

Construction output to fall further this year, says Parlon

by John Daly

THE traditional optimism associated with the new year will be on hold for the building industry in 2011. "The amount of work by the industry was substantially less in the past year, and our projections for 2011 are, unfortunately, even less again," says Tom Parlon, director general of the Construction Industry Federation (CIF).

"The capital programme is the bread and butter of the industry, and there's been a savage cut to that, again, with €1.8bn taken from the already-reduced programme. If there is any degree of government work happening, it can usually act

as a primer to stimulate more private activity, but cutting back public work exacerbates a lack of investment in the private sector," he says.

The CIF represents 3,000 members in all areas of the construction industry, through a network of 13 branches in three regions. It is incredulous that the department of education has failed to spend half of its allocated capital budget for 2010, despite the unemployment crisis and the acknowledged deficits in the schools' infrastructure.

"The failure of the department of education to spend the budgets, in the middle of an unemployment crisis, is astonishing. Not

spending this money has cost significant jobs, directly and indirectly, in construction and represents a major blow to the local economies that were to benefit from the Government's investment," he says.

Contractors are trying to keep staff on board and maintain payments on plants and machinery, in the hope that they might pull down contracts. "The case that the department of education are way behind on their spend, €1bn behind, and €1bn out of €6bn is a horrendous shortfall. In the interests of transparency, we are meeting with the department of finance, and all Government departments, to focus on the projects going ahead next

year and make plans accordingly," he says.

Parlon points to the increased need for school places as one of the few bright spots on the horizon for the industry. "Figures from the department indicates there are 63,000 new places required in secondary schools, because of the population growth, and, clearly, this number will have to be accommodated. Despite the cutbacks and the limits on funding, there is still work that just has to be done and the chronic need for basic infrastructure.

"Another area of concern is water quality, a situation highlighted in the recent thaw and floods affecting people's water supplies that

simply is not acceptable in a modern society. This time last year, we had flooding issues all over the country, which devastated a lot of towns and businesses — another area that must be dealt with, and for which there is a substantial spend in OPW plans," he says.

Despite the cutbacks outlined in the budget, the National Pension Fund is another potential source of infrastructure investment. "There are deficits out there, but one of the positives from the recent budget made reference to the use of the National Pension Reserve Fund in possibly providing additional private investment for public infrastructure. CIF have discussed

this with some of the key people and the plan is to get a major international fund going, which the National Pension Fund would sponsor and manage. Putting in a figure of €500m was suggested, which would attract international investment to form a multi-billion fund that would give a guaranteed return," he says.

"The other positive that Ireland has is the multinational investment here, who all have a massive stake here, and who continue to plan increased upgrades in the future," he says. The fact that the corporation tax will remain untouched brings a great degree of certainty. "I do see investment happening in this sector, as many of

these companies have been here so long, now, that they need to upgrade plants and equipment."

For the small contractors, or 'subbies', the coming year will bring little cheer to a sector badly ravaged by the meltdown effect of the major builders who have gone to the wall.

"One thing that has been lacking is legislation to protect small sub-contractors, many of them small family firms that have had no protection. The Contracts Payment Bill legislation sponsored by Senator Fergal Quinn is well down the road and we have strong indications it will be passed before this present Dáil expires. Unfortunately, it will

come too late for the many hundreds of contractors that are currently in difficulty as a result of not getting paid for projects completed," he says.

On Parlon's wish-list for 2011 is a hope NAMA will expedite its brief, and install a foundation upon which the industry can build. "It has been slow about moving on the process, but I expect it will speed up. NAMA has a difficult job to do, as so many of the big players are insolvent, and the way they arrived at valuations has had major repercussions for the bank and anyone who owns property," he says. He urges NAMA to determine the bottom of the property market.

■ My job

Paul Mooney

Offering a helping hand to the jobless



"Five years ago it would have been up to 70% foreign people coming to us — now Irish people make up the majority," says Jobcare CEO Paul Mooney.

Picture: Nick Bradshaw

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WHEN Paul Mooney established Jobcare in 1994 the unemployment rate in Ireland was 14.7% — a figure he predicts will shortly be reached again as a result of the current downturn.

"That figure from 16 years ago will certainly be matched this year, and while recent figures suggest that unemployment is falling, I feel it's just as a result of seasonally adjusted factors and foreign nationals emigrating back home again. Any downward trend in the figures is just a false sense of the situation."

