

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓ, FIONTAIR AGUS NUÁLAÍOCHT

JOINT COMMITTEE ON BUSINESS, ENTERPRISE AND INNOVATION

Dé Máirt, 11 Meitheamh 2019

Tuesday, 11 June 2019

The Joint Committee met at 4 p.m.

Comhaltaí a bhí i láthair / Members present:

Lisa Chambers,	Aidan Davitt,
Tom Neville,	Kevin Humphreys,
Maurice Quinlivan.	Pádraig Mac Lochlainn,
	James Reilly.

I láthair / In attendance: Senator Paul Gavan.

Teachta / Deputy Mary Butler sa Chathaoir / in the Chair.

Business of Joint Committee

Chairman: We are now in public session. Apologies have been received from Deputy Kelleher. I propose that we go into private session. Is that agreed? Agreed.

The joint committee went into private session at 4.03 p.m. and resumed in public session at 4.13 p.m.

Scrutiny of EU Legislative Proposals

Chairman: Before we proceed to today's engagements I will deal with two brief matters. On EU scrutiny, it is proposed that the following matters require no further scrutiny, that is, COM (2019)181, COM (2019) 204, COM (2019) 210, COM (2019) 219, EWN (2019) C 146/06, EWN (2019) C 151-05, EWN (2019) C 166/04, EWN (2019) C 167-07, EWN (2019) C 176-07, EWN (2019) L 126/4 and EWN (2019) L 116/39.

Business of Joint Committee

Chairman: I would also like to note for the record, correspondence which the committee has received from Professor Peter Clinch, chair designate of Science Foundation Ireland. When Professor Clinch appeared before the committee on Tuesday, 28 May, in answering a question on the possible benefits of membership of the European Organization for Nuclear Research, CERN, he indicated that Ireland may have associate membership of the organisation. Professor Clinch wishes to clarify that while Ireland is a member of several international research organisations, it is not currently a member or an associate member of CERN. I thank Professor Clinch for the clarification.

Scrutiny of the Industrial and Provident Societies (Amendment) Bill 2018

Chairman: The committee is meeting today to begin its engagements on the Industrial and Provident Societies (Amendment) Bill 2018. I would like to welcome Deputy Clare Daly, one of the Bill's sponsors, and Ms Rhona McCord. Before I start I congratulate Deputy Clare Daly. It was clarified in the Dáil today that she is still a Deputy until 2 July but I congratulate her on her fantastic result in the European Parliament elections. The Deputy will be heading out to Brussels to represent us and I know she will do that well. I congratulate her on behalf of the committee. I also congratulate the committee member Deputy Kelleher who has been on this committee for the past 18 months as Fianna Fáil spokesperson for business, enterprise and innovation and I congratulate him on also succeeding in Ireland South to become a Member of the European Parliament. Four Deputies and one Senator were elected to the European Parliament and I wish all of them the best of luck. The Dáil and the Seanad will miss all of them, there is no doubt about it.

I remind members, visitors and those in the Public Gallery to ensure their mobile phones are switched off or are on flight mode for the duration of this meeting as they interfere with the broadcasting equipment, even when on silent mode. In accordance with procedures I am

required to read out the following statement before we commence. By virtue of section 17(2) (l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him or her identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

I ask Deputy Clare Daly to make her opening statement to the committee.

Deputy Clare Daly: I thank the Chairman for her remarks. I will depart from form and will not read out the opening statement. I know that members are only back after their holidays and they have had it so I will not repeat it word for word but I will reformulate some of the key issues and highlight what we are here for. It is important for us that this Bill would move forward to Committee Stage and we appreciate the committee scheduling time today to carry out this scrutiny.

The context of the debate is that support of legislation and public policy is precisely what creates an environment conducive to the development of co-operatives. We have given many examples in the opening statement of how the co-operative movement has been developed in Spain and Italy. For example, in Spain 275,000 people are members of co-operatives. During the last economic crisis there, 24% of Spanish companies closed but only 6% of co-operatives suffered the same fate. We point to the Nuttall review of employee ownership carried out by the British Government. This report had a comprehensive body of evidence which demonstrated how the co-operative model derives economic benefits for society and so on. That is the context in which this is framed.

