



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

TUAIRISC OIFIGIÚIL—*Neamhcheartaithe*
(OFFICIAL REPORT—*Unrevised*)

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SEANAD ÉIREANN

Déardaoin, 24 Márta 2022

Thursday, 24 March 2022

Chuaigh an Cathaoirleach Gníomhach (Senator Gerry Horkan) i gceannas ar 10.30 a.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Election of Acting Chairman

Clerk to the Seanad: I have to inform the House pursuant to Standing Order 12 that both the Cathaoirleach and Leas-Chathaoirleach are absent from this meeting of the Seanad. It will be necessary, therefore, to elect a Member to perform the duties devolving upon and exercise the authority conferred upon the Cathaoirleach by the Standing Orders for the period of the absence of both.

I will take proposals for Acting Chairperson.

Senator Pauline O'Reilly: I propose Senator Horkan.

Senator Jerry Buttiner: I second the proposal.

Clerk to the Seanad: Is it agreed that Senator Horkan be elected Acting Chairperson? Agreed. I call Senator Horkan to take the Chair.

Senator Gerry Horkan took the Chair.

Gnó an tSeanáid - Business of Seanad

Acting Chairperson (Senator Gerry Horkan): I thank Members very much for the honour bestowed upon me for the day.

I have received notice from Senator Garret Ahearn that, on the motion for the Commencement of the House today, he proposes to raise the following matter:

The need for the Minister for Agriculture, Food and the Marine to make a statement on the new package proposed to support tillage farmers in the production of more native crops and crops with a low demand for chemical fertiliser.

I have also received notice from Senator Róisín Garvey on the following matter:

Seanad Éireann

The need for the Minister of State with responsibility for public procurement and eGovernment to make a statement on the circular economy.

I have also received notice from Senator Lynn Boylan on the following matter:

The need for the Minister for the Environment, Climate and Communications to make a statement on his strategy to reduce the cost of renewable energy.

I have also received notice from Senator Emer Currie on the following matter:

The need for the Minister of State with responsibility for special education and inclusion to provide an update on the provision of secondary school special classes in Dublin 15 for the academic year 2022-23.

I have also received notice from Senator Barry Ward on the following matter:

The need for the Minister for Housing, Local Government and Heritage to ensure the establishment of municipal and-or metropolitan districts in all local authority areas.

I have also received notice from Senator Rónán Mullen on the following matter:

The need for the Taoiseach to make a statement on the advice issued on the Central Statistics Office, CSO, website regarding the completion of the census 2022 form in relation to declaration of sex.

I have also received notice from Senator Fiona O'Loughlin on the following matter:

The need for Minister of State with responsibility for Special Education and Inclusion to provide an update on the provision of secondary school places in south Kildare for the academic year 2022-23.

I have also received notice from Senator Martin Conway on the following matter:

The need for the Minister for Transport to make a statement on access to public transport for the Ukrainian community living in rural Ireland.

Of the matters raised by Senators that are suitable for discussion, I have selected those raised by Senators Ahearn, Garvey, Boylan and Currie and they will be taken now. The other Senators may give notice on another day of the matters they wish to raise.

Nithe i dtosach suíonna - Commencement Matters

Agriculture Schemes

Acting Chairperson (Senator Gerry Horkan): I welcome the Minister for Agriculture, Food and the Marine, Deputy McConalogue, back to the House.

Senator Garret Ahearn: I thank the Cathaoirleach; I think that is his official title for today anyway. I thank him for stepping up to make today possible. It is appreciated.

I thank the Minister for coming into the House. He is always very good. When anyone has a Commencement matter, as lead Minister, he always comes in and takes it..

As someone from a farm of tillage farmers, it is first important to note that we often feel as though we are forgotten farmers in the scheme of things. Dairy, beef, pig and sheep take much of the coverage but it is good to recognise the role that tillage farmers play in this country and the important impact they have.

It is important to recognise the scheme that was announced this week and the €12 million package, which is very significant, to prioritise the sector. That is really important. Of that €12 million, €10 million is for the new scheme that is being set up. The other €2 million is for schemes that are in place. There is approximately €1 million each for both those schemes, that is, greater aid for protein crops and the multispecies scheme. What was the uptake on those schemes previously? If more money is being put into them, is the uptake of those schemes so high that there is a demand for it anyway? If an extra €1 million is being put into those schemes, does the Minister expect it to be drawn down? That question is just to see if it is worthwhile putting money into those schemes.

I have spoken to farmers in County Tipperary over the past number of days on this issue. There is a certain level of confusion about how the scheme will work and how tillage farmers will benefit from it. That is understandable because this is all being done very quickly on the back of what is happening in Ukraine.

However, most farmers who are even considering it say that when they take into account the rising costs in fuel, fertiliser and everything that goes with it, and if they have a contractor coming in to do the work, €400 per hectare will not be financially beneficial. It is more hassle than it is worth for people to do it, to be perfectly honest. That needs to be taken into account.

I have a number of questions regarding the scheme. When we talk about tillage farmers, is there a definition of “tillage farmers”? How many acres does a person have to have on his or her land to be classed as a tillage farmer to be able to apply for this scheme? Will there be a cap in terms of how much land a person can use for this?

There is a bit of confusion over someone leasing land they did not have last year but that was used for tillage and crops. Will that person be able to apply for this scheme? If, say, the Minister had 30 acres he was farming last year and then this year, he decided to lease it to me, it is still the same 30 acres that has crop on it. We are not actually gaining any crop. Is the new farmer who owns that land qualified for that? The argument he or she will make is that it is the same land and same crop but if it was not leased to that farmer, then that land might not have been used. It is a valid enough argument. In terms of what land people can use, in my area of Tipperary there is a limited amount of land set aside. Can wild bird cover be used? Do EU measures for land that has been set aside need to be relaxed so that it could be used to increase feed? The people I have been speaking to welcome the package and that tillage farming is being prioritised, but more information would be appreciated. I thank the Minister for coming to the House to deliver the response.

Minister for Agriculture, Food and the Marine (Deputy Charlie McConalogue): I thank the Senator for putting the matter on the agenda. I join with him to utterly condemn the

illegal invasion of Ukraine and impact that has on the people who are displaced and the unacceptable humanitarian situation that has evolved there. As a Government and as a people, we remain resolute in our solidarity and support for Ukraine and we reiterate the call on Russia to cease all hostilities immediately and to withdraw from Ukraine unconditionally.

At a time when tractors are in the fields, lambs are being born, cows and calves are heading for grass in Ireland, our farming brothers and sisters in Ukraine are taking up arms to fight for their country's freedom. The Government continues to monitor the ongoing situation caused by Russia's illegal and immoral war on Ukraine, and Ireland's co-ordinated humanitarian, economic and diplomatic response to the crisis.

As Minister, I have raised the challenge facing our farm families at national level and European level consistently in recent months. We have listened to farmers and we have acted to support them as best as possible. We all know that the crisis in Ukraine has had an impact on Irish agriculture and supply chains. Every sector is being impacted by the rising costs but farmers are especially feeling the pressure at present. The price of energy, animal feeds, fertiliser, fuel, silage plastics and other farm inputs have all increased. From a trip to the diesel pump or to the local store for fertiliser or feed, we are seeing the reality of the impact on supply chains. For many farmers, the energy cost has gone up by between 80% and 100% in the past year. We have a high reliance on imported feed with more than 60% of feed used on Irish farms imported. Approximately 30% of world wheat and maize exports originate from Russia and Ukraine. In the past year the price of key ingredients used to manufacture animal feed has doubled.

Then we have the challenge of fertiliser, which is particularly acute. As the Senator will be aware, all the chemical fertiliser used on Irish farms is imported and 20% of these imports originate in Russia. The cost of fertiliser for farmers has more than doubled this year compared to last year, and has increased further in recent weeks. Given the seriousness and urgency of the situation, I have put in place a rapid response team chaired by the Secretary General in my Department, Mr. Brendan Gleeson, to actively monitor the impacts on agrifood supply chains, to design appropriate mitigation measures and to contribute to the whole-of-government response to the crisis.

I also quickly established the national fodder and food security committee to examine how best to advise the sector to manage the disruptions. This committee, under the chairmanship of Mr. Mike Magan, is doing excellent work and I will continue to support it. Separately, and continuing with the necessity to act quickly to support farm families, I announced a €12 million package to support the growing of additional tillage and protein crops and to support the establishment of multispecies swards, as outlined by the Senator. These targeted measures will help build resilience against the expected impact of the situation in Ukraine. This three-pronged approach will contribute towards the expected deficit in tillage and protein crops. It will also assist farmers to deal with the challenges related to both the availability and price of animal feed and fertilisers. The total package is projected to cost just over €12 million, with €10 million for a tillage incentive scheme and €1.2 million to guarantee a payment of €400 per hectare for protein crops and an additional €1 million for a multispecies sward scheme. We are now finalising the finer details of the package of measures. We have a short window to make use of these important measures. I know all farmers have listened to the signals that, if they can plant more grains I will back them and support them. The €400 per hectare will be available for all additional areas planted this year. I also continue to engage with our European partners to respond in a comprehensive and flexible manner, using all of the tools at our disposal.

