President, Chairman, Ministers, ladies and gentlemen.

Thank you Ian for the introduction. And thanks also to Dominic and Tom for the opportunity to be here. The very first president of the CIF was Hugh McNally from Galway, a proud businessman and a patriotic Irishman. He believed in the construction industry and the government working together to provide the housing and infrastructure that this country so badly needed in the 1930s. Today your president shares that same vision for Ireland in the 21st century. And so do I. And as far as is possible, we will work with you to achieve it. You and your members are responsible for some iconic projects all over Ireland, including the redevelopment of this wonderful stadium and many other landmark buildings. You can be proud of your work; from new schools to our motorways; from the Luas to the new emergency departments in the Mater not far from here, in Limerick and Kilkenny and other developments all over the country. You provide the engine of a competitive, dynamic, and sustainable construction sector that delivers high quality physical infrastructure for all our citizens. Where we have been strongest in the past, it is where we have worked together in partnership. Now more than ever we need to work together to deliver solutions to the current housing and infrastructure deficits we face.

We are all aware of the need to avoid repeating the mistakes of the past, mistakes which had a disproportionate and devastating impact on society. A construction bubble, a credit bubble and a subsequent collapse. And I am very aware that some of the victims of that collapse were people in your sector – your businesses, your families, your employees. That is foremost in our minds as we continue to build a sustainable, resilient and balanced economy, as we deliver carefully planned and targeted infrastructure programmes, and as we respond to external developments including Brexit. Earlier in the year you made a submission requesting the establishment of a Construction Sector Group as part of a ‘whole of construction’ strategy. The Government is supportive of such an initiative and I will be working with Housing Minister Eoghan Murphy to see how it will operate. We agree that we need an industrial strategy for the construction sector that will support this week’s Budget strategy. The best economists agree that a budget is not a collection of numbers. It is an expression of a government’s values and aspirations. Budget 2018 is an expression of our values and aspirations for the country, a powerful statement about how the economy is doing, and what that means for our society. Our values are self-evident from this week’s budget. We believe in being prudent, balancing the books, and have succeeded in doing so for the first time since the crash.
We believe that the next generation should be free from the burden of excessive debt, and we want them to be optimistic about building their life here. And so we shall keep paying down the national debt. We believe in sustainable tax reductions for middle income individuals and families so that we can make life easier for those who work so hard, pay taxes and make it possible to fund our public services and welfare system. Ultimately it is their money, and when you reduce taxes you are not giving people money, you are just allowing them to keep more of their own money. At a time of low inflation, Budget 2018 means that a family with a combined gross income of €60,000 is likely to be about one thousand euro better off in take home pay this time next year because of our tax changes and a projected average pay increases of 2%. That may seem a modest enough gain, but it will make a difference for the family concerned. It enables that family to plan for the future with renewed optimism. More importantly it's real and sustainable, and it's only the start of things. We believe in helping people who need it the most and that is why for the second year in row we increased weekly social welfare payments across the board. Our philosophy is simple. When we have it, we make it count. We don’t squander it, and we don’t spend it for the sake of spending it. We invest it in the future. Our aspirations are also clear. They are seen in our investments in education and health, both the largest in the history of the state.

This morning, however, I want to discuss three aspirations in areas of special relevance to you and your members - housing, infrastructure and planning. Without a doubt the housing crisis is one of the most pressing challenges facing the Government and our society. We understand the stress faced by people without a home and the stain on our society that is homelessness. So when it comes to housing, the total budget for 2018 is €1.9 billion, an increase of €600 million compared to 2017. This investment will see housing provided by the State to 25,000 individuals and families in 2018. These are new tenancies. That's 6,000 more new tenancies than this year, meaning in 2018 roughly every working day 100 families will be housed by the State. This includes funding for Local Authorities and Approved Housing Bodies to build 3,800 new homes next year, almost double the number this year. Almost as many again will be acquired, delivered through Part V or leased longterm. Responding to concerns highlighted by the CIF, €750 million of the Ireland Strategic Investment Fund will be made available for commercial investment in housing finance through a new vehicle – Home Building Finance Ireland. This will use the expertise of many existing staff of NAMA. I know that availability of finance has been a limiting factor to develop over the last few years. I hope that this and other initiatives will enable you to commence developments to alleviate our housing shortages. We have also retained the ‘Help-to-Buy’ scheme, something which I know the CIF strongly supported.
Minister Eoghan Murphy likes to observe that today we have almost 100 cranes on construction sites in Dublin city centre, but only one in ten are on residential development sites. That needs to change. We need a shift from commercial property development to more residential, and that explains the rationale behind some of the actions taken in this week’s budget; stamp duty, the vacant site levy and the 7 year rule.

