local economic vitality.

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

The current requirement for full owner-occupancy limits viability and constrains delivery of mixed-tenure schemes in urban areas. Budget 2027 should revise the scheme to allow a defined proportion of units to receive support while enabling remaining apartments to be delivered under alternative tenures, unlocking stalled permissions while retaining a minimum owner-occupier requirement.

Recommendation: Enhance devolution to local government by strengthening decision making powers and providing greater flexibility over funding to support place-based investment.

Empowering local authorities with clearer responsibilities and funding autonomy will enable more responsive, efficient and targeted investment. Greater devolution supports locally driven solutions. It also strengthens social cohesion by ensuring public spending reflects the specific needs and priorities of communities.

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

Crime and anti-social behaviour are undermining the safety and attractiveness of some urban centres. Theft, reduced footfall and lower commercial activity are harming businesses and reinforcing the need for stronger Garda visibility in rapidly growing towns and cities. Additionally, the prison capacity in Ireland needs to be increased.

Recommendation: Reduce and reform the broadcast levy for radio through a cap on increases and a more proportionate, transparent structure.

A 39% increase in 2026 (69% over two years) has created an unsustainable cost burden on a sector facing minimal revenue growth and growing competition from global platforms. This is constricting local and regional broadcasters that are vital to Irish businesses in promoting enterprise activity and community engagement.

Recommendation: Simplify Town Centre First funding application processes.

Recent regeneration funding is welcome, but complex application processes and delivery constraints continue to slow progress. Simpler processes and stronger local authority capacity would improve impact.

Climate Action

13 CLIMATE ACTION



- 1. Accelerate the delivery of clean energy infrastructure**
Speed up renewable generation, grid, ports, storage and enabling infrastructure delivery to strengthen energy security, reduce constraints and support Ireland's clean energy targets.
- 2. Reduce the cost and complexity of decarbonisation**
Make decarbonisation more practical and affordable through broader retrofit supports, stronger commercial EV incentives and faster delivery of lower-carbon public transport.
- 3. Turn climate ambition into practical delivery**
Provide long-term certainty through post-2030 targets, workforce transition supports, city-level climate investment and evidence-based planning for future energy options.





1. Accelerate the delivery of clean energy infrastructure

Recommendation: Designate all transmission infrastructure required for Phase 1 offshore wind projects as critical infrastructure to accelerate delivery of offshore renewable energy.

Timely delivery of offshore transmission infrastructure, including substations, associated equipment and built grid infrastructure, is essential to bring Phase 1 offshore wind projects forward at scale. This would strengthen energy security, reduce reliance on imported fossil fuels and support Ireland's offshore wind ambitions for the next decade.

Recommendation: Extend permitting for existing wind assets where repowering or redevelopment is being actively pursued.

Without permitting extensions, viable wind assets may be decommissioned before replacement projects are delivered, reducing generation capacity and undermining decarbonisation progress. A clearer repowering pathway would help retain renewable output and protect local authority rates income.

Recommendation: Publish a new National Ports Policy and provide capital funding to upgrade port infrastructure for offshore wind deployment.

A new ports policy is urgently needed to reflect Ireland's offshore wind ambitions. Targeted capital funding should support land acquisition and infrastructure upgrades so ports can serve as key hubs for offshore wind and wider clean energy development.

Recommendation: Accelerate grid infrastructure development to reduce dispatch down and maximise the use of existing renewable energy capacity.

Grid constraints are preventing Ireland from fully utilising available renewable generation and are increasing system costs. Expanding grid capacity would support greater renewables penetration, reduce dispatch down and strengthen the case for further low-carbon investment. PR6 investment has been very welcome but we now need to build and deliver.

Recommendation: Accelerate the delivery of strategic electricity infrastructure, including the North-South Interconnector and Celtic Interconnector.

Ensuring a resilient electricity system is becoming more important as demand rises across the economy. The delivery of strategic infrastructure such as the North-South Interconnector and Celtic Interconnector will strengthen energy security and reduce existing network constraints, allowing the system to better support future growth and investment.

Recommendation: Introduce targeted policy and funding measures to accelerate deployment of electricity storage at scale.

Stronger planning clarity, improved grid access and appropriate support mechanisms would help unlock private investment in storage. This would enhance system flexibility, reduce curtailment and support a more secure and resilient electricity system.