It is a period and challenge like no other in our lifetime. War has visited the Continent of Europe for the first time in more than two generations and it is having an impact on everyone in every aspect of their lives. We think about the people of Ukraine. We think about those who have been forced to either flee their homes or take up arms to defend their country. At home and on farms, I know our farm families stand in solidarity with their farming counterparts in Ukraine.

Senator Garret Ahearn: I thank the Minister very much for his detailed response. I raised the matter of supporting farmers with the rising cost of fertiliser in recent months and he came to the House on that occasion to respond to it. We discussed the matter before Christmas. We have one party in government with us that will be in up in arms with this suggestion. Is there a way to support tillage farmers with the cost of fertiliser? If we are trying to increase the production of crops, being honest, the quickest way to do that is to add more fertiliser. Many farmers are reducing the volume of fertiliser they are using. I know that is what we want to do in the long run and I do not have a problem with that, but they are reducing the volume of they use because of cost.

If we are changing land from grass to growing crops, there is a potential risk that we will not have enough grassland for cows in future. What are we doing? Are we prepared for that in terms of having a plan in place? Farmers take risks. I am aware of a farmer in Tipperary at the moment who sees an opportunity to grow more grass as opposed to growing more crops, because there will be a shortage of silage in the future. Do we have a plan in place because that could be our next problem?

Deputy Charlie McConologue: It is important that we plan. One of the pluses in the real challenges we face is the timing in that we are at the start of the growing season and the breeding season. It is important that at family farm level, each farmer plans for the year ahead and for next winter to make sure that while they are planning to breed, they are also planning to feed. It is important that such a balance is struck. First and foremost, it is important that farmers grow enough grass for the year ahead but also for the winter ahead, and examine whether they can make a contribution to grain security by growing additional grain. They must plan for that now. That is the reason we have acted quickly to put plans in place and to bring everyone together to meet the challenge and to do so collaboratively. It will take us all working together to do that. The payment of €400 per hectare will be on additional grain grown, whether it is grown by a tillage farmer or somebody who was not involved previously in tillage. The bottom line is that it is an extra hectare of grain, over and above what was produced last year. If farmers did not produce anything last year, and they grow a hectare this year, they will get paid for it. If they produced a certain volume last year and they grow more this year, they will be paid for the extra volume.

Teagasc has provided economics and advice. I saw last week in the *Irish Farmers' Journal*, Andy Doyle, its tillage expert was looking at the economics of tillage farmers planting as they did last year. Costs have gone up but the price of grain and forward price has also gone up. The estimation is that the economics of it are similar to what they were last year, which was a good year from a tillage point of view. I accept there is more uncertainty but the economics are that it makes sense and, as things stand, there will be a similar margin to last year for existing grain. I also accept there are additional costs in trying to identify additional land to grow additional grain. That is why I moved to try to help support that sector with the €400 per hectare. There is not a cap on it. The objective is to try to ensure we get the message out to farmers that they will be supported to grow extra grain. The payment will not be made on ground that was tilled

for cereal last year because I do not want a situation whereby farmers are competing for tillage ground and where a farmer who is producing more than last year will get the €400 per hectare payment and might perhaps outbid a tillage farmer that tilled land last year. We want a scheme that works and delivers on the objective of growing the area under grain and supporting farmers to do that without having unintended consequences. That is the reason and rationale for that.

Recycling Policy

Senator Róisín Garvey: Cuirim fáilte roimh an Aire Stáit. We hear a lot of talk now and we have new buzzwords coming in. The word “sustainable” is one, although it has been misused for years, and there is also “climate change” and “biodiversity”. A newer buzzword that is coming to the fore is “circular economy”. I know the Minister of State has done much work done on that. I therefore thought it would be appropriate to invite him to the House to make a statement on his work on the circular economy, including on proposed funding mechanisms such as the latte levy, and what funding is available to groups, individuals and businesses when working with our developing ideas and processes that look at the circular economy and see what we can do to try to stop the constant dumping in landfill of precious materials, whether it is plastics from fossil fuels or precious ores.

The Rediscovery Centre out in Ballymun, which the Minister of State told me about first, is inspiring. It is diverting furniture, bikes, paint and clothes from landfill, which deals with issues such toxic waste and fast fashion, one of the biggest problems we have in the world. I have contacted the Rediscovery Centre and it is available to go to local authorities, set up academies and engage with community groups that might be interested in setting up social enterprises. There is also money to be made in this. Jobs can be created out of renovating bikes and selling them as well as from selling on paint and clothes. I am pleased to say that, since the Minister of State gave me the notice, I have been to the centre and its representatives are coming Clare on 7 April. We will be inviting community groups to come and avail of free training and see what we can do in Clare. This is something we can do throughout the country. I look forward to hearing the Minister of State’s response.

Minister of State at the Department of the Environment, Climate and Communications (Deputy Ossian Smyth): I thank Senator Garvey. Indeed, the term “circular economy” is technical one. It is a challenge for me to get that concept clear to the public. We are bringing in a new circular economy Bill. The Senator is right. The Rediscovery Centre in Ballymun is a great way for people to understand this because it is so practical. It is doing four things: upcycling, paint, bicycles, furniture and clothing. It is very practical, it gives people employment and skills, and it keeps resources within the economy. It is great it is now being duplicated throughout the country. It is a fantastic scheme and I agree with the Senator on that.

The Government recognises that the current take-make-waste economic model is not sustainable, economically, socially or environmentally, and that a fundamental shift in our production and consumption patterns is now needed. We are committed to building a circular economy where waste is minimised, economic growth is decoupled from resource consumption, and the value of goods and materials is retained in our economy for as long as possible. This approach led to our 2020 waste action plan for a circular economy, which committed to a range of actions to make the transition to a circular economy a reality. This included the adoption of a high-level, whole-of-government circular economy strategy.

The strategy was launched last year in December 2021 and it has five main objectives. First is to provide a national policy framework for Ireland's transition to a circular economy. Second is to identify measures that can significantly improve Ireland's circularity rate relative to our EU peers. Third is to raise awareness across society about the circular economy. Fourth is to support increased investment in the circular economy in Ireland. Last is to identify and address the economic, regulatory and social barriers to Ireland's transition to a more circular economy.

My Department has commenced the implementation of the strategy, and this work will be carried out with a strong focus on stakeholder participation, and in co-operation with other policymakers across the Government. In addition, on 8 March, the Government approved the publication of the Circular Economy, Waste Management (Amendment) and Minerals Development (Amendment) Bill 2022. It is intended the Bill will be enacted before the summer recess. The Bill will underpin multiple actions committed to in the waste action plan and it will provide a robust statutory framework for adapting our national patterns of production and consumption.

The Bill provides for new environmental levies on items like single-use cups, food containers and food packaging to incentivise the use of reusable alternatives. The new levies will work in a similar way to the plastic bag levy with the proceeds ring-fenced in a circular economy fund for projects relating to environmental and climate action objectives. The various levies will be introduced incrementally. However, the initial focus will be on the introduction of levies on disposable hot drinks cups. Ireland currently sends millions of disposable coffee cups to landfill every year, and that needs to change. The figure is approximately 200 million per year.

The objective of the new levies is not to raise revenues. Indeed, the aim of introducing them is to encourage the use of reusable alternatives so that the consumer never incurs the levy in the first place. The precise details regarding the scope and rate of the levy on disposable coffee cups will be set out in secondary legislation following the enactment of the Bill, with the intention of bringing the levy into force as early as possible. The amount being considered is 20 cent. The new levies will build on Ireland's successful experience of the plastic bag levy and the landfill levy. I look forward to introducing this levy as soon as possible this year. I expect to see a rapid and significant surge in the use of reusable cups, as well as a decline in coffee cup litter throughout the country.

I recognise the role played by the environment fund since its inception and the need to align its objectives more closely with the promotion of the circular economy. The environment fund will be replaced with a new circular economy fund under the Bill. The fund will continue to support key environmental projects in the coming years. The circular economy innovation grant scheme, which was established last year, is currently funded from the environment fund and it will continue to be funded from the circular economy fund following the enactment of the Bill. This multi-annual scheme directly supports the growth of the circular economy in Ireland and provides examples of best practice to inspire others.

