



Summary

- **Take all oil and gas resources into public ownership.**
- **Introduce a new model of public hydrocarbon management.**
- **Develop and fund an integrated industrial development strategy comprising upstream and downstream activities.**
- **Use funds and infrastructure from oil and gas activities to diversify Ireland's energy supply.**
- **Design and implement a new system of consultation and planning for all energy activities based on the active engagement of all stakeholders.**
- **Ban fracking and end the use of fossil fuels beyond currently issued licences.**
- **End public subsidies for corporate wind farms; regulate and develop community appropriate farms that serve Irish society**
- **Stop the privatisation of our forests**

Oil and Gas

Gas, oil, wave, wind and solar energy are some of the astounding natural resources available in Ireland. These and other natural resources could be the key to Ireland's economic regeneration, providing sustainable growth within the island. Current estimates of the size of Irish gas and oil resources can be derived from a range of sources, including details released by individual companies.

The Department of Communications, Energy, and Natural Resources (DCENR) has been tight-lipped on the overall value of Irish hydrocarbons. However, a 2010 press release announcing the opening of the Atlantic Margin Licensing programme indicated that potential reserves of 10 billion barrels of gas or oil could be found in the Atlantic Margin, west of Ireland. The value of such resources clearly depends on the costs of recovering the hydrocarbons and the amount which can be commercially recovered. In addition, fluctuating oil prices make estimates of hydrocarbon potential challenging.

Nevertheless, a possible value of around \$460 billion can be placed on resources located in Ireland's Atlantic Margin.

A 2007 report by the US Government Accountability Office showed that Ireland had the second lowest rate of government tax take among 142 fiscal systems.

Another international study by petroleum consultant, Daniel Johnston (2008) examined 45 fiscal systems with Ireland having the lowest rate of government take – half the rate of countries with a similar economic approach such as the US, UK, Canada and Australia.



Considering that the international trend is for states to receive the largest share of the pie, why does the Irish tax regime remain stubbornly low?

Norway

Our close neighbour Norway, with its comparable socio-economic transition from an agricultural to industrialised country, receives a government take that is over three times the Irish rate. This is because it imposes a 78 per cent take rate.

The Norwegian state also participates directly in exploration and production through its 67 per cent share in the major oil company Statoil and its 'State Direct Financial Interest' (SDFI).

In 2014, the Norwegian state received around €33.5 billion in revenues from petroleum activities, accounting for 27 percent of the Norwegian government's total revenues. Revenues from petroleum activities are allocated to the Government Pension Fund Global, which had holdings worth more than €688 billion in 2014.

Unlike Ireland, Norway's approach to gas and oil management has consistently been underpinned by a view that natural resources belong to all citizens.

In Ireland, successive Fianna Fáil, Fine Gael, and Labour governments did not recognise the potential value of Irish gas and oil, instead focusing on making Ireland as attractive as possible to foreign multinationals.

If companies decide to sell Irish hydrocarbons to Ireland, those resources are sold at full market prices. This means that in addition to receiving one of the lowest rates of government take in the world, the Irish state is not even guaranteed a supply of its own gas or oil. Instead, the state must pay full market prices and compete with others for supply.

Given these circumstances, People Before Profit intend to deal with all current licences issued to date in the following manner.

1. We would take all oil and gas resources into public ownership. People Before Profit would nullify all existing agreements with oil companies and stop all new licences being granted.
2. We would introduce a new model of hydrocarbon management. This would be premised upon (a) public ownership of resources, (b) stronger state participation through production sharing and service contracts, and a national oil company, and (c) higher rates of financial returns through increased rates of corporate tax and royalties. The state will retain ownership of Irish gas and oil and will engage with oil companies through production sharing contracts or service contracts where this is necessary to access technical expertise.



3. A new Irish National Energy Company (INEC) would be a key component of this new approach and other oil companies would be required to co-produce with the INOC until it has developed the necessary expertise and financial capabilities to produce independently.
4. We would develop and fund an integrated industrial development strategy comprising upstream and downstream activities. Public ownership of our natural resources would become the cornerstone of a new development strategy that would replace a reliance on foreign multi-nationals.

