Construction Industry Federation

CIF Budget Submission 2021

Rebuilding Ireland *by* Building Ireland 2040

CONTENTS

PRESIDENT'S FOREWORD

The new government has the best wishes of the nation as it faces unprecedented challenges. Those best wishes convey a responsibility to deliver the improvements identified and articulated by citizens across the length and breadth of the country. Within the CIF we have reached into our regional network to better inform and validate the input for this pre-budget submission. Key messages included the slow pace of improving connectivity in the regions, the many blockages to improving housing output and affordability, the need for public investment to stimulate private investment and the overwhelming support for Project Ireland 2040.

Regional Connectivity

At regional branch meetings it was a consistent theme that the delay in completing the infrastructure connections between and around the regional cities is holding up development and holding back the regions. The Donegal branch made the point that they are losing out because the A5 connection is progressing too slowly. This is a rare shovel ready project that will make a huge difference to the economy and the social wellbeing of the north west.

The Galway branch made the point that the Galway Outer Orbital is critical to the region, economically and socially. This project is a prime example of the inability of the planning system to deal quickly with urgently needed projects. In Cork, several critical infrastructure projects are awaited and the most spoken of is the long awaited M20 connection to Limerick. Had it not been cancelled when the planning decision was imminent in 2011 the M20 could have been carrying traffic for the past four years or more. It is essential that it now proceeds with all haste to have any chance of being completed this side of 2030.

Irish Water

Irish Water (IW) has many high calibre members of staff and is by far the best public body for engaging with the industry on health, safety, and wellbeing matters. Yet it features in every meeting of the CIF for all the wrong reasons - incomprehensible delays, excessive charges, and difficult engagement processes at each formal interface. Many of IW's problems stem from the Government funding model but internal legal, commercial and governance frameworks are obstacles to efficient delivery. Notwithstanding the problems, IW are so critical to the provision of essential water and wastewater infrastructure that the CIF is proposing an immediate doubling of its annual budget for a three-year duration subject to reform of those problematic internal frameworks. This will require a 'covid response' type step change to eliminate wasteful processes and embrace meaningful collaboration. IW has shovel ready projects throughout the country but without reform the additional funding will not result in the urgently needed economic stimulus.

Project Ireland 2040

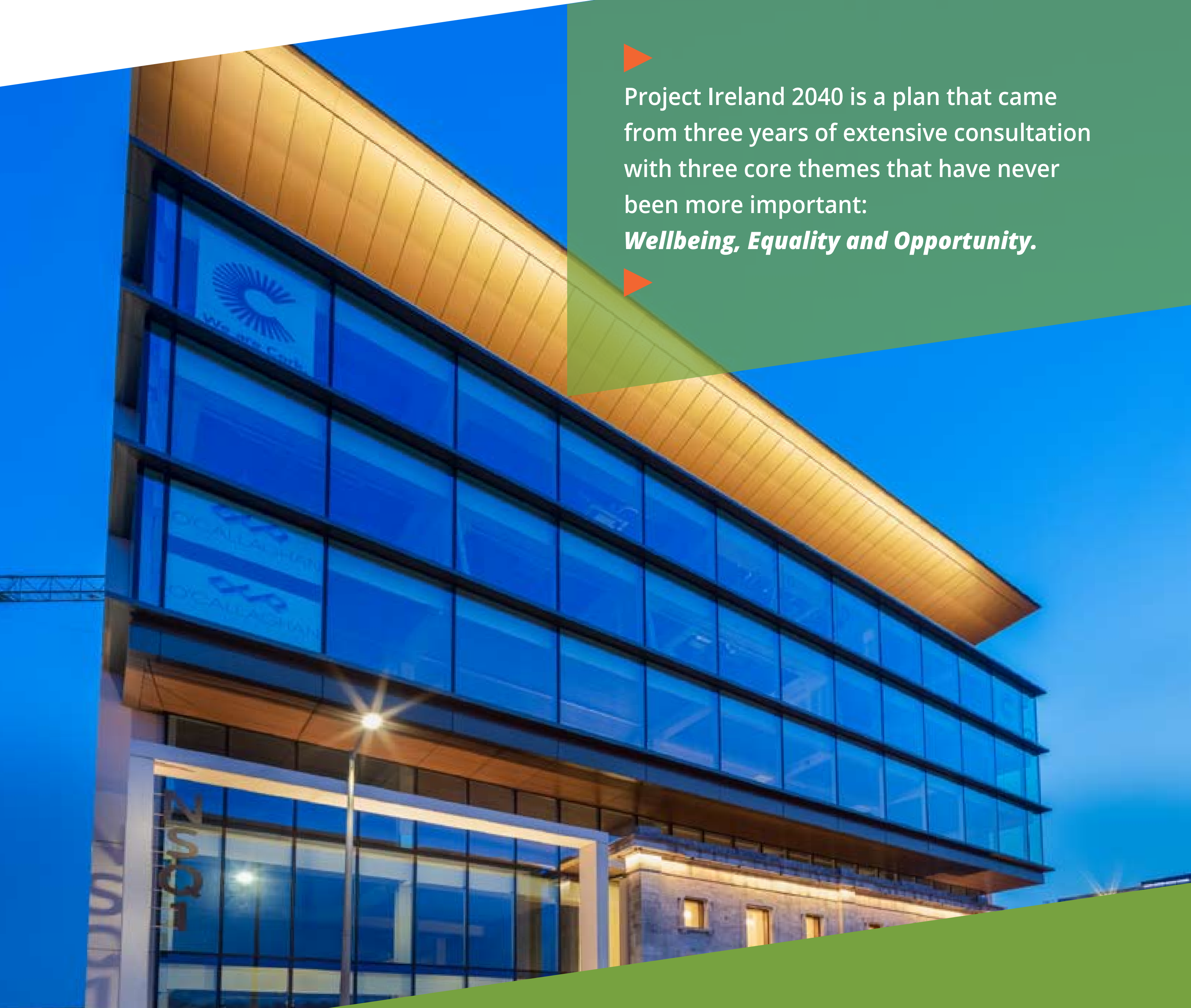
To manage a crisis, it is important to have a good plan and fortunately the Government has a plan already prepared. A plan that came from three years of extensive consultation with three core themes that have never been more important. That plan is Project Ireland 2040 with the core themes of Wellbeing, Equality and Opportunity. For the first time spatial planning is linked with public investment as identified in the National Development Plan.

As we face into a 'new normal' there will be some calling for altering that plan to align with their own well-meaning views; others, never content to accept the considered conclusions, will voice opportunistic calls for change. "Plan your dive, dive your plan", is an analogy from an activity that has learned the importance of sticking to the plan.

Dr. Frank Crowley from University College Cork outlined at the Southern Construct conference why Project Ireland 2040 will not close the gap between the regions and the capital. In the post-Covid environment the need for regional growth is even greater and the Government must ensure that the regional projects are progressed with the agility we have only ever see in the Covid response. 'Business as usual' will not deliver in time to act as an economic stimulus.

One of the findings of the McKinsey Report 'The Next Normal in Construction' (June 2020) is that construction is the biggest industry in the world. We are calling on the Government to harness the power of this big industry through collaboration in a new way; to reset the relationship and establish a platform for real societal change. It is happening already through the Construction Sector Group with the Careers Campaign and with Innovation and Digital Initiatives. There is much more that we can do together, and the CIF will not be found wanting when called upon.

Pat Lucey
CIF President



Project Ireland 2040 is a plan that came from three years of extensive consultation with three core themes that have never been more important:
Wellbeing, Equality and Opportunity.

EXECUTIVE SUMMARY

The construction industry is best-placed of all economic sectors to rebuild Ireland in 2020 and shape a sustainable, dynamic, and citizen-focussed Ireland 2040.

Our research shows that every euro invested in construction industry today has the greatest positive impact across the economy. Due to the industry's scale and scope and its output, the industry can accelerate economic recovery in the immediate term and over the next 25 years.

However, there is a significant caveat: this potential will be stymied without radical changes in how the State engages with the industry.

The current system, involving multiple bureaucratic, regulatory, and political objectives, adds cost and delay to the delivery of private and public construction. It can take construction companies as little as 16 weeks to actually build a house or only a matter of years to construct motorways. Most of the time it takes to move from concept to completion derives from the State and its agencies. We propose radically altering these systems to drive sustained and sustainable economic recovery.

These include, inter-alia, changes to public procurement practices, a radically reformed Public Works Contract, measures to support private demand in housing, significant focus on regional infrastructure, support for innovation, emergency measures within the planning system and support for construction companies adapting to regulatory changes arising from Government policy.

Our research shows that every euro invested in construction industry today has the greatest positive impact across the economy.

1. **Restarting Construction in the immediate term**
2. **Building the Infrastructure for Ireland 2040**
3. **Housing our Growing Population**
4. **Sustainability and Citizen Wellbeing**
5. **People and productivity**

These recommendations are grouped under five strategic themes. These are costed where possible with additional suggested changes to aspects of the Government/industry nexus.

This budget submission contains new economic data prepared by EY to show the multiple positive impact on the wider economy. The cost to the Irish taxpayer of any fiscal measures can be offset by drawing on EU funding/ instrument to help SMEs. The low annual interest cost of such funds allows for time before the cost of such measures needs to be recouped from the recovering economy.

The EU fiscal rules have been relaxed to also allow greater intervention and the EU commission has highlighted Article 107(b)(2) of the State Aid rules which already allows Governments to provide compensation to businesses for COVID damage provided it is limited to damage and not over-compensation.

Our first theme covers several measures requiring immediate action to restart the construction industry. The next four focus on longer term measures that will shape a sustainable dynamic construction industry capable of building Ireland 2040

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Section 1 **RECOMMENDATIONS SUMMARY**

THEME 1 **Restarting Construction:** (Immediate Steps)

- Repurpose the Department of Public Expenditure & Reform to focus on National Recovery for the next three years with specific KPIs in terms of delivery of housing and infrastructure. Part of its renewed remit should be to remove barriers to the delivery of essential infrastructure and housing.

- Secure €15 billion from the EU Recovery Fund, EIB and the markets to bolster the National Development Plan and Project Ireland; and invest in measures to build the construction industry's capacity to deliver essential housing and critical infrastructure.

- A release of retention monies held in account by Public Sector Contracting Authorities to aid with temporary cash flow issues for all companies working on public works

- Public Sector clients to confirm timescales for public sector near to market schemes across housing and infrastructure. Public sector clients to be empowered by the repurposed Dept of Public Expenditure & Reform to expedite design and planning phases of projects in their pipeline, and monitor the progress of these

- The introduction of a shared-equity scheme to support private demand thus enabling an increase in the supply of affordable housebuilding for individuals on the 'average' wage

- Reduce VRT on fleet to a maximum of €2000 to alleviate the additional costs of transporting work crews to sites in a safe manner (following social distancing guidelines and reduced number of people per vehicle during COVID-19)

- Extend working hours on sites adequately to protect productivity; allowing for staggered working hours now required to cope with Covid-19 and modern methods of construction

- Extend planning expiry dates so that development permissions are not lost due to Covid19 disruption

THEME 2 **2020: Building the Infrastructure of Project Ireland 2040**

- Secure funding available through the EU and available on the markets to increase infrastructure investment by €15 billion over the lifetime of this National Development Plan

- Within this €15 billion parcel, increase capital allocation to Irish Water to €2 billion annually over the recovery period to enable it to accelerate essential water infrastructure whilst providing work for thousands of contractors across Ireland. This additional funding should be allocated subject to reform of the Irish Water's contractual frameworks and procurement processes.

