



SANDYFORD
BUSINESS DISTRICT

PRE-BUDGET 2025 SUBMISSION

A Blueprint for Delivering
Sustainable Growth and Innovation



www.sandyford.ie

Introduction

Sandyford BID CLG, a not-for-profit organisation formed in January 2017, is governed by a dedicated pro-business voluntary board. Established after a successful plebiscite of businesses in Sandyford Business District (SBD), the organisation ensures that every business, big or small, has an equal vote.

The company supports businesses in SBD and those looking to relocate or invest there. Sandyford BID CLG aims to make SBD a world-class destination to live, work, and connect, covering around 190 hectares from Drummartin Link Road to the West, Kilmacud to the north, and Leopardstown to the south.

Sandyford BID CLG envisions SBD as a world class, vibrant, and sustainable mixed-use area. Sandyford BID CLG advocates for more amenities, including green spaces, restaurants, and active frontages, supported by cycleways and better access within SBD. With over 1,000 companies and many modern office buildings serving thousands of workers, Sandyford BID CLG supports further office expansion in the district.

The current office worker population in Sandyford Business District is approximately 26,000, with potential growth to 48,500. Recent residential developments have also increased the district's population. Sandyford BID CLG supports further residential development as the expansion will boost commercial development, support a night-time economy, and help create a more sustainable neighbourhood.

SBD is home to a mix of both FDI and indigenous SMEs and it is on their behalf and that of the existing residential population of approximately 5,000 that we make this submission. It is a microcosm of the national commercial scene, with over 70% of companies of an SME nature, complimented by a smaller number of FDI companies who are responsible for large employment. The FDI has been part of a national strategy which has enabled SBD and Ireland at a macro level become an economic powerhouse. However, similar focus and ambition needs to be targeted at the indigenous SME sector to further enable a sustainable economy and to allow these companies to grow and innovate both on a national and international stage.

FOR BUDGET 2025, SANDYFORD BID CLG ADVOCATES FOR STRATEGIC FOCUS ON:

- 1. SUPPORTING A COMPETITIVE ECONOMY**
- 2. ENSURING AFFORDABLE BUSINESS COSTS**
- 3. ESTABLISHING A HIGH-SKILLED, INNOVATIVE WORKFORCE**
- 4. PRIORITISING INFRASTRUCTURAL DEFICITS**

Economic Competitiveness

TAXATION AND FOREIGN DIRECT INVESTMENT (FDI)

Sandyford BID remains concerned that Ireland's competitiveness is at risk due to an over reliance on corporate tax revenue to fund current expenditure.

Due to the adoption of the OECD's anti-Base Erosion and Profit Shifting Framework and the application of a minimum corporation tax rate of 15% on corporations with revenue exceeding €750 million, there is a concern that FDI retention strategies have not yet been fully prioritised by the Government, as a means of building resilience in this sector.

While efforts have been made to simplify tax codes, more needs to be done to incentivise multinational companies to ensure FDI retention. As Ireland's population grows, addressing infrastructural deficits, particularly in energy provision, will also be critical to attracting and retaining FDI, which is key to long-term economic success.

CAPITAL GAINS TAX (CGT)

Ireland's CGT rate of 33% is among the highest in the EU, disadvantaging family businesses and SMEs. The OECD's report "SME and Entrepreneurship Policy in Ireland" noted that Ireland's CGT rate is above the OECD average, potentially discouraging investment and entrepreneurship.

Evidence shows that reducing the CGT rate can increase investment and tax revenue, as seen when it was reduced to 20% in 1998 by then Finance Minister Charles McCreevy. However, since successive governments have raised the rate to 33%, revenue has not matched the previous high yields, despite asset values recovering.

ENTREPRENEUR RELIEF

Entrepreneur Relief gives a CGT rate of 10% on gains from the disposal of qualifying business assets. This is reduced from the standard rate of 33%. This relief is particularly important given the high standard CGT rate.

However, the rate's cap at €1m chargeable gains renders the criteria too narrow to allow angel investors to benefit. According to the Government's own calculations the cost of increasing the relief to €10m would cost the exchequer €74m while increasing the relief to €15m would cost €77m.

