



Through Constructing Ireland 2027 CIF are in the process of shaping a vision for the future of the construction industry.

Future Vision

Over the next decade, uncertainty on the international horizon will impact on Ireland's economic outlook. Brexit and the election of President Donald Trump have set a worrying tone. So it's fortuitous timing that the CIF is setting out a vision for the Irish construction industry. Developing an industry that is dynamic and flexible will be important in the coming turbulent times. CIF is currently carrying out extensive consultation with national and international construction industry stakeholders to form a definitive vision of current state of the industry and to set out an ambitious growth trajectory over the next decade. We got to view the discussion documents and talk to some of the authors currently hammer out the vision.

"Constructing Ireland 2027" attempts to set out how the construction industry can and should shape Ireland's economic and social fabric over the coming decade. It will set out a framework where industry and government can work together to integrate the industry's growth with Government objectives in terms of infrastructure, housing, foreign direct investment, spatial development and climate change.

Growth Targets

The global construction market is expected to grow at an annual rate of 4.3% until 2025 and become a €15 trillion global market by 2030. Building an industry domestically, where Irish

companies can capture niches of this global opportunity is critical.

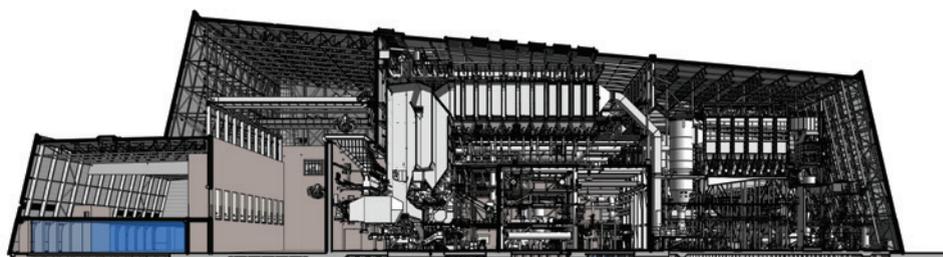
By 2027, the CIF believes that the Irish construction industry in partnership with Government can create over 100,000 additional jobs, increase construction-related exports by €2 billion and increase output to €20 billion up to 2020 and over €25 billion by 2027. Furthermore, it aims to contribute on average 10-12% to Irish GNP over the next decade and achieve a 50% reduction in the overall time from inception to completion for building and refurbishments.

Tom Parlon, Director General of CIF says, "The size of the prize here is enormous for Ireland and for the construction industry. What we have seen in the past is that there is no vision for the overall industry. We've a housing strategy, a jobs strategy, a spatial strategy all pulling our industry in different directions – sometimes with disastrous economic and social consequences. If you have an industry that employs nearly 10% of the working population

you need an industrial strategy to protect and develop it. We see this approach yield great results in the agriculture and food sectors and sectors such as ICT and Financial Services. The Government needs to adopt a holistic approach to the construction industry. If it sets out a target on housing or infrastructure, it needs to ensure that other parts of the system such as education & training or finance are aligned. The CIF, in charting this vision is attempting to bring some long-term planning to bear on the industry's development so we don't suffer extreme volatility we've faced in the past. This benefits nobody. The CIF will play its role in promoting the agreed actions in this vision in partnership with Government, members of the Construction Industry Council and other relevant stakeholders."

Government Targets

The CIF has identified a number of Government commitments that are entirely dependent on the industry's capacity and capability. Strategies



A BIM Model for Dublin Waste to Energy facility



Sean Downey
CIF

such as the Rebuilding Ireland programme provide a foundation for growth for the industry in the coming years, as does the Public Capital programme. These strategies ask for 47,000 new social homes by the end of 2021 and 25,000 housing units per annum by 2020, the PCP asks for over €40billion in infrastructure in the coming five years.

According to Dominic Doheny, incoming President of the CIF, "Industry is confident that it can deliver but working more closely with Government in the delivery of these ambitious targets we can save money for the exchequer, generate huge levels of employment, build a global reputation for construction, deliver transformative world-class infrastructure that enables Ireland to compete on the international stage and finally create a cohort of technology enabled Irish construction companies that can take on the world."

With global politics and economics in flux, the need to attract Foreign Direct Investments imminently has never been more important.

The most recent IDA Ireland strategy brought with it an extremely ambitious set of targets including 35000 new jobs with a strong focus on investments into regional locations. While time will tell if FDI's will regenerate the sector, Enterprise 2025, a ten-year jobs and enterprise strategy aimed at rebuilding our economy may bolster it over the long term.

Sean Downey, Director of Specialist Contracting, CIF says that the key to our success is our level of excellence. "1 in 5 jobs in Ireland is FDI related and we understand that 70% of FDI arises from multinational companies already here expanding their operations. A key enabler of this sort of FDI is the Irish construction industry's ability to generate world class specialist buildings. The industry's competence in this regard is recognised globally with many Irish contractor teams being circulated around the global networks of multi-national corporations to project manage construction across the world. It's no accident that the IDA is able to locate clusters of high-tech industries around Ireland – Irish construction companies enable this type of activity. We want to highlight our role in the story of Ireland's attractiveness for FDI and the 2027 vision will focus on this."