- Fundamentally alter the Public Works Contract that currently leads to delays, disputes and sub-optimal results for the Exchequer and the taxpayer. PWC should now contain collaborative 'covid-clauses' that allow employer bodies to reimburse construction companies for unforeseen costs arising from the pandemic

- Implement the recommendations of the Medium-Term Strategy on public sector procurement and resource the OGP to effectively enforce best practice amongst employer bodies

- Allocate €3 billion of the additional funding parcel in 2020 to accelerate the delivery of infrastructure projects that will underpin regional economies to counter the economy's overreliance on the GDA

- Avail of measures included in the European Recovery Plan for funding of large-scale projects contained in the National Development Plan through a range of models including PPPs and innovative collaborative models between industry and Government

- Direct a proportion of the stimulus fund to infrastructure for suitable sites for the Life Sciences, Medical Devices and Data Centre industries to attract FDI

THEME 3 **Housing our Growing Population**

- Introduce a shared equity scheme, that in conjunction with the Help-to-Buy, will enable the average couple to secure a mortgage and remove the ever-growing cohort of society locked out of the market and further adding pressure to the rental market.
- Extend the help to buy (HTB) scheme until at least 31st December 2025 to provide certainty to the market and enable the homebuyer to secure the mortgage deposits for new homes
- Extend and increase funding to the Rebuilding Ireland Loan scheme so it can support viable potential consumers that cannot secure lending
- Address the lack of affordable development finance by allocating part of the €15billion package to enable HBFI and financial institutions to lend at competitive rates (at least the EU average)
- Encourage and support private investment of single investors in order to increase affordable rental options by:
  - Adjusting the taxation of private landlords providing rental accommodation.
  - Reintroduce MIR and allow claims on rental income and be from a mortgage that is used to purchases, improve or repair your rental income.
- Support the consumer by offering tax and financial incentives to support demand in the areas where investment is needed.
- Fund the Local Authorities and Irish Water to provide infrastructure to facilitate housing

***(Footnote:** a supplemental analysis on housing related matters with detailed recommendations will be submitted by the Irish Home builders Association)*

THEME 4 **Sustainability and Citizen Well-being**

- Deploy a multi-annual deep retrofit and retrofit scheme based on the successful Home Renovation Incentive model. This certainty over a 2-3-year period will empower contractors to upskill, plan and invest in the required competencies and equipment to deliver this ambitious retrofit scheme.
- Remove benefit-in-kind (BIK) on commercial hybrid electric small and medium vehicles to help tackle carbon emission.
- Introduce a rebate scheme for building owners for the repair, maintenance, and energy efficient improvements of all public and commercial buildings.
- The reform of procurement the CIF has requested should inter alia remove unrealistic timelines, streamline processes, and remove excessive requirements to protect the wellbeing of employees of companies involved in tendering in public sector procurement.
- Set out a strategy with industry to enhance its capacity to deliver 'green' construction and measure the impact of these measures on decarbonisation up to 2040

THEME 5 **People and Productivity**

- Establish a €50 million SME-focussed fund to support companies in taking on new apprenticeships in key trade and crafts, allocate funding from the underutilised National Training Fund. This funding could be used to reinstate payment of apprenticeship fees in phases 4 and 6. Only 29% of companies can hire apprentices currently, even though 81% employ tradespeople.

- Allocate additional funding (from the NTF) to support SOLAS in recruiting instructors to deliver increased numbers of apprentices

- Utilise additional funding within the €15 billion parcel to increase Government and Higher Education expenditure on construction-related Research, Development, and Innovation (RD&I) by €125m over the recovery period. This should be allocated to construction related RD&I to ensure, at a minimum, implementation of the actions recommended by the Construction Sector Group's Building Innovation Strategy and contribute to Ireland's Horizon 2020 goals.

- Align RDI, Build Digital Project and Modern Methods of Construction innovation initiatives within a single National Centre of Excellence for construction with a view to making Ireland an EU exemplar of dynamic, productive, and innovative construction

- Subsidise redundancy payments that construction SMEs must pay under certain circumstances including Covid-related issues to encourage direct employment in the industry

- Introduce SCARF (Scheme Controlled Approved Retirement Funds) for retirees to protect their income and interests

Section 2 **ECONOMIC BENEFITS OF INCREASING CONSTRUCTION ACTIVITY**

The construction industry underpins the competitiveness and productivity of the domestic economy by providing and maintaining the infrastructure necessary for it to function well. Ensuring Ireland has a dynamic construction industry with the capacity to deliver construction projects efficiently and cost-effectively is critical.

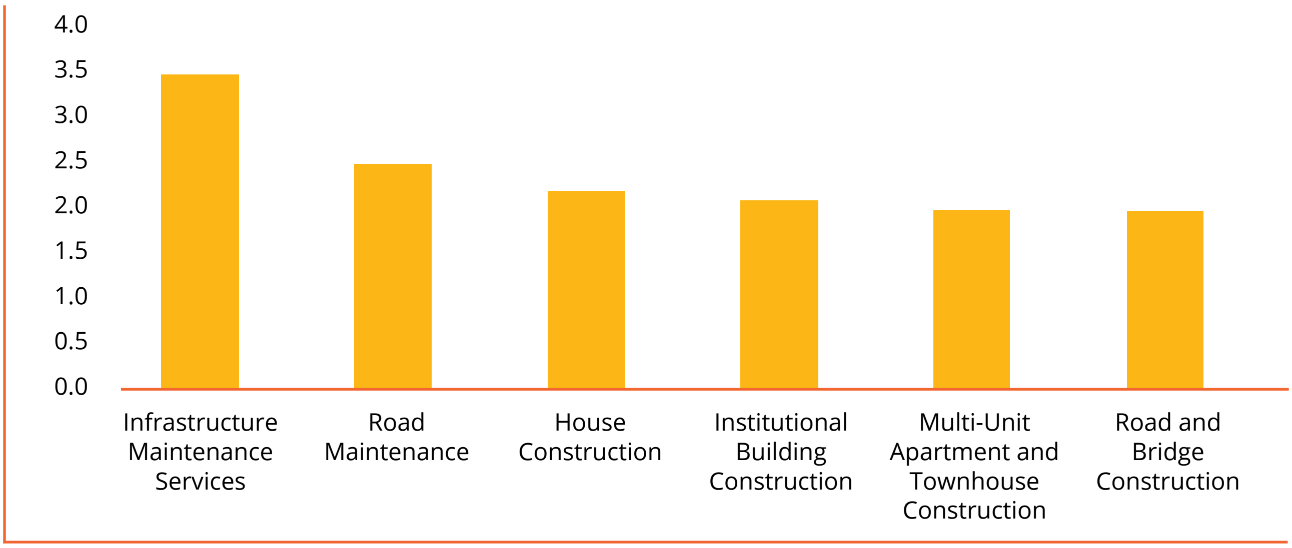
Failure to act will miss an opportunity to deliver this, and risks the industry lapsing into a longer term recession, which erodes capability and skills, and leaves a smaller, weaker sector lacking in the capability to help solve Ireland's housing crisis and the infrastructure it requires to make the economy more competitive and productive.

This submission provides analysis that shows a Government stimulus package and budget centred on housing and infrastructure will generate income for the Exchequer and stimulate the wider economy more cost effectively than any other action. Every €1 invested in construction will yield more in terms in economic and social terms than any other sector.

The EU Recovery Plan combined with historically low interest rates make investing in productive infrastructure such as transport, water, digital and energy the most cost-effective way to fuel recovery and underpin competitiveness in the Irish economy.

Economic analysis by the World Economic Forum states that 1 job in construction supports 2 indirectly in the wider economy. For sub-sectors, like maintenance, this ratio is 3.5.[1]

Figure 1: CONSTRUCTION EMPLOYMENT MULTIPLIERS



[1] World Economic Outlook (WEO), October 2014; Chapter 3: Is It Time for an Infrastructure Push? The Macroeconomic Effects of Public Investment; October 7, 2014

According to a 2014 study by the IMF, an unanticipated increase in capital spending of 1.0% of GDP leads to a 0.4% uplift in output that same year, and a 1.5% rise four years later.

At an Irish level, an analysis from the Government Economic & Evaluation Service estimated that a minimum of 12 job years are created in the construction sector for every €1 million of construction investment.

Furthermore, the direct and indirect multiplier associated with a €1 investment in construction raises economic activity by €0.7, where there is spare capacity in the construction sector. When induced impacts are included, the multiplier increases to €0.9. Thus a €1 million construction project will, on average, increase economic activity by almost another €1 million euro, after all direct, indirect, and induced impacts as well as imports are considered. These figures exclude the economic impact of the infrastructure put in place during its operational lifetime.

In addition, the potential for the industry to help Ireland export its way through the pandemic is huge. During the past decade, the construction industry has developed an international reputation in modern forms of construction. Last year for example, 2019 saw the construction sector record significant growth, up 19% on 2018 to €2.24bn. This industry is an unparalleled opportunity for the Government to drive recovery and reshape the Irish economy and society up to 2040. The full economic impact analysis of the construction industry is included in appendix 1.

Total economic output in 2019

€50.88bn

In 2019 the construction industry generated output of €27.6bn, which resulted in total output of €50.88bn across the Irish economy

This output generated a total Gross Value Added (GVA) of €18.82bn. This represents the industry's contribution to Irish GDP (and represents the profits and wages generated).

Total jobs supported the industry

332,242

In 2019 the industry generated 147,100 direct jobs as well as an additional 185,142 FTE jobs across the economy.

These 185k jobs generated total wages of €9.9bn at an average wage of €29,854. This €9.9bn does not include the payments to self-employed contractors meaning it underestimates the total employment payments.

Total taxes generated by the industry

€3.84bn

The total output of €50.88bn generated €3.8bn in taxes including payroll and profit taxes. Development levies and planning permission fees have not been included in this value as figures for 2019 have not yet been released.

Payroll taxes generated €2.82bn, while profits and consumption generated the remaining €0.99bn.
The total raised in development contributions in 2018 (latest available) was €237.5m.

Total economic impact of public sector works

€18.7bn

EY-DKM estimates show that 37% of all work is associated with public sector projects, including road and other transport related projects.

This €18.7bn of output is associated with GVA of €7bn and 123,000 FTE jobs across the economy

CONSTRUCTION MULTIPLIERS FOR EVERY €1M SPEND

Output	GVA	Employment
Direct 1.00	Direct 0.30	Direct 5.34
Indirect 0.58	Indirect 0.23	Indirect 4.36
Induced 0.26	Induced 0.16	Induced 2.35
Total 1.85	Total 0.68	Total 12.05

Figures may not sum due to rounding.

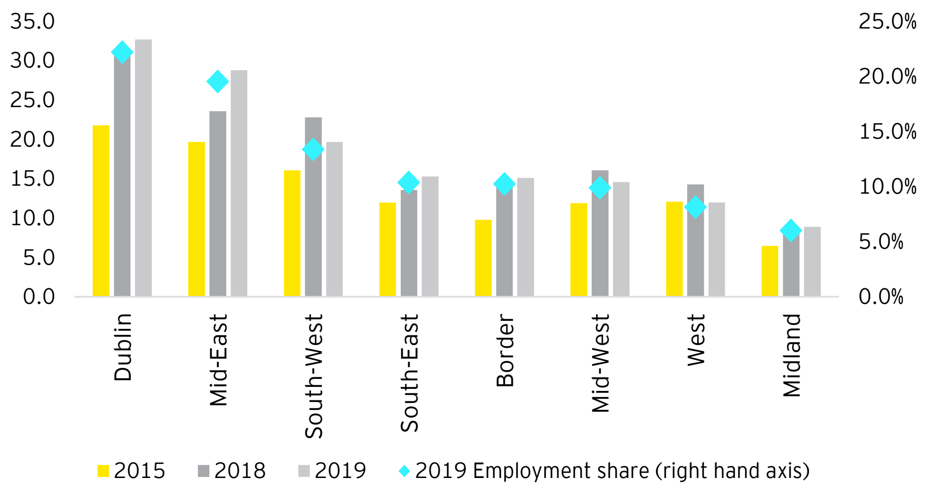
- Construction output represented 7.9% of GDP in 2019
- Total direct employment was 147,100 in Q4 2019
- Employment is concentrated in Dublin and the Mid-East region, accounting for 41.8% of total construction employment
- Construction imports represent 28% of total construction output
- Public sector estimated to account for 37% of total construction output

The CIF believes that a Government stimulus package centred on housing and infrastructure will generate income for the Exchequer to stimulate the wider economy, more cost effectively than any other action.

KEY MACROECONOMIC AND CONSTRUCTION METRICS						
	2015	**2018**	**2019**	**2020E**	**2021**	**2022**
Current Prices €bn.						
GDP	262.8	324.0	347.2	312.4	338.3	358.8
GNI*	162.7	197.5	N/A	N/A	N/A	N/A
Construction output	14.17	24.20	27.56	18.33	22.74	25.68
Construction as % of GDP	5.4%	7.5%	7.9%	5.9%	6.7%	7.2%
Construction as % of GNI	8.7%	12.3%	N/A	N/A	N/A	N/A
Constant 2017 Prices						
Real GDP %	25.2%	8.2%	5.5%	-11.1%	6.7%	4.5%
Construction output - volume % change	7.0%	12.5%	6.8%	-37.7%	17.6%	7.6%

Source: CSO, EY, Eoroconstruct

REGIONAL CONSTRUCTION EMPLOYMENT AND 2019 % SHARE



Source: CSO

Section 3 **RECALIBRATING THE POLITICAL SYSTEM TO INCREASE DELIVERY OF HOUSING AND INFRASTRUCTURE**

The Government is approaching the next 3 years as a 'recovery' period and introduces emergency legislation and radical policy mechanisms that will streamline the delivery of housing and infrastructure.