PERSONAL INCOME TAX

High marginal tax rates on relatively low incomes discourage entrepreneurship and talent retention. Despite fierce competition between candidates and a skills shortage, Ireland has one of the world's highest marginal tax rates on salaries below the average wage, with only flat-tax countries having a lower entry point. High marginal tax rates can reduce the economic benefits of income increases and deter entrepreneurship and talent, as noted by the OECD and former Taoiseach Leo Varadkar, who said that high taxes will be a "major disincentive" in attracting remote workers. Raising the entry point for the marginal personal income tax rate to €50,000 would help SMEs offer competitive salaries.

COMMERCIAL RATES

Budget 2025 is an opportunity to review the outdated commercial rates model used to collect local authority revenue. It is currently based on fluctuating rental values and not a business' ability to pay, leaving this system misaligned with current realities.

SANDYFORD BUSINESS DISTRICT CALLS ON THE MINISTER FOR FINANCE TO:

- Streamline and simplify the corporate tax system to retain and attract FDI.
- Establish a Department of Infrastructure to ensure the timely delivery of major infrastructure projects.
- Increase the Entrepreneur Relief cap from €1m to between €10m to €15m.
- Reduce the CGT rate to a more realistic nominal rate and expand restrictions beyond owner-managers.
- Raise the entry point to Marginal Rate of Personal Income Tax to €50,000.
- Review the commercial rates model as a method of collecting revenue for local authorities.



Labour and Inflationary Costs

WAR FOR TALENT

With Ireland experiencing near-full employment, many businesses are facing significant challenges in expanding due to widespread labour shortages. This issue affects sectors such as hospitality, construction, IT, and engineering. Companies across these fields are struggling to find and retain skilled workers, highlighting a critical “war for talent” that could negatively impact further economic growth.

Addressing these shortages is crucial for sustaining Ireland's strong economic rebound and continued development. Among the assets that must be fully utilised are the National Training Fund and specialist companies such as Skillnet Ireland, which are critical for the upskilling and education of the workforce and which facilitates business expansion.

LABOUR COSTS

Addressing labour shortages and rising costs requires careful intervention from the Government to ensure that upward salary increases do not have a detrimental impact on businesses.

While increasing the National Minimum Wage aims to alleviate the cost of living for employees, it can inadvertently squeeze businesses by reducing operating margins. Similarly, the introduction of an auto-enrolment pension system will benefit employees, but SMEs may struggle with the added financial burden of implementation.

While employee support programs are positive, they contribute to higher daily costs for businesses, particularly impacting SMEs, who are enduring many cost burdens, and their ability to remain profitable. Balancing these factors is crucial to support both workers and businesses effectively.

INFLATIONARY PRESSURES

While inflation has significantly decreased since last year, it remains at a relatively high level. According to the Central Statistics Office, the Consumer Price Index rose by 2.6% between May 2023 and May 2024. This is a notable reduction from the previous year's figures, when the Consumer Price Index rose by 5.8% between July 2022 and July 2023. The Central Bank of Ireland estimates that Headline HICP inflation is expected to average 2.4% in 2024 and stabilise around 2% in the coming years.

The legacy of post-pandemic inflationary pressures is not yet over, and inflation continues to strain both businesses and employees, with high energy costs of particular concern. The Government must increase its efforts to mitigate these pressures, including undertaking a comparative analysis of Ireland's energy costs versus those of other EU countries.

This analysis should consider available consumer supports and outline necessary actions to lower inflated costs, ensuring competitive energy prices and alleviating financial strain.

SANDYFORD BUSINESS DISTRICT CALLS ON THE MINISTER FOR FINANCE TO:

- Fully deploy the National Training Fund and specialist companies like Skillnet Ireland.
- Introduce an employer PRSI rebated to reduce the pressures caused by rising costs for businesses.
- Ensure that the introduction of employee supports are cost neutral for SMEs or covered through business supports.
- Reduce the VAT on electricity and gas bills and introduce one-off grants to offset against continuing high costs of energy.
- Reduce VAT on hospitality service businesses.



