



**CONSTRUCTION
INDUSTRY
FEDERATION**

CIF ELECTION MANIFESTO

Building a Better Future

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Introduction

The Construction Industry Federation is the largest and longest-established membership organisation representing the construction sector in Ireland.

The next Government of Ireland will be required to make many new policy choices in the years ahead, in the context of Europe's twin green and digital transitions and growing geopolitical and economic instability.

The construction industry will be a thriving and innovative partner responsible for successfully delivering on many of these future policies to ensure sustainable growth and wellbeing.

Ireland's economy has remained resilient despite the level of global uncertainty that has existed in recent years. Employment levels are at an all-time high, though labour and skills shortages exist across many sectors, including construction. Tax revenue remains strong, with an overall budget surplus of €23 billion in 2024, providing resources to improve public services and deliver connected infrastructure. However, private consumption and total investment are forecast to weaken over the medium term, which precipitates pressure on existing services and infrastructure. For economic growth to be sustained over the life of the next Government, then investment momentum must be continued.

The next Government must continue to invest because Ireland is facing into many significant and structural challenges, including:

- ▶ A housing shortage and a congested planning system.
- ▶ The provision of energy, water, and wastewater infrastructure, transport
- ▶ The green and digital transition.
- ▶ Labour and skills shortages.
- ▶ An ageing population.
- ▶ Growing the circular economy.
- ▶ The construction and retrofit of climate resilient physical infrastructure.

At a minimum, Irish society needs the construction industry to deliver at least 60,000 housing units annually. Our cities, provincial towns and regional communities require Irish construction companies to deliver billions of investments in critical infrastructure under the National Development Plan to drive economic growth.

Unprecedented demographic growth and an ageing population will mean that Ireland's demand for investment in critical infrastructure will reach beyond the existing capital ceilings, especially in water services, housing, transport and health.

All parties are familiar with the current capacity constraints of key portfolios including housing, energy, health, transport and education.

The next Government will be required to bravely lead Ireland in responding to these challenges, whilst maintaining jobs and foreign direct investment, enabling innovation, and sustaining economic growth. Coordinated public policy in partnership with the construction industry has the potential to address competing environmental, social, and economic demands for the betterment of all present and future stakeholders in Irish society.

HIGH LEVEL PRIORITIES

PRIORITY 1

**Deliver Quality Infrastructure
and Balanced Regional Development**



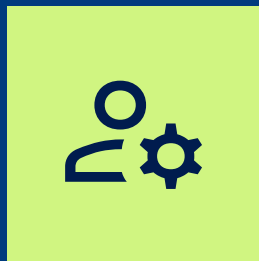
PRIORITY 2

**Address Housing
Supply and Planning**



PRIORITY 3

**Cultivate People, Skills
and Capacity for Labour
Market Growth**



PRIORITY 4

**Build a Sustainable Low
Carbon Economy**



PRIORITY 5

**Build Capacity for Off-site and Modern
Methods of Construction, Innovation
and Digital Adoption**



Deliver Quality Infrastructure and Balanced Regional Development

A significant deficit in regional infrastructure and connectivity from water to wastewater services, and from roads to rail, is impacting the ability of the regions to grow and become an economic counterbalance to Dublin, as envisaged by the National Planning Framework (NPF). A modern, dynamic, and competitive economy needs a plan led approach to infrastructure.

To support compact growth in Dublin there needs to be an expansion of the LUAS light rail network across Dublin ensuring interconnectivity with Metro Link and Bus Connects. In regards to the Greater Dublin Area the construction of heavy rail projects including Metro Link and Dart upgrades/extensions will be essential for connectivity between communities outside the city centre. The Northwest of the country must be fully integrated in country as a whole to share in the growing prosperity our Island. Completing the M4 to Sligo along with road connectivity across Galway, Mayo and within Donegal will greatly enhance connectivity in the Northwest and support this.

Ongoing planning and design of light rail systems for Cork, Limerick and Galway will be necessary to allow these towns to prosper once the priority projects are addressed.