The following innovations should be put in place in the restart phase of the pandemic recovery period (2021-2024):

1. Establish a Strategic Housing and Infrastructure Commission to accelerate the delivery of housing and infrastructure under the Department of Public Expenditure & Reform and the Department of Taoiseach

2. Introduce emergency legislation to streamline and accelerate delivery of strategic infrastructure and housing projects identified in the NDP and NPF during the recovery period

3. Prioritise reform of the delivery water services infrastructure and on that basis increase capital allowance urgently

4. Utilise a more efficient procurement system and form of contract in delivering identified projects

5. Introduce emergency measures to stimulate private sustainable demand

6. Carry out robust cost/benefit and regulatory impact analysis in advance of introducing construction related regulation and provide support to construction companies to offset costs for the duration of the recovery period

These recalibrations will ensure that the construction industry is enabled to make an optimal and sustainable contribution to economic recovery.

In the following pages, the CIF outlines its specific recommendations and maps them onto the objectives the Government has outlined in its programme for Government; Our Shared Future.

Section 4 **SPECIFIC RECOMMENDATIONS**

THEME 1 **Restarting Construction:** (Immediate Steps)

CIF	Programme for Government
Repurpose the Department of Public Expenditure & Reform to focus on National Recovery for the next three years with specific KPIs in terms of delivery of housing and infrastructure. Part of its renewed remit should be to remove barriers to the delivery of essential infrastructure and housing. Establishing a Strategic Housing and Infrastructure Unit that has powers to prioritise projects and steward them from concept to construction should be a priority. Its immediate task should be to establish a mechanism to allay the costs of mitigating Covid-19 in the recent past and in future tenders. Construction companies are currently struggling to absorb these unforeseen costs, and some may face closure without support. Equally, the uncertainty driven by Covid-19 means that construction companies are unable to effectively 'cost' in tenders for future works. The current PWC contract means that all unforeseen risks, Covid or otherwise, fall on the contractor. Due to this contract, some companies will take this incalculable risk and could lead to further delays, costs, and an erosion of value for money for the Exchequer. The CIF will continue to engage with the Construction Sector Group in charting out how the industry and Government can improve productivity. We recommend that construction is brought more front and centre of Irish industrial strategy by agreeing a national growth strategy ensuring policy supports the industry in developing the capacity to deliver the Government's housing, climate change and employment objectives.	A Cabinet Committee on Economic Recovery and Investment will meet at a minimum of once every four weeks. A Cabinet Committee on Housing will meet at a minimum once every four weeks. Bring forward a July Jobs Initiative, centred on a Recovery Fund, to support our economy and help restore employment to the end of 2020. In addition to restoring employment, the fund will progress the goals of decarbonising the economy, delivering balanced regional development, and preparing for a digital future. Then in October, set out our longer-term National Economic Plan, charting our longer-term recovery efforts Commence a high-level review of the Irish economy led by the Department of the Taoiseach

THEME 1 **Restarting Construction:** (Immediate Steps)

CIF	Programme for Government
Secure €15 billion from the EU Recovery Fund, EIB and the markets to bolster the National Development Plan and Project Ireland; and invest in measures to build the construction industry's capacity to deliver essential housing and critical infrastructure. The Government has a unique opportunity to access funding to establish a national recovery fund. Bringing forward of capital infrastructure projects facilitates job creation, 'green' growth, housing, and balanced regional development. Based on the economic impact assessment carried out by EY/DKM provides evidence by way of economic multipliers to warrant the vast majority of funding into the NDP pipeline with a view to rapidly providing jobs and growth, in addition to much needed social infrastructure and housing, in every community across Ireland. The CIF will engage with Government to identify the key projects based on the immediate need for stimulus and sustainable and balanced regional development within the NDP and Project Ireland 2040. To ensure maximise economic return on investment and social value for the citizen the Government should bring forward preparatory design work for critical projects. Most important, the Government should introduce a new form of public works contract to deploy infrastructure funding from the national recovery plan. This will ensure better outcomes for the Exchequer, the industry, and the citizen. EY/DKM's economic rationale underpinning this recommendation is available in appendix 2.	Bring forward a July Jobs Initiative, centred on a Recovery Fund, to support our economy and help restore employment to the end of 2020. In addition to restoring employment, the fund will progress the goals of decarbonising the economy, delivering balanced regional development, and preparing for a digital future. Then in October, set out our longer-term National Economic Plan, charting our longer-term recovery efforts The Recovery Fund will be a targeted stimulus to increase domestic demand and employment. This Fund will drive strategic change through SMEs, accelerating job creation, decarbonising the economy, and ensuring that Ireland is at the forefront of a digital future. Delivering balanced regional growth will be a crucial priority of this Fund.

THEME 1 **Restarting Construction:** (Immediate Steps)

CIF	Programme for Government
A release of retention monies held in account by Public Sector Contracting Authorities to aid with temporary cash flow issues for all companies working on public works. There are several liquidity measures that the Government, as an industry client, can take to ensure companies can continue to operate and complete projects. This is critical to the industry's capacity to deliver the NDP and Project Ireland 2040. Releasing retention monies held in account by Public Sector contracting authorities would aid cash flow for contractors faced with unforeseeable costs and delays associated with Covid-19. These measures could stave off potential closures amongst the SME contractor cohort focussed on public sector activity. A related option would be to establish a fund as part of general business supports during Covid 19 to enable contractors and public sector bodies to share the burden of Covid-19 costs. Contractors working on public works could borrow from this special fund at 0% in advance of the release of the retention amount held.	**National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.

THEME 1 **Restarting Construction:** (Immediate Steps)

CIF	Programme for Government
Public Sector clients to confirm timescales for public sector near to market schemes across housing and infrastructure. Public sector clients to be empowered by the repurposed Dept of Public Expenditure & Reform to expedite design and planning phases of projects in their pipeline, and monitor the progress of these. The CIF acknowledges the Government's intention to provide certainty in the public sector project pipeline during the recovery period and beyond. This type of certainty allows construction companies to invest in their business over the long-term. At aggregate level, this enhances the industry's competitiveness, productivity, increase direct employment and innovative capacity. The Government must continue to give strong signals and transparent information about investment, throughout the system and its infrastructure tracker to both the industry and public sector contracting authorities.	**National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.
The introduction of a shared-equity scheme to support private demand thus enabling an increase in the supply of affordable housebuilding for individuals on the 'average' wage.	We understand that provision of more affordable housing has a profound benefit socially and economically and believe the State has a fundamental role in enabling the delivery of new homes and ensuring that best use is made of existing stock.
Reduce VRT on fleet to a maximum of €2000 to alleviate the additional costs of transporting work crews to sites in a safe manner (following social distancing guidelines and reduced number of people per vehicle during COVID-19)	
Extend working hours on sites adequately to protect productivity; allowing for staggered working hours now required to cope with Covid-19 and modern methods of construction.	
Extend planning expiry dates so that development permissions are not lost due to Covid19 disruption	

THEME 2 **2020: Building the Infrastructure of Project Ireland 2040**

CIF	Comment
Secure funding available through the EU and available on the markets to increase infrastructure investment by €15 billion within the lifetime of the current National Development Plan. The NDP represents a transformative programme of capital projects that can propel Ireland towards the vision outlined in Project Ireland 2040. The CIF will be at the frontline in terms of delivering these projects in a sustainable manner. Supporting the industry to modernise and 'green' will yield huge returns to Ireland whilst developing a more balanced economy and society with strong regions and rural communities. At present, the construction industry is critical to the success of the following Government strategies inter alia: • The NDP • Project Ireland 2040 • Rebuilding Ireland • Climate Change targets • Action Plan on Jobs • Action Plan on Apprentices • Action Plan for Rural Development As such, investing in the productivity and capacity of the construction industry, supports the achievement of these important strategies. The NDP and NPF provide the certainty in the pipeline that will allow construction companies to invest in the long-term development of human resources and technologies that in turn result in more efficient delivery of essential construction. As such the industry requests that the Government continues to support the work of the Construction Sector Group. The CSG's 'Building Innovation' report is positive attempt to align industry's capacities with extant Government strategies. This group should be consulted in formulating new strategies dependent on the construction for delivery.	Bring forward a July Jobs Initiative, centred on a Recovery Fund, to support our economy and help restore employment to the end of 2020. In addition to restoring employment, the fund will progress the goals of decarbonising the economy, delivering balanced regional development, and preparing for a digital future. Then in October, set out our longer-term National Economic Plan, charting our longer-term recovery efforts Under **Immediate Actions** Commence a high-level review of the Irish economy led by the Department of the Taoiseach **National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.

THEME 2 **2020: Building the Infrastructure of Project Ireland 2040**

CIF	Comment
Increase capital allocation to Irish Water by €2 billion to enable it to accelerate essential water infrastructure. This additional funding should be allocated subject to reform of the Irish Water's contractual frameworks and procurement processes. An increased capital allocation to €2bn per annum for the duration of the recovery to Irish Water would help address capacity concerns and provide significant benefits to regional economies. This investment in water infrastructure will provide economic benefits which impact throughout the entire economy by creating new jobs, expanding business opportunities, and fostering economic competitiveness. EY estimates a €2bn spend on water infrastructure projects would deliver an additional €1.7bn of economic output, generating a total output of €3.7bn, after all direct, indirect, and induced economic impacts are considered. This output would generate a total Gross Value Added (GVA) of €1.36bn. This would represent the contribution to Irish GDP, i.e. the profits and wages generated in the year in which the €2bn is spent. This direct investment of €2bn would result in approximately 24,000 FTE jobs per annum in the supply chain and after induced economic impacts are included. While these are impacts would be generated during the construction phase of any capital infrastructure spend, there will be other economic impacts as the improved water and wastewater infrastructure would deliver further economic impacts to those using it. Irish Water also continue to invest in the operation and maintenance of the asset base, estimated at €4.9bn in the period 2019-2024, which will generate further economic impacts. Apart from the benefits which accrue to households and the construction sector, water intensive sectors such as food production, brewing/distilling and pharmaceuticals will benefit from improved resilience in the water system. Any issue with respect to water and wastewater supply have the potential to adversely impact these sectors, with negative consequences for economic growth. However, any increase in funding, should be contingent on the introduction of a new form of contract as the current framework model is inefficient. Failure to address these issues in advance of an increase capital allocation will mean leakage in terms of value for money for the Exchequer.	Retain Irish Water in public ownership as a national, standalone, regulated utility. Ensure Irish Water is sufficiently funded to make the necessary investment in drinking water and wastewater infrastructure. Mandate Irish Water to develop plans to ensure security of supply and sufficient capacity in drinking and wastewater networks to allow for balanced regional development.

THEME 2 **2020: Building the Infrastructure of Project Ireland 2040**

CIF	Comment
Fundamentally alter the Public Works Contract that currently leads to delays, disputes and sub-optimal results for the Exchequer and the taxpayer. A new PWC should now contain collaborative 'covid-clauses' that allow employer bodies to 'burden share' with construction companies. The Public Works Contract should now contain collaborative 'covid-clauses' that allow employer bodies to reimburse construction companies for unforeseen costs arising from the pandemic The current Public Works Contract is antiquated, adversarial and inadequate. It results in poor outcomes ie delays and disputes for the State on public sector construction projects. The OGP must be empowered to accelerate the introduction of a modernised PWC contract and explore contracts from other jurisdictions that could be adapted and adopted in the Irish context.	**National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.
Implement the recommendations of the Medium-Term Strategy on public sector procurement and resource the OGP to effectively enforce best practice amongst employer bodies	Direct the Office of Government Procurement (OGP) to support the adoption of new technologies through the development of new public service frameworks.
Invest at least €2billion in 2020 on accelerating delivery of infrastructure projects with a specific focus on regional development. Accelerating investment into specific projects within the NDP, as our evidence suggests, will have an outsized impact on employment and economic recovery. To help ensure that regional economies develop at a sufficient pace as a result of this focus the government should introduce an urban regeneration budget assigned directly to local authorities of our main urban areas to drive a significant regeneration within the urban core. Currently to secure funding from this fund, Local Authorities must apply on a project by project basis to the Department of Housing. This can be unnecessarily cumbersome and therefore the relevant Local Authorities should receive this funding "front loaded" without having to apply on a project by project basis.	**National Economic Plan - Investment and stimulus** Ensure that policy and planning across Government in relation to the future provision of services and infrastructure will be fully aligned with the National Planning Framework to ensure balanced and sustainable development in Ireland over the next 20 years.

