

## Consultation on the Use of Revenues raised from increases in Carbon tax

The following document is the [Irish Green Building Council's](#) (IGBC) response to the Department of Finance on Ireland's Draft Consultation on the options for the use of revenues raised from increases in Carbon Tax

The IGBC is a unique network of nearly [150 organisations spanning the entire value chain of the built environment](#). We represent all stakeholders in the construction and property sector from building owners, developers, architects, engineers to local authorities. As a member of the [World Green Building Council](#), we draw on best practices internationally in delivering high quality, sustainable homes and commercial buildings. The Irish Green Building Council is working to transition the Irish Built environment to sustainability.

### Options for use of the carbon tax

In the options set out in section 3 of the [consultation document](#) we believe that the increased rate of carbon tax should be used primarily for b) and c) and d) Some portion of the funds should be used to ensure that the fuel poor are protected from the increase whether through an increase in social welfare or other payments as set out in a) but increasing the fuel allowance would send the wrong signal. Anyone eligible for fuel allowance should automatically qualify for a deep energy renovation paid for with the funds raised. A small proportion could be allocated to h) where a clear business case.

However we believe that rather than grants which favour the better off( and those who already have 2/3 of the funds to carry out a renovation ) , the money would be better used to create a fund to provide very low cost interest loans to home owners so that they can borrow 100% of the finance at 0% or very low interest rates. This would make renovation available to all. This could be integrated into a One Stop Shop model whereby homeowner would be able easily access the finance together with expertise and an integrated service offering easy monthly payments. This would replicate the way the car industry currently finances low interest finance for vehicles for those on modest incomes.

We strongly disagree with the options at e,f, and i as an ineffective use of the funds raised. We would also consider that g) is unlikely to be effective as would amount to support to industries that have no long term future.

## Preferred Options set out in the paper highlighted

*3.1 Do you agree that additional revenue raised as a result of an increase in the rate of Carbon Tax above €20 per tonne, should be used:*

*a. To increase the fuel allowance to compensate those households likely to suffer from fuel poverty;*

*b. To enhance the current grants towards the cost of energy efficiency improvements in the homes of those most vulnerable to fuel poverty through the Better Energy Homes scheme or the SEAI Better Energy Warmer Homes scheme;*

*c. To fund sustainable transport including cycling infrastructure and public transport;*

*d. For broad climate actions (e.g. earmarked to the Climate Action Fund or similar);*

*e. To return the proceeds by way of a dividend to citizens or households through the social welfare and/or tax system;*

*f. To be set aside to meet any fines the State is liable to pay arising from failure to meet our climate targets;*

*g. To act as a buffer against increasing the cost of doing business for businesses with no realistic short to medium term alternative to continued fossil fuel use and for whom fossil fuels constitute a large amount of overall business expenditures (e.g. by enhancing the Diesel Rebate Scheme);*

*h. To incentivise business moving away from the use of fossil fuels to more sustainable production methods; i. by the Exchequer for general government expenditure;*

*i. by the Exchequer for general government expenditure;*