



Programme for Government

SHANNON CHAMBER SUBMISSION

January 2025

Introduction

A key objective in Shannon Chamber’s Strategic Plan 2023 – 2026 is ‘**To be Voice of and Lobbyist**’ for business.

Actions linked to this objective include:

1. To make submissions to Government on issues of regional and national importance, on our own volition and/or in partnership with Chambers Ireland and relevant organisations in our sphere of influence.
2. To lobby and maintain a focus on bettering the connectivity options into, from, and within Shannon and the region, by air, road, rail, bus, cycleways, and walkways.
3. Seek to advance and publicise the significant economic and social potential that exists along the West Coast of Ireland.

Initiating and influencing change that positively adjusts the conditions for business and the environment in which our members (340 companies and growing) operate is a priority function of Shannon Chamber.

We are noted for adopting a proactive approach to keeping key issues that impact our members and the region to the fore. With a new Programme for Government set to be delivered, we are maintaining this position by presenting this Submission, which summarises key issues that we have brought to the attention of Government and our local elected representatives and which, we will continue to present to Government for action. We request therefore that these issues be addressed in future Government policy.

Shannon Chamber’s Requests to Government

Chief among our requests are:

- The continuation of URDF funding to enable the implementation of the Shannon Town Centre Masterplan
- A review of the National Aviation Policy
- Permanent inclusion of Shannon Airport in the Regional Airports Programme
- A commitment to capitalising on the potential that Ireland’s west coast offers for the development of a Floating Offshore Wind sector
- Urgently address the housing crisis
- A review of General Work Permit salary thresholds

Reviewing progress made on each of these issues to date, we make the following comments:

1. The continuation of URDF funding to enable the implementation of the Shannon Town Centre Masterplan

Shannon Chamber was most disappointed to discover, in the latter part of the 2024, that URDF funding, which was earmarked by Clare County Council as the funding source for the delivery of phase one of the Plan – the OneShannonHub – was almost exhausted and that no provision for renewing it was made in Budget 2025, was a huge disappointment.

The Chamber board, executive, and members expended a lot of energy inputting to all phases of the Plan's development, and it is critical that Government commits to its implementation. Having maintained a lobby in this regard in 2024, we look forward to the formation of the next Government and to renewing our call for URDF funding, or some fund, to be made available to Clare County Council to deliver the Plan. This would demonstrate a commitment to enhancing Shannon's infrastructure, recognising the contribution it makes to the national economy. The idea that yet another plan for Shannon may not be delivered simply cannot be allowed to happen.

Key Ask for the Programme for Government:

- **That URDF funding, or similar funding, be reinstated to ensure the delivery of the first phase of the Shannon Town Centre Masterplan – the One Shannon Hub be implemented.**

2. A review of the National Aviation Policy, and the permanent inclusion of Shannon Airport in the Regional Airports Programme

Shannon Chamber has continually called on Government to honour its pledge for balanced regional development through undertaking a review of the National Aviation Policy. We believe that Shannon and the region can deliver a lot more, to a lot more companies and overseas visitors, if there is a strategic shift in how we distribute air traffic across all state airports.

Shannon Airport is a key component of Ireland's aviation infrastructure. It is the most accessible State airport in the country, with uncongested access from all directions via the Irish motorway system.

The connectivity that Shannon Airport provides to North America, the United Kingdom and Europe is critical to economic activity and growth in the Mid-West and West regions and is therefore a key enabler of balanced regional development.

To achieve the vision and ambitions of Project Ireland 2040 and the National Planning Framework (NPF) of ensuring an equitable distribution of economic growth in Ireland, there is a need to put in place a policy environment which promotes regional air traffic distribution by the development of policies that encourage a more even distribution of air traffic into the regions.

Policy must mitigate the current risk associated with one state airport accommodating 86% of traffic and address the challenges and risks associated with relying heavily on a single airport. Relying on a single airport and failing to fully utilise and maximise the current potential of Shannon Airport, which can accommodate an additional 3 million passengers now, is a significant oversight.