Ireland is out of sync with the European trend and this legislation, small as it is, is important in putting the co-operative movement on the map because in contrast to the rest of Europe, the co-operative sector in Ireland has not experienced similar growth in recent times. Between 2008 and 2015, the co-operative model in Europe experienced an overall increase of approximately 12% but in Ireland it declined. The introduction of supportive policies and legislative structures played a positive role in other countries and that is what we are trying to replicate here. It is interesting that when this issue was formulated before, and when we made our points on Second Stage, the Department said it is against a piecemeal approach but in 2014 the Department rejected the option of waiting for a full review, saying it preferred to amend the existing legislation to achieve policy change in a short timeframe to reduce the unnecessary regulatory burdens on co-operatives. It is important to put these measures in place now, particularly in a context where, whether we like it, economic fortunes are unlikely to continue to be so good. We agree with what the Department stated before. We need legislative changes now. The Bill is quite short. Its main provisions are to reduce the membership requirement for the establishment of a co-operative from seven members to three, to allow for electronic filing and registration and to allow audit exemptions. I will deal briefly with each of these provisions.

The provisions for electronic communications are the easiest to deal with. Events have overtaken us and this issue has been dealt with to a great extent. It probably does not need to be written into legislation, but there is no harm in doing so. It is neither here nor there. It has

been accommodated.

The provision that provoked the most discussion on Second Stage was the reduction of the membership requirement from seven members to three. We were a little surprised by it because international thinking is more supportive of a requirement to have three. In some jurisdictions that number is moving to one. The numbers were challenged in a submission from the Irish Co-operative Organisation Society, ICOS, which argued that a minimum of seven was required for a viable democratic organisation and that three was not enough. That has not been that organisation's case when challenged in other environments. We question whether it is necessary at all. The majority of European jurisdictions require a membership of three. France requires two, while Finland requires only one. The British Labour Party supports reducing the requirement in Britain from three to one. Given that the requirement to have three members is in place in Britain and both jurisdictions operate on the island of Ireland, requiring three members in the Republic would be far more conducive to ensuring better co-operative practice, particularly in the Brexit era. This is very important to allowing a resilient model that can save jobs and services, assist in rural Ireland and so on. It seems to be the practice in other jurisdictions. Moreover, the intention of the Bill is to allow for a level playing field. As it stands, if two young entrepreneurs want to start an IT company, there is no rule stating they need seven people. The rule applies if they want to opt for a co-operative model. We do not think there is any basis for it. We want to level the playing field in that regard. The idea that a smaller membership somehow undermines the model and makes it non-viable is not plausible either. Ghost members could also undermine it. Co-operatives would be better off engaging with people who want to be engaged with. Ownership is what co-operatives are all about.

The last issue which is critically important to us is audit exemptions. The original draft of our points included a complex explanation of annual returns by the Office of the Parliamentary Legal Advisers, OPLA. We welcome the Oireachtas Library and Research Service paper which has clarified our point on this matter. We are looking for an exemption from audits which are very cumbersome for new and small companies. The Companies Act 2014 provides for an exemption for small and medium-sized enterprises. We are just asking for the same for co-operatives. The Bill will have to be amended from its current formulation, but they are technical concerns. However, it can be done. Audit exemptions are critically important in allowing the co-operative movement to free capacity.

The Bill is very straightforward and we see it as positive. We are pushing it forward to the next Stage because we believe it can be easily implemented. I have seen Bills which have taken years to pass through all Stages. We do not have years. We want to have a model in place now which can allow us to tap into a model of ownership that is working very well in the rest of Europe. Again, I am very grateful to the committee for allowing us to speak. As Ms McCord knows much more about the issue than I do, she will answer all of the hard questions. I thank the committee for the time it has given to us.

Chairman: I thank the Deputy. I wish to let delegates know what we propose to do. Deputy Clare Daly is here with Ms McCord as the Bill's sponsor. On 25 June we will hear from the Irish Co-operative Organisation Society, Co-operative Housing Ireland, the Centre for Co-operative Studies and the Association of Chartered Certified Accountants.