He notes the last two years have seen applicants for Jobcare's services change from mainly foreign workers to a majority of Irish people. "There's been a massive turnaround in that from five years ago when it would have been up to 70% foreign people coming to us — now Irish people make up the majority. Another new trend is that we are seeing many more Irish males than ever before, a group that were always the hardest to encourage into and stay on our courses. They would be mainly men who had been in full-time employment up to a year or more ago, and they are very motivated to find work again by any means at their disposal."

The social demographic has also changed to reflect the all-encompassing reality of Ireland's recent economic situation. "We now have very professional people coming to us, a group we had never had before, and we've set up a course called Jobnet which is aimed specifically at the potential needs of unemployed professionals. This is a 30+ age group who are finding unemployment much harder than others simply because they have never experienced it before."

Jobcare takes clients through the essentials of job applications — a learning curve many have never experienced before: "Nobody has ever gone through a CV with them or showed them how to write a letter of application — basic procedures that are essential in the modern employment market." Looking towards the coming year, Mooney predicts even greater numbers looking to avail of his organisation's services.

"Our services are more in demand at present than they have ever been, and we expect this to increase continually over the course of 2011," he says. "Funding, which is always a challenge, will undoubtedly be affected — not just in terms of government grants but also from private philanthropic sources."

Having originally conceived Jobcare as a means to combat the higher than usual unemployment rate in inner city Dublin, Mooney sought to bring a new kind of response to the problem of how unemployment can hit at the heart of an individual. Through skills development, work experience, on-the-job training, and practical support within a caring and encouraging environment, Jobcare has assisted many people towards not only meaningful

Interview:

John Daly

Name:

Paul Mooney

Occupation:

Chief executive, Jobcare

Background:

Jobcare was founded in 1994 to tackle unemployment in inner city Dublin. Its employment preparation course is targeted at the long-term unemployed to help them enter the workforce. Additional services have also been developed. Mooney has been the Chief Executive of Jobcare since its creation, and in 2007 received a Social Entrepreneurs Ireland award in recognition of his innovative approach to addressing unemployment among ex-offenders.

employment but also changing how they and their communities see themselves. "While we are based in Dublin, we have found that people come to us from all over the country — an indication of how desperate people are," he says. "We would hope to extend the services across the country in the near future, and are looking at how to best replicate the Dublin model can be achieved. Different areas have different environmental factors at play, and it

would of course be better that local groups took on the initiative in those areas."

Jobcare has developed a strong, proactive external focus to complement its range of in-house services and provides further work experience to meet the needs of community groups. This focus is directed in two ways: external training workshops delivered to community groups and other organisations; and service contracts for work delivered to small businesses, sports clubs, and voluntary agencies.

The contracts vary from once-off painting and decoration, to fixed term property services, and grounds maintenance. Jobcare have also developed a team to assist organisations in hosting large events setting up seating and AV equipment, providing security and serving refreshments. Trasná, launched in 2008, is a work programme designed to help ex-offenders break the cycle of re-offending through employment, training, education, personal support and development.

Statistics show occupation or employment is key to keeping someone out of prison, with re-offending highest amongst young, unemployed males. "Jobcare has designed a work and development programme specifically for ex-offenders and this has been effective to date in assisting participants move into work or further education." The Trasná Programme is a mix of work, certified vocational training, and education to FETAC Level 3. Participants work on labouring, restoration, decoration and building tasks, and some participants are placed in administrative roles within Jobcare.

"With the help of positive supervision and mentoring, work can be the means for transforming how individuals see themselves and gain a new identity within their community as working men and women who have successfully left their past behind," he says. In the current employment market, however, Mooney readily concedes finding placements for ex-offenders is more difficult than ever: "When we originally set up Trasná it was to try to help people who were being left behind, and yes, it is an extremely difficult area when so many are out of work these days. But we are seeing success and fantastic achievements — many are upskilling and trying to get into college. Only last September, we had nine move on to a college placement, which represents a proactive move to positioning themselves for when the economy hopefully picks up again and to again contribute to society in a meaningful way."

As well as the emotional rewards achieved by Trasná, the underlying figures underline its financial success. "Looking at the participants who have already gone through the programme, Trasná has not only made significant savings for the State in terms of prison costs, it has also cut the re-offending rate for this group of individuals down to less than 10% when the national average is 50%," he concludes.

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