The next Government must accelerate the delivery of NDP projects, and provide increased funding to Contracting Authorities and Government Agencies responsible for the delivery of major infrastructure to enable them to scale up their capabilities in terms of skilled resources and technology.

The industry can meet increased investment capacity. A recent CIF survey of its members showed that almost 50% of them either do not tender for public works or engage at a low level with it. The industry will respond if the Government commits to accelerating investment in the industry. The data shows this to be the case, for example, since 2011 non-residential industry output

has increased by 98% in productive value and 60% by volume. Between 2020 (pre-Covid) and 2023, employment has risen by 18%.

The existing public sector contracting environment has given rise to a reduced appetite for involvement in public procurement and an adversarial nature which forces contractors to focus on contract management rather than project delivery. It is in the country's interest to have a strong construction industry that can provide an engine for economic growth.

Counter cyclical investment, the NDP, procurement reform and the ongoing planning and design of critical infrastructure is essential to building a strong visible pipeline of work for the industry. To support the continuity of the construction of infrastructure and similar to the Climate Action Plan; the Government should introduce Legislation in the form of an Infrastructure Action Plan Act. This will help ensure that key infrastructure is delivered independent of what administration is in Government. This creates confidence in the future and certainty, which are critical factors supporting construction companies to invest in their people, technology, and processes.

A recent EU report into public procurement recommends making public contracts more attractive to construction contractors to encourage more contractors to be willing, able, and motivated to bid for and to deliver successful public sector contracts. Collaborative working relationships can lead to the delivery of more successful outcomes for all the parties involved in public capital projects and we look forward to working with the Office of Government Procurement on their reform agenda.



PRIORITY 2

Address Housing Supply and Planning Reform

Ireland is now facing at least a decade of very significant undersupply. In CIF's reply to the revision of the National Planning Framework it was stated that the average annual new housing demand is at least 60,000 units per annum. To achieve this level of demand, CIF members need to increase the supply of zoned land that is serviced with water, wastewater, transport and electricity infrastructure with a supply of planning permissions.

Over the last few years, CIF has developed a policy framework: 'More Homes for More People' supporting various initiatives already introduced to aid housing delivery. The policy framework to encourage more housing supply is:

Zoned Land

To ensure there is sufficient zoned land to cater for a growing population. Land is a raw material for a housebuilder.

ACTION

Review and vary all development plans within the next 12 months and ensure there is sufficient headroom (50%) built into development plans to cater for the growth required. More lands around transport infrastructure must be zoned for residential development. All local authorities should be instructed to zone lands with Lapsed Local Area Plans, Phase 2 lands, Strategic Land Reserves and remove all settlement caps. Revise the HNDA tool so that once the NPF is revised the assessment tool caters for an ambitious target for housing delivery.

Infrastructure

It is vital that all the utility services and transportation routes are in place so that lands zoned for housing can be activated. Without services there can be no new homes.

ACTION

Resource the planning system. Recent investments in An Bord Pleanála are welcome but additional resources are required at the local authority level. Planners should be placed on the critical skills list for skilled immigration purposes. Expediate the Extension of Duration provisions in the Planning and Development Bill, the introduction of mandatory timelines for decision making and outlaw settlement caps and requests for money in exchange for withdrawing a planning objection. Examine the use of General Exemptions to planning legislation for expansions of existing wastewater treatment plants.

Construction

Housebuilders find the construction of new homes to be the easy part of the process, and they are now building more efficiently using modern methods of construction and to the highest international energy efficiency standards.

ACTION

Continue the current schemes to attract people into the construction.

Affordability & Viability

Various Government schemes and initiatives introduced in recent years have significantly aided housing supply, including the First Home Scheme, waiver and rebate, Help to Buy Scheme and cost rental are helping people get a home. Put bluntly, the industry would not be building the number of units currently without these schemes.