Deputy Maurice Quinlivan: Can we add extra stakeholders? If we wish to make a request, should we do so now or later?

Chairman: It depends. The schedule has been set out. In the second session we will

hear from officials from the Department of Business, Enterprise and Innovation. Who was the Deputy hoping to add?

Deputy Maurice Quinlivan: I wish to add Trademark Belfast and the Centre for Co-operative Studies at University College Cork. Both have done extensive work on co-operatives.

Chairman: The Centre for Co-operatives Studies is already on the list.

Deputy Maurice Quinlivan: The other is Trademark Belfast, a co-operative in Belfast which has a strong track record in assisting with the establishment of other co-operatives.

Ms Rhona McCord: We would like to add Mr. Cian McMahon from NUI Galway and Mr. Sam Toland from the Dublin Food Co-operative.

Chairman: We will discuss the matter later. We were hoping to do this before the summer recess. Given the timeframe, we were hoping to get through it in two meetings. We might write to those bodies and request a submission. That might be the best way to speed it up. We can discuss the matter in private session. I wanted to let delegates know how we were hoping to proceed.

Deputy Maurice Quinlivan: I congratulate Deputy Clare Daly on being elected to the European Parliament. She has been a fantastic Deputy from what I have seen in my short number of years here. I wish her all the best in the European Parliament. I hope she will continue the excellent work done by my colleague Lynn Boylan, MEP. I wish her the best of luck in Brussels. As she knows, Sinn Féin is supportive of growing the co-operative sector in Ireland and I commend her and Ms McCord for bringing forward this positive Bill. My colleague Senator Gavan has done a lot of work in the area and suggested the re-establishment of the co-operative development unit in the Department of Business, Enterprise and Innovation. That would be a positive move and a small change which the Minister could make immediately. It would complement the Bill as it would encourage and support the development of more indigenous Irish co-operatives. As members know, it is imperative that we grow the indigenous sector and increase the number of co-operatives in order to reduce our reliance on jobs created by foreign direct investment, FDI, and multinational companies. Jobs created by FDI companies are most welcome, but they are not as stable as those provided by indigenous firms. It is important that we address the imbalance. As Deputy Clare Daly outlined, when Spain last suffered a recession, its co-operatives survived at a higher rate than other companies.

I have two questions about the Bill. Deputy Clare Daly has answered one of them. She talked about establishing co-operatives and reducing the required number of members from seven to three. If she has any such information, can she give an example of a country where this has led to growth or decline in the sector? She and MsCord may not have the information to hand. Second, will she expand on what she means in saying the current audit process is a burden on co-operatives? Will she or Ms McCord give an example of a co-operative which has raised this issue?

Ms Rhona McCord: The United Kingdom is the best example concerning the membership requirement. In that jurisdiction seven members were required until the number was changed to three in 1996. The United Kingdom has operated with that requirement for the past 23 years. The sector has grown in that time and the problems outlined by the Minister have not emerged. It has been monitored in the United Kingdom. The Financial Conduct Authority, FCA, undertook a consultation process to revise it in June 2015 and none of the issues outlined arose. It

seems to be operating successfully. It is also operating successfully in the North of Ireland, which is important for those involved in cross-Border business.

On the audit process, one of the people we would like to bring before the committee is Mr. Sam Toland from the Dublin Food Co-operative. That co-operative often states it is a huge administrative burden, particularly on new companies trying to get started. It sees it as something that needs to be overturned or at least put on a par with what is required of other companies which can apply for an exemption, particularly when starting out. The Dublin Food Co-operative has produced guidelines that it suggests could work in respect of the size of the company. It would, however, be at the discretion of the registrar to decide which companies would undergo an audit and which could apply for an exemption. That is definitely the case for the smaller companies in particular. It is in those smaller companies that we want to see some diversity of growth.