THEME 2 **2020: Building the Infrastructure of Project Ireland 2040**

CIF	Comment
Avail of measures included in the European Recovery Plan for funding of large-scale projects contained in the National Development Plan through a range of models including joint venture and PPPs. Certain large-scale projects may be suitable for public private partnerships. Those projects should be identified as early as possible to mitigate the longer timelines inherent in the PPP model. The European Investment Bank should invest in projects like this through innovative collaborative models to ensure budgetary constraints do not delay commencement. This also protects the smaller and medium projects from possible delay as the allocation of capital directly funded by the exchequer moves from the larger capital projects, where the PPP model suits, to smaller and medium sized projects. Alternative procurement strategies such as Public Private Partnerships and Early Contractor Involvement should be used when appropriate. Generally, this aids regional development and construction projects in the regions as typically the construction industry is more dependent on the Public Capital Programme in the regions.	**National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.
Direct capital allocation to infrastructure for suitable sites for the Life Sciences, Medical Devices and Data Centre industries to attract FDI. A special fund should be generated to develop shovel ready sites essential FDI sectors such as the life sciences, medical devices, and data centre industries. Funding deployment could be directed by the IDA to local authorities with a view to ensuring key development locations attract key FDI. This will help Ireland capitalise on increased considerable demand for further data storage as more business is conducted online and the production of medicines and medical products moves back to Europe and North America following Covid 19.	Under **Immediate Actions** Commence a high-level review of the Irish economy led by the Department of the Taoiseach. **National Economic Plan - Investment and stimulus** Bring forward the review of the National Development Plan.

THEME 3 **Housing our Growing Population**

CIF	Programme for Government
Introduce a shared equity scheme, that in conjunction with the Help-to-Buy, will enable the average couple to secure a mortgage and remove the ever-growing cohort of society locked out of the market and further adding pressure to the rental market.	Progress a State-backed affordable home purchase scheme to promote home ownership.
Extend the help to buy (HTB) scheme until at least 31st December 2025 to provide certainty to the market and enable the homebuyer to secure the mortgage deposits for new homes	Retain and expand the Help to Buy scheme for new properties and self-build properties.
Extend and increase funding to the Rebuilding Ireland Loan scheme so it can support viable potential consumers that cannot secure lending	Prioritise the increased supply of public, social, and affordable homes.
Address the lack of affordable development finance by allocating part of the €15billion package to enable HBFI and financial institutions to lend at competitive rates (at least the EU average)	Prioritise the increased supply of public, social, and affordable homes.
Encourage and support private investment of single investors in order to increase affordable rental options by: • Adjusting the taxation of private landlords providing rental accommodation. • Reintroduce MIR and allow claims on rental income and be from a mortgage that is used to purchases, improve or repair your rental income.	Reduce our reliance on the use of HAP for new social housing solutions as the supply of social and public housing increases.

THEME 3 **Housing our Growing Population**

CIF	Programme for Government
Support the consumer by offering tax and financial incentives to support demand in the areas where investment is needed.	Work with the Central Bank of Ireland and the Irish banking sector, to increase the availability of long-term fixed rate mortgages. Examine in 2020 the international experience of state backed mortgages for first-time buyers to assess whether they should be introduced in an Irish context to support affordable home ownership.
Fund the Local Authorities and Irish Water to provide infrastructure to facilitate housing	Prioritise the increased supply of public, social, and affordable homes. Work with the private sector to ensure an appropriate mix and type of housing is provided nationally. Improve the supply and affordability of rental accommodation and the security of tenure for renters.

THEME 4 **Sustainability and Citizen Well-being**

CIF	Programme for Government
Deploy a multi-annual deep retrofit and retrofit scheme based on the successful Home Renovation Incentive model. This certainty over a 2-3-year period will empower contractors to upskill, plan and invest in the required competencies and equipment to deliver this ambitious retrofit scheme. The CIF surveyed the uptake and impact of the HRI throughout the economy on an annual basis. Revenue shows that the scheme generated €2.5billion throughout the economy for only €105m claimed in tax credits. The initiative kept the industry, particularly the SME sector, afloat during the recession. The CIF recommends that the HRI is reintroduced for the duration of the Government's recovery plan. This model should also be adapted to drive uptake of the ambitious retrofit programmes outlined in the programme for Government. Both the traditional HRI and the retrofit scheme should be complimentary to incentivise consumers to offset the cost which is generally high relative to average house values. This will involve coordination between Revenue and SEAI to ensure the optimum blend of grant and tax relief to underpin a successful roll-out of the schemes. Measures to create an 'area-based' approach is to be welcomed and this can provide economies of scale making it viable for SME contractors to develop retrofit competence. The Government should establish support mechanisms within the state skills sector to help small contractors develop expertise in retrofit techniques. Most importantly, contractors will require confirmation that funding for retrofit will be available and allocated over a 2-3 timeframe, rather than annually. This will encourage them to develop competence in retrofit.	Publish our National Retrofitting Plan as part of the National Economic Plan. It will set out our commitment to: Develop a new Area-Based and one-stop-shop approach to retrofitting to upgrade at least 500,000 homes to a B2 by 2030. Group homes together to lower cost, starting in the Midlands area. Leverage smart finance (e.g. loan guarantee, European Investment Bank, Strategic Banking Corporation of Ireland (SBCI). Develop easy pay back mechanisms (i.e. through your utility bill).

THEME 4 **Sustainability and Citizen Well-being**

CIF	Programme for Government
Remove benefit-in-kind (BIK) on commercial hybrid small and medium vehicles to help tackle carbon emission.	
Introduce a rebate scheme for building owners for the repair, maintenance, and energy efficient improvements of all public and commercial buildings. The success of the HRI scheme could be replicated by devising a similar rebate scheme for the owners of public and private commercial buildings. Such a scheme would accelerate the upgrading of Ireland's existing building stock and help achieve climate change goals. Such a scheme would provide work across every regional and rural communities and buttress the estimated 47,000 SMEs operating in the economy, particularly those in the regions. There are myriad funds available at EU level to enable the renovation of public buildings namely the European Structural and Investment Funds (ESIF), the European Fund for Strategic Investments (EFSI), Horizon 2020, and the ELENA facility. Several states have leveraged these funds to attract private sector investment and drive large scale renovation of public and private buildings. The Government and industry should work together to draw down these funds. Investing in the capacity of the industry to deliver this large-scale transformative renovation programme will be critical.	Publish our National Retrofitting Plan as part of the National Economic Plan.
The reform of procurement the CIF has requested should inter alia remove unrealistic timelines, streamline processes, and remove excessive requirements to protect the wellbeing of employees of companies involved in tendering in public sector procurement.	

THEME 4 **Sustainability and Citizen Well-being**

CIF	Programme for Government
Set out a strategy with industry to enhance its capacity to deliver 'green' construction and measure the impact of these measures on decarbonisation up to 2040. The greatest opportunity to reduce carbon emissions from a building or infrastructure's life cycle is determined in the early planning and design phases (ie non-construction related.) The planning phases determine whether something should be built and, if so, what function or benefit it will achieve. The further a project progresses, the more parameters are set in stone, which increasingly limits options available for innovative construction. Therefore, the earlier climate issues are considered, and construction companies are involved the more likely an innovative solution can be put in place with budgetary parameters. As the engine that will drive progress to climate change, the CIF believes the Government should set out a strategy that sets out strategic investment into the industry to ensure its capacity to deliver 'green' construction through the development of innovation, materials and technology uptake. Some part of our requested increase in GovERD and HERD should be devoted to this important objective. It is industry's intention that part of our proposed Construction Industry National RDI & Technology Centre draws on academic and industry resources to develop such a strategy to be signed off by Government in 2021.	A transformational programme of research and development to ensure Ireland is at the cutting edge of scientific and technological innovation in meeting our climate change targets, including in the bioeconomy, in marine sequestration, in green hydrogen, in wave technology, in developing floating offshore wind turbines to take advantage of the Atlantic coastline, and in agriculture to improve breeding programmes, feed additives to reduce biogenic methane, agroforestry, paludiculture and nutrient management. We will mobilise 32 "Challenge Calls" to identify and fund fresh, disruptive ideas to help meet our targets from broader society.

THEME 5 **People and Productivity**

CIF	Programme for Government
Establish a €50 million SME-focussed fund to support companies in taking on new apprenticeships in key trade and crafts, allocate funding from the underutilised National Training Fund. This funding could be used to reinstate payment of apprenticeship fees in phases 4 and 6. Only 29% of companies can afford to hire apprentices currently, even though 81% employ tradespeople. The CIF has worked with DKM, DIT and latterly TUD on generating reports into skills demand in the industry. These reports have found that apprenticeship numbers are not recovering since the industry suffered collapse in the late 2000s. These reports also show, that despite the efforts of SOLAS and the industry, to increase the number of companies taking on apprentices, particularly in the wet trades. After seven years, these reports have established that construction SMEs are not financially capable of taking on apprentices in specific sectors. The model requires recalibration and the industry and unions are being encouraged by DPER to review the model. However, what is certain is that SMEs require financial support (to replace those removed during the recession) to hire apprentices again. This is important for the long-term development of skilled labour in the industry. SOLAS has worked with industry to promote new apprentices in the past five years successfully. However, some apprenticeships, particularly in the wet trades, have remained low, despite numbers in these trades increasing on site. Targeted intervention is required and a portion of the NTF, complimented by incentives such as PRSI rebates could support SMEs to take on over 3000 apprentices in areas critical to the delivery of housing and infrastructure. Find appendix 3 for links to CIF's skills and apprenticeship reports.	Implement an upskilling and reskilling programme so that workers from sectors, which are unlikely to return to full capacity in the following year, are enabled to avail of the opportunities in other more sustainable sectors. As part of this, publish an updated Apprenticeship Action Plan to look at new ways of structuring, funding, and promoting apprenticeships. It will have specific targets for the uptake of apprenticeships by women, people with disabilities and disadvantaged groups. By the end of 2020 develop a strong pipeline of apprenticeships and traineeships (including mature apprenticeships) to support our recovery phase and to provide new career paths for people with different interests and abilities. Embed apprenticeships and traineeships into Irish enterprise. Overhaul existing apprenticeships, traineeships and education programmes in the short term and launch a significant effort to upskill the existing workforce for new technologies and building methods (e.g. heat pumps). Commit to growing the number of apprenticeships significantly between now and 2025, increasing the total number of new registrations to at least 10,000 per annum.