Recommendation: Establish a clean technology funding and market-development framework, with priority support for biomethane, hydrogen and other strategic low-carbon technologies.

Financial incentives, infrastructure readiness and market stimulation are needed to scale emerging clean technologies, particularly where current output remains far below national ambition. Additionally, providing support schemes with a minimum guaranteed price for producers will help stimulate indigenous markets for clean technologies and provide market certainty for developers.

Recommendation: Accelerate the pace and scale of wind energy development to keep Ireland on track for its 2030 targets.

Annual commissioning rates and recent auction outcomes remain below the level needed to reach Ireland's 2030 wind targets. Budget policy should therefore focus on faster planning and consenting, stronger auction design and investment in enabling infrastructure.

2. Reduce the cost and complexity of decarbonisation

Recommendation: Introduce enhanced incentives and enabling measures to accelerate the uptake of electric vehicles in commercial fleets.

Commercial EV uptake remains constrained by upfront capital costs, depot charging limitations and fragmented supports. More targeted incentives and coordinated infrastructure measures would help high-mileage fleets transition faster.

Recommendation: Refocus the retrofitting programme to support large-scale shallow retrofits for non-domestic and residential properties, alongside deeper upgrades where appropriate.

Greater emphasis on low-cost, insulation-first measures would deliver faster and broader reductions in energy demand, while helping close the emissions gap between residential, commercial and public buildings. To support this shift, Government should prioritise increased and multi-annual funding, broader sectoral coverage, and enhanced grant supports, particularly for SMEs. It should also prioritise households in receipt of the Winter Fuel Allowance and apply a reduced 0–5% VAT rate to SEAI-supported retrofit projects to lower upfront costs and accelerate uptake.

Recommendation: Accelerate the decarbonisation of public transport in line with the Avoid-Shift-Improve framework.

Momentum is needed on rail electrification and the rollout of battery-electric buses, alongside targeted investment to expand Bio-CNG infrastructure and preparations for future hydrogen deployment in segments where electrification is less immediately feasible.

Recommendation: Conduct a review of the structure of rail freight track access charges with a view to improving the commercial viability of rail freight and supporting modal shift from road to rail.

Rail freight remains less competitive than road haulage, and current cost structures, including track access charges, are a key factor limiting its growth. A review would help improve viability and support greater use of rail for freight transport.

Recommendation: Introduce a simplified, fast-track planning pathway for behind-the-meter renewable energy projects including rooftop solar installations, on-site solar installations and battery storage.

Reducing planning and administrative barriers would enable more businesses to invest in on-site renewable energy at a time when energy costs are significantly challenging business growth. Faster deployment of behind-the-meter generation can help reduce pressure on the electricity grid while encouraging private-sector investment in clean energy infrastructure.

3. Turn climate ambition into practical delivery

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

A clear post-2030 framework would provide greater certainty for investment, planning and delivery across the energy transition. Early signals on targets and trajectory are important to support long-term decision-making.

Recommendation: Provide sustained funding for retraining programmes that support the transition from fossil fuel-dependent jobs to low-carbon employment opportunities.

Progress has been made through just transition and green skills initiatives, but wider access and longer-term certainty are needed so skills supply can keep pace with demand in retrofitting, renewable energy and environmental restoration.

Recommendation: Provide a multiannual funding framework for EU mission climate-neutral cities.

A multiannual funding framework is needed to support Cork and Dublin in delivering the infrastructure required under the EU Climate Neutral Cities initiative, including public transport, EV charging and active travel.

Recommendation: Commission a comprehensive evidence-based assessment of the potential role of nuclear energy, including small modular reactors, within Ireland's long-term energy security and decarbonisation strategy.

Ireland's growing electricity demand and long-term energy security challenges warrant a detailed evaluation of all viable low-carbon energy options. Examining the potential role of next-generation nuclear technologies would support informed long-term energy planning. 16

Decent Work and Economic Growth

8 DECENT WORK AND ECONOMIC GROWTH



1. Strengthen enterprise competitiveness and investment

Cut business cost pressures, improve access to finance and modernise supports so SMEs can start, scale and invest.

2. Simplify tax, regulation and labour market access

Reduce administrative burdens, modernise outdated tax rules and remove barriers to hiring and workforce participation.

