



# Regenerating the Economy in Laois and Offaly



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## Executive Summary

Laois-Offaly TD Brian Stanley is the Chair of the Public Accounts Committee.

In the 32nd Dáil, as Vice Chair of the Climate Action Committee, Brian Stanley ensured that a Just Transition for the Midlands was made a priority.

Deputy Stanley emphasised that a Just Transition should be an opportunity to develop positive, sustainable economic proposals which create quality jobs in the Midlands region.

### To support this, Deputy Stanley brought forward policies on:

Developing Ireland's Biogas sector ([https://www.sinnfein.ie/files/2018/BioGas\\_Policy\\_Doc.pdf](https://www.sinnfein.ie/files/2018/BioGas_Policy_Doc.pdf))

A roadmap for Ireland's renewable energy needs ([https://www.sinnfein.ie/files/2018/Powering\\_Ireland\\_20302.pdf](https://www.sinnfein.ie/files/2018/Powering_Ireland_20302.pdf))

A broadband strategy for rural Ireland based upon the ESB network (<https://www.sinnfein.ie/contents/53794>)

Microgeneration Bill 2017 – a bill to allow people to generate electricity for their own homes (<https://www.oireachtas.ie/en/bills/bill/2017/155/>)

Waste Reduction Bill 2017 (<https://www.oireachtas.ie/en/bills/bill/2017/104/>)

Solar Panel bill 2019 (<https://www.sinnfein.ie/contents/54119>)

Wind Turbine Regulation Bill 2016 (<https://www.oireachtas.ie/en/bills/bill/2016/69/>)

Joint Oireachtas Climate Action Minority Report ([https://www.sinnfein.ie/files/2019/Climate\\_Minority\\_Report.pdf](https://www.sinnfein.ie/files/2019/Climate_Minority_Report.pdf))

Given the urgency of the situation, it is vital that we begin to develop these proposals to ensure that neither workers nor local communities are left behind.

Sinn Féin has worked to establish a long-term strategy for the Midlands which will ensure that good quality jobs are created. This paper outlines that strategy.

## Key Recommendations:

- **Provide State financial support for renewable energy development in the Midlands**
- **Convert the ESB plants in Shannonbridge and Lough Ree for biogas, biomass and a connection point for solar and wind generated electricity**
- **Move Edenderry Power Station to 100% Biomass**
- **Expand the Mount Lucas Training Centre to become the National training centre for apprenticeships in energy efficiency construction, retrofitting of homes and renewable energy.**
- **Promote and support the expansion of solar panel installations for family homes, businesses, infrastructure on farms and school roofs**
- **Introduce a new, long term agri-forestry scheme that compliments family farms rather than replacing them**
- **Greater investment in Local link to provide connections between small towns and allow for regional local link hubs.**
- **Ensure that the National Broadband Plan is rolled out without delay and does not cause any further escalation costs to the taxpayer**

## Midlands Economy

For far too long the Midlands have been neglected by Fianna Fáil and Fine Gael Governments – propped up by Labour, the Green party and a few independents.

The story of the Midlands economy is one of historic underperformance.

CSO data from 2020<sup>1</sup> found the Midlands to be the most deprived region in Ireland with 1 in 5 unable to afford basic living requirements. The latest figures show over 20% of people in the Midlands are living in deprivation compared with 13% in Dublin.

Disposable income per person is much lower throughout the Midlands (€17,864) than in the State (€20,334). The average disposable income for Laois and Offaly (€17,242) is as much as 15% lower than the national average.

There is a serious problem of economic underdevelopment in the region.

In 2018, Industrial Development Authority (IDA) created a total of 22,785 jobs<sup>2</sup>. Only 4 of those jobs were in Laois and 78 in Offaly. This is compared with 11,039 in Dublin and 1,971 in Galway. This disparity in job creation was not a once off, with a total of 22,996 jobs created by the IDA in 2017<sup>3</sup> with just 5 in Laois and 108 in Offaly.

For many of those living in Laois and Offaly, a lack of employment opportunities means that over 20,000 commuters leave the region each day for work and education, mostly to Dublin<sup>4</sup>. 8,682 workers commute out of Offaly each day, while 11,477 commute out of Laois each day for work to work in areas such as Business and IT, Healthcare, Training and Development, Manufacturing and Retail. Moreover, Laois has the highest share of workers in any county with a commute of 90 minutes or more (6.7%), with Offaly (5.6%) not far behind.