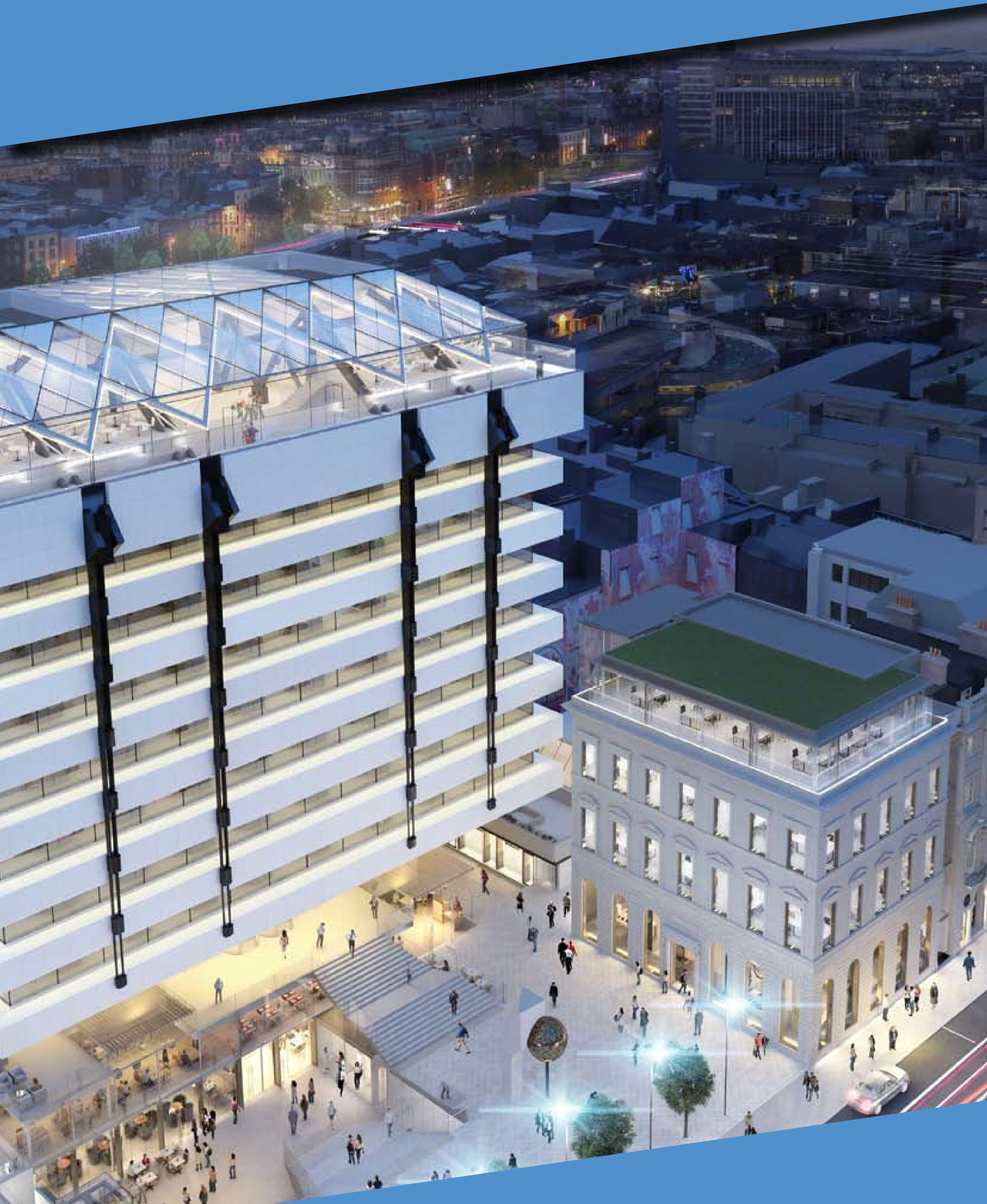
THEME 5 **People and Productivity**

CIF	Programme for Government
Allocate additional funding (from the NTF) to support SOLAS in recruiting instructors to deliver increased numbers of apprentices. Both the Human Capital Initiative and the Action Plan for Apprenticeship sought to increase the importance and standing of FET. To support these initiatives, qualified instructors are required to enhance learning experiences for young people. However, securing instructors for state agencies such as SOLAS in a competitive market is costly. Drawing from the NTF, more instructors can be required to support learning and development.	In consultation with stakeholders, seek to utilise the surplus from the National Training Fund to implement an upskilling and reskilling programme along with the additional funding for Further and Higher Education institutions
Utilise additional funding within the €15 billion parcel to increase Government and Higher Education expenditure on construction-related Research, Development, and Innovation (RD&I) by €125m over the recovery period. This should be allocated to construction related RD&I to ensure, at a minimum, implementation of the actions recommended by the Construction Sector Group's Building Innovation Strategy and contribute to Ireland's Horizon 2020 goals. This should be allocated to construction related RD&I to ensure, at a minimum, implementation of the actions recommended by the Construction Sector Group's Building Innovation Strategy and contribute to Ireland's Horizon 2020 goals. This would have a transformative impact on the construction industry's productivity resulting in better value for money for the Exchequer and better outcomes for the citizen in terms of quality housing and infrastructure delivered more efficiently. Currently, granular/sectoral detail of existing levels of Business, Government and Higher Education Expenditure on RDI is not available. A rudimentary review of SFI's strategy, Innovation 2020, engagement between the construction industry and the research community and uptake of existing state supports for RDI would indicate that construction related RDI is sub-optimal vis-à-vis its importance to the Irish economy and society. Increasing GovERD and HERD to €125million, (a level commensurate with its proportion of national GDP of 8%) would yield many positive impacts on housing and infrastructure delivery, employment, innovation, and exports. EY/DKM's economic rationale for this recommendation in Appendix 2	A transformational programme of research and development to ensure Ireland is at the cutting edge of scientific and technological innovation in meeting our climate change targets

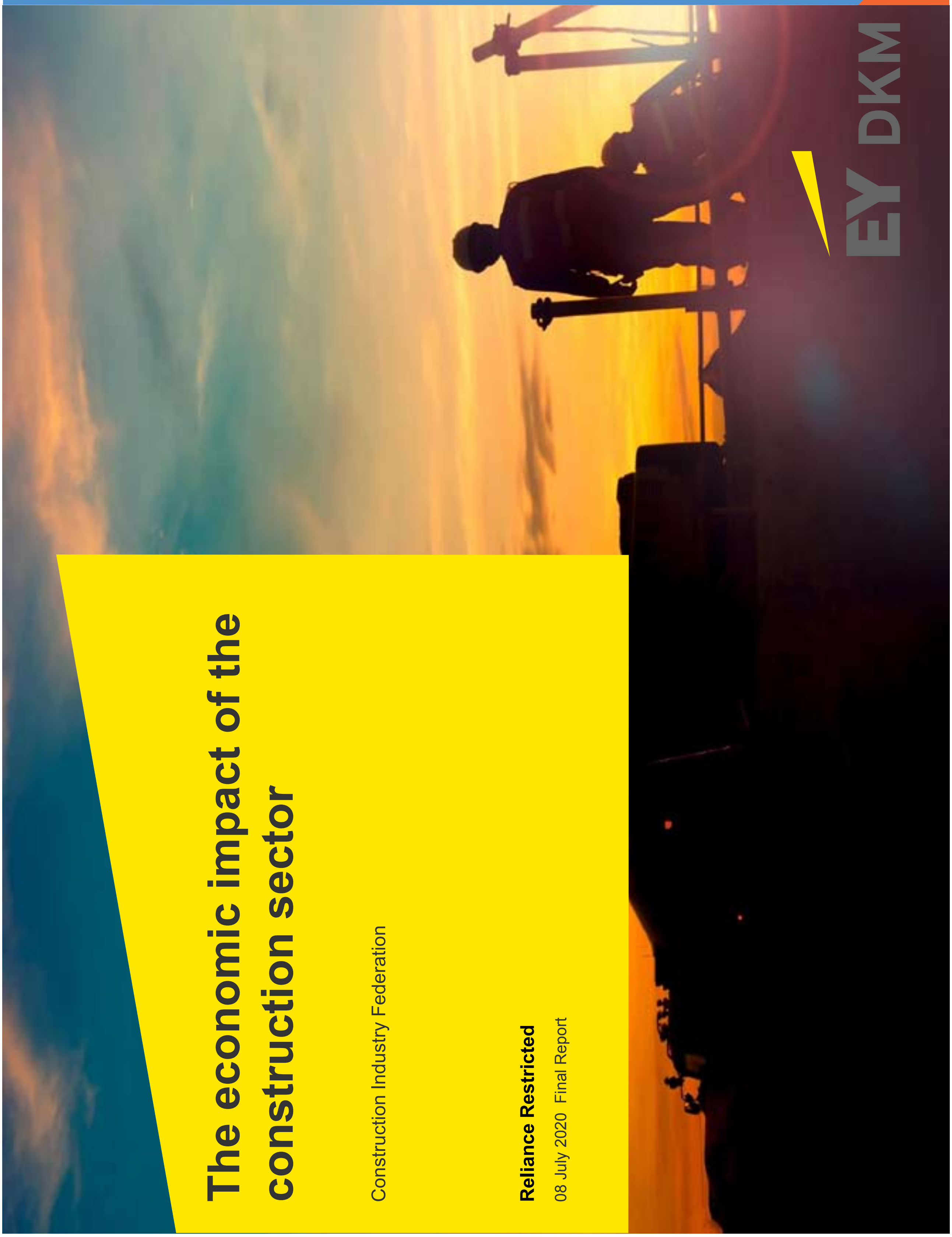
THEME 5 **People and Productivity**

CIF	Programme for Government
Align RDI, Build Digital Project and Modern Methods of Construction innovation initiatives within a single National Centre of Excellence for construction with a view to making Ireland an EU exemplar of dynamic, productive, and innovative construction.	Make Ireland a leader in retrofitting by developing innovative ways in which to roll out retrofitting by lowering the cost and improving efficiency and productivity. This will include: • Developing standard designs available for all property types. • Automating and digitising construction through design tools and the digital scanning of properties. • Investing in research and development to improve products and materials. • Centralising procurement and quality assurance. • Using pre-assembled materials.
Subsidise redundancy payments that construction SMEs must pay under certain circumstances including Covid-related issues to encourage direct employment in the industry.	Bring forward a July Jobs Initiative, centred on a Recovery Fund, to support our economy and help restore employment to the end of 2020.
Introduce SCARF (Scheme Controlled Approved Retirement Funds) for retirees to protect their income and interests. Introducing SCARF would allow an in-pension scheme drawdown arrangement for members of DC pension schemes post retirement. This would benefit thousands of retirees, in particular workers retiring with small to medium DC pension pots. Currently, retirees can purchase an expensive annuity or transfer to an Approved Retirement Fund (ARF) retail product. Both options are prohibitively expensive for retirees with modest pension funds. ARF was originally introduced for DC members retiring with large pensions and the capacity to afford ongoing financial advice post-retirement. SCARF would allow members with modest pensions to enhance their pension's value of their pension by up to 10% through savings on charges. With SCARF, there are no commission charges and lower fund management charges schemes pay. Retirees would enjoy continued fiduciary oversight from scheme trustees focussed on benefitting their existing members. Scheme trustees that would offer SCARF will continue to be subject to regulation by the Pensions Authority.	

APPENDICES



APPENDIX 1 **EY-DKM Economic Impact Analysis**



1 Executive Summary

1 Executive Summary

Total economic output generated by the construction industry was €50.88bn in 2019, contributing €3.84bn to the Irish Exchequer

Total economic output in 2019

€50.88bn

In 2019 the construction industry generated output of €27.6bn, which resulted in total output of €50.88bn across the Irish economy

This output generated a total Gross Value Added (GVA) of €18.82bn. This represents the industry's contribution to Irish GDP (and represents the profits and wages generated).

More on page 12

Total jobs supported the industry

332,242

In 2019 the industry generated 147,100 direct jobs as well as an additional 185,142 FTE jobs across the economy.

These 185k jobs generated total wages of €9.9bn at an average wage of €29,854. This €9.9bn does not include the payments to self-employed contractors meaning it underestimates the total employment payments.

More on page 13

Total taxes generated by the industry

€3.84bn

The total output of €50.88bn generated €3.8bn in taxes including payroll and profit taxes. Development levies and planning permission fees have not been included in this value as figures for 2019 have not yet been released.

Payroll taxes generated €2.82bn, while profits and consumption generated the remaining €0.99bn.

The total raised in development contributions in 2018 (latest available) was €237.5m.

More on page 13

Total economic impact of public sector works

€18.7bn

EY-DKM estimates show that 37% of all work is associated with public sector projects, including road and other transport related projects.

This €18.7bn of output is associated with GVA of €7bn and 123,000 FTE jobs across the economy

More on page 14

Construction output is forecast to fall considerably in 2020 but will continue to be a significant contributor to GDP

Construction multipliers for every €1m spend

Output	GVA	Employment
Direct 1.00	Direct 0.30	Direct 5.34
Indirect 0.58	Indirect 0.23	Indirect 4.36
Induced 0.26	Induced 0.16	Induced 2.35
Total 1.85	Total 0.68	Total 12.05

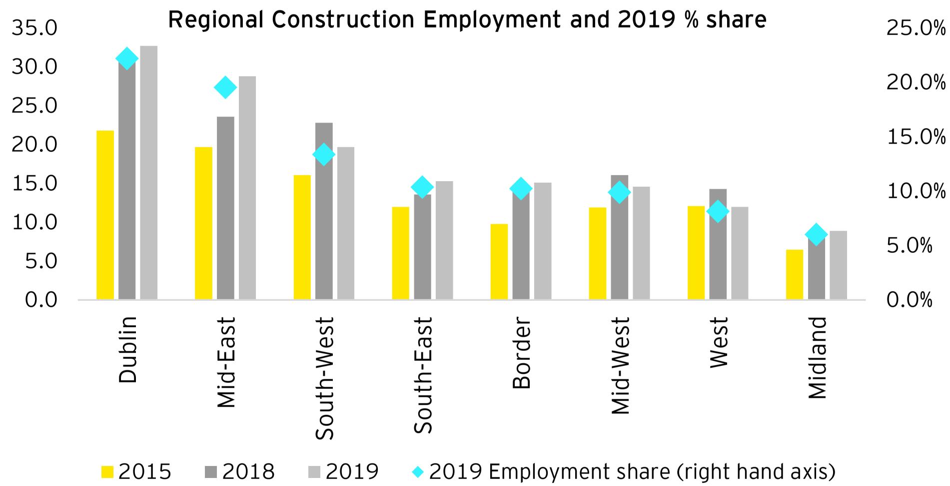
Figures may not sum due to rounding.