There is a critical need for a resilient and well-distributed transport network to mitigate the risks associated with over-reliance on a single airport. A diversified Airport network would ensure that the country can effectively withstand unexpected events such as natural disasters, cyberattacks, or other disruptions to the transport system. By strengthening the role of the regional airports such as Shannon, Government can safeguard national connectivity and economic stability while ensuring flexibility in the transport infrastructure.

Furthermore, Government supports for regional airports such as Shannon would allow the airport to invest in infrastructure and technology that align with its climate action targets, ensuring that growth in air travel in the regions is sustainable. Shannon Airport is currently excluded from important Government supports that could improve the infrastructure and boost its growth.

Key Asks for the Programme for Government:

➤ A new National Aviation Policy

Government must develop a new national aviation policy prioritising the sustainable growth across all state airports, by fully utilising airport capacity in the regions, reducing over reliance on Dublin airport and supporting a more balanced national economy. A new policy must explicitly align with Project Ireland 2040's commitment to promoting balanced regional development.

➤ **Inclusion of Shannon Airport in the Regional Airports Programme (RAP)**

Shannon Airport should be included in the Regional Airports Programme by raising the threshold to 3 million passengers ensuring equitable support for all of Ireland's regional airports.

➤ **Improved Transport Links to Shannon**

Government should prioritise developing reliable transport infrastructure, including setting a timeline for the development and delivery of a direct rail connection to Shannon Airport.

Additionally, there should be immediate support for regular, direct, and reliable bus services to Shannon from major cities and towns within the airport's catchment area.

3. A commitment to capitalising on the potential that Ireland's west coast offers for the development of a Floating Offshore Wind sector

Referring to our continual call for the development of a floating offshore wind sector off Ireland's west coast, we reiterate our point that the west coast, which experiences some of the strongest and most consistent wind speeds in Europe, due to its exposure to the Atlantic Ocean, presents the ideal environment for harnessing wind energy.

Shannon Chamber and indeed all Mid-West Chambers are particularly concerned about the development of a Floating Offshore Wind Energy sector off Ireland's west coast. Designated Maritime Area Plans (DMAPS) will determine the broad area where offshore renewable energy projects can be developed and will act as a management plan for a specific area of our marine waters. We understand that the establishment of a DMAPs is part of Government's wider plan-led approach to ensure sustainable offshore wind development. What we don't understand is why the first DMAP proposal will be located off the South Coast of Ireland, given the extensive work that has been put into the preparation and delivery of the Shannon Estuary Economic Taskforce Report. When we look back at the pioneering work of Dr Brendan O'Regan, so aptly described as 'An innovator and a visionary', our call to Government is to be as visionary in leading the development of the Floating Offshore Sector on Ireland's Atlantic Ocean.

There is expertise in our local authority to undertake DMAPPING and, under the Maritime Area Planning Act 2021, the Minister for the Department of Housing, Local Government and Housing, can designate one or more public bodies to prepare a Designated Maritime Area Plan.

The benefits of developing this sector are too great to be ignored and we will maintain our lobby in this regard, given the sector's potential to boost local economies through new industry hubs, ports, and supply chains.

Key Ask for the Programme for Government:

Our **Key Asks**, as stated in previous submissions to Government, are that Ireland needs a Dedicated Delivery Agency with the Assets and Resources to realise the offshore renewable energy development opportunity. Key elements include:

- **A Dedicated Delivery Agency with Assets and Resources is essential**
Taoiseach chaired cabinet sub-committee to drive mission-led industrial strategy for ORE
Delivery agency with responsibility and authority
With control of assets and delivery agents
- **A clear Action Plan, Responsibilities, Timelines & Deliverables**
Action Plan for ORE and low-carbon, high-value economy agreed
KPIs agreed
Regular monitoring, review and re-focusing of goals.
- **Economic policy needs to drive energy policy, led by the Department of Enterprise**
- **A Junior Minister needs to be given responsibility to this sector**
- **That the DMAPs expertise in Clare County Council be utilized to expedite the marine mapping of the Atlantic to progress the development of the floating offshore wind sector in Ireland.**

4. Urgently address the Housing crisis

We are all too familiar with the impact the lack of housing is having on so many aspects of our society. It occupies so many column inches in our media outlets. Our role as a Chamber is to seek to redress the impact a lack of housing is having on our members' growth plans. New investment announcements and their associated jobs' delivery continue to be a measure of the success of our enterprise agencies. Such announcements will be futile if we cannot provide accommodation for our existing workforce, never mind an expanding one.