The indicators above illustrate a region of high deprivation, poverty and unemployment. To compound this, thousands of families and the local economy will be affected by the accelerated closure of ESB energy power plants and the transition of Bord na Móna away from brown energy.

What we need to see is a strategy for the Midlands that stimulates the economy and makes the most of the infrastructure and geographical location of the Midlands.

The Midlands needs to see economic development that supports good quality jobs. To achieve this we need to see a serious investment in public services such as transport, high-speed broadband and roads.

This policy document outlines what Sinn Féin would do in Government to revitalise the Midlands.

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1 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2018/>  
2 <https://www.idaireland.com/newsroom/ida-ireland-2018-results-highest-number-ever-emp>  
3 <https://www.kildarestreet.com/wrans/?id=2019-01-16a.296>  
4 <https://www.cso.ie/en/census/census2016reports/>





## Just Transition

We all accept that the move away from brown to green energy must happen. However, it needs to happen in a way which workers and communities have a future.

What was expected to be a ten-year transition period is now reduced to twelve months, and possibly shorter.

The direct impact of the decision of An Bord Pleanála to refuse the application of the ESB for the continuation of the Shannonbridge (West Offaly Power) plant and the subsequent decision by ESB not to pursue its application for Lough Ree has led to serious knock on effect upon Bord na Móna and ESB, their employees, contractors and suppliers.

The immediacy of these decisions and the impact that it will have has left people in shock. With a perception that no account was taken of the long-term impact on workers, their families and their communities.

What we need to see is proper planning which puts in place an appropriate just transition for workers and for communities across the Midlands.

The Bord na Mona workers may be among the first, but they will not be the last group of workers required to make sacrifices for the greater good and for future generations, along with the communities of the Midlands region.

A total of €31m was allocated in Budget 2020. €11 million was provided for a Just Transition fund (of which the ESB contribute a further €5m), €20m for deep retrofitting of social housing in the Midlands, and €5m for accelerated rehabilitation of NPWS peatlands.

## Regenerating the Economy in Laois and Offaly

The Just Commissioner has also recommended that in 2021, as part of the Carbon Tax allocation, the Just Transition Fund should be increased to €25m and a further €5m allocated to peatland rehabilitation.

These funds must be used to stimulate and finance potential projects that have employment potential and contribute to the sustainability of the region, economically, socially and environmentally. From three separate Dáil questions which I have submitted in June, we know that not one cent of this €36 was spent in 2020 up to July. This is not good enough.

This money must be used to accelerate a Just Transition programme to develop our renewable energy sector in wind, solar, biofuel and the retrofitting of homes.

## Renewable Energy

It is essential that we make the most of the infrastructure which the State currently owns and operates.

Bord na Móna and the ESB are State owned enterprises synonymous with the Midlands. They have a positive track record of over 80 years of creating successful and innovative commercial State Enterprise activities. Bord na Móna transformed the economic landscape of the region, with new settlement and community formation in rural areas, in close proximity to the bogs and the power stations that emerged. Together they have sustained communities with large levels of employment, and good incomes for their staff which has spanned generations. Moreover, both Bord na Móna and the ESB have sustained many indirect jobs in the region.





## Bord na Móna

In 2018, staff at Bord na Móna were paid a total of €89 million in wages, generating tens of millions in tax revenue to government through personal and consumption taxes. The firm also paid €9.8m in social security contributions, a key benefit to public finances. The company also contributed €57.6 million in taxes and dividends to government in the financial year 2017.

In 2015, at peak employment some 1,200 people were employed in Peat Production alone. According to an Indecon analysis, this generated €85.8 million in turnover with a Gross Value Added of €27.9 million. Bord na Móna also supports economic activity in the Midlands indirectly: through activity generated in the supply of goods and services and from the additional demand created by the wages of Bord na Móna workers.

Estimates of these indirect effects include some €65.4 million in turnover, €35.4 million in Gross Value Added and an additional 1,384 full-time equivalent jobs in 2016. This represents a substantial contribution to aggregate activity and employment in one of the most economically deprived regions in the country. These jobs will all be phased-out in the next few years.

