

## Minister Howlin announces an additional €2.25 billion domestic infrastructure stimulus to create much needed jobs

Tuesday July 17th, 2012

Minister Howlin announces an additional €2.25 billion domestic infrastructure stimulus to create much needed jobs

The Minister for Public Expenditure and Reform, Mr. Brendan Howlin T.D., has today, 17 July 2012, announced the Government's plans for an additional €2.25 billion investment in job-rich public infrastructure projects in Ireland. The bulk of the funding will come from a combination of the:

- NPRF
- European Investment Bank/Council of Europe Bank
- Domestic Banks
- and other potential private investment sources

Minister Howlin said, "Today's announcement is the culmination of intensive efforts to identify projects that are realistic, credible and deliverable. This Government is committed to getting people back to work and securing real, domestic growth. This investment is in addition to our €17 billion "Infrastructure and Capital Investment Framework" I published last November which focused on the Government's clear priorities of creating jobs, building schools and improving our health system. Today's announcement builds on this. Job creation is this Government's top priority. It is estimated that Phase 1 of our PPP programme will generate up to 13,000 jobs. The focus for Phase 1 is on projects in the Education, Health, Transport and Justice Sectors. These projects reflect the Government's priorities, meet infrastructure needs, are labour intensive and provide value for money for the State.

I have been working closely with my colleague Mr Michael Noonan, T.D, Minister for Finance to address funding issues. His Department, along with my own Department and the relevant agencies, have been working on solutions to improve access to funding. We are now confident that we will be able to put the correct funding structure in place to ensure delivery of these important projects. Today's additional €2.25 billion multi-annual plan of infrastructure investment will be used to facilitate the delivery of Phase I of a PPP programme and to support further labour intensive capital projects. Based on information supplied by Departments procurement for Health projects will commence by end 2012 with procurement in Education, Justice and Transport commencing in 2013.

This represents an important continuing investment in our future to provide:

- Top class technology educational facilities
- Help us to deliver on the government’s health reform strategy
- Help to modernise facilities and bring about efficiencies in our courts and justice systems
- Improve travels times and help us to transport people and goods more safely and efficiently.”

The Minister added that his Department will continue to work closely with the NDFA, Government Departments and other delivery agents to progress help ensure the smooth roll-out of the Programme.

#### Notes to Editor

#### Timing

Based on information supplied by Departments, it is expected that:

- Procurement of the Health projects will commence by end 2012 with construction starting in 2014.
- Procurement will commence on all the Education projects in 2013 on a rolling basis with completion of the schools bundles during 2017 and 2018. It is expected that work will commence on enabling works to facilitate the development of the educational facility at Grangegorman in 2013 with construction of the PPP element of the facility beginning in late 2015 or early 2016.
- Construction of the Justice projects is due to commence in 2013 and will continue during 2014 and 2015.
- In the Roads sector, the N17/N18 Gort to Tuam will commence in 2013, and the M11 Gorey to Enniscorthy and the N25 New Ross bypass by end 2014.

#### Regional impact

The projects selected span a number of sectors and will be spread throughout the country. This will help to maximise the benefits to communities and to meet clearly indentified local needs.

Education: The package contains €280 million of investment in the Education sector. Two new PPP schools bundles will be delivered. Each bundle contains approximately 6 new or replacement schools, most of these at post-primary level, and will be located across the country from Clare to Kildare, Cork and Louth.

Dublin Institute of Technology's Grangegorman Educational Facility: DIT, currently the largest provider of higher education in the State, is located in 39 sites across the capital, some in poor conditions. It is planned to consolidate these sites into one single educational facility. Stage one of that consolidation process will be progressed in Phase 1 of this stimulus package. This development also represents an opportunity for substantial development and rejuvenation of an important inner city urban quarter. It will also link in with the Luas as part of the new Luas Broombridge line with a stop provided at the Grangegorman Campus.

Health: €115 million for two bundles of primary care centres will be progressed in Phase. These bundles will each comprise up to 10 centres.

Transport: In the transport sector €850 million will be invested in upgrading the national motorway and primary route network. In the west, the N17/N18 Gort to Tuam will provide 57 kilometres of motorway providing a bypass of Clarinbridge, Claregalway and Tuam. The M11 Gorey to Enniscorthy project will involve the upgrading of 26 kilometres of road to motorway and will include a bypass of Enniscorthy. The N25 New Ross Bypass will provide approximately 13.6 kilometres of new road from Glenmore at the eastern border of Kilkenny and crossing over the River Barrow via a new bridge into Wexford. A further priority transport project is the Galway city bypass – a 12 kilometre orbital route for Galway city linking with the M6 major inter-urban route to Dublin – which is on hold at the moment pending the outcome of legal proceedings. Depending on the outcome of those proceedings it would be hoped to progress it as an additional PPP project.

Justice: €190 million will be invested in the State Pathology Laboratory, new Garda divisional headquarters and a number of courthouses. Refurbishment and extension works to existing courthouses will be carried out in Cork, Mullingar and Waterford. New courthouse buildings will be provided in Drogheda, Letterkenny, Limerick and Wexford. New Garda divisional headquarters will be built in line with the Minister for Justice's priorities.

The projects included in this package will be delivered through Public Private Partnership (PPP) securing value for money for the Exchequer while delivering private sector innovation and commercial and management expertise to the benefit of the State. PPPs allow the spread of the cost of financing infrastructure over the lifetime of the asset which means a number of projects can be developed simultaneously as the capital costs can be spread over the longer term. They also allow the allocation of risk to the party that can manage it best and at least cost.