Such a strategy could include:

- Training and upskilling workers for the range of exploration, development, production, refining and transportation activities and ancillary services.
 - Related research and development programmes.
 - Supporting new and existing services industries.
 - Development of a new state run refinery with refined petroleum products used for: transportation fuels; fuels for heating; fuels for power generation; chemicals and plastics; and components for lubricants.
5. Use funds and infrastructure from oil and gas activities to diversify Ireland's energy supply. People Before Profit favours developing and moving towards more sustainable forms of energy production which would have additional industrial, economic, social, and environmental benefits. Such benefits include increased employment, reduced carbon dioxide emissions and increased energy security. Ireland has a wide range of renewable energy sources including wind, wave and tidal sources, and solar and geothermal energy which can be utilised productively. The wealth generated from public ownership of natural resources will make this diversification possible. In the meantime, no new licences should be issued.
 6. People Before Profit would also develop a 32 county perspective on the National Grid. It makes sense to build infrastructure for the whole island rather than for two states each replicating what the other does.
 7. We would explore the possibility of creating energy co-operatives, particularly around local renewables projects.
 8. This will likely clash with Anti-competition laws upheld by the European Union. In that case People Before Profit favours breaking the rules in favour of local democracy and environmental protection.

Renewable Energy

Because of its location, Ireland has the potential to be a leader in the development of renewable energy worldwide. The state could enable a transition from fossil fuels to renewable energy and become a manufacturer and exporter of renewable energy components. Wind and wave technologies have enormous potential here. A recent report



by the Economic and Social Research Institute (ESRI) outlined how investment in additional wind capacity of 4000 MW mostly offshore would create 36,000 jobs.

A large scale reforestation programme would also benefit both the economy and the environment. It would also help with sequestering Co2 emissions. In Budget 2018 we showed how an extra €500 million could be found for renewable energy employment. This would create an additional 5,000 renewable energy jobs. We would also spend €500 million on research and development (R&D) and €100 million on afforestation.

Ban Fracking – Move Away from Fossil Fuels

People Before Profit opposes the use of dangerous technologies which threaten our planet. Our aim is to make Ireland carbon neutral by 2035. This necessitates banning fracking, a system of gas extraction that causes major damage to the environment. The process involves the use of chemicals which are dangerous to the surrounding water table and leaves behind a degraded landscape.

People Before Profit supports a ban on all fracking activity in Ireland.

We believe that Ireland must take its obligations to tackle climate change much more seriously than it has done so far.

We therefore believe that no further licences for oil and gas exploration should be issued and the surplus should stay in the ground.

If we take the existing licences into public ownership, there is more than enough to supply our energy needs and pave the way to a fossil free economy in the future.

Wind Energy

The Irish state has turned to wind energy as its key mechanism for meeting a shift to renewable energy. A full 39% of this renewable energy comes from wind and there are now over 200 wind farms dotted across Ireland.

Wind energy can provide a useful alternative to a dependence on fossil fuel imports, but unfortunately, the shift to wind energy has been driven by a greed for profit.

A special public service obligation of €7.69 (ex VAT) per month has been imposed on electricity consumers to help subsidise the profits of private energy companies.

Regulations on the siting of wind farms have been extremely lax so that those living nearby are subject to noise and light silhouettes.



Instead of a focus on community involvement, the Irish government have been more interested in hooking Ireland up to a British energy market from which corporations can gain profit.

As a result of these policies, wind energy is increasingly being controlled by giant multi-national corporations such as GE Electric and a Japanese corporation, Sojitz, one of whose principal investors is Mitsubishi UFJ Lease and Finance.

People Before Profit aims to reverse this policy which has led to huge opposition from concerned citizens across the country.

We want to

- End subsidies to private corporations
- Develop a public wind company that will invest in appropriate wind farms that service the Irish population.
- Introduce strict regulations that protect those living in the neighbourhood of wind farms.

Forests

Our forests are already a huge economic asset for the state, generating thousands of jobs and huge revenue. If we invested in them and managed them properly, as is done elsewhere in Europe, they have the potential to create literally tens of thousands of new jobs. Instead the government have been selling off the harvesting rights to private companies. Afforestation is also an enormously important source of carbon sequestration, but we need to diversify the forestry model from an overreliance on a narrow range of species.

People Before Profit aim to reverse this policy. We want,

- A major increase in afforestation, including the greater use of native Irish species.
- An end to the selloff of harvesting rights to large private firms.
- Develop Coillte as a proper public company and remove a management that encourages its privatisation.
- Build up downstream industry based on spins off from an expanded forestry sector.
- Diversify the species to maximize environmental benefits.