In 2021, ten projects were awarded some €490,000 in funding under the scheme. Applications for funding under the scheme in 2022 will be opening later in the year.

Senator Róisín Garvey: This is great. We have seen this work in other jurisdictions for many years. It is brilliant and I thank the Minister of State, Deputy Smyth for his work, as well as the work of the Green Party in government, in bringing this forward.

When we think in future of single-use plastics, we will ask, "What were we thinking of?"

What madness.” I remember eight years ago I started a social enterprise campaign called Love Your Cup, in which every single business in Ennistymon and many of them in Ennis gave back 30 cent if people brought their own cup. We have therefore been leading the way in Clare. It was a great initiative because it reduced waste. I know that from talking to Tidy Towns groups, who could see the difference it made. We have a free refill station in Ennis and Ennistymon where people can refill their plastic bottles. There is lots of work being done in little spots, but it is to be hoped that seeing it coming across on a national level, where it will be rolled out everywhere, will bring us to a place where we do not take for granted this use of plastics. People do not know that plastic comes from fossil fuels. They also sometimes do not realise that when something ends up in a landfill or on the ground, it often ends up as microbeads and plastics in our oceans. We all know the damage that is doing to our oceans. This is a serious matter, and I welcome the hard work that the Minister of State, Deputy Smyth, has put in to making this happen. I look forward to it being rolled out throughout the country.

Deputy Ossian Smyth: I thank the Senator for her praise but, in fact, most of the work on this was done by my Department before my appointment. I have to give the staff full credit for that.

I want to collect as little money from this levy as possible. I want people to use reusable cups. I want it to be a habit and a new culture and I want to make that as easy as possible. I want to give people the choice and a way out of using a new coffee cup every day and throwing it away. With that in mind, I expect that, in the same way we banned ten single-use plastic products last July, including plastic forks, knives and straws, I expect we will ban coffee cups altogether within about four years. This is an interim measure leading to the end of that.

Where people have a coffee in a café or on its terrace, we will legislate so that hot drinks can only be served in a reusable cup on the premises. This is because sometimes people are given a cardboard cup in a café even though they are sitting in the café. That will be another change as well. The whole focus is not about raising revenue, taxation or getting a levy. It is about changing our economy to a more circular economy.

Energy Prices

Senator Lynn Boylan: I do not need to tell the Minister of State that the cost of energy is spiralling out of control. We know that renewables are cheaper than oil. The economic argument for transitioning to renewables has never been stronger and made more sense. However, the more we can produce electricity from renewables, the more we can protect households from the high prices of imported fossil fuels. My question for the Minister of State today is why, when we hear so much about our excellent wind energy resources, are our prices so high?

In 2020, we had our first auction where wind energy cleared at €74 per megawatt hour. This was the highest in Europe in 2020 and in 2021. No one else was in the 70s. We see prices in the 50s. Even in Spain it was in the 20s. At this week’s Committee on Environment and Climate Action, we heard from witnesses that the costs and risks associated with navigating the system are excessive and that grid connection costs are in the upper echelons. This is having a particularly negative impact on community-led onshore wind projects that would naturally have less money in the bank. According to the industry itself, it is saying that it can produce the electricity from Irish wind at half the current price.

11 o'clock

All that is in the way, it seems, is Government policy. The choices the Government is making have given us the highest price and the choices it makes going forward will determine whether Irish households are paying the lowest or highest possible prices for renewable electricity.

Looking forward to the second auction on 2 May for onshore only, how confident is the Minister of State that the price will fall? Will prices in renewable electricity support scheme, RESS, 2 be lower than in RESS 1? That would seem very unlikely, given what is happening in the commodities market alone. The price of steel, which makes up 80% of a wind turbine, has quadrupled. I know the price of steel is not within the remit of the Minister of State, but it comes on top of already very expensive wind energy. The focus should be on reducing the cost where we can do so. Commercial rates for wind farms have risen between 200% and 300% in the past couple of years, unlike those for fossil fuels. The planning system, as we know, is under-resourced and this is leading to planning delays. Those delays are factored into the bids in the auctions. In addition, the failure to strengthen the grid since 2000 means substantial amounts of renewable power are being lost because the transmission system cannot cope with the volumes of renewable electricity available. As more wind and solar farms are being built, larger amounts of power will be lost, whereas a stronger electricity grid could actually cut costs by 18%. All of this is being factored into the bids when we have these auctions.

What is the Government's joined-up approach to reduce costs, especially in areas where it has the power to do so? The industry has called for a high level cross-government group to sit around a table with a brief to identify where the costs are. For example, it would discuss resourcing the planning system and grid connection costs. The group would then feed back every six months to Cabinet with proposals, having identified where the problems are and how to fix them. Has the Minister of State considered that proposal? Will he accept it? Will he look at the other areas where he has the power to bring down the cost of renewable energy?

Deputy Ossian Smyth: There is a fundamental difference in the way the pricing of fossil fuel energy and renewable energy is arrived at. As the Senator knows, oil, gas and coal are traded on international markets and we are subject to the vagaries of those markets. Often they are sourced from highly unstable regions in the world, as we are reminded, whether it is the Middle East or Russia. This has led to great variability and frequent energy crises and shocks. Although people criticise renewable energy for being linked with the variability of the weather, in fact there is huge variability in fossil fuels. The fundamentals of renewable energy are that once the capital cost has been paid, there is a very low cost of generation with no fuel to costs to add to it. Therefore, it is a very different situation.

Given the unprecedented rise in electricity and gas prices, reducing the burden of energy costs on consumers is a matter of serious concern to the Government. The Government is very aware that recent electricity and gas price increases caused by international conditions, including the ongoing conflict in Ukraine, are putting increasing pressure on consumers and businesses, particularly those in a more vulnerable economic condition. It is important to recognise that these price increases are not caused by Government or regulatory decisions, as price regulation in this sector ended many years ago. Suppliers compete with each other on price and set their own prices accordingly, as one would expect in a competitive, commercial, liberalised market. It is important to point out that all European markets are experiencing these price increases. While Ireland has its own specific circumstances, the rise in energy costs is not unique to us.

The most immediate factor affecting electricity prices in Ireland is the upward trend in international gas prices, which has brought them to an unprecedented high. In Europe, wholesale natural gas prices have been on an upward curve since the second half of 2020, for a variety of international reasons. Current indications are that these higher prices will continue at a significantly higher level for the foreseeable future, particularly given the unprovoked Russian invasion of Ukraine. Higher gas prices feed directly through to retail electricity prices, as the wholesale price of electricity correlates strongly with the price of gas, as this is the primary fossil fuel used for electricity generation.

As well as the package of measures that the Government recently announced to combat the increases in the cost of living, it is a fact that the increased roll-out of renewable energy will, in the longer term, reduce Ireland's susceptibility to spikes in international fuel prices. The Government is committed to ensuring that by 2030 up to 80% of our electricity will come from renewable sources. This renewable energy will help protect us from fluctuations in gas prices caused by global supply and trade issues, thereby increasing our energy security.

The key actions to reduce the cost of renewable energy are highlighted in the Climate Action Plan 2021, but I will highlight a few of them now. The RESS, which supports the roll-out of renewable electricity, held its first auction for onshore winds and solar projects in 2020, with 63 projects currently progressing towards generation. The RESS 2 auction qualification process has begun, with the auction scheduled to take place in May 2022, which will deliver a major increase in renewable electricity generation by the end of 2024. A RESS 3 onshore auction is also under development, with an auction due to take place next year. The Department is also finalising the terms and conditions on the first of three planned offshore auctions this decade for the RESS to deliver 5 GW of offshore wind by 2030. All of these RESS auctions are competitive, ensuring that generators are competing on price. When the wholesale price is higher than the bid price submitted by the generators, they will give the difference back to consumers through the public service obligation, PSO, levy. This, in effect, helps insulate electricity customers from price shocks and will help give greater certainty to bill payers in coming years.

The operation of the clean export guarantee, CEG, tariff represents the first phase of a comprehensive enabling framework for micro and small-scale generators in Ireland that allows them to receive payment from their electricity supplier for all excess renewable electricity they export to the grid, which reflects the market value of the electricity. On 15 February this year, the Minister for the Environment, Climate and Communications signed the regulations that transpose Articles 21 and 22 of the recast renewable energy directive, which brought these articles into force. These regulations mean the clean export guarantee tariff is now available for new and existing micro and small-scale generators.