ACTION

Policy stability is vital to future housing supply and increasing incrementally our housing output. All the initiatives put in place are beginning to yield a significant increase in housing supply. Industry needs continued policy certainty and funding around these schemes.

Summary

Supply more zoned land with infrastructure and planning in areas of high demand and good connectivity with the existing Government schemes in place and the industry will build **'More Homes for More People'**.

Cultivate People, Skills and Capacity for Labour Market Growth

Attracting People into Construction

Net inward migration continues to be the main driver of labour force growth since the pandemic. Non-Irish employment growth has accounted for almost 75% of the growth in the manufacturing and construction sectors since the pandemic. A unified approach that focuses on migration policy, labour activation policy and education and skills policy will help to ensure continued productivity in the sector into the future.

All stakeholders involved in the construction process, including the next Government, can actively adopt, invest in, and engage with modern methods of construction (MMC) and off-site manufacturing (OSM) to help address the labour and demographic challenges facing the sector.

The BIM Mandate was introduced to the Capital Works Management Framework on 1st January 2024 and will continue to impact the industry on a phased basis at six monthly intervals over the next three years, 2025 - 2027. To support the implementation of the mandate, it is important that the construction industry is supported in the introduction of technologies and new ways of working with the overall aspiration of increasing the productivity of the sector. As the industry become more technically advanced the skillsets required by workers is changing. It is key that there are supports available for current employees to upskill digitally in addition to training opportunities for new entrants into the industry.

In this regard the CIF welcomes the Action Plan that is to follow the Expert Group on Future Skills Needs report on “Skills for Modern Methods of Construction” and requests that the actions from this Plan, that is in progress, is fully supported by government.

Apprenticeships

Apprentices are essential to the creation of a dynamic and sustainable construction industry. Under the Action Plan for Apprenticeship 2021 – 2025, Government etc set out its plan to integrate both the traditional craft apprenticeship and the consortium led apprenticeship models. Two primary concerns raised by the CIF has been firstly in relation to funding and secondly in relation to the day to-day operation of the apprenticeships. While concerns surrounding the operation of the apprenticeship system has been addressed in theory; concerns surrounding funding remain; particularly in relation to funding for off-the-job training for consortium led apprenticeships.

As outlined in ‘The plan for the New Single Integrated Apprenticeship System’ the following key component should be implemented - “additional funding is recommended in order to address the difference in the annual contribution to training costs which the state makes to craft and non craft apprenticeship employers”. Further to this, while it is expected that funding in relation to the craft apprenticeship training will remain at its current level, the importance of such funding is reiterated. Any attempts to cut or reduce this funding would have a detrimental impact on the Irish construction sector.

It is important that the transfer to the new Single Integrated System for Apprenticeship is sufficiently resourced to ensure a seamless integration. Uncertainty in relation to changes will act as a significant deterrent to employers when taking on new apprentices. Also change in process, as well as roles and responsibilities, come at a substantial costs and burden to companies. Therefore, it is imperative that the new system is simple and streamlined in its use with sufficient supports.

1 ‘Ireland’s Competitiveness Challenge 2024 Report’, National Competitiveness and Productivity Council, (July 2024), https://www.competitiveness.ie/media/d2nhry3o/icc_2024_final_version.pdf

Build a Sustainable Low Carbon Economy

Circular Economy

Construction waste has value, but the industry faces restrictions on reusing by-products and demolition waste. The European Waste Framework Directive, particularly Articles 27 and 28, and concerns about recycled material quality limit their use in construction projects. The next government needs to address these barriers and introduce legislation that promotes circular practices with incentives and penalties for designers and specifiers.

Investment in a construction by-product recycling industry and the development of digital waste tracking tools to improve real-time waste transparency is essential.

Research highlights the challenges in the aggregate sector, where the heavy weight of materials makes transporting them over 30 km uneconomical. Additionally, there are timing issues when matching available materials to local projects, creating a need for storage solutions. Local authorities should provide storage facilities and extend the permitted on-site storage time for soil and stone from six to 18 months. A review of mobile crusher permits is also necessary to streamline recycling processes.