Deputy Clare Daly: On the issue of having seven members, in its submission the ICOS stated the number of members of a co-operative should be seven if it is to be a viable democratic organisation. The first point to be made about that statement is that the ICOS is an umbrella organisation. It does not speak for everybody within its remit or anything like that. The smaller co-operatives affiliated with ICOS agree with the proposal to change the criteria and reduce the number of members required to three, which would match the rules in place in the UK and eight other European countries. Three members is the norm across Europe and that is what those organisations would prefer.

In fairness, Ms McCord was at an event in Liberty Hall where this issue was discussed. I think Senator Gavan may have been at that event as well. Many stakeholders from the co-operative movement were present and they unanimously agreed, including the ICOS representative, that three members was a more viable number. The reduction in the number of members is supported by Co-operative Housing Ireland, CooperativeWorks!, the Centre for Co-operative Studies, University College Cork, UCC, etc. There is a large body of support in Ireland and internationally for the idea of requiring a co-operative to have three members. Some countries have an even lower requirement. In France, the figure is set at two members and in Finland it is one member. Those are the norms.

Chairman: I have a supplementary question on the same issue. Deputy Clare Daly was just saying that the Dáil debate on Second Stage focused to a great degree on the reduction from seven to three members. Were people against the proposal? Were they perhaps suggesting there be five members? I was not present at the debate on Second Stage. I am asking this question only for information purposes.

Deputy Clare Daly: The Minister in his response leaned on the one submission from the ICOS, which opposed the reduction. That was news to us because the ICOS had not contacted us or informed us of its position in advance. The suggestion to move to three members was being discussed in the co-operative movement, as well as more generally. We were surprised by that statement on Second Stage. Subsequent to that, at the conference in Liberty Hall and other instances, it turned out that the ICOS statement was not actually from all of its members or anything like that. The ICOS representative at the Liberty Hall event agreed that the organisation did not have a major problem with a reduction to three members. It was all a bit weird and we were taken aback by the Minister's speech at the time. We were not expecting it because three members is more normal.

After that, we did some research on this issue and consulted the co-operative movement.

We are very happy now that three is the right number. The debate on Second Stage was a bit strange because of the Minister's attitude. He relied solely on one submission from ICOS, which seemed to come a little from left field. We are happy with the additional research and consultation we have undertaken with the organisations I mentioned. We are adamant about the need to have three members and stand over our position on it. It would democratise the movement, make it more accessible and make it easier for people to participate. That is a key plank that we will stick to strongly. We have done enough to overcome that issue and move on since then.

Ms Rhona McCord: The suggestion of three members is based on a good deal of research and on European precedents, including what has happened in the UK. The argument that a change to fewer than seven members would somehow threaten the integrity of the model does not stack up. An entrepreneur can start a business with one or two people and then recruit and employ others as needed if the business is successful. A co-operative can do the same thing. That has been the case in Europe since the economic crash of 2008. That is the example to which we are looking. If there are seven members and four of them are false, that is more of a threat to the integrity of the model than starting with three who are equally dedicated.

Chairman: Are the three all equal members of the co-operative?

Ms Rhona McCord: Co-operative societies draw up their own regulations and they are free to draw up their own guidelines and so on. Generally, it is based on a one member, one vote democratic system.

Chairman: Would be akin to having a chair, a secretary and a treasurer?

Ms Rhona McCord: No, it would not.

Chairman: Normally, in any committee or organisation, a chair has a casting vote should such a situation arise. That was why I was asking if the three members have equal status in the co-operative.

Ms Rhona McCord: To my knowledge, they have equal status. Co-operatives have the freedom to develop their own guidelines and structures. It is not a one-size-fits-all type of structure.

Deputy Clare Daly: The proof of the pudding can be seen in the change made in the UK. Any concerns that might have existed about viability at that time did not come to pass. The co-operative movement in the UK has grown in that context and it has been operating with the three-member rule for more than 20 years now. That is important and is also a practical answer to that question.

Senator Pádraig Mac Lochlainn: I am happy with the rationale given and the comparisons made with Britain and other European Union member states. The Department, however, has raised an issue in its submission. It concerns the EU's fourth anti-money laundering directive. This will require anybody who controls 25% or more of a company or an industrial and provident society to register as a beneficial owner. Is that a difficulty to be overcome? Given that it is referred to in the submission from the Department, we will need to deal with it.