The micro-generation support scheme, MSS, approved by the Government on 21 December 2021, provides capital grants for new domestic, and will provide grants for new small non-domestic, solar photovoltaic, PV, installations. Larger businesses, including farms, that install new larger installations can avail of a clean export premium tariff which will provide a fixed tariff for 15 years for electricity exported to the grid in conjunction with the clean export guarantee. The scheme design will be published very shortly. However, the phased introduction of supports commenced in February, with the transition of the existing Sustainable Energy Authority of Ireland, SEAI, domestic solar PV grant scheme into the MSS. Furthermore, a tax disregard of €200 was introduced in budget 2021 in respect of personal income received by households which sell residual renewable electricity they generate back to the grid.

The Climate Action Plan 2021 also commits to the development of a support scheme for small-scale generators, that is, above 50 kW but smaller than those supported by the RESS, which will be progressed in 2022 and is expected to become available in 2023. This scheme will enable larger businesses, farms and community projects to maximise their participation in the energy transition.

Senator Lynn Boylan: I thank the Minister of State for his response. However, I do not see many answers in it. He outlined how the programme works in terms of how we get the RESS auctions. He is right that renewable energy will protect households from price fluctuations, but it will not guarantee lower prices. We have the highest renewable energy prices in the EU. While some say we are the Saudi Arabia of wind energy in terms of potential, we are the most expensive for delivering renewable energy. Not only does that mean that households are paying more for their electricity, it also means that it undermines and jeopardises our green energy potential as well because cheap renewable energy is needed to produce cheap green hydrogen.

The auctions and bids are banking in the costs, including the costs of planning delays, excessive grid connection costs and inflation because the Government will not index-link the price, unlike other EU countries and Britain. Will the Minister of State give a commitment to consider the proposal to establish a body that will identify where all the costs are and how we reduce the cost of energy for households that are struggling at the moment?

Deputy Ossian Smyth: I am happy to look at any proposal the Senator has. My office is always open for her to come to me and discuss a proposal and my mind is always open.

The Senator asked a number of questions. One was about commercial rates on fossil fuel generation, as opposed to renewable generation. That is a matter on which I am happy to engage with the Minister for Housing, Local Government and Heritage, Deputy Darragh O'Brien, because it comes under his Department. Commercial rates, valuation and so on should always be looked to ensure they are in line with the strategy of the Government.

The Senator asked about the RESS 2 auction and whether the prices will come in lower than in RESS 1. As it is an auction, it is hard to know what the bids will be.

The Senator pointed out that at present steel prices are high internationally as a result of commodities. I take her point on that but, fundamentally, we are moving to a system where we will generate electricity from something that has no fuel cost - the sun and the wind. The wind has been blowing over Ireland and we have never harvested it before. What will change in future is that instead of being dependent on Vladimir Putin or Gaddafi, we will have our own free source of electricity. Yes, the capital costs will have to be paid, but over 30 years we will have a significant volume of domestically sourced electricity and power, which will keep us warm, provide our transport, provide us with greater self-sufficiency and make us a stronger, more independent nation that does not have to rely on unstable foreign autocratic regimes to provide basic needs to our public. That is a very good thing to happen. I am very optimistic for the future but I am happy to talk to the Senator and listen to any of her proposals for how things should be done better.

Acting Chairperson (Senator Róisín Garvey): I welcome students from Naas Community College. *Ich begrüsse die deutschen Studenten. Ich habe viel über die Umweltbilanz erfahren als ich in Deutschland wohnte. Die Studenten sind herzlich willkommen.*

Seanad Éireann
Special Educational Needs

Senator Emer Currie: The Acting Chairperson is a woman of many talents, unsurprisingly. I thank the Minister of State for stepping in for the Minister of State at the Department of Education, Deputy Madigan.

I will begin by commenting on the progress announced this week regarding special classes at primary and post-primary level, particularly in south Dublin, where fee-paying schools will now open special classes funded by the Department of Education on condition that these are not fee-paying and their lands will be made available for special schools on their campuses. That is very positive. There will be an additional four-classroom special needs base in Templeogue College as well as additional places in Cabra and in Danu Community Special School in Dublin 15. I am aware the latter is moving to its new temporary premises and there will be an increase of six places.

Progress is definitely happening, but I have to raise the issue of Dublin 15. The Minister of State is aware of the pressures there. I will talk about the pressures on special classes at post-primary level. I believe 11 children require special class placements for September 2022. The Minister of State will know where we are as regards helping our constituents with mainstream placements for September 2022. This is based on data that has been collected from the autism school Dublin 15 committee who previously mobilised parents, principals and professionals. They came together to prove to the National Council for Special Education, NCSE, that the numbers that needed a special school were there. Danu opened off the back of their mobilisation and proactivity, where the NCSE had not done this work. Those parents now find themselves in a similar position.

I will talk about one parent who has a daughter in a special class in primary school. She is doing very well. That parent is aware that five secondary schools in Dublin 15 with special classes do not have the space for her daughter. That was communicated to the NCSE some months ago. The parent has been engaging with the NCSE since January 2021 about this issue. The most recent communications from the NCSE indicated that no further schools are guaranteed for special classes at present for the September 2022-23 academic year and it is still working with schools in the area on the possibility of expanding. That is where that parent is. The Minister of State knows, as we all do, the importance of transition from primary to post-primary school for any child. These include the logistics of whether there will be new accommodation, the staff, the school, the pressures on the school and the preparation for next year. The student's neurotypical peers already have school book lists and have decided on their subjects, while teachers have been preparing their learning profiles.

Parents had to mobilise to get the NCSE to act. In fact, it was the Department that acted to get the data for them. What is happening now? They need information at this stage. Dublin 15 has already gone down the road of a section 37. That was very difficult for schools, principals and parents. Nobody wants that, but is that where we are going? If so, where are they in the process? This is a child that has had a disability recognised since she was three years old. She has been in a special class in a primary school for her primary school education. What needs to happen in order for the NCSE to plan ahead?

Deputy Ossian Smyth: I am here on behalf of the Minister of State, Deputy Madigan, who cannot be present. I will answer questions on her behalf. In fact, this is a subject that is dear to both our hearts because we have the same issue in south Dublin as the Senator has in Dublin 15.

I have to pay tribute to and acknowledge the analysis and work done by the parents of children with autism in establishing that there was a statistical lack and a shortage of special education places in particular areas of the country, including Dublin 15 and south Dublin.

At the outset, I stress that enabling students with additional needs to receive an education appropriate to their needs is an ongoing priority for this Government. This year, the Department of Education will invest in excess of €2 billion, or over a quarter of the Department's budget, in the area of special educational needs support. As a result, the numbers of special education teachers, special needs assistants and special class and school places are at unprecedented levels. Since 2011, the number of special classes in mainstream schools has increased from 548 to a current total of 2,148 for the 2021-22 school year.

Recognising some of the difficulties experienced by parents in securing appropriate school placements over the past two years, the Department and the NCSE have worked closely on a more streamlined and joined-up planning process. This has ensured a targeted approach to meet demand for special needs placements ahead of each new school year. The Department is satisfied that this approach is delivering. This intensive intervention has seen an additional 300 special classes, which provide 1,800 new places. They have already opened nationwide for the 2021-22 school year. The NCSE has responsibility for co-ordinating and advising on the education provision for children with special educational needs nationwide. It has well-established structures in place for engaging with schools and parents. The NCSE seeks to ensure that schools in an area can, between them, cater for all children who have been identified as needing special class placements.

The Department recognises that where parents have difficulties in securing an appropriate school placement for their child, particularly a child with additional needs, it can be a stressful experience. The Department is working hard to ensure that there are sufficient school places, appropriate to the needs of all children, available on a timely basis nationwide. In line with the demographics and as part of forward planning, it is envisaged that special classes will be required at most, if not all, post-primary schools in Dublin.

A range of measures to meet additional special educational needs, SEN, capacity demands have already been put in place, including the utilisation of spare capacity in existing schools and delivery of additional SEN capacity within the scope of existing building projects. Additionally, it is general practice to include a SEN base in the accommodation brief for new school buildings, unless exceptional local circumstances indicate that it will not be required. The extent of provision made at these schools is informed by the level of demand in the area as well as the size of the school. There is currently a network of 41 special classes in Dublin 15. There are 32 special classes at primary level and nine at post-primary level.

The Department and the NCSE are always grateful to schools who express a willingness to open a special class to meet the educational needs of students in their local communities. Special educational needs organisers are located throughout the country and they have a specific remit in helping and supporting parents in accessing the education necessary for their children, including in identifying suitable school placements. The NCSE is currently engaged in a process of establishing new classes for the 2022-23 school year and beyond. The NCSE is looking at local information in relation to projected demand for future special education places, particularly to cater for students with autism who have associated complex needs.