Investment is needed in alternative employment, training and upskilling in new industries. We also need to protect reasonable conditions of employment and to underpin the company pension scheme. This is very important because there are more retired workers than existing workers in Bord na Móna.

Time is of the essence in this regard and clear direction is needed around biomass, biogas, wind, solar and forestry development.

## ESB

Sinn Féin wants to see both sites at Shannonbridge and Lough Ree converted to renewable energy. Both sites are strategically located on the national grid and would be ideal for biogas, biomass and a connection point for solar and wind generated electricity locally.

Kieran Mulvey, the Just Commissioner, said that on his visit he was “impressed by the pristine state of the power stations at” Shannonbridge and Lough Ree. The Commissioner went on to say that both plants are of recent construction (2004/5) and could potentially be used to support emerging technologies.

Unfortunately, as things stand these plants are to be demolished and the sites remediated to EPA specifications. Sinn Féin is of the view that this would be a huge waste of existing infrastructure.

We support the call for the Government, the ESB and all other relevant parties to conduct a study into these plants and the potential for a dedicated Energy Hub in the Midlands.

## Biomass

Sinn Féin wants to see the Edenderry Power Station, owned and operated by Bord na Móna, move to 100% Biomass.

The plant started co-firing with biomass in 2008. The plant has permission to co-fire with biomass for up to 30% of its installed capacity and Bord na Móna has plans to seek planning permission to move to 100% biomass by 2024.

Bord na Móna believes that it has access to the supply chains to achieve this and more importantly, it could stimulate the biomass production chain by providing an indigenous market for producers. This could provide farmers with a new income stream.

There is a lot of marginal land in close proximity that could be used to grow biomass.

The Midlands could become a national hub for biomass production and could create 100's of jobs.



• TD Brian Stanley and South Kildare/North Laois TD Patricia Ryan at the Biogas plant in Nurney

## Biogas

Sinn Féin wants to see the development of a biogas industry which will help reduce greenhouse gas emissions, reduce pollution of water courses, create jobs and provide a new income stream for farmers.

In terms of biogas plants, the Irish State is considerably behind other countries. The EU Commission has highlighted Ireland as one of the best countries for biogas potential due to our large agricultural sector. Despite this, there is currently only one biogas plant in Ireland that supplies to the grid, in contrast to Germany where there are 8,000 and Britain where there are over 600.

Biogas is an indigenous energy source that can reduce our emissions, is sustainable and will create jobs in rural Ireland. It is derived from waste products, such as animal slurry, crop residue, and food waste. This is used to generate a renewable gas with by-products including dry biofertilizer.

There are currently problems with farm waste and emissions, coupled with low farms incomes. The production of biogas could provide an additional income stream.

Economic development in the State has been skewed towards Dublin with the midlands suffering substantially in this shift. A crucial element of the development of biogas, notwithstanding the environmental benefits, is the potential for job creation in rural Ireland.

The SEAI estimated that biogas plants have the potential to provide over 3,000 jobs. This is not including jobs in the construction phase of projects. These plants must be located sensitively, and large plants must be planned with the input of local residents.



• Solar panels on roof of a farm

## Solar Power

Sinn Féin wants to see families, businesses (including semi state bodies), farmers, schools and community organisations invest in solar energy.

Solar electricity has a huge role to play in the future of energy provision in the Midlands.

It is important that tangible solutions to climate change are put forward and solar energy offers the opportunity for immediate action in which local community clubs or school boards can participate.

We must ensure that solar panel installations are affordable and that the microgeneration process is as simple as possible for families who wish to create their own electricity to use and sell any excess back to the grid.

In April 2017, Bord na Mona and the ESB announced details of a joint venture in solar power generation and provision, which aimed to provide renewable energy to

power the equivalent of 150,000 homes (579 megawatts).

The joint venture will operate at four 'solar farms' in Roscommon, Offaly and Kildare. The planned solar farms are to be located on peatlands. Each company has invested an initial sum of €5 million in the venture. This initiative should now be scaled up as part of a wider Just Transition strategy and located also in other counties such as Laois and Offaly.

This would ensure that renewable energy provision could compete with relatively cheap, existing energy sources.

A KPMG report estimates that between 2017 and 2030 solar energy production in the East and South of the country could return between €1 and €3 billion in gross value added to the Irish economy, depending on the level of support provided.