3. Build skills and export capacity for long-term growth

Strengthen trade supports, apprenticeships, lifelong learning and regional skills systems to support resilience and expansion.



1. Strengthen enterprise competitiveness and investment

Recommendation: Introduce a temporary exemption from National Training Fund (NTF) levy contributions for businesses to help alleviate rising operating cost pressures. Such an exemption should be in place until the funds can be effectively deployed for workforce development and the surplus falls below €1 billion

Given the substantial surplus currently accumulated within the National Training Fund, a targeted temporary exemption for employers until the surplus is reduced would provide immediate cost relief while supporting cashflow and business sustainability.

Recommendation: Increase the accelerated 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 regime is an important investment incentive, but the current 8-year write-off period is outdated given faster technology cycles and equipment obsolescence. Reform would better support business investment, particularly by indigenous firms, and align with priorities 4 to 7 of the White Paper on Enterprise 2022–2030. Existing 100% allowances should remain unchanged.

Recommendation: Review the differential application of the Universal Social Charge (USC) across income types, with a view to reducing disparities between self-employed individuals and incorporated professionals.

The current structure of USC creates uneven tax treatment between incorporated and unincorporated workers, with higher effective rates applying to self-employed individuals compared to company-based income structures. In professions where incorporation is not permitted or is impractical, this can result in structural disadvantage within the tax system. A review of these differences would help ensure greater tax equity across professional groups and reduce distortions in how individuals structure their work.

Recommendation: Reduce the Capital Gains Tax rate of 33% for non-passive investment. Additionally, increase the lifetime limit of €1.5 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.

Recommendation: Modernise enterprise support eligibility criteria to better reflect how indigenous businesses operate, moving beyond employee-based thresholds to include turnover, value creation and economic impact.

Many SMEs use lean, contractor or outsource-led models and can miss out on supports that are tied to employee numbers. Updating eligibility criteria would ensure that high-value, scaling firms are not penalised for modern operating models and would support indigenous growth.

Recommendation: Reform EIS by simplifying eligibility and broadening investor access to increase SME investment.

EIS remains overly restrictive. Simplifying the scheme would make it easier to channel private capital into smaller firms and support enterprise growth.

Recommendation: Extend KEEF to 2030 and conduct further reviews and reforms to simplify the programme so scaling firms can attract and retain key talent.

KEEF can help growth firms compete for talent, but complexity limits take-up. Reform should focus on reducing bureaucracy and improving usability.

Recommendation: Undertake a comprehensive review of local authority funding to ensure a sustainable funding model that reduces reliance on commercial rates.

Rates increases across the country are contributing to business cost pressures. Therefore, a review of funding should be carried out to assess alternative revenue sources and ensure that local authorities are adequately resourced to deliver essential services without placing excessive pressure on the business community.

Recommendation: Publish a time-bound implementation plan for each of the Cost of Business Advisory Forum report recommendations and include defined funding, clear assigned ownership, regular public reporting requirements.

Government should use the report to deliver measurable reform to the unsustainable cost pressures facing Irish businesses.

2. Simplify tax, regulation and labour market access

Recommendation: Consolidate and simplify the tax code, including integrating overlapping reliefs and publishing clearer guidance for business.

The current tax code, while comprehensive, is fragmented across numerous Acts and amendments, creating complexity for businesses. Consolidating the tax legislation will improve transparency and reduce complexity

Recommendation: Put the 'Think Small First' principle on a stronger footing by publishing SME Tests consistently and showing clearly how they shape policy decisions.

SME impacts should be visible in policy design so that new rules do not impose avoidable costs or complexity on smaller firms.

Recommendation: Reform cross-border tax rules to support greater worker mobility and labour market integration across the island of Ireland.

Post-Brexit, increasing numbers of employees live on one side of the border and work on the other, while demand for remote and hybrid working continues to grow. Current tax residency and compliance rules can create complexity for both workers and employers. Streamlining these arrangements and improved coordination between Irish and UK authorities would facilitate cross-border employment, expand access to talent and increase organisational efficiency and transparency. Consideration should also be given to updating tax rules for international remote working more broadly, reflecting evolving work patterns beyond the island of Ireland.

Recommendation: Introduce a Working Age Payment that provides a time-limited, income-tested subsidy equivalent to 80% of previous welfare entitlements for long-term unemployed individuals (12+ months) who take up part-time employment (minimum 15 hours/week). Additionally, implement a tapering process for the reduction in welfare supports to individuals re-entering the workplace after an extended absence.

Employment supports should make it financially viable for more people, including long-term unemployed, parents and carers, to re-enter the workforce gradually.

Recommendation: Reform disability employment supports by simplifying the Work and Access scheme, removing the minimum hours threshold for the Wage Subsidy Scheme and increasing awareness of supports with employers.

Ireland continues to have the largest disability employment gap in the European Union, with a gap of 38.6% - well above the EU average of 24.4%. Simpler and more flexible supports would help narrow this gap and make it easier for employers to recruit and retain disabled workers.

Recommendation: Introduce targeted tax incentives to support SME investment in workplace health and wellbeing.

Cost remains a major barrier for SMEs. Targeted incentives would encourage uptake, improve retention and reduce absenteeism. Possible measures include voucher-based subsidies, tax credits and expanded Benefit-in-Kind exemptions.

Recommendation: Reduce the Chargeable Excess Tax rate from 40% to 10%, as recommended by the de Buitléir Report.

Although Budget 2025 increased the Standard Fund Threshold, pension savings above the threshold remain subject to a 40% Chargeable Excess Tax and are subsequently taxed again on drawdown, resulting in an effective tax rate of almost 70%. Reducing the CET rate would support retirement saving, enhance Ireland's attractiveness for skilled talent and create a more proportionate pension tax framework while maintaining taxation of pension income when paid.

Recommendation: Double index income tax bands and personal tax credits in Budget 2027.

Inflation-driven wage increases can push workers into higher tax bands without any real gain in purchasing power, resulting in fiscal drag and reducing the value of pay increases. As income tax bands and credits were not fully indexed in 2026, Budget 2027 should provide a double indexation adjustment to protect take-home pay and offset the growing tax burden on work.

3. Build skills and export capacity for long-term growth

Recommendation: Strengthen the Trade and Investment Strategy, Enterprise Europe Network and market-diversification supports to help SMEs build resilience and grow in a more volatile trading environment.

Trade supports should offer essential resources and expertise to a wider range of firms looking to enter international markets. More coordinated export supports would help firms reduce reliance on a narrow set of markets, strengthen supply-chain resilience and improve long-term competitiveness.

Recommendation: Publish a new National Aviation Policy that should include a multi-annual funding framework and support for regional airports.

Targeted investment in Ireland's airport network is essential in maintaining and growing international connectivity, which underpins trade, tourism and foreign direct investment. In a more uncertain global environment, a resilient and properly resourced aviation system is increasingly important to sustaining Ireland's competitiveness and is a driver of regional development.

Recommendation: Establish a dedicated SME Skills Fund within the National Training Fund, financed from the accumulated surplus, to provide fully subsidised and employer-led upskilling and reskilling supports for SMEs. This should be administered through Skillnet Ireland.

The NTF recorded an accumulated surplus of approximately €1.8 billion by the end of 2024, with annual surpluses continuing to grow despite persistent skills shortages across the economy. Employers are therefore contributing significantly more to the fund than is being deployed directly to workforce development. The fund should be targeted at SMEs and should focus on helping businesses adapt to digitalisation, AI adoption, sustainability requirements and changing skills needs.

Recommendation: Increase the €2,000 employer grant for consortia-led apprenticeships to better offset the costs incurred by businesses during off-the-job training and to increase apprenticeship interest and uptake by SMEs.

Stronger apprenticeship incentives are needed to increase employer participation and build skills pipelines in sectors critical to infrastructure and growth.

Recommendation: Amalgamate the funding streams for Technological Universities and traditional universities to ensure funding equality, institutional autonomy, and pay parity across the higher education sector.

While the Programme for Government proposes borrowing powers for student accommodation, Technological Universities remain constrained by separate funding arrangements and limited access to investment capital. Aligning funding models would place all universities on an equal footing. This would enable greater autonomy and support equal pay for educators, while ensuring students benefit from a diverse and sustainable higher education system.

Recommendation: Publish a renewed lifelong learning strategy that integrates adult learning, activation, digital capability and green skills, with a stronger focus on mid-career workers.

A more coherent lifelong learning system would help businesses retain experienced staff, support career transitions and improve workforce adaptability.

Recommendation: Strengthen workforce planning through national skills mapping in strategic sectors and greater investment in Regional Skills Fora.

Better labour-market intelligence is needed to align education, training and retraining with demand in areas such as renewable energy, AI and other growth sectors.

Recommendation: Provide subsidised professional training for parents caring for children with disabilities or additional needs in areas such as occupational therapy, speech and language therapy, psychology and special needs assistance.

Many parents leave work due to a lack of supports. Targeted training would help them better support their children, create future employment pathways and ease pressure on the HSE by expanding the pool of trained support workers.

Recommendation: Unlock funding from the National Training Fund surplus to deliver intensive language courses to people seeking international protection.

With labour shortages affecting businesses nationwide, intensive business English training would help people seeking international protection overcome language barriers and enter employment. A €3,000 course to C1 level could support meaningful work, reduce reliance on social supports and become exchequer-neutral within 12 months through higher tax receipts. Further detail is set out in our report Closing Skill Gaps: Intensive Language Training.

Gender Equality

5 GENDER EQUALITY



- 1. Strengthen supports for working parents**
Reduce barriers to employment for parents by lowering childcare costs, improving inclusion for children with additional needs, and reforming parental leave to support greater equality and flexibility.
- 2. Support and sustain the early years and school age childcare sector**
Put childcare on a more sustainable footing through higher core funding, a multi-annual investment plan, and stronger quality supports for providers.
- 3. Ensure equal opportunities in entrepreneurship**
Improve women-led entrepreneurship by expanding dedicated early-stage finance and creating a single, joined-up access point for enterprise supports.



1. Strengthen supports for working parents

Recommendation: Increase the universal subsidy rate under the National Childcare Scheme above €2.14 per hour and publish a plan to deliver the Programme for Government commitment of €200 per month per child childcare costs.

Childcare costs remain a major pressure for working families. The next phase should raise the universal subsidy and set out a clear path to €200 per month per child, while better aligning childcare funding, school-age provision and labour-market participation to retain parents in employment and support household incomes.

Recommendation: Increase funding for specialised supports and training so childcare providers can better accommodate children with additional needs and disabilities, including specialist staff, adaptive materials and accessible facilities.

Inclusive childcare helps all children thrive and supports parents of children with additional needs to remain in work or education.

Recommendation: Review maternity, paternity and parental leave supports to identify barriers to uptake and greater parenting equality.

A review would help identify how to simplify and improve leave supports so families can use them to better balance work and family responsibilities more equally.

2. Support and sustain the early years and school age childcare sector

Recommendation: Increase core funding for childcare providers, particularly SME providers, to maintain affordability, expand capacity and support pay that improves recruitment and retention.

High-quality, affordable childcare depends on providers being able to meet pay, overhead and operating costs. Stronger core funding would help providers grow capacity, retain staff and sustain affordability.

Recommendation: Commit to a published, five-year investment programme for Early Years and School Age Childcare.

Recent progress on funding and scheme reform is welcome, but the sector still depends too heavily on annual Budget decisions. A multi-annual plan would give providers the certainty to plan capacity, invest in staff and improve quality, affordability and inclusion.

Recommendation: Expand mentoring programmes such as Better Start to improve childcare and early education quality.

Mentoring helps providers improve quality and standards, supporting better care and stronger early learning outcomes for children.

3. Ensure equal opportunities in entrepreneurship

Recommendation: Build on female-focused accelerator programmes by introducing dedicated early-stage finance and embedding support for women-led businesses across Ireland's innovation and higher education system.

Recent initiatives, including national women-only accelerators and all-island programmes, have improved access to mentoring, networks and investor readiness, but women entrepreneurs still face persistent early-stage barriers, particularly in accessing micro-finance and bridging capital.

Recommendation: Create a single-access 'Women in Enterprise' gateway to integrate funding, mentoring and training supports from different enterprise agencies in one place.

This would provide a unified pathway for women entrepreneurs to access relevant supports based on business stage and need. This would help reduce administrative complexity and improve coordination across agencies. The gateway should include guided navigation, pre-assessment of eligibility and structured referral mechanisms to ensure seamless progression from early-stage support through to scale-up and export readiness.



Contact

🏠 11 St Stephen's Green, Dublin 2

@ publicaffairs@chambers.ie

🌐 www.chambers.ie