The NCSE has carried out a review of the requirement for special class places for the 2022-

23 school year in the Dublin 15 region. This included a review of the available accommodation in the Dublin 15 area and a review of the students known to the NCSE, with recommendations for special class places. The NCSE is currently engaged with four post primary schools in the Dublin 15 area with a view to opening additional special classes as soon as possible.

Finally, budget 2022 has provided for the creation of 287 additional special classes for the 2022-23 school year. These additional classes will provide in excess of 1,700 new places this year. This additional provision will bring the total number of special classes to 2,435 in the 2022-23 school year.

Senator Emer Currie: I thank the Minister of State. The most important part of that response for the parents involved is that “the NCSE is currently engaged with four post primary schools in the Dublin 15 area” with a view to opening special classes as soon as possible. I urge the NCSE to move as quickly as possible on that for the reasons I have outlined *vis-à-vis* the transition. These parents have been through enough already. One particular parent has been working on this issue for a couple of years now.

I acknowledge the progress that is being made, as do many parents, but when one is in this position, one must be proactive. I am trying to make sure that the NCSE is not asleep at the wheel here. That said, when the Department of Education was provided with relevant information, Danu Community Special School was opened. While we are still working on supports for Danu and its teachers, that is a positive move and I sincerely hope that I will be able to tell these parents very soon that their special class will be open to cater for these 11 children.

Deputy Ossian Smyth: I thank the Senator and I share her wish that she will be able to give that information to those parents soon. Two of the most important things that are present here are the political will and the budget to do this. The Minister of State, Deputy Madigan, has used every tool in her negotiations armoury and made every effort to make progress on this. Part of the aim here is to reduce the need for transport because it imposes a burden on people to have to travel a long way to school. Children need not just a driver, but also an escort and so on, which incurs huge costs. We are trying to move towards a situation where children can attend their local school and are given the supports they need locally.

The Senator has acknowledged that huge progress is being made and the numbers are there to prove it. While the number of classes and places has increased, that is no comfort to the parents whose children are not getting the support they need. The statistics are of little comfort to the parents she is representing who are worried about whether their child will have a place next year but I assure her that we are doing everything we can.

Acting Chairperson (Senator Róisín Garvey): It is good that there will be a new Oireachtas committee on autism. I will be a member of that committee and hopefully it will bring these issues to the fore. Since I came into this House, from day one, I have been approached by so many people on autism-related issues. The fact that private schools do not have any special classes is a serious issue when one considers the fact that they are getting State funding.

Senator Emer Currie: The local, accessible element of this is absolutely key. It is essential that these children get to go to their local school and are not spending their time trying to plan for travel. I hope this will be the last time that parents will have to go to these lengths.

Acting Chairperson (Senator Róisín Garvey): In rural areas some children are on buses for an hour to get to the closest place for them. It is horrendous. I look forward to working

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on the Oireachtas committee on this issue. I thank the Senator for raising the issue again this morning and I thank the Minister of State for his time.

Cuireadh an Seanad ar fionraí ar 11.24 a.m. agus cuireadh túis leis arís ar 12.02 p.m.

Sitting suspended at 11.24 a.m. and resumed at 12.02 p.m.

Gnó an tSeanaid - Business of Seanad

Acting Chairperson (Senator Gerry Horkan): Before I call on the Acting Leader to outline the Order of Business, I wish to pay tribute to Dermot Fitzpatrick, former Member of this House and the Dáil, who sadly passed away yesterday evening. Dermot, who I knew personally and who was in college with my father, served in this House from 1997 to 2002 and served terms in Dáil Éireann from 1987 to 1992 and 2002 to 2007. He was a dedicated and committed politician who made an important contribution to the lives of many, particularly throughout the Dublin Central constituency. He was a true gentleman and a very well respected doctor and dentist. On behalf of Senators, I wish to extend my sincere sympathies to his wife, Mary, and his children, particularly our colleague, Senator Mary Fitzpatrick, who we are all thinking of at this time. I know that since Dermot left the House, he was a committed member of the Irish Association of Former Parliamentarians and he regularly attended the Houses for its annual general meetings, seminars and various functions. I saw him here in recent months. It is very sad that he has passed and I know we will honour and remember him more substantially on a future date.

Senator Pauline O'Reilly: I am sure we will all have an opportunity to extend our condolences to the Fitzpatrick family. On behalf of the Government, I wish to extend my deepest sympathies to his family.

An tOrd Gnó - Order of Business

Senator Pauline O'Reilly: The Order of Business is No. 1, Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill 2021 – Second Stage, to be taken at 1.15 p.m. and to conclude at 2.30 p.m., with the opening contribution of the Minister not to exceed ten minutes and the contribution of all Senators not to exceed six minutes, and the Minister to be given not less than ten minutes to reply to the debate.

Senator Fiona O'Loughlin: I second the Order of Business. I also wish to be associated with the sympathies expressed on the death of the former Senator and Deputy, Dermot Fitzpatrick. On behalf of the Fianna Fáil Party, I extend condolences to our colleague, Senator Mary Fitzpatrick, and to Niamh, who works in the Houses of the Oireachtas. I had the opportunity to meet Dermot a number of times. He wore his wisdom very lightly. He was such a lovely man to meet. He was always interested in people and the human story. That was what made him an excellent GP and an excellent parliamentarian. He served his community and country extremely well. Of course, our sympathies are with his beloved wife and children today.

I wish to compliment our colleagues in Government, the Ministers, Deputies Foley and Michael McGrath, in terms of the historic decision reached yesterday in regard to school secretaries. This was a glaring injustice to school secretaries. When I was Chair of the education committee, I put a strong focus on this issue. I could not believe that secretaries, who are the heartbeat of our schools in our communities, were treated so badly by the State considering the tremendous service they have given.

Since the programme for Government was put together, I know that both Ministers, Deputies Foley and Michael McGrath, were committed to ensuring this injustice would be righted. Of course, Fórsa played a big role in terms of the negotiations and I congratulate its members and the school secretaries. Of those who were balloted, some 95% agreed to take this offer, which included that their pay scale would be aligned with the clerical officer grade 3 pay scale and be backdated, importantly, to 1 September 2021, as well as the ending of the practice of school secretaries signing on over the summer months. That is really important. We can now move on to dealing with the caretakers.

I wish to briefly raise the CSO census of 2022, which we know everybody will be taking part in on 3 April, and I encourage everyone to do so. On the issue about citizens' gender identity, while a person's sex is included, gender is not. The options are just "male" and "female". I heard on the radio in recent days that people have the option of ticking both boxes if they are transgender or non-binary, although the CSO will decide whether that is male or female. That is sending out the completely wrong message. People who do not identify as male or female should have the option, if they are identifying, to tick both boxes or tick neither box, and that this would be taken as non-binary or transgender. The results that come from the census inform public policy in the following years, in terms of health needs etc. Some clarity needs to be brought to that issue.

Senator Rónán Mullen: Senator O'Loughlin mentioned Fórsa. In another context, I see that Fórsa raised €250,000 for the Ukraine appeal among its members, and that was topped up by a further €250,000, amounting to a €500,000. I say "Well done" to Fórsa and its members.

The Senator raised a good point about the census. Although there is another dimension to this which is, under the legislation, any person who knowingly provides false information may be subject to a fine of €44,000. There is no exemption in the Act for people who are uncomfortable with a particular question. Decide upfront what the question will be, but do not come up with this disgraceful solution of basically encouraging people to provide false information and then leaving it to the CSO to randomly assign it. That is a complete mess. It is an issue I wanted to raise today, and there are other issues I want to raise about the census in due course.

An urgent matter has arisen that I need to address. In recent days, I have been contacted by several constituents of mine regarding issues they are experiencing with the public consultation process of the three-year review of the abortion legislation. It seems that it is being conducted in an extremely rigid manner through an excessive focus on the Act's operation in a way that is not conducive to gathering the views of a full spectrum of public opinion. Respondents have been told that their submission should be in the form of a completed questionnaire set out by the Department of Health. It asks whether the ambiguous objectives of the Act have been achieved and how the respondent feels the law has operated, both effectively and ineffectively. In essence, the public is being asked to outline how the Act could operate more effectively.