Improve Funding

One of the key areas being discussed is the lack of finance for viable construction companies. The CIF believes that Government and Industry should collaborate to earmark €100m sector-specific funding to be administered by the Irish Strategic Investment Fund (ISIF), EIB and the SCBI to make it feasible for construction companies to invest in enabling technology, refinancing, market development and innovation that complements wider Government strategies. Adding to this, they

suggest establishing tax measures to incentivise the upgrading of commercial buildings in terms of energy efficiency.

Drive Technological Advances

Some of the stakeholders that the CIF has engaged with have highlighted the need for the establishment of a Technology and Innovation competence centre to drive the dissemination on uptake of BIM, Lean and other modern construction practices. It suggests appointing a BIM Taskforce charged with creating a BIM strategy to ensure this cost-saving and efficient form of construction is utilised across public sector construction and renovation. Ensuring that construction companies are supported in the adaption and adoption of technology and innovation is vital.

Sean Downey says this is key. "If we're going to compete internationally, technology is a key enabler. Increasingly, construction companies from other jurisdictions will look to Ireland for opportunity as they develop cost-saving technologies. Adapting innovative practices mean nobody else can eat our lunch and we can capture some of the billions of euro in opportunity in the UK, EU and further afield. Recently, the company created by the UK Government to build the €55billion High Speed 2 Railway, visited Ireland to recruit Irish contractors. This gives us just a glimpse of the opportunity if we can gear up and lead on innovation. But, the domestic environment has to be right to provide a springboard for Irish construction companies. We must examine our current support levels amongst the state agencies and third level and research institutions for innovation in construction to ensure we're maximising uptake and driving innovation "



Identify Opportunities

From a Government standpoint, CIF would like to see an adequately resourced global trade strategy with Enterprise Ireland that would work to secure contracting and product manufacturing in export markets. They would like to drive procurement efficiency and explore options for further efficiency gains in the procurement processes through industry and OGP. The report suggests that EU Directives on SME involvement in Public Sector contracts should be inculcated into public sector procurement practices by 2017. CIF would also like to see the development of a web-portal that outlines the pipeline of future work opportunities across the public sector. The upcoming NPF and Public Capital Programme review should provide a view of future work programmes and a tracker to identify progress/delays should be created.

Doherty says that the road ahead is clear "There are many small steps that could make a big difference to our industry. We're engaging with all levels of the state to identify how we can collaborate more effectively. Procurement is one area that I think we can generate a mutually beneficial situation. By using the enlightened procurement guidelines that the CIF has suggested and EU directives on SME involvement in public sector procurement, the Government can get value for money whilst helping constructions companies grow and employ more people and drive growth particularly in the regions where viable projects are at a scarcity. There is no doubt that we as an industry also need to work together more efficiently to deliver for clients, public or private, domestic or international. By doing so, we can drive down costs and lead times and compete more fiercely against other countries. I hope that the Construction Contracts Act provides a framework for more collaboration between the sub-sectors of our industry. But we should view the Act as only a starting point and seek to work more and more closely together to deliver quality construction that reflects well on the reputation of the overall industry."



Address the Skills Shortage

Construction 2027 looks to a partnership between industry and Government to deal with the shortage in skills currently flooding the workforce. They would like to see a ten-year skills-based plan to deal with issues like apprenticeships and target the Irish Diaspora to attract skilled construction workers back to Ireland. CIF suggests the establishment of a skills forum between Industry, SOLAS and relevant education and training bodies to constantly review skills and capacity requirements for industry to ensure Government targets are met and to refine apprenticeships under a new model of professional traineeships that will meet the demands of industry including the roll out of a shared apprenticeship scheme.

According to Dermot Carey, Head of Skills, CIF, "The Education and Training system has demonstrated great flexibility in delivering skilled employees over the past few years. The ETBs, Solas and the Department of

Education's Industry Engagement Unit are all working closely with industry to deliver the skills required to deliver the housing, infrastructure and amenities required to sustain Ireland economy and society. We have identified the a demand for 112,000 employees by 2020 to deliver necessary construction across the country. There are three areas we're targeting – the Diaspora, those on the live register with construction experience and of course school-goers. It's essential that we get the message out there that there are good careers available in the modern, diverse, safe and internationalising construction industry. It's also essential that sufficient resources are put into construction related courses in Irish colleges today so we have sufficient numbers of qualified employees in four years when we need them the most. The CIF is putting a real focus on apprenticeship and in trying to increase new sign on to 4,000 per year by 2020 – we're currently at around 1800 per year and this needs to be ramped up to sustain the industry."

This is a Mere Starting Point

It is important to note that this is a starting point for a conversation where the industry can truly prosper and improve. Engagement between Industry and Government is quite simply the best solution to a sustainable model of growth and success.

Tom Parlon says that collaboration is the future of the industry. "Constructing Ireland 2027 is a vision for the entire industry. It will shape the direction of the industry in the coming years and direct how the CIF engages with Government. So it's vital, we have the views of the majority of stakeholders in the industry. It's your industry so it's your vision. If you want a say in its direction, please feel free to log onto www.cif.ie/constructing-ireland to give us your views." ■