Sustainable Growth and Innovation

PLANNING

The Government and local authorities must develop an efficient and flexible planning framework to adapt to changing circumstances, including shifts in supply chains, geopolitical tensions, and evolving work patterns.

With stagnation in commercial and office developments, exploring mixed-use projects that integrate residential elements can address the housing crisis and revitalise underused office sites. A well-developed planning framework should also enable the rejuvenation of empty, undeveloped sites that have been granted planning permission, and facilitate change of use applications. Such changes will allow land use to be maximised and meet the evolving needs of businesses and residents.

To streamline the planning framework, adequate resourcing for local authorities, An Bord Pleanála, and the judicial system. The current planning system is outdated and under-resourced, leading to delays in the granting of planning permissions, assessing planning appeals and judicial reviews. Such delays have become unsustainable and hinder the Government's ability to meet the needs of the populations, leading SBD to conclude that planning reform is crucial for Ireland's economic success and fairness.

SUSTAINABILITY AND EMISSIONS REDUCTION

Ireland aims to cut carbon emissions by 51% by 2030 and reach carbon neutrality by 2050, but current progress risks falling short. To meet these goals, substantial investment in renewable energy, particularly offshore and onshore wind farms, is critical. This will reduce reliance on fossil fuels and foreign energy sources, supply of which is subject to disruption by global conflicts and geopolitical tensions, and which has a detrimental impact on the environment during the production process.

Considering these factors, and Ireland's prime position to produce offshore and onshore wind energy, it is imperative for Ireland to attract substantial investment in renewable energy sources. By doing so, Ireland will reduce its dependence on fossil fuels and decrease reliance on other nations to meet energy needs.

Reducing dependency on carbon-emitting vehicles and supporting the growing market share of Electric Vehicles (EVs) and Hybrids is crucial. In 2022, these vehicles had a combined market share of 43.63% of all new car sales, approximately 42,817 of 105,398 registrations.¹ In 2023, this figure rose to 45%, with 55,471 new registrations of 121,850 these figures demonstrate a societal shift towards renewable sources.²

1: Motor Trades Ireland's Retail Economy 2022, Central Statistics Office, 16 March 2023,, <https://www.cso.ie/en/releasesandpublications/ep/p-ire/irelandsretaleconomy2022/motortrades/>.

2: 121,850 New Car Registrations in 2023; Electric Cars up 45%, SIMI, 1 February 2024, <https://www.simi.ie/en/news/121-850-new-car-registrations-in-2023-electric-cars-up-45>.

However, the lack of sufficient charging infrastructure is a key barrier to wider EV adoption. Although the Government introduced the Electric Vehicle Charging Infrastructure Strategy 2022-2025, the rollout of public charging points has been inconsistent. The National En-Route EV Charging Network Plan 2023-2030 outlines plans for charging stations along key national routes, but progress has been slowed by delays in connecting to the electricity grid.

Inconsistency across Ireland is also present as some private businesses and local authorities install EV charging points, failing a cohesive and connected network, EVs will not be a viable option for many people who regularly undertake long distance trips. To address this, further incentives for households and businesses to install EV charging points are needed, as well as increasing access to co-charging schemes, which would expand and maximise access to the existing charging network.

An overlooked player in reducing carbon emissions and achieving climate targets are SMEs. However, reducing carbon emissions is often costly, with high upfront costs required for retrofitting or accessing sustainable products. Financial support would enable SMEs to meet their carbon emissions targets and invest in cleaner technologies and practices, thereby reducing their carbon footprint and contributing to overall emissions reduction efforts.

INNOVATION AND DIGITALISATION

Upskilling the workforce is vital for driving innovation and digitalisation across sectors. While Ireland is home to many global tech leaders, SMEs face greater challenges in adapting to new technologies. To remain competitive, SMEs must adopt digital tools, particularly given the mobile job market and the difficulty in attracting skilled talent.

Programmes focused on cybersecurity and digitalisation, run by bodies such as Local Enterprise Offices, should be financially supported to equip SMEs with the necessary tools. Expanding initiatives like the Connected Hubs network to reach more SMEs across sectors would further ensure a cohesive digitalisation of SMEs.