I recognise that legislation specifically provides for a review of the law's operation but it

was not necessary for the Minister to interpret that in the narrowest sense possible. By framing it in such a way, respondents are prevented from highlighting several particular failures relating to the operation of legal abortion. Several constituents are finding it difficult to detail issues such as the lack of precautionary pain relief for unborn children in late-term abortions or the shortcomings evidenced in the recent tragic and scandalous baby Christopher case in Holles Street hospital, which was a disgrace on all of the medics who were involved in its handling. How can the public consultation process truly reflect the views of the public at large if these important issues are potentially considered as being outside of the scope of the review? In other recent public consultations, such as the review of ethics in public life that was launched by the Minister for Public Expenditure and Reform, Deputy Michael McGrath, in November 2021, respondents were asked to respond to several open-ended questions and were not obliged to complete a pre-set questionnaire. Why does the abortion review have to be so different?

The constant inability and refusal of the Minister and his officials to engage with people on the other side of the argument from the side that he happens to prefer is an indictment of their democratic credentials. The Minister has to listen to people and let them contribute. When consultation is carried out, it has to be done in a broad and generous way. As it is, members of the public are feeling discouraged from engaging with the review. That is not acceptable; there is a lack of clarity and I ask the Acting Leader to relay to the Minister my view and hope that he will address this and clarify that free-form submissions will be accepted in the conducting of this review process.

Senator Paul Gavan: I join with others in sending my commiserations and condolences to the family of the late Senator Dermot Fitzpatrick and to our colleague, Senator Mary Fitzpatrick. It is sad news.

Along with others, I regularly raise University Hospital Limerick. The figures continue to be frightening, with 100 patients on trolleys yesterday. We are looking at our worst ever March. The worst March ever was last year with 1,059 patients on trolleys but so far in March, with another week to go, it is already at 1,245. These are real people lying on trolleys for 24 hours at a time, sometimes in the worst of circumstances. The pressure on the staff and patients is horrific. We urgently need a specific debate on University Hospital Limerick because this has been going on for years and each year it gets worse, not better. We need to see radical change at the top in University Hospital Limerick. I ask for an urgent debate on that matter.

I was genuinely shocked yesterday. I raised a Commencement matter on the awful war that Saudi Arabia and the United Arab Emirates have been waging on Yemen for the last seven years. Some 400,000 Yemenis have been murdered in the course of this war. I raised it with the Minister of State who came in for the Commencement and I was shocked because in his response there was not one word of condemnation of Saudi Arabia. I then went back to look at other responses in recent years and I discovered that on no occasion has a Minister for Foreign Affairs, including the current Minister, been willing to say one word in condemnation of Saudi Arabia. I remind the Acting Chairperson that this is a regime that beheads gay people and tortures people as a matter of course. It brutalises women and in the words of Hillary Clinton it provides “clandestine, financial and logistic support” to terrorists. This is a regime that chopped a journalist into pieces in a foreign embassy and incinerated Yemeni children travelling on a school bus on their way back from a picnic. The war in Yemen dwarfs the horrors that we are watching happen to the poor people in Ukraine; that is how bad it is. A minimum of 10,000 children have been murdered and yet this Government does not have one word to say about it. It is worse than that because two weeks ago the Government sent a Fianna Fáil

Minister out there to tout for more business. He was out there touting for business a few days before Saudi Arabia executed 81 people in one day. I ask the Acting Leader to tell me where this Government's stance on human rights in Yemen is. As she has the opportunity to do so, will the Acting Leader clearly condemn the Saudi dictatorship for the ongoing horrors and murders inflicted on the Yemeni people?

Senator Jerry Buttmer: I commend all involved in the Daffodil Day fundraiser this morning and I hope everybody can support Daffodil Day tomorrow. As we know, the Irish Cancer Society provides huge support to families and people with cancer. I commend Averil Power and her team on the work they do.

Today is also an auspicious day. In the audiovisual room we saw the launch of the home care providers alliance. For the first time all the carers organisations have come together to form an alliance. I ask the Acting Leader to facilitate a debate with the Minister of State, Deputy Butler, on carers and on the need for the State to support the work of family carers. It is extraordinary that today, for the first time, we have had a coming together of the different groups to form this alliance. I welcome the launch, I commend our former colleague in the Seanad, Deputy Colm Burke, on facilitating that and I welcome the involvement of Tony O'Brien, the former CEO of the HSE, and of the former Minister of State, Jim Daly, as part of the alliance. We have 4,787 people waiting for home care packages. That is far too many by any stretch of the imagination. We have people waiting to be cared for and to avail of a home care package. All of us want to see people looked after in their homes. Jim Daly told us this morning that the UK National Health Service, NHS, is trialling hospital beds being brought into people's homes so that people can be looked after in the comfort and privacy of their homes. I ask that the Acting Leader facilitate a debate with the Minister of State, Deputy Butler, on carers and home care packages as a matter of urgency.

Senator Frances Black: I also extend my condolences to the Fitzpatrick family on this very sad day. I agree with my colleague, Senator Gavan, on the Yemen situation, which is horrendous. I would love to see a debate on the issue and I would love it if the Minister would come in to discuss it.

Senator Paul Gavan: Hear, hear.

Senator Frances Black: Yesterday, members of the Joint Committee on Health heard from researchers from the Royal College of Surgeons in Ireland, who have brought out a report on hospital doctor retention and motivation. They surveyed and interviewed almost 1,200 hospital doctors working in the health system about their experiences and they interviewed 51 Irish-trained doctors working in Australia on why they had left Ireland and if they planned to return. The findings are shocking and I was shocked. Even though I knew it was bad I did not realise how bad it is. The report found a workforce that is completely burnt out, demoralised and unwilling to speak up publicly for fear of personal and professional reprisal. This destructive culture of poor treatment and overwork is a key reason Ireland exports so many of its doctors to places like Australia.

One researcher remarked that the Irish emigrant doctor who returns to Ireland does so for purely personal reasons. Many non-consultant hospital doctors are on short-term contracts and their precarious situations make them feel like they are unable to rock the boat, which is completely and deeply demoralising. When asked about ways to facilitate these doctors' complaints, the witnesses referenced the National Guardian's Office in the UK. This office oversees

a network of individuals across the NHS who are tasked with listening to and amplifying the concerns of their colleagues to advance the interests of both healthcare workers and patients. The introduction of such a model or of some other kind of independent complaints mechanism has to be explored because I am concerned that the HSE's existing grievance policy is not functioning adequately.

We heard from the researchers that over 2,500 non-EU doctors work in the Irish healthcare system and that this system would collapse without them. Yet many of these doctors are on short-term contracts and do not have access to the training necessary to progress their careers to consultant level. Despite the Government's stated commitment to consultant-led care, over 800 consultant positions are either empty or are filled by doctors on temporary contracts. The impact this has on the workload of doctors, the training of new doctors and service provision for patients is completely and utterly disastrous. They are all overworked and burnt out. Non-EU doctors, who have given so much to the Irish healthcare system, need greater access to postgraduate medical training and other supports. We need a real plan for the implementation of the European working time directive to retain Irish medical graduates who want a healthy work-life balance. This would motivate Irish emigrant doctors to return home. This matter is central to the sustainability of our healthcare system and to the welfare of its workers and the patients it cares for. I ask the Acting Leader to invite the Minister for Health, who is not well and I hope gets well soon, into the Seanad in order that he can inform us about the work being done to rectify the issues raised in this research, particularly around the workload and work-life balance for doctors who are now working in an emergency much of the time.

Senator Shane Cassells: I join the Acting Chairperson in extending my sympathies to our colleague, Senator Fitzpatrick, on the death of her father and our former colleague, Dr. Dermot Fitzpatrick. It is a sad time for her and all her family.

Last Sunday, I was in Ennis watching the re-emergence of the great Meath football team and I thought to myself, God, the last time I was in Ennis was two years ago when the then Taoiseach, Deputy Varadkar, made his address from Blair House. I reflected on how the world has changed in that period. As I sat in the stadium last Sunday, I thought about how great it is to be back in football stadiums enjoying moments like this and doing normal things again. However, the coverage on the radio this morning of the warnings from the HSE chief operations officer, Ms Ann O'Connor, brought us all back to reality if we were not there already. At 8 a.m. this morning, there were 1,425 Covid-19 patients in our hospitals. The most frightening thing was the advice from the HSE to hospitals in respect of cancelling elective procedures. We already saw the backlog that arose from the last two years. We cannot have this again. We need swift action from the Government in this respect.

I welcome that fact that statements have been made on the establishment of a new advisory council and the swift action in this regard. Having emerged from this period of prolonged lockdown, we cannot see regression and a reversal. We have already seen consumer sentiment damaged because of the war in Ukraine. We certainly do not need to see any more damage to our economy because of another regression towards lockdown. That leaves aside any of the impact in terms of mental health as well. I ask the Acting Leader to confirm that we will have swift action from the Government in this respect. We should take the warnings from Ms O'Connor this morning very gravely.