Deputy Clare Daly: Our answer to that point is that the law applies to the UK as well. It is subject, for the moment at least, to that governance too. The Financial Conduct Authority has not proposed any changes to the registration of societies. The result is a minimum of three

members. The reporting requirements in the UK are the same as they are here and we have not seen any unintended consequences. On the contrary, co-operatives are an important and growing area.

Senator Pádraig Mac Lochlainn: The co-operative sector has declined in this country. The Department, as Deputy Quinlivan has pointed out, does not have an active unit promoting co-operatives. The movement is declining in Ireland. I found it a bit frustrating that the Department's submission flagged this difficulty. This directive comes into effect on 22 June 2019 and I wanted to take this opportunity to engage on this issue. I would like to hear from the Department how we could make it easier for co-operatives to be established and also what models are working. If the model we have in Ireland is not working, I would not expect more barriers to be presented. I have just raised one of those barriers today and I am satisfied with Deputy Daly's response.

Deputy Clare Daly: The Senator has made a good point, which fits in with the point the Chair raised about the debate on Second Stage. There was negativity from the Department regarding this issue. That is not helpful given how beneficial this model is in other areas. We need to come up to come up to speed on this. Prior to the introduction of the Co-operative and Community Benefit Societies Act 2014 in the UK, the FCA undertook a substantial consultation with the sector. It also proposed various and extensive legislative changes to reflect the experience derived from the Industrial and Provident Societies Acts and held a consultation on the revised registration guidelines. The FCA did not raise any problems at that stage about the issue the Department has highlighted. Now, however, the Department is raising this issue of a possible problem with the anti-money laundering directive. This is an important point to highlight. We can link this in with Senator Gavan's suggestion on how we could take this forward. The Minister could be taking steps in this area that would improve the situation. I am concerned about the statement made by the Department, which is not helpful. The proof of the pudding will be what happens in other jurisdictions covered by the same law.

Ms Rhona McCord: The Senator's point regarding the experience in Scotland is very important. A co-operative development section was established in Scottish Enterprise. A fund of £1 million was provided to grow the sector, educate those involved and create a good support system for people who wanted to set up co-operatives. That led to a growth of 300% since 2015. When we see that sort of support structure in place and the attention given to it, it can really yield dividends.

Chairman: I have a couple of questions for Deputy Daly. Would the Bill require a money message? I notice on page 1, and on the note we received, that the Bill is sponsored by several of the Deputy's colleagues. When Deputies Daly and Wallace depart for Europe-----

Deputy Clare Daly: It will be in capable hands.

Chairman: That is what I was going to say; there are plenty of other colleagues to see it through

Deputy Clare Daly: Absolutely. That is the easy one. The other one is not so easy because the Government seems to require a money message on every Opposition Bill I have seen, whenever they like or whenever it suits. Given the tone on Second Stage I could not see any justification for how this would possibly require a money message. It would, in fact, generate money by giving the co-operative industry better ownership of a sector that can provide viable and resilient employment and democratic ownership of resources going forward. I have seen

weirder Bills than this one blocked with money messages that is for sure.

Chairman: That was the main reason I asked if the Deputy believed it would need a money message. I do not see where the cost would be. I wanted to ask if it had been discussed previously.

Deputy Clare Daly: God only knows.

Deputy Tom Neville: I thank Deputy Daly and congratulate her on her achievement in the European Union election. I have no doubt that the Deputy will be a great representative for Ireland. I have been watching the Deputy in the Dáil since 2016 and while I have not agreed with some of the Deputy's policies I found her to be an extremely capable contributor. I have been in agreement with some of the policies the Deputy has put forward.

I had left this meeting briefly to take a call and perhaps my point has already been discussed, but I will look back at the Official Report. I have a query on an issue with audits that has been flagged here with the Department previously and is in our notes. There appears to be some confusion around sections 4 and 5. Can the witnesses clarify if it is intended to provide audit exemptions only, or also some exemptions from filing annual returns?

Chairman: We have not dealt with that.