We also need a new type of apartment development, including the shared accommodation models that we see working well in cities around the world. To change how we build, the Government intends to lift the numerical height caps in our city cores and along major public transport corridors. I recognise that some regulations make construction more difficult and we will seek to change these by legislation. We need cities to grow up not out. We need more apartments and more mixed use developments. I commend the attractive modern designs of Clancy Barracks and Grand Canal Docks, they represent the kind of designs that we should emulate in places like the Docklands, Poolbeg, Tara Street Galway’s harbour area, Limerick City Centre and Waterford’s North Quays. The Government will continue to take whatever steps are possible to meet the housing needs of a fast-growing population, while guarding against the mistakes of the previous decade, and I call on the construction sector to play its part.

Last year I spoke at the Magill Summer School in Glenties at the same time as your Director General, who delivered a significant speech on the construction industry and the challenges we face. Since then he has repeated his belief, and the belief of the CIF, that our continuing economic prosperity requires significant investment in capital infrastructure, which is also needed to enable further economic growth, provide opportunity for everyone in society and help solve our housing problems. I share your ambition. For Ireland to succeed, we need to think long-term and that means planning for an Ireland in 2040 which will be home to almost 6 million people. So, Budget 2018 has prioritised investment in capital infrastructure. We are investing in the future. Central to this is the new National Development Plan that the Government will approve before the end of the year. The Ten Year Framework will also help to ensure a phased approach with sequencing which avoids overheating or the development of imbalances in the economy as occurred in the past. In doing so, we will ensure that investment in education and higher education, and in roads and public transport, is timed and targeted appropriately into the future. And the same is true for housing, healthcare, broadband, and investment in sport and culture.

This approach is essential to ensure that all parts of our country share in the recovery and our growing prosperity. To get this going, the Government has already ring-fenced an additional €4.1 billion for allocation over the period to 2021 – on top of the existing Capital Plan and the extra €2.2 billion already committed to housing.
This will increase capital expenditure by more than 70% over the next four years to almost €7.8 billion by 2021. You’ll get a better sense in the coming days as to what this means in practice. It will include, for example, €257 million extra for universities and Institutes of Technologies all over the country, €1.2 billion extra for roads, buses, tourism infrastructure, new greenways and sporting infrastructure both local and national. Dublin metro will commence build in 2021, there is funding to continue our massive school building programme, an investment programme in our National Cultural Institutions, funding for our National Children’s Hospital and new National Rehabilitation Hospital in Dun Laoghaire. We will see public investment in Ireland moving from relatively low levels to among the highest in the EU by 2021.

We are confident about what we can achieve because it is grounded in recent experience. I know that people are sceptical about politicians announced four year programme and politicians announcing ten year plans, but look at what we did in the last five years when we had little money:

Luas Cross City, Páirc Uí Chaoimh, the National Gallery extension, the National Sports Campus, the Greenways, the new National Children’s Hospital now under construction, and the Newlands Cross, the Gort-Tuam motorway, the N11, Enniscorthy, New Ross, 50 primary care centres, and 200 new schools all over the country. This was all done in a 5 year period when we had very little money. Imagine what we can do in the next four years and the next ten years now that we do have the money. A ten year time frame also allows us to be ambitious in our plans - in contrast to annual or even four year plans - where so much money is already committed and therefore large new projects tend not to be considered.

Today’s conference will act as a platform for you to develop new and innovative ideas and practices within your industry. I wish you well in that. The Government is committed to working with you to ensure that the future of construction in Ireland is sustainable and successful. It is in all our interests to have a well-functioning, competitive and innovative construction sector. So let’s work together again.

And let’s get building.

Thank you.