Senator Mary Seery Kearney: I wish to express my condolences to the Fitzpatrick family and especially to my colleague, Senator Fitzpatrick.

Yesterday in Belfast, some food delivery workers from Just Eat, Deliveroo and a number of similar services went on strike. They withdrew their services on the basis of their terms and conditions. They work in what is euphemistically, and supposedly excitingly, called the “gig economy”. I have spoken about this on several previous occasions. Companies like Deliveroo decide they will set up a piece of technology and a platform in order that restaurants can access the public and, in theory, that is a really good idea. Back in 2014, we probably all welcomed it as a very good idea. There are consequences of this for people’s employment rights, however. People are out working on their bicycles and in their cars, not even getting the minimum wage for the sheer extent of the hours they work. They take risks with their own lives in order to satisfy an accumulative number of deliveries. They have no holiday pay or public holiday pay. They do not get extra time for having worked on the bank holiday last weekend. They do not get any of those things because they are considered by the likes of Deliveroo as self-employed independent contractors. Because a company can put somebody else in instead of those workers on an evening, there is no mutuality of obligation. This undermines any of the protections that come with employment rights and being designated an employee. There is an increase in the pursuit of flexible working and in this gig economy model. The time has come when this House needs to debate the suitability of the employment models in our State. We have a race to the bottom insofar as people’s employment status and all the protections that accrue with that, which were fought for very hard over a very long period, are concerned. I ask for a debate on that issue.

Senator Erin McGreehan: I, too, send my deepest condolences to the Fitzpatrick family and our colleague, Mary, on the death of our former colleague, Dr. Dermot Fitzpatrick. It is a very difficult time for all of them.

I stand today to call for a debate on energy security and the cost of energy. I would like the Minister, Deputy Eamon Ryan, to come to the Chamber to talk about what the Government is doing and can do to support families. I know it is a really complex issue in one way but there is also a moral issue. We must have a discussion on the energy we waste. We waste millions of euros of energy in this country every single year. It is wrong that we dump so much energy off our grid. I recognise there are technical and electricity grid-based challenges that need to be addressed. We all know that with regulatory and political will, however, these things can be achieved. In the short term, I urge all Members to look into EnergyCloud, which is a not-for-profit organisation with a mission to create solutions to divert surplus renewable energy into Irish homes, with a primary focus on fuel poverty. This is something that can be done. The Minister, Deputy Darragh O’Brien, has a pilot project with Clúid Housing and EnergyCloud. It is about getting excess energy - that will otherwise be dumped, in fact - into lower socioeconomic homes. I would really like the Minister to come here and talk about these things to create the framework and listen to the ideas of Seanad Éireann on how we frame a positive sustainable way out of this energy nightmare.

Senator Jerry Buttiner: I wish to offer my sympathies to Senator Fitzpatrick. I was not aware when I made my earlier contribution. I had the pleasure of knowing Dermot, who was a gentleman. I wish her and her family my deepest sympathies.

Senator Pauline O'Reilly: At the outset, I will be proposing a motion with regard to the former Deputy and Senator, Dermot Fitzpatrick. I will read that at the end of the Order of Business, after which we will stand for one minute's silence. There were obviously many expressions of sympathy, which we will get to later. I have already indicated my own sympathies on behalf of the Government. I did not know Dermot but from everything I have heard over

the short while since we discovered that, unfortunately, he has passed away, he sounded like an amazing colleague to many Senators here and a father to Mary and Niamh, who also works here. I would also like to extend my sympathies to his wife, Mary.

Senator O'Loughlin raised yesterday's momentous decision that school secretaries will finally be given their dues, will not have to sign on for summers and will have a pay grade that is commensurate with the work they do. I welcome that. As Senator O'Loughlin pointed out, however, we need to do something for caretakers as well. That is really important. A school community is made up of so many people who go into providing a caring and nurturing environment for children.

The issue around the census, which was brought up by Senators Mullen and O'Loughlin, is shocking. It was to be a no-change census but given the length of time between censuses, I do not know why changes would not be made to fully reflect society. Senator Mullen made a very good point that it basically encourages people to break the law, which is a bizarre situation. I will bring back the Senators' sentiments.

Senator Mullen also raised the issue of the abortion review. As the Senator knows, this is a review of the legislation, not of the decision taken by the people of this country with regard to abortion. We had a referendum. My understanding is that this is where the consultation comes from. Various healthcare issues were raised today. Senator Gavan referred to the shocking number of people on hospital trolleys in University Hospital Limerick. In my constituency in Galway, the numbers are equally shocking. When we think about all those Ukrainian people who are now coming into the country, healthcare will be a critical part of what we need to provide for them. They are incredibly welcome, but it is an emergency.

Elective surgery was raised by Senator Cassells. Sometimes the word "elective" makes it sound like it is a choice. Very serious operations have been cancelled throughout the pandemic. We have all raised that, but it is important to raise it again here today.

Senator Black also raised an issue relating to healthcare, namely, the report on the working conditions for doctors and their own views on it, which are shocking to see. Given all the various contributions regarding healthcare, it would be appropriate to ask the Minister for Health to address some of those issues. I thank Members for raising them.

Senator Gavan raised the issue of Saudi Arabia. I share many of his sentiments on the conditions and treatment of people there. I have not spoken to the Minister for Foreign Affairs but I will bring the issue to his attention. Yemen is connected with the issue, which Senator Black also raised. I will ask the Leader's office to write to the Minister to raise those issues.

In response to Senator Buttiner, we are all wearing our daffodils today in recognition of Daffodil Day. I joined some Senators in having coffee downstairs and contributing to the efforts to raise cancer awareness. I thank the former Senator, Averil Power, whose secretarial assistant now works in my office, so we do have connections there which worked very well.

I assure Senator Buttiner that carers is an issue close to my heart. It is very welcome that there is an alliance now, but as he points out, the home care packages have been an issue for a long time. I am Vice Chairman of the Joint Committee on Gender Equality and much of what came out of the Citizens' Assembly on Gender Equality related to care. It probably came to the fore because we were in the middle of a pandemic, in terms of how much care goes on in society. I would welcome any opportunity to discuss it because it touches all of us at various

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points in our lives, from young, to old, to vulnerable and somewhere in the middle.

Senator Seery Kearney raised the gig economy, which as she said, sounds like something very exciting, but has devastating consequences for those working in it. I know that she has raised the issue a number of times. It is important to state that, as with many issues, the legislation is often behind where society is. The same can be said for employment. I would welcome a discussion on that because we are going to need to change how we manage society.

Senator McGreehan raised energy security and cost. We are all with her on the concerns people have. The situation in Ukraine and in Russia is having an impact right across society. A couple of issues have been raised, such as healthcare, but we would all welcome a conversation around the cost-of-living piece. A lot has been done up to now and various measures have been put in place, but we are looking at an increase in inflation. I do not know about EnergyCloud but I thank the Senator for raising it. A lot of work is going on in demand management and battery storage at the moment. It is a very exciting area but there is an urgency around it. I think I have dealt with everybody's contributions.

Order of Business agreed to.

Death of Former Member: Motion

Senator Pauline O'Reilly: I move:

That Seanad Éireann –

- expresses its deep sadness on the death of former Senator, Dermot Fitzpatrick;
- conveys its sincere condolences to his family; and
- expresses its gratitude for his notable contribution, as a member of Seanad Éireann, a member of Dáil Éireann, to Irish public life and for his dedicated service to the people of Ireland.

Question put and agreed to.

Acting Chairperson (Senator Gerry Horkan): I propose that we observe one minute's silence for the late Dermot Fitzpatrick.

Members rose.

Cuireadh an Seanad ar fionraí ar 12.37 p.m. agus cuireadh túis leis arís ar 1.15 p.m.

Sitting suspended at 12.37 p.m. and resumed at 1.15 p.m.

**Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill
2021: Second Stage**

Question proposed: “That the Bill be now read a Second Time.”

Acting Chairperson (Senator Shane Cassells): I welcome the Minister of State, Deputy Fleming to the Chamber. I ask the Minister of State to now open the debate. He has ten minutes.

Minister of State at the Department of Finance (Deputy Sean Fleming): I am pleased to introduce the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill to Seanad Éireann. It is generally accepted that there is a need to improve the regulatory framework governing the provision of certain new types of finance to consumers. The Bill seeks to do that. Its primary objective is to provide that any firm which offers credit, hire purchase, personal contract plans, PCPs, or consumer-hire agreements to consumers and other relevant persons will, unless already subject to the Central Bank authorisation, be required to be authorised as a retail credit firm by the Central Bank of Ireland. This will then allow the Central Bank to apply the consumer protection code to all firms which provide those forms of financial accommodation to consumers.