Sustainable Business Support Grants

Grants provided by Enterprise Ireland (EI) for EI member firms and the Local Enterprise Office (LEO) for micro firms should be available to the wider industry. These grants, including the Climate Action Voucher, GreenStart and GreenPlus support businesses in creating Sustainability Action Plans, offering training to improve environmental management, and developing decarbonisation strategies and action plans, among other advantages.

HVO

An extension of the Renewable Transport Fuel Obligation (RTFO) to fully include Non-Road Mobile Machinery (NRMM) at the 100% RTFO rate is sought. This category, covering construction site machinery and temporary generators, already falls under Regulation EU 2016/1628. When HVO is used as a substitute for gasoil, the construction industry should receive the full RTFO rate as its operations are not considered non-transport related.

Electric Vehicle BIK relief

The BIK relief for electric vehicles, introduced in 2018 and extended until 2027 with varying levels of relief based on the assessment year, is helping drive progress towards the Government's Climate Action Plan 2030 targets. Extension to this relief until 2030 to maintain this momentum is sought.



Build Capacity for Off-site and Modern Methods of Construction, Innovation and Digital Adoption

Continued support of the priorities of the Construction Sector Group (CSG) will help to deliver a more collaborative, productive, agile and environmentally sustainable construction sector, greatly upskilled and enabled by off-site and modern methods of construction, innovation and digital adoption.

A recent survey of members of CIF's Smart off-site Association that are involved in 3D volumetric construction found that these companies are currently working on average at 48% capacity highlighting the wasted capital-intensive resources (52%) that exist in the Irish market at present. All companies surveyed have reported a decrease in output during the last quarter 2024 compared to the last quarter of 2023 due to a decrease in pipeline. These companies are either exporting to the UK and/or European markets or intend to do so. Without support Ireland runs the risk of losing its indigenous 3D manufacturing sector to export markets at a time when productivity gains are essential, and labour shortages are set to impact the market more steeply due to an aging workforce. To support this sector, it is requested that projects, where it is feasible to do so, is designed to allow for off-site solutions in the first instance so that the most advantageous system can be utilised during the life of the project. It is also requested that frameworks are established specifically aimed at the 3D volumetric sector particularly in relation to education, health and student accommodation as has taken place successfully in other jurisdictions.

A key measure for the off-site industry that is included the 'Roadmap for increased adoption of Modern Method of Construction in Public Housing delivery' has been the Accelerated Delivery Programme for new social housing delivery which is procured on a design and build basis.

This programme provides a means for local authorities to address legacy debts that exists in their portfolio on the bases that projects utilise MMC in construction. The programme is seen as positive step in encouraging the use of all types of MMC and as a means of promoting the productivity and value gains that are inherent in MMC systems. The greater expansion of this programme is requested as a means of promoting MMC in relation to housing projects.

In terms of regional development, the majority of off-site manufacturing facilities are located outside urban centres; however, generally close to the regional motorway network. By incentivising off-site construction, through the development of sufficient pipeline it will allow for the further development of manufacturing facilities which will in turn create jobs in regional areas where these factories are located. This supports the National Development Plan (NDP) in relation to regional employment. Also, by facilitating workers to secure employment close to their homes, it strengthens regional communities and alleviates the strain on high pressure rental zones such as Dublin which is crucial due to the current housing crisis.

Innovation and Digital Adoption are at the centre of increasing productivity and Modern Methods of Construction and aligns with Governments "Harnessing Digital, The Digital Ireland Framework" In order for potential to be realised, companies need to be supported so that all companies are taking advantage of government supports. These supports need to be tailored to the entire Irish Construction sector and be the catalyst that turns the dial in terms of digital adoption in construction to allow Ireland to become a digital construction leader. Consideration should also be given to ease of access for these supports particularly for SME's with constrained resources.

A competitive construction industry has the power to reach into every community and life in Ireland through investment, design, construction, and maintenance of Ireland's social and productive infrastructure.



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