- Construction output represented 7.9% of GDP in 2019
- Total direct employment was 147,100 in Q4 2019
- Employment is concentrated in Dublin and the Mid-East region, accounting for 41.8% of total construction employment
- Construction imports represent 28% of total construction output
- Public sector estimated to account for 37% of total construction output

Key Macroeconomic and Construction Metrics

	2015	2018	2019	2020E	2021	2022
Current Prices, €bn.						
GDP	262.8	324.0	347.2	312.4	338.3	358.8
GNI*	162.7	197.5	N/A	N/A	N/A	N/A
Construction output	14.17	24.20	27.56	18.33	22.74	25.68
Construction as % of GDP	5.4%	7.5%	7.9%	5.9%	6.7%	7.2%
Construction as % of GNI*	8.7%	12.3%	N/A	N/A	N/A	N/A
Constant 2017 Prices						
Real GDP %	25.2%	8.2%	5.5%	-11.1%	6.7%	4.5%
Construction output - volume % change	7.0%	12.5%	6.8%	-37.7%	17.6%	7.6%

Source: CSO, EY, Euroconstruct



Source: CSO

2 Background and context

2 Background and context

At 7.9% of GDP the construction industry is a vital sector of the economy, but has the potential to represent 12% of GDP, given the pipeline of projects in the NDP

Context for this Economic Impact Assessment

The construction industry is a vital sector of the Irish economy. The industry is responsible for providing the housing, social and productive infrastructure required to sustain economic growth and competitiveness and attract foreign direct investment. It is one of the most labour-intensive forms of economic activity and thus is also an important contributor to job creation and long-term productivity. In the past seven years, since employment in construction reached its lowest level (Q1 2013), the industry has generated the highest proportion of the total jobs created across the economy, at 15%. Moreover, other firms throughout the supply chain also contribute to the economy through various output and employment multipliers, as the additional wages and profits generated in these firms are spent on goods and services in the wider economy.

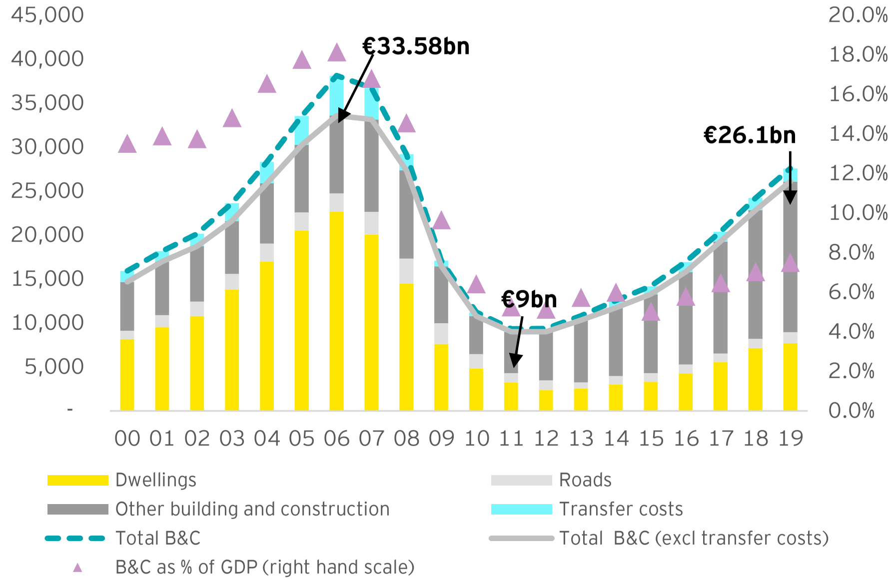
Over the past two decades, output in the construction industry has ranged from between 5.5% of GDP, at the trough of the last recession in 2011-2012, to 20.6% of GDP in 2006. In 2019 the construction industry accounted for 7.9% of GDP, compared with an average of 10.4% across 19 European countries, ranging from 5.8% in Poland to 15% in Denmark. *

Due to the backlog of infrastructure projects, including those which are publicly funded in the National Development Plan 2018-2027, it is possible the construction industry should be larger than the European average, for a period at least. Based on an optimum level of around 12% of GDP over the medium-term, the industry has been operating below this level for the past decade. If the industry was to increase to 12% of GDP from 7.9% currently, its contribution to the wider economy would be even greater than currently estimated in this report.

What is an Economic Impact Assessment?

The Construction Industry Federation (CIF) wishes to establish the economic impact assessment of the construction industry. An Economic Impact Assessment is an approach used to estimate the cumulative economic benefits that, in this case, the construction industry, generates through the wider economy.

Building & Construction Gross Domestic Fixed Capital Formation and as a Percentage of GDP



EY-DKM have developed an Economic Impact Model which is based on the CSO's Input-Output tables for the Irish economy. The model shows how the output of each sector of the economy is used as inputs for other sectors of the economy. It therefore captures the full supply chain impacts of spending in every sector.

Economic impact assessments typically use financial and economic data to generate standard measures of economic activity: output/GDP, Gross Value Added (GVA), employment and tax revenues associated with the specific sector being analysed. The methodology and results is set out in Section 3.

In addition to the EIA, the CIF have requested a review and costing, where appropriate, of three of the recommendations in the CIF Draft Budget Submission for 2021. These are set out in Section 4.

* Source: Euroconstruct, June 2020.. For further information see www.euroconstruct.org

3 Economic impact

Methodology: The impact on the economy of an additional €1 million spend on construction can be calculated using a set of multipliers

Multipliers can be demonstrated through a hypothetical example

- Assume €1m of construction is undertaken. Of this, the construction company pays €600k for the materials to construct the building and in turn these suppliers import €200k of raw materials to fill this order.
- In addition to the €1m of output generated by the construction contract itself, the Indirect multiplier adds in the output across the supply chain. In this case, the €600k purchased from the material supplier and the €200k that the material supplier purchased from the importer.
- This results in total output of €1.8m and the indirect output multiplier is therefore 1.8.
- The output multiplier is important as it is used to calculate employment. If we assume average productivity of €150k per FTE, then 12 jobs would have been supported by this output of €1.8m, giving an employment multiplier of 12 (for every €1m spent).
- As can be seen, however, the output multiplier involves an element of double counting as the total contract value was only worth €1m. The Gross Value Added (GVA) multiplier represents the true value to the Irish economy.
- GVA represents profit and wages only. In this case the construction company generated €400k of GVA (the output minus purchases). Equally the material supplier generated €400k (the €600k of output they generated minus their purchases of €200k). Therefore, the total GVA impact is €800k, giving a GVA multiplier of 0.8
- The induced multiplier follows the same logic, but also includes the output generated in businesses due to spending by all those in the supply chain above.

Input-Output Analysis

Any spending during the construction phase, or in the supply chain, will have a considerably larger effect on the economy than the initial amount spent. This is because there is an entire economic supply chain being supported by this spend, not only in the construction industry but across a wide range of sectors such as energy and building materials. It is therefore important to estimate the total economic impact of construction activities, rather than just estimating the total amount that the industry and its suppliers spend directly in the economy.

The standard economic methodology used to calculate such impacts is known as the Input – Output (IO) Method. This can be used to calculate economic 'multipliers' specific to construction operations. It is a methodology used to examine the linkages between different sectors in an economy. The CSO defines the economy, for the purposes of the IO analysis, as comprising 58 industry groups (one of which is construction), and 58 product groups (one of which is construction), thereby giving a detailed picture of the transactions of all goods and services by industries and final consumers in the Irish economy.

Economic Multipliers

Every time there is an injection of new demand into the economy, there is a multiplier effect. This is because an injection of extra income leads to more spending, which creates more output, and so on. The multiplier effect refers to the increase in final output arising from any new injection of spending.

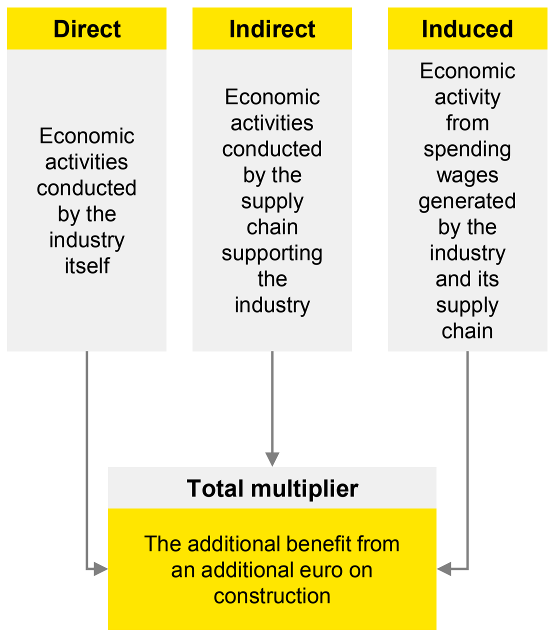
The IO methodology can be used to calculate three different types of multipliers:

1. **Output multiplier**: This show the total output across all sectors of the economy associated with an €1 increase in spending during construction.
2. **Gross Value Added (GVA) multiplier**: This shows the total impact on GDP. GDP is comprised of GVA plus taxes. The GVA multiplier is lower than the output multiplier due to output multiplier having an element of double counting (i.e. it includes intermediate consumption).
3. **Employment multiplier**: This shows the total impact on employment and is calculated by dividing the output by average productivity.

Each of these three multipliers can be calculated based on the current output of the construction industry.

3 Economic impact

These multipliers can be separated into three separate components to allow for a more detailed understanding of the impact of the industry on the wider economy



Direct impacts

The direct economic effect of the industry's activity on its local economy can be quantified as:

- The number of individuals directly employed by the industry
- The wages and salaries these workers are paid
- The value of purchases directly attributable to construction activity

Measuring only the direct impacts captures the minimum economic significance of a given activity, as it excludes the linkages which a business activity has with other sectors of the economy. These linkages can be described in terms of indirect and induced economic impacts and constitute the downstream economic effects which create business, support jobs, and provide wages for other sectors of the economy. These downstream effects are analysed and quantified using the IO method.

Indirect impacts

Indirect impacts result primarily from related economic activities that are conducted by service providers other than the construction industry itself. The distinguishing feature of indirect impacts is that the activity can be attributed to the operation of the entire supply chain associated with the industry, even though the actual activity is conducted outside of it. An example would be a cement company producing materials for use on site.

Induced impacts

Induced impacts result from the spending of wages generated from activities directly and indirectly related to construction activities. Induced impacts are the knock-on impacts which occur as the construction workers, suppliers and others spend their wages creating further impacts through the economy.

The total economic impact is the sum of the direct, indirect, and induced impacts and represents the quantifiable economic contribution of the industry nationally and regionally.

Total economic output of the construction industry in 2019 was €50.88bn. This generated a total of €18.8bn towards GDP or 5.4% of total economic activity

Total economic impact

€50.9bn

Impact of industry	Actual (€bn)	Multiplier
Direct output	€27.56	1.00
Indirect output	€16.03	0.58
Induced output	€7.28	0.26
Total output	**€50.88**	**1.85**

Total GVA impact

€18.8bn

Impact of industry	Actual (€bn)	Multiplier
Direct GVA	€8.23	0.30
Indirect GVA	€6.25	0.23
Induced GVA	€4.28	0.16
Total GVA	**€18.82**	**0.68**

Figures may not sum due to rounding.

Output impact

For every €1m of additional output generated by the construction industry, €1.85m of output is generated across the economy.

The output generated by the construction industry has shown strong growth over the last number of years. Between 2013 and 2019, output has increased by almost €17bn from €10.8bn to €27.6bn.

As each construction project requires a significant supply chain to support it, an additional €16.03bn of output was generated across the supply chain. The industry also generated €7.28bn in the Irish economy, through the spending of the construction and supply chain workers (for instance on food shopping).

GVA impact

For every €1m of additional output generated by the construction industry, €0.68m of GVA is contributed to GDP.

The Gross Value Added (GVA) is the sum of wages and profit and represents the contribution of the construction industry to GDP. Whilst construction industry GVA is published by the CSO, this includes all activity by construction firms, including on non-construction related activities, which amounted to €27.3bn in 2018 (latest available). Therefore it is not directly comparable to the €27.56bn of output which the industry generated in 2019. We have therefore used the relationship between this measure of output and GVA provided in the Input-Output tables to estimate a direct GVA of €8.23bn. Based on this estimate, the construction industry output adds a further €10.52bn to GDP per annum.