SBD encourages fully leveraging resources from corporations and FDI. Education programmes developed by leading companies offer valuable opportunities for expert-led training, helping SMEs enhance their operations.

DIGITAL ACCESSIBILITY

The European Accessibility Act (EAA) mandates that the websites, digital assets and applications of private sector bodies be fully digitally accessible by 28 June 2025.

Websites of public-sector bodies are already required to be fully digitally accessible; however, this legislative mandate has recently been extended to companies and entities in the private sector. As per the Act, the websites, digital assets and applications of private sector bodies must be fully digitally accessible by 2025, meaning companies across Ireland now have just 12 months to ensure compliance with this legislation.

In addition to compliance, it is an opportunity to unlock access to new customers and markets. This legislation is a key opportunity for Irish and European businesses to improve website accessibility; both domestically and globally. With 600,000 people currently living with a disability in Ireland, the opportunity is clear.

We want to see the Government actively, meaningfully deliver on an EU directive that mandates public and private sector websites to meet the requirements of the Web Content Accessibility Guidelines (WCAG) 2.1 AA standard and ensure that their websites can be accessed by all users, regardless of ability.

SANDYFORD BUSINESS DISTRICT CALLS ON THE MINISTER FOR FINANCE TO:

- Allocate additional resources to local authorities and the judicial system to expedite the planning application process.
- Improve resourcing for An Bord Pleanála and Local Authorities planning departments.
- Support mixed-use development projects that incorporate residential elements into underutilised commercial spaces to address the housing crisis and revitalise communities.
- Invest in the development and operation for Offshore and Onshore Wind farms.
- Commit to significantly developing the network of EV charging infrastructure on the national road network and increase incentives for households and businesses to install EV charging points.
- Encourage co-charging schemes to allow all users to access existing charging infrastructure and charge accordingly.
- Increase funding to encourage a consumer shift to EV deployment and away from fossil fuelled vehicles.
- Increase grant funding for SMEs to achieve emissions targets by introducing dedicated emissions reductions tax credits or financial supports.
- Enable SMEs to upskill and digitalise their offerings through programmes and provide voucher support to cover the cost of these.
- Expand the Connected Hubs network to include more SMEs, enhancing digital skills training and education to support broader growth.
- Maintain the R&D tax credit, to create tailored business enhancement programmes for SMEs and promote innovation.
- Extend the remit of the Trading Online Voucher to include funding for a percentage of the costs associated with the European Accessibility Act regulation, as well as the imposition of new accessibility actions into the National Digital Strategy.

Infrastructure, Transport and Mobility

LARGE SCALE INFRASTRUCTURE DELIVERY

Ireland faces significant infrastructure deficits that require immediate attention to ensure the long-term prosperity and growth of the economy and society. Multinational corporations, industry associations, and SMEs have highlighted the urgent need for government investment in key infrastructure projects.

The recent European Court of Justice decision in the Apple tax case, resulting in a €13 billion windfall revenue plus interest, presents a unique opportunity to address these deficits. This windfall could be strategically invested to strengthen Ireland's infrastructure and secure the nation's long-term economic and social future.

Among the key projects that should be prioritised are the development of a sustainable, multi-modal transport network, the development of shared mobility hubs, housing, and community facilities, including parks, sports and recreational amenities. These investments are essential for enhancing the quality of life and supporting economic hubs like SBD. Economic and societal growth in Sandyford, as well as in other industrial areas across Ireland, relies on improving accessibility for business leaders, employees, and residents. Investment in transportation and public and community spaces, such as sports facilities, is critical to making these areas attractive places to live and work, fostering long-term growth of the district.

In Budget 2024, the Government established two long-term funds designed to safeguard Ireland's future: the Future Ireland Fund and the Infrastructure, Climate, and Nature Fund. These funds provide a clear pathway for strategic investment of the Apple windfall revenue. Directing the windfall revenue into the Infrastructure, Climate, and Nature Fund will ensure that the necessary capital is available to meet Ireland's long-term infrastructural needs, providing a sustainable solution for future generations.