The Midlands has clear advantages in this respect. This could present a considerable opportunity for Bord na Móna Powergen to invest in high value activities with considerable employment potential.

## Afforestation

Afforestation offers a new income streams for rural Ireland and will provide carbon sinks to help mitigate damage from co2 emissions.

Afforestation also has a very important role to play in the development of a biomass supply chain and could create 100's of jobs in the region.

To achieve this, Sinn féin is committed to a new, sustainable on-farm Forestry scheme.

We want to see a forestry scheme that is over a 30 to 40-year period, right through the planting, thinning and the management process.

The scheme should work hand-in-hand with farming, rather than as a replacement.

This is where Agri-Forestry works best - on farm forestry in addition to livestock or tillage, but not a replacement for it.

Agri-forestry involves farmers in increasing carbon sequestration, as well as providing an additional source of income for the farmer.

Farmers should also not be penalised for protecting hedgerows, which is what currently happens under the CAP rules.

This must be addressed through CAP reform because we all know the positive environmental impact which hedgerows can provide through carbon storage, preservation of habitats and land drainage.

Overall, what is required is a scheme that works for farmers, that is long term and one that will develop sustainable forestry.



## Mount Lucas as National Training Centre

We need investment in alternative employment training and upskilling in new industries, which is why I propose that the Offaly Mount Lucas Training Centre be expanded to become the national training centre for apprenticeships in energy efficiency construction, the retrofitting of homes and renewable power.

We agree with the recommendation of the Just Transition Commissioner that we need to establish centres and clusters of excellence for specific sectors.

We should also look at the potential for developing the ESB's National Training Centre in Portlaoise, Co Laois where there could be an educational hub for new technologies in the region to assist local employers.

## Alternatives to Carbon tax

Sinn Féin will not support any increase in the carbon tax while people don't have an affordable alternative.

The carbon tax is regressive, it places an unfair burden on ordinary households and it does not make the State greener or cleaner.

Fine Gael, Fianna Fáil, Labour and the Greens voted to further increase the carbon tax from €20 per tonne to €80 and have now agreed to go to €100 per tonne in the Programme for Government. A decision which will widen fuel poverty, increase

inequality and will hit low to middle income families in rural Ireland the most.

We have had a carbon tax since 2010 and our carbon emissions have increased almost every year. €430m was collected in Carbon Taxes in 2018 and the same amount in 2019.

There are currently 400,000 households living in fuel poverty. Any increase in the carbon tax will see thousands more pushed into it.

It is too expensive for most families to retrofit their homes. Rural Ireland does not have adequate public transport. Electric vehicles are out of price range for the vast majority of people.

The Midlands are still suffering from the consequences of almost a decade of cuts in capital expenditure. Nowhere is this seen more clearly than in our public transport system. People cannot shift from private to public transport if no alternatives are available.

### **We propose:**

- **Increase our investment in renewable energy to ensure that 80% of our electricity comes from renewable energy by 2030**
- **Introduce microgeneration so that families can create their own electricity at a low cost through solar panels**
- **Transition Bord na Móna workers into biogas, biomass, wind, solar energy and energy efficient building construction.**
- **Increase investment in public transport to connect towns and villages in the Midlands.**



• **Deputy Brian Stanley at Bord na Móna Togher plant where he was formerly employed**



## Transport

Reliable and efficient rural transport should be a cornerstone of any development of the Midlands.

Without decent transport many services and activities are beyond the reach for people in rural Ireland.

There is an obvious solution to many of the problems faced by people in rural areas.

While buses cant be expected to go to every laneway and by-road, we do need to connect towns and villages with a good quality local services.

Bus Éireann and Local Link is perfectly positioned to provide this service but the budget is not there to offer increased services and better frequency on existing routes. The same goes for rail services.

The lack of rural transport also means economic growth is consistently stifled. Towns and villages which are better connected experience greater growth, new sustainable jobs and better retention of public services.

The lack of a proper and effective transport system will hinder the Midlands transition to a low-carbon economy and will also jeopardise a just transition for people living in other parts of rural Ireland.

The increase in Carbon Tax in the recent budget highlighted the fact that we need to invest in rural transport. On a daily basis I receive calls from people who have difficulty in getting to medical appointments and accessing services and activities.

Sinn Féin would provide greater investment to Local link to provide new bus connections between small towns. This would allow for regional Local link hubs where no villages are left isolated without a connection to larger urban areas.