Multipliers

The multipliers shown in the tables represent the additional value that an extra €1m of spend would generate. For instance the table above shows that for every €1m of additional output, the supply chain would generate €0.58m of output and the wider economy €0.26m. The combination of the €1m in the construction industry plus the €0.58m in the supply chain and €0.26m in the wider economy gives the overall impact of €1.85m

This output generated 332k jobs with associated wages estimated at €9.9bn

Total employment
332,242

Impact of industry	Actual (000's)	Multiplier
Direct jobs	147.10	5.34
Indirect jobs	120.29	4.36
Induced jobs	64.85	2.35
Total jobs	**332.24**	**12.05**

Total wages
€9.9bn

Impact of industry	Actual (€bn)	Multiplier
Direct wages	4,635	0.17
Indirect wages	3,433	0.12
Induced wages	1,851	0.07
Total wages	9,919	0.36

Total exchequer impact
€3.8bn

Impact of industry	Actual (€bn)	Multiplier
Direct taxes	€1.66	0.06
Indirect taxes	€1.24	0.04
Induced taxes	€0.91	0.03
Total taxes	**€3.80**	**0.14**

Figures may not sum due to rounding.

Employment impact

For every €1m of additional output generated by the construction industry, 12 FTE jobs and €0.36m in wages are created across the economy.

According to the CSO, the Irish construction Industry directly employed 147,100 persons in Q4 2019, 6.2% of the total persons employed in the economy. In addition to this direct employment, 120,291 FTE indirect jobs were created in the construction industry supply chain, with a further 64,851 FTE in induced jobs.

The total wages generated by the construction industry in 2019 are estimated at €4.6bn with an additional €5.28bn across the supply chain and wider economy.

Due to the high numbers of self employed contractors working in the construction industry this overall salary number under values the construction industries impact on wages. This is because self employed income is considered to be profit rather than wages within the CSO figures. This impact is therefore picked up within the GVA estimate provided on the previous page.

Exchequer impact

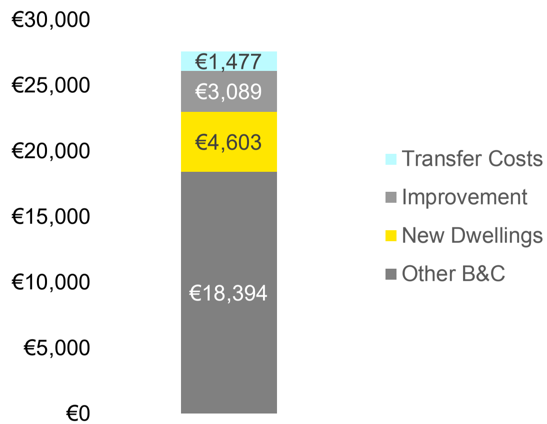
For every €1m of additional output generated by the construction industry, the government will gain €0.14m in tax revenue.

The construction industry contributes significant tax revenue to the Irish Exchequer due to the employment, sales and profits that the construction industry generates. In 2019 total payroll taxes amounted to €2.82bn, with profits and consumption equating to €0.98bn. Combined, a total of €3.80bn in taxes was contributed to the Irish government.

The exchequer impact does not include the development levies and other related payments, such as planning fees, that County Councils receive. This is because 2019 figures are not currently available. The most recent figures available are for 2018 and show that the total revenue received by County Councils was €261.8m, with the majority (€237.5m) comprising development levies. Due to the growth in the construction industry between 2018 and 2019 (+6.8% in volume terms) this amount will almost certainly be considerably larger in 2019.

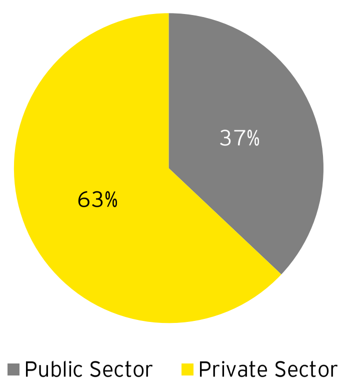
Of the total economic impact, 37% is associated with public construction projects, generating €18.7bn of total output

Construction Output split by category, 2019



Source: CSO

Construction Output split between Public and Private, 2019



Source: EY analysis

The total output of €27.56bn corresponds to the Gross Domestic Fixed Capital Formation (GDFCF) in Building and Construction in 2019.* The CSO breaks the total figure into four main components. These are:

1. Improvements: This includes the output generated from upgrading or improving existing properties
2. New Dwellings: This includes the output generated from new residential construction
3. Other B&C: This other B&C category includes all private and publicly funded non-residential construction and civil engineering projects. This category captures:
   - Public investment on productive infrastructure, such as the national and non-national road network, water services, public transport, airports, seaports and broadband, as well as investment by the respective semi-State organisations responsible for transport, energy and telecommunications
   - Public investment on social infrastructure, such as social housing, educational buildings, hospitals, prisons, courthouses, garda stations, local authority offices and libraries
   - Private investment in non-residential buildings, which includes investment in industrial, offices, agricultural, retail and tourism buildings and student accommodation as well as in sports and leisure facilities.
   - Private investment by private companies operating in the energy and telecommunications sectors
4. Transfer costs: This includes all costs associated with transfers and purchases in the construction industry, such as auctioneers and solicitors fees and stamp duties.

The CSO do not provide a breakdown of output between private and public sector work. Based on EY-DKM's estimates derived for Euroconstruct, the shares have been estimated based on splitting the individual categories of work according to whether they are likely to arise in the public or private sectors. On this basis it has been estimated that 37% (€10.2bn) of all construction work in 2019 was funded by the public sector. The majority of this is associated with civil engineering projects, especially roads and public transport related projects.

Base on this analysis, the total economic impact of public sector construction projects is estimated at €18.7bn in 2019, with GVA of €7.0bn and employment of around 123,000 FTE jobs.

* The figure quoted in the chart on page 8 of €26.1bn is excluding transfer costs of €1.5bn

APPENDIX 2 **EY-DKM Costing of Recommendations**

CIF Budget Submission Recommendations – EY Commentary

Construction Industry Federation

17 July 2020

Building a better working world

1. Theme 1: Restarting Construction

CIF Recommendation: *Secure €15 billion from the EU Recovery Fund, EIB, and the markets to enable the construction industry deliver critical housing and infrastructure with a particular focus on the National Development Plan and Project Ireland 2040.*

1.1 Comment by EY-DKM

The EU Recovery Plan is a €750 billion recovery fund aimed to counter the economic damage of Covid-19 pandemic across EU member states. This figure is expected to be made up of €500 billion in grants and €250 billion in loans, although this split is not finalised. The European Council, comprising the leaders of national governments, must approve the distribution of the fund. The European Commission has suggested certain allocation criteria which do not result in a significant allocation to Ireland. Other issues yet to be decided include the balance of the funds between grants and loans, the process for monitoring how the money is spent and what reform programmes are put in place in each member state. It is expected the Recovery Fund will be in place for the period 2020-2022.

Three allocation criteria have been proposed: a country's population, its GDP per capita and a five-year average of the unemployment rate up to 2019. None of these favour Ireland, which has the second highest GDP per capita (due to the disproportionate impact of multinationals on Irish economic output), next to Luxembourg, in 2019. Initial estimates by the European Commission of what Ireland would receive from the fund suggested €3 billion, comprising €1.9 billion in grants and the balance in loans or guarantees. This total of €3 billion corresponds to 0.4% of the total fund.

Ireland is one of the countries which is expected to be hardest hit by the pandemic, following a seven-week shutdown. The latest EY economic forecasts (released in May) expect GDP to fall by 11.1 per cent this year, following an assessment of the impact of Covid-19 at the time. The European Commission's latest economic forecasts (Spring 2020) expect Ireland will have the fifth largest GDP contraction (-7.9%) in the Euro area and amongst the EU 27 in 2020. More recent figures from the Central Bank of Ireland (July 2020) forecast at 9% contraction in Irish GDP in the baseline for 2020, with a more severe GDP contraction of 14% if there was to be a more subdued economic recovery, resulting in a larger permanent loss of output. Currently, although numbers have reduced since they peaked back in April, there remains over 1 million persons in Ireland who are dependent on income support under the Pandemic Unemployment Payment (412,000), the Live Register (220,000) and the Government's Temporary Wage Subsidy Scheme (410,000) (figures as of 6 July).

Undoubtedly some compromise will be found regarding the distribution to member states and Ireland should be in line to receive higher amounts than indicated. Irish GDP represented 2.6% of the Euro area GDP and 2.1% of the EU 27 GDP in 2019 (following adjustment for purchasing power standards) [1]. On this basis, if Ireland received at least 2% of the EU Recovery Fund, this would equate to €15bn over the next three years, over five times the indicative allocation for Ireland to date.

From a construction perspective, it would be important that any funds received from the EU or other sources are allocated in a way which maximises the productive potential of the economy. One of three areas targeted for the EU Recovery Fund in the Programme for Government (PfG) is

> *"Infrastructure Development: Prioritising productive and labour-intensive capital investment*

[1] *Eurostat*

> *projects focused on areas such as housing, retrofitting and public and active transport to directly assist and maintain employment but support future employment"* (PfG p14)

There are many initiatives in the PfG which could be accelerated by funds from the EU Recovery Plan and other sources, such as progressing the National Retrofitting Plan to support moves to a lower carbon economy, investing in broadband and waste and wastewater infrastructure to support the development or the rural economy, and supporting the EU Circular Economy Action Plan and the European Green Deal. Notwithstanding its small size, Ireland has an opportunity to take the lead as an exemplar in decarbonising the economy.

In addition to funds provided from the EU Recovery Plan, other funding sources include the Exchequer, the European Investment Bank and the Irish Strategic Infrastructure Fund. Lending for infrastructure is a cornerstone of the objectives of the EIB and ISIF and every effort should be made to explore the scope to secure as much additional funding as possible from a mix of funding sources to address infrastructure development priorities. Funding for infrastructure can also be increased by unlocking new funding streams such as increasing user charges, capturing property value and selling assets and recycling the proceeds for new infrastructure.

A combined total investment of €15bn from these sources for construction related projects has the potential to deliver significant economic impacts over the next three years. We estimate this level of investment would deliver an additional impact of €12.75bn of economic output, generating a total output of €27.75bn, after all direct, indirect and induced economic impacts are taken into account. This output would generate a total Gross Value Added (GVA) of €10.2bn. This would represent the industry's contribution to Irish GDP (and represents the profits and wages generated) over the three years.

In terms of the impact on jobs, we estimate that for every €1m of additional output generated by the construction industry, 12 FTE jobs are created across the economy. A direct investment of €15bn would result in approximately 60,000 FTE jobs per annum in the supply chain, and after induced economic impacts are included. While these impacts would be generated during the construction phase of any infrastructure spend, there will be other economic impacts as any new or refurbished infrastructure put in place will have further economic impacts during its operational lifetime.

2. Theme 2: 2021: Building the Infrastructure of Project Ireland 2040

CIF Recommendation: *Increase capital allocation to Irish Water by €2 billion per annum to enable it to accelerate essential water infrastructure. This additional funding should be allocated subject to reform of the Irish Water's contractual frameworks and procurement processes.*

2.1 Comment by EY-DKM

Ireland remains challenged in regard to water investment deficits, with an estimated 45% of treated water being lost every day through leaks in the network system.[2] The pathway to the provision of effective and efficient water services is set out in Irish Water's Strategic Plan for the period to 2040. [3] Among its immediate priorities are ensuring a safe and reliable water supply, delivery of improved quality water and wastewater services through the appropriate management of their asset base in an economic and efficient manner, reducing the excessive leakage from water mains through water conservation programmes, and supporting national and regional economic and social development.

Irish Water's most recent multi-annual proposed investment plans were set out in its Strategic Funding Plan for the period 2019 to 2024. The total estimated capital funding requirement is €6.1bn, which is to be met through a combination of non-domestic revenue, excess usage charges, government subvention, non-domestic borrowings and capital contributions. This corresponds to an annual average investment of around €1bn. A review of the Government's capital programme published with the 2020 Revised Estimates for Public Services shows a total capital provision for Water Services of €894 million for this year, 3.9% below the corresponding capital investment for 2019 (€860m). [4] Notwithstanding these allocations, significant capital investment is required to optimise the performance of the water and wastewaters systems and achieve the leakage reduction targets set out in the River Basin Management Plan 2018-2021.[5] Irish Water have targeted a modest reduction in leakage in the water network to 37% by 2021 from an estimated 45% (2017 figure).

Access to safe, reliable and high-quality water and wastewater services is a prerequisite for an economy in which the population is expected to increase by one million by 2040. It is essential for housing and no-residential development. Moreover, it is noted that the National Planning Framework, Ireland 2040 lists as one of its Strategic Outcomes the

> *"sustainable management of water, waste and other environmental resources"*

While measures such as the Local infrastructure Housing Activation Fund (LIHAF) and the Major Urban Housing Delivery (MUHD) sites have relieved critical infrastructure blockages on housing development sites, the rapid delivery of necessary water supply and treatment infrastructure to support housing and non-residential development and economic growth must be a priority.