Senator Pádraig Mac Lochlainn: I thought the witness said the Oireachtas Library and Research Service has responded and clarified that.

Deputy Clare Daly: Yes.

Deputy Tom Neville: I may have been-----

Senator Pádraig Mac Lochlainn: I apologise. That was my interpretation.

Chairman: I thought that Deputy Neville dealt with the money laundering side of it.

Deputy Tom Neville: It was the audit side.

Senator Pádraig Mac Lochlainn: There is an Oireachtas Library and Research Service research briefing paper on that. It might be helpful if the witnesses explained it.

Ms Rhona McCord: The briefing paper clarifies our position and the intention around that, which is to provide audit exemptions to create a level playing field with other types of small enterprises. It is worded in a cumbersome way and probably needs to be amended, and we are open to that.

Deputy Clare Daly: It is just to be with in line with the Companies Act 2014 for small to medium sized enterprises, SMEs, and to have the same wording. It will certainly require a re-drafting of our Bill, which we accept. It is hugely important for those involved in co-operatives currently to have that. It is an incredibly burdensome extra demand on them that other small businesses do not have.

Chairman: There are 933 registered industrial and provident societies in Ireland. These are primarily co-operative, mainly for agriculture, housing and group water schemes. Would the housing element make up most of the 933 societies? I am familiar with some housing co-operatives. If the witnesses do not have that information today it does not matter. I was just wondering about it. The Committee on the Future Funding of Domestic Water Services heard

from representatives of many group water schemes during discussions on water charges. Will the witnesses indicate which co-operatives are more popular?

Ms Rhona McCord: The figures given in the research paper from the Library and Research Service have group water schemes on 35%, which makes up the biggest group. Agriculture is broken down into different levels such as livestock, fishing and so on. I presume that those two sectors - group water schemes and agriculture - would have the most co-operatives.

Senator Paul Gavan: It is nice to be back again.

Chairman: We are delighted to have the Senator back also. I thank him for attending.

Senator Paul Gavan: I am especially interested in this topic. I congratulate Deputy Daly on her election and I wish her every success in Europe. This issue is very close to my heart and when I was a committee member I had lodged it as one of the topics to be dealt with by this committee. This has been a very constructive committee in respect of any of the topics on which I was involved; I found there was a genuine attempt - from people of all parties - to try to find consensus and to move forward. Now I am an outsider I hope this could be done with this request for the committee.

We all want to see jobs created and we all need to see entrepreneurship encouraged. As part of a policy development programme for my party I met with a number of co-operatives. Every one of them was insistent that moving the membership requirement number from seven to three would make a real difference. These are people who are working in co-ops and creating community wealth. To a man and woman they were absolutely consistent that this simple change would make a real difference.

Ms McCord quoted the truly impressive example from Scotland of the 300% increase in co-operatives within a three year period. Mr. John Clark, a member of Nicola Sturgeon's co-operative steering group, said at the time:

We have a choice: to be passive and allow the development of a support environment for EO [employer owned] companies to happen without industry input, or to take a proactive approach and seek to actively influence how that environment evolves. We believe the proactive approach creates the prospect of making Scotland the best country in the world to establish and grow an EO business.

That is what they set out to do and that is what they have done over the past five years. I believe their most recent target is to create a further 500 co-ops.

There are broader issues around co-operatives. Having met with the people involved and having researched this area I see there is so much potential. In my village of Castleconnell in County Limerick there used to be a fishing co-op around the time of Independence. There had been small co-operatives all around the country but unfortunately most of them died out. This simple move would help to establish new co-ops.

On a related topic I would like to hear Deputy Daly's and Ms McCord's views on a co-operative development unit. I believe it has huge potential. We had one that tragically closed down in 2002, I guess because the multinational sector was booming at the time and we thought we would put all the eggs in that basket. During a time when we really need to diversify our business and entrepreneurship interests, perhaps the witnesses will give their views on whether consideration should be given to re-establishing a co-operative development unit in the Department of Business, Enterprise and Innovation. This strikes me as common sense.