This is an unparalleled opportunity for the Government to address critical infrastructure gaps, support economic growth, and enhance the well-being of communities across Ireland. The €13 billion windfall should be deployed to secure the country's future through large-scale infrastructure investments.

TRANSPORT STRATEGY

Sandyford BID supports the Government's €165 billion National Development Plan (NDP) from 2021 to 2030 and the €12.8 billion allocated to critical infrastructure in Budget 2024. Among the priorities of capital spending should be reconfiguring the transport strategy to promote sustainable commuting and multi-modal transport options with the development of shared mobility hubs in areas of greatest congestion.

Reducing the environmental and financial costs of transport can be done through the electrification of urban transport, including in Sandyford Business District, and by advancing key projects like Metrolink and Dart+.

MOBILITY HUBS

The creation of multi-modal Mobility Hubs - incorporating electric buses, car-sharing, and e-bikes - would promote sustainable commuting and reduce congestion. Mobility Hubs and investment in Active Travel infrastructure are also leading examples of introducing and supporting the use of multi-modal transport.

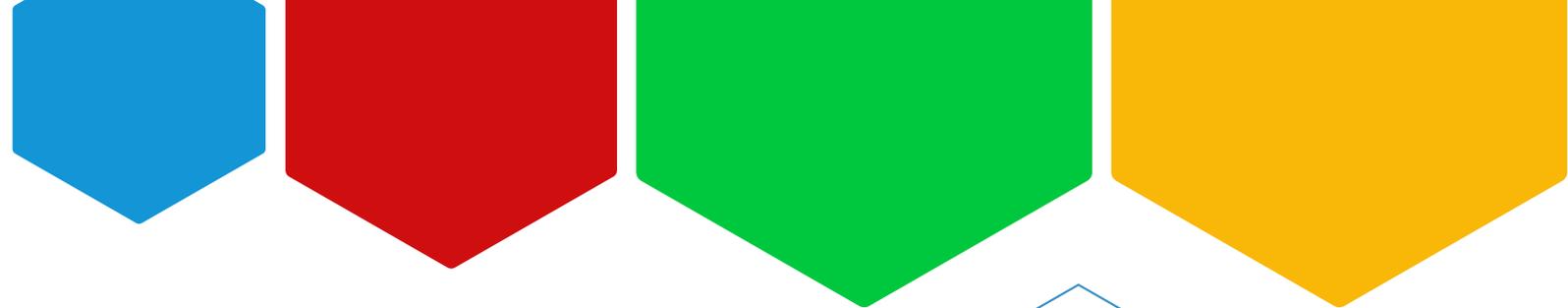
Mobility Hubs can be introduced to complement existing transport infrastructure using electrified extensions, such as small electric buses, car-sharing, and e-bikes, to create comprehensive Mobility Hubs. The multi-modes of transport should also include a commitment to developing Active Travel infrastructure, including walking and cycle pathways, that is accessible, safe, reliable, and most critically, connected.

As the cost-of-living impacts businesses and individuals alike, a tax-free shared mobility allowance encourages a shift away from private, single-occupancy vehicles. An estimated annual allowance of €500 would cost around €4 million.

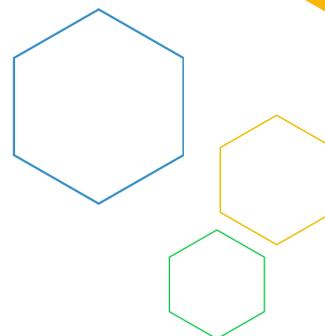


SANDYFORD BUSINESS DISTRICT CALLS ON THE MINISTER FOR FINANCE TO:

- Use the Apple windfall revenue of €13 billion to fund large-scale infrastructure projects, such as sustainable transport networks and community sports facilities, by investing in the Infrastructure, Climate and Nature Fund.
- Prioritise capital spending to invest in multi modal transport infrastructure with an emphasis on providing electrified transport for urban areas.
- Introduce a tax-free shared mobility allowance and invest in shared mobility hubs.
- Progress major shared mobility transport initiatives and develop connected Active Travel infrastructure.



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