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[2] https://www.housing.gov.ie/sites/default/files/publications/files/irish_water_strategic_funding_plan.pdf
[3] https://www.water.ie/docs/WSSP_Final.pdf
[4] https://www.gov.ie/en/collection/e20037-revised-estimates/
[5] https://www.housing.gov.ie/water/water-quality/river-basin-management-plans/river-basin-management-plan-2018-2021

An increased capital allocation to €2bn per annum for Irish Water, from the funding sources identified above, would help to address capacity concerns and accelerate progress towards achieving their strategic objectives. This investment in water infrastructure across the regions will provide economic benefits which impact throughout the entire economy by creating new jobs, expanding business opportunities, and fostering economic competitiveness. We estimate a €2bn spend on water infrastructure projects would deliver an additional €1.7bn of economic output, generating a total output of €3.7bn, after all direct, indirect and induced economic impacts are taken into account. This output would generate a total Gross Value Added (GVA) of €1.36bn. This would represent the contribution to Irish GDP, i.e. the profits and wages generated in the year in which the €2bn is spent.

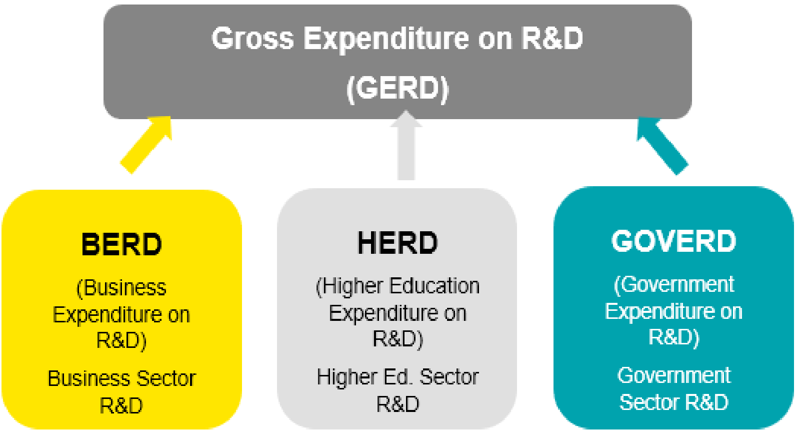
This direct investment of €2bn would result in approximately 24,000 FTE jobs per annum in the supply chain and after induced economic impacts are included. While these are impacts would be generated during the construction phase of any capital infrastructure spend, there will be other economic impacts as the improved water and wastewater infrastructure would deliver further economic impacts to those using it. Irish Water also continue to invest in the operation and maintenance of the asset base, estimated at €4.9bn in the period 2019-2024, which will generate further economic impacts. Apart from the benefits which accrue to households and the construction sector, water intensive sectors such as food production, brewing/distilling and pharmaceuticals will benefit from improved resilience in the water system. Any issue with respect to water and wastewater supply have the potential to adversely impact these sectors, with negative consequences for economic growth.

3. Theme 5: People and Productivity

CIF Recommendation: *Utilise additional funding within the €15 billion parcel to increase Government and Higher Education expenditure on Research, Development and Innovation (RD&I) by €125m in the recovery period. This should be allocated to construction related RD&I to ensure, at a minimum, implementation of the actions recommended by the Construction Sector Group's Building Innovation Strategy.*

3.1 Comment by EY-DKM

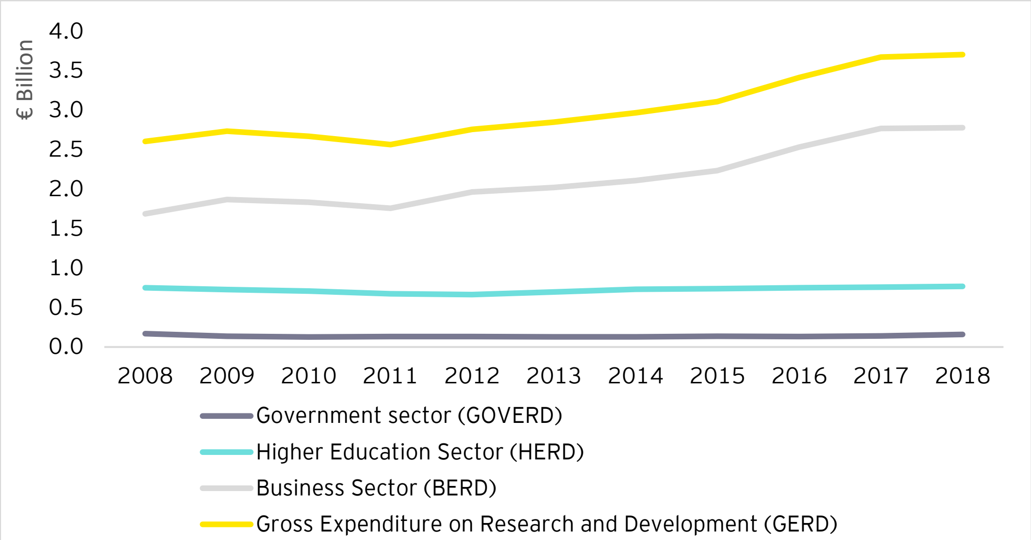
Gross domestic expenditure on R&D (GERD) is defined as the total expenditure (current and capital) on R&D carried out by all resident companies, research institutes, university and government laboratories, etc. in a country. It includes R&D funded from abroad but excludes domestic funds for R&D performed outside the domestic economy.[6]



The chart below shows that, in 2018, GERD in Ireland increased to an estimated €3.7bn. It was at its highest level in the 11 years of the time-series and represented a 42.2% increase over the 2008 figure of €2.6bn. It is noted that the value of Irish GDP would have increased by 72.6% over the decade.

[6] OECD: https://data.oecd.org/rd/gross-domestic-spending-on-r-d.htm

Gross domestic expenditure on R&D (GERD) by sector, Ireland, (2008-2018)



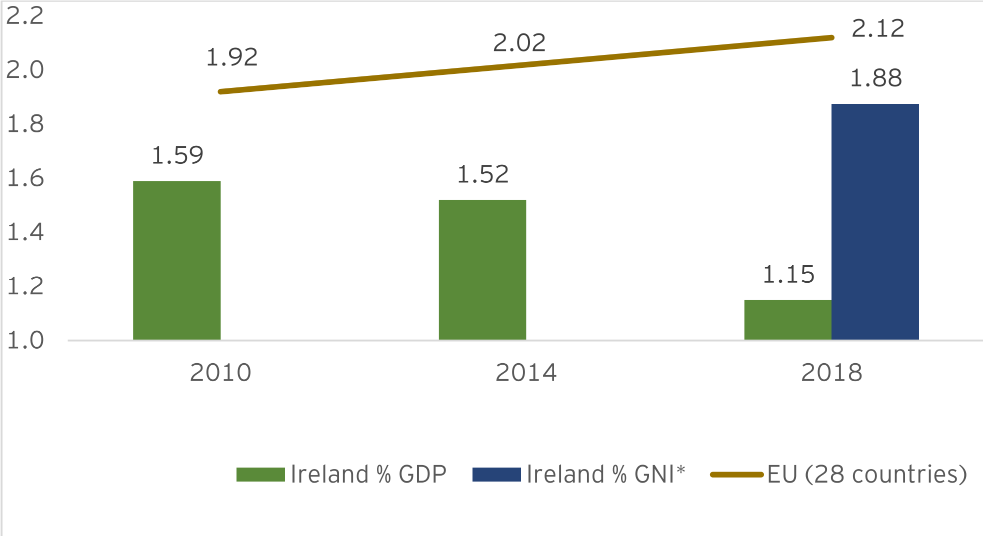
Source: Department of Business, Enterprise and Innovation[7]
Note: HERD 2017 and 2018 figures are estimates based on the average of the previous two years growth rates.

The highest expenditure on R&D continues to be in the business sector where an estimated €2.8bn was invested in research programmes in 2018. The higher education sector saw a decline in R&D expenditure between 2008 and 2012 to €664m, however, since 2013 there has been a reversal of this trend with R&D expenditure projected to have reached an estimated €768m in 2018. The Government sector is the smallest sector with €159m of research being carried out in 2018 in government institutions e.g. Teagasc, The Marine Institute. (Government sector figures include an estimate for government funded Hospital performed R&D of €35m).

The second chart illustrates how GERD in Ireland has been falling as a % of GDP, from 1.59% of GDP in 2010, to 1.52% of GDP in 2014 and to 1.15% of GDP in 2018. In contrast, the estimated EU (28 countries) average for GERD has been increasing. It was estimated to have been 1.92% of GDP in 2010, 2.02% of GDP in 2014 and 2.12% of GDP in 2018. Using GNI*, the modified measure of GDP, Ireland's GERD was 1.88% in 2018.

[7] https://dbei.gov.ie/en/Publications/Publication-files/R-D-Budget-2018-2019.pdf

Gross domestic expenditure on R&D (GERD), % of GDP at four-year intervals and GNI* in 2018



Source: Eurostat. Note: 2010 figure for Ireland is a Eurostat estimate[8]

The Europe 2020 Strategy is the EU's agenda for growth and jobs.[9] It proposed that 3% of the EU's GDP should be invested in public and private sector R&D and innovation. The European Commission specifically calls for a focus on the impact and composition of research spending and an improvement in the conditions for private sector R&D in the EU. Among Ireland's key targets, is to increase its GERD to approximately 2% of GDP by 2020. This target takes Ireland's high GDP per capita into account, aiming for 2% of GDP as opposed to closer to 3% of GDP, the target proposed for most other member states by the EU.

In regard to the construction sector, the Building Innovation report published by the Construction Sector Group[10] identifies a number of high impact actions to be undertaken in order to increase innovation and output in the sector over the coming years. Three areas are identified for action:

- Investment in innovation and digital adoption
- Ongoing regulatory reform to support the industry
- Increased certainty and visibility of the pipeline of construction opportunities which will allow the industry to invest in its capacity with a greater degree of confidence.

Implementation of these actions will require investment in construction related research, development and innovation (RD&I). This will require funding to be made available from the Government's gross domestic expenditure on R&D (GERD), which was 1.14% of GDP in 2018 (1.88* of GNI*). Increasing the level of investment to 2% of GDP by 2020 (3.6% of GNI*), in line with the recommendation of the Europe 2020 Strategy, would generate a total GERD of around €6.3bn in 2020, compared with €3.7bn, the latest estimate for 2018. This level of investment would bring Ireland's GERD into line with the average for the EU and would allow investment in the individual sectors to be increased, while also carving out funds for investment in construction related RD&I.

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[8] https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=t2020_20
[9] https://ec.europa.eu/eurostat/documents/4411192/4411431/Europe_2020_Targets.pdf
[10] https://www.gov.ie/en/publication/827c7-construction-sector-group-building-innovation/

Projected Investment in GERD

	2018	2019	2020E
Current Prices €m.			
GDP	324,038	347,215	314,650
GNI*	197,460	205,650	173,800
Total GERD	3,704	5,208	6,293
of which Construction RD&I (8%)			500
GERD as % of GDP	1.14%	1.5%	2.0%
GERD as % of GNI*	1.88%	2.5%	3.6%

Source: CSO National Accounts, Department of Finance Stability Programme Update, April 2020. GERD from Department of Business, Enterprise and Innovation. GERD in 2019 and 2020 based on EY-DKM assumptions for GERD as % of GDP.

On the basis that the building and construction sector accounts for 8% of GDP, an optimal share of the total GERD expenditure on construction RD&I would equate to €500m. This level of investment in construction research, development and innovation (RD&I) would require an injection of funding from both the Government (GOVERD) and the Higher Education (HERD) sector of approximately €125m to ensure a strong collaborative effort between the construction industry, Government institutions and the higher education sector to achieve this target.

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About CIF

Construction Industry Federation

The CIF is the Irish construction industry's primary representative body.

It represents small, medium, and large contractors from each sub-sector of the industry across all geographic regions.

The CIF is a member-led organisation and is directed by a 34-member Executive Body appointed by and from CIF's branches and associations.

The CIF is a federation of 31 sectoral associations that pursue the policy objectives of their sub-sector.

The CIF has 13 regional branches with offices in Dublin, Cork, and Galway.

The Executive Body directs a team of executives, subject matter experts and support staff in pursuing the objectives of the CIF's policy committees, associations, and branches.

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