PCPs have been growing in popularity of the past number of years as a variation on the more traditional type of hire purchase type of finance, which is mainly used for the purchase of motor vehicles. Although the buy now, pay later, BNPL, type of credit has to a certain extent been a feature of the Irish consumer credit market, it has more recently come to the fore as a form of short-term finance used for the purchase of consumer goods. In light of the growing popularity of PCPs as a form of finance for the purchase of cars, the Minister for Finance commissioned Mr. Mike Tutty, who is a former second secretary general in the Department of Finance, to carry out a review of the current PCP market and regulatory structure. In his report, which was published in November 2018, Mr. Tutty stated that he did not find any evidence of consumer detriment arising from PCPs. Nevertheless, he also noted that there are certain risks associated with the use of such types of finance. His report sets out a number of recommendations to improve the oversight of the PCP market. The Minister for Finance has accepted all the recommendations, and with one exception, they are being implemented within the existing legislative and regulatory framework. The sole exception, however, is arguably the report’s most important consumer recommendation, which was that personal contract plan and hire purchase contracts entered into by consumers should be covered by the Central Bank’s consumer protection code. The code places important consumer protection obligations on entities that are regulated by the Central Bank. For example, it requires regulated firms to act honestly, fairly and professionally in the best interests of their customers and also to act with due skill, care and diligence.

Chapter 5 of the code places requirements on regulated entities in relation to knowing the consumer and suitability. This requires regulated entities, in advance of advancing credit, to assess both the affordability and suitability of a credit product for a customer. These are important requirements and are designed to prevent consumers from becoming over-indebted, or otherwise taking out an unsuitable financial arrangements.

However, neither hire purchase nor PCP agreements are currently covered by the code, as the Central Bank currently does not have the necessary legal basis to apply it to all the providers of such agreements to consumers. The Bill, therefore, proposes that all the providers of credit, including the indirect providers of credit, such as buy-now-pay-later credit, hire pur-

chase, including PCPs, and consumer hire agreements to consumers and relevant persons will be required to be authorised by the Central Bank of Ireland as a retail credit firm. This will then give the Central Bank the power to apply the consumer protection code to all these firms.

In addition to enabling the Central Bank to apply its consumer protection code to such firms, the proposed new authorisation requirement will also allow the Central Bank to act as a gatekeeper to the market for the provision of all types of credit to consumers and so should better assist the bank in preventing problem firms from entering the market in the first instance, as opposed to having to address consumer protection or other regulatory problems which may occur down the road.

The Bill will also provide for the regulation of entities that service or own these agreements. This is to ensure that the provisions that already apply to the sale of cash loan type credit agreements will also apply in respect of any sales of other credit or hire purchase or consumer hire agreements.

The Bill also makes some consequential and related amendments to the Consumer Credit Act 1995. These include extending an existing cost of credit cap of up to 23% annual percentage rate, APR, on credit provided to consumers by certain firms to apply to all entities, which come within the scope of that Act, providing credit or hire purchase, other than money lending agreements which have their own regulatory framework, to consumers.

The Bill now contains 19 sections and I will run through them briefly.

Section 1 defines the Consumer Credit Act 1995 and the Central Bank Act 1997 as the “Act of 1995” and the “Act of 1997”, respectively. These are the two main Acts which will be amended by this Bill.

Section 2 amends section 28 of the Central Bank Act 1997 by inserting additional definitions and amending definitions. These include expanding the range of arrangements that fall within the regulated business of retail credit firms and credit servicing firms. As a result, other forms of credit, including buy now, pay later and the indirect provision of credit, hire purchase, including PCPs, and consumer hire agreements will be added to the existing authorisation requirement in respect of the provision of credit in the form of a cash loan.

Section 3 makes a technical amendment to the Central Bank Act 1997 to confirm that any entity that is covered by any of these new subsections is not prohibited from carrying out any such regulated business.

Section 4 amends the Central Bank Act 1997, which provides limited discretion to the Central Bank of Ireland to exempt certain entities or classes of entities from the requirement to become authorised as a retail credit firm regarding the provision of credit in the form of cash loans, to take account of other changes being made in this Bill and extend it to cover the additional types of financial arrangements that will come within the regulated business of the retail credit firm.

Section 5 inserts a new section into the Central Bank Act 1997 to provide for the transitional arrangements for firms which will for the first time come within the scope of Central Bank of Ireland authorisation as a retail credit firm. This section, which mirrors similar provisions in the past, provides that, subject to applying to the Central Bank of Ireland for authorisation within a period of three months from the commencement of the relevant provisions, they will be deemed

to be transitionally authorised by the Central Bank of Ireland and that authorisation will continue until the Central Bank of Ireland has granted or refused authorisation.

Section 6 amends the Central Bank Act 1997 by taking account of changes in the definition of “credit servicing firm” as set out in section 2 of the Bill.

Section 7 inserts a new section into the Central Bank Act 1997 and it mirrors the provision in the new section 34EA regarding transitional arrangements for firms which will for the first time come within the scope of Central Bank of Ireland authorisation as a credit servicing firm. As with section 5 in respect of the retail credit firms, subject to applying to the Central Bank of Ireland for authorisation within a period of three months from the commencement of the relevant provisions, existing credit servicing firms will be deemed to be authorised by the Central Bank and that authorisation will continue until the Central Bank of Ireland has granted or refused authorisation.

Section 8 amends the Central Bank Act 1997 to take account of the wider range of financial agreements, including hire purchase and consumer hire agreements, which will now fall within the scope of credit servicing firms.

Section 9 inserts a new section into the Central Bank Act 1997 to provide that the Minister for Finance may request the Central Bank, using the powers it already has under the Central Bank Acts, to collect and publish information on credit, hire purchase, including PCP, and consumer hire agreements. This will facilitate the publication of statistics and data on the level of financial accommodation provided by the regulated businesses.

Section 10 amends the Consumer Credit Act 1995 by inserting additional definitions and substituted definitions. Currently, it provides that the Central Bank may prescribe individual firms to be a “credit institution” for the purpose of the Act. The amendment will provide that the authorisation category of “retail credit firms” will replace this provision, as such an individual listing will become redundant in light of the new authorisation requirements provided for in section 2 of this Bill. A limited technical change is also being made to the definition of “APR” in the 1995 Act, as well as a cross-reference to the Central Bank Act 1997.

Section 11 amends section 3 of the existing legislation to make clear that interest and the cost free credit that is advertised falls within scope of that Act and that the provider of such type of credit falls within the regulatory remit of the Central Bank.

Section 12 amends the existing legislation to make clear that the APR provisions shall apply to credit and hire purchase, including PCP, agreements and the Central Bank may, by regulations, amend the method of calculating the APR.

Section 13 makes the contravention of the 1995 Act constitute an offence, which is not the case at the moment.

Sections 14 to 17, inclusive, are specific items regarding amendments of the Consumer Credit Act, the Social Welfare Consolidation Act and the Central Bank (Supervision and Enforcement) Act 2013.

Section 18 amends the Financial Services and Pensions Ombudsman Act 2017.

Section 19 sets out the Short Title and provides for the commencement provisions that the Act may come into operation by order or orders of the Minister for Finance.

I want to thank the Senators for their consideration of this Bill.

Senator Pat Casey: I welcome the Minister of State back to the House for another important piece of legislation. Just to put on record, Fianna Fáil will be supporting this Bill. Its primary purpose is to provide that any person or firm carrying on the business of providing credit, hire purchase or consumer hire agreements to consumers or other relevant persons will fall within the authorisation and regulatory remit of the Central Bank of Ireland. This will give the Central Bank the necessary legislative basis to apply its consumer protection code and any other relevant code to such firms.

The Bill facilitates the implementation of the key recommendations of the Tutty report on the operation of the PCP market, which stated that the Central Bank should apply relevant provisions of its consumer protection code, particularly the obligations of the financial service providers under the code, to assess the financial capacity of the consumer and the suitability of the product for the consumer prior to entering into a credit arrangement, to all providers of higher purchase or PCP arrangements and to consumers. All providers of PCP and similar agreements to consumers will now have to be authorised by the Central Bank, which will be able to apply its consumer protection code and other protection powers to such firms. This will improve the level of protection available to the consumer in such agreements. As part of the review of the regulation of the personal contract plans commissioned in 2018, Mr. Michael Tutty considered the contents and recommendations of the earlier Competition and Consumer Protection Commission study on personal contract plans, the Irish market and separate Central Bank studies, and an overview of the Irish PCP market. Following his consideration of the market and other considerations, the Tutty report recommended that further consumer protection for PCP arrangements be introduced. In particular, it recommended that the