### **We propose:**

- **Increase funding for Local Link**
- **Increase funding to the PSO to improve public transport provision**
- **Increased funding for local and rural roads**
- **Begin the process of connecting towns across the region with a reliable bus service.**



## **Broadband**

The provision of high-speed broadband to rural Ireland is essential and must be delivered without further delay.

However, we must proceed in a way that is both credible and deliverable.

Prior to the Government signing the disastrous National Broadband Plan contract Sinn Féin published our own proposals which called on the Government to reconsider their agreement with the one remaining bidder and to re-engage with the ESB. Part of the ESB network already carries broadband cables.

The ESB brings with it a strong track record of delivering important infrastructural projects across the state, it has the existing infrastructure there and has a proven

capacity to deliver and manage broadband infrastructure. It would also have kept the infrastructure in public ownership.

The ESB represented the greatest guarantee to rural Ireland that high-speed broadband would be delivered in a time efficient manner which delivers value for taxpayers' money.

Sinn Féin would have mandated the ESB to deliver the National Broadband plan by using the ESB network which is connected to almost every home and business in the State.

Unfortunately, in the last Dáil, the Fine Gael Government supported by Fianna Fáil chose to push ahead with the National Broadband Plan (NBP) – a model based upon a failed tendering process; a flawed cost-benefit-analysis; it does not represent value for money; the taxpayer will only have one representative on the board out of 9 members; and the taxpayer won't even own the infrastructure after investing almost €3b. The State and the taxpayer is now tied into the contract which the Government has signed up to.

The NBP represents a disaster for the Irish taxpayer but we must do our best to ensure that there are no further delays and no additional costs to the State.

### **We propose:**

- **Ensure that the National Broadband Plan is rolled out without delay**
- **Ensure that it is an affordable service for homes and businesses.**
- **Protect the taxpayer from any further escalation costs.**

## Post offices

Sinn Féin doesn't view the post office network as a burden. We see it as key infrastructure that is vital to the economy. We want to see the establishment of a long-term vision for our post office network.

Each time Fine Gael or Fianna Fáil has closed a post office it has been a blow for rural Ireland and to local economies.

Between 2000 and 2010, we saw Fianna Fáil close 732 post offices. This process has continued under Fine Gael and has done terrible damage.

We need more long-term planning and we need to diversify. An Post has gone from crisis to crisis for a number of years. The vital planning for diversification and expansion of other services has not taken place. We had the Kerr report and the McKinsey report. The post office infrastructure needs to offer new services such as parcel collection, motor taxation and enhanced local banking and IT services.

The Minister for Communications, Climate Action and Environment, Eamon Ryan, represents the public and is the sole shareholder in An Post. As such, he is not a bystander in this process. It is important that the Minister does everything possible to save these jobs.

### We propose:

- **End the closure of rural post offices**
- **Put in place a future strategy for the long-term protection of the network**
- **Deliver more services at your local post office such as parcels, enhanced local banking, motor taxation and IT services.**





• Dublin Food Co-op members

## Co-operatives for the Midlands

In order for Irish society to have a fair, functioning economy which benefits workers and our communities, ownership of some workplaces must be shared.

That is why Sinn Féin is committed to developing local co-operatives in which workers have a greater share of business ownership through Co-operative enterprises.

By giving workers control, you give control to their communities and their local economies to stimulate community and regional wealth building. Co-ops put workers well-being and community sustainability at the forefront.

The Cooperative movement in the last century played a crucial role in development of the Dairy and Agri-food sector in Ireland.

The Midlands has great potential for Co-operative development in Biogas and renewable energy.

We should be following the lead of the likes of Northern Italy where rural farmers have established small co-operatives to form a biogas supply chain. All that is needed to replicate this in Ireland is the political will and some capital assistance.

The Co-operative model provides society with an opportunity to shift economic ownership away from the hands of the few, and in to the hands of the many.

### We propose:

- **Bring Irish legislation in line with the rest of Europe by reducing the number of members needed to create a co-operative from seven to three.**
- **Give workers a statutory 'Right to Own' the company in which they work.**
- **Re-establish the Cooperative Development Unit (CDU) to provide capital and technical assistance to start up co-operatives.**

# Regenerating the Economy in Laois and Offaly



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