Shannon Chamber has held many meetings with its membership in the past year to assess the impact the lack of housing is having on their recruitment and retention of talent. We also discussed the various obstacles that hinder housing infrastructure development, such as the availability of land for housing and the barriers to building, including the lack of serviced and zoned land.

While members outlined the issues, they also proffered solutions such as flexible mechanisms to enable the conversion of unoccupied industrial buildings to residential. Indeed, some members have been left with no alternative but to initiate their own solutions. Some have purchased houses and apartment and become landlords.

Our members (340 leading-edge companies) tell us that the availability of housing for staff is a major challenge and that the shortage of accommodation is greatly increasing staff turnover.

Key Ask for the Programme for Government:

- **The impact the lack of housing is having on our economy is too great to be ignored.**

5. A review of General Work Permit salary thresholds

Skills gaps and labour shortages are one of the biggest obstacles facing many of our member companies; they are unable to meet their talent needs, hence having to extend their recruitment search outside the EEA. The employment permits system offers them access to a necessary talent pipeline that helps fuel their business growth and enables them to remain sustainable and competitive.

In lengthy discussions with member companies who, due to skill shortages in Ireland and the EEA for their sector-specific requirements, we were informed that they utilise the Employment Permits System to recruit non-EEA employees, and we found a high level of disquiet on the monetary impact the escalated cost would have on their businesses.

To ensure that their concerns were understood at Government level, we facilitated meetings with Minister Emer Higgins, local elected representatives, and Enterprise Ireland CEO, Leo Clancy, to enable our members to outline their concerns directly.

While the impact of the proposed change might not have been apparent at the time the legislation was passed, it is creating discontent in various sectoral areas; the practicalities of its impact are now apparent with companies stating they will find it challenging to maintain their existing workforces due to the competitive nature of wages.

Implementing the proposed minimum threshold would result in employees (EEA and non-EEA) being paid differently for doing the same work and could potentially lead to industrial relations issues in the long-term.

Another unintended consequence is that it could skew Gender Pay Gap reporting should it result in lower-grade male workers on employment permits being paid more than higher-grade females not requiring a work permit. The domino effect of the proposed increase warrants further consideration.

Shannon Chamber recognises the need to keep salary thresholds aligned with wage growth but a salary increase of up to €9,000 with just two years' service, no change in role specifications, and no promotion, would result in over inflation relative to a company's existing salary structure.

It is very much askew compared to minimum wage increases, which saw an overall increase of €2.20 per hour over the past three years (1st Jan 2023 = €11.30 ph / 1st Jan 2024 = €12.70 ph / 1st Jan 2025 = €13.50ph). Companies simply could not sustain this given that overall employment costs have increased by almost 30%, with pension auto enrolment coming on-stream before year end. It is therefore questionable if companies would be able to stay trading due to the additional wage cost of mandatory compliance with the level of proposed change in the minimum threshold.

Key Ask for the Programme for Government:

- **That Prior to making a final decision on the roadmap for increasing Minimum Annual Remuneration Thresholds for Employment Permits, we would recommend that:**
 - **Full consultation be held with key sectors utilising employment permits and industry representative organisations – Shannon Chamber would volunteer to partake in this process.**
 - **Undertake a full data analysis of the types of roles/sectors utilising employment permits. We understand the demand for work permits has been unprecedented and the biggest change for companies in their hiring strategies and hiring costs.**
 - **Derogations be considered for specific sectors. No one size fits all.**
 - **The option to move employer after 9 months be reviewed.**
 - **Employers be allowed to insert bond/claw back clauses in contracts for employees that leave within a 2-year period.**
 - **Increases in salaries, to all employees, should be based on length of service, and additional qualifications that add value to a company.**

Conclusion

With the draft Programme for Government at publication stage, once the new Government is formed and Ministerial positions are assigned, Shannon Chamber will maintain its advocacy on each of the issues raised in this Submission with the relevant portfolio Ministers. Our ask at this point is that the contents of this Submission be incorporated in the implementation stage of the Programme for Government.

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