This is a topic we should all be able to agree on. We all want to see businesses flourish, especially in rural Ireland. The co-operative model has huge untapped potential. We see this in Britain, in Scotland in particular, and across Europe. Ireland is the odd country out in this regard. I am not criticising the Government on this but I must put on record a genuine disappointment with Department officials that they would take such a conservative approach. There is nothing to lose by reducing the membership requirement from seven to three members. From what we can see in other countries there is everything to gain with jobs, community welfare and employment. That is all.

Deputy Clare Daly: I acknowledge the work Senator Paul Gavan has done and I strongly support the points he makes. It is particularly pertinent now when one sees what is happening by putting all of our eggs in the tax basket. The clock is ticking on those days of the multinational tax basket. Relying on tax avoidance as the key plank of our industrial policy will not be an option for Ireland anymore. Those days are numbered and we need to develop viable alternatives to that, especially in the context of climate change and the need to develop more locally-based employment and resources. This is a perfect model that will deal with both of those issues - employment and changes to tax in Europe - in the context of sustainable, environmentally friendly local employment. The co-op is a key model. Having a co-operative development unit to push for this would be key. One will not get it otherwise without somebody doing that. Clearly there is an Irish mindset problem with the Department, but it is not just a case of freeing up the legislative barriers. There also needs to be an organisation there to push for this. I would strongly support that and I support the work Senator Gavan has done in that regard.

Seeing as we are all in European Union back-patting mode I will salute the efforts - as I have done in every other forum also - of Lynn Boylan who unfortunately did not get a seat. Ms Boylan is an excellent MEP, which I have said throughout the entire campaign. I am happy to put that on the record here. I am disappointed that she will not be there with us but I acknowledge her work in that and the work of Senator Gavan in particular on this topic.

Senator James Reilly: I was watching upstairs because I had to attend another meeting as well. I congratulate Deputy Clare Daly on her European performance. I wish her well in Europe and I am sure she will be a powerful advocate for Dublin and Ireland.

I welcome many of the comments made. Anything that empowers workers to set up co-operatives and to own the co-operative is to be welcomed. I agree with the issue of being community based, not just because of the impact on the environment but because of the impact on quality of life for people with less time spent travelling and more time to spend at home and in the communities they live in. Is it the Deputy's view that this would also apply to building co-operatives where small groups want to come together to build houses or downsize like the group in Skerries which comes together? I have highlighted many times that those groups need encouragement and a bit of help along the way. That relates to other areas that are outside the remit of this Bill with local authorities putting land in place for such projects, but primarily they should be able to get together under this co-operative model and progress their issue.

Deputy Clare Daly: People taking ownership in the area of housing is a positive development. I can only see this helping and making matters better. That is the way to go.

Ms Rhona McCord: The co-operative housing-----

Chairman: Can I interrupt for a second? There is a vote in the Seanad.

Ms Rhona McCord: Co-operative Housing Ireland has submitted its submission to the 2017 review. It is quite supportive of the same issues we are raising.

Chairman: On behalf of the committee I thank Deputy Clare Daly and Ms McCord for coming before us today. When pre-legislative scrutiny is being done it is so important that the sponsor of the Bill can come before us, speak in plain language and delve down into what is important. I was not trying to be facetious when I asked about the money message. When one stops and looks at it one would wonder how it would cost anything extra. The only part that is a little bit disappointing for me is that when I look at the list from the library, only 4% of the co-operatives are for housing and public utilities and it would be great to see that figure increase. I know of one area, Ballymacarbry in west Waterford, where a co-operative formed and built 12 houses for elderly people about 12 years ago. It is run by the community and it is fantastic. I would love to see growth in the housing side of it. That would be important.

We will continue our pre-legislative scrutiny in two weeks time and we will issue a report but after today it can be seen that there is broad support in what the Deputy is trying to achieve. I thank her again for coming before the committee today and wish her all the best in your future.

Deputy Clare Daly: I thank the committee for providing the space.

Chairman: The Deputy is more than welcome.

The joint committee went into private session at 4.54 p.m. and adjourned at 4.56 p.m. until 4 p.m. on Tuesday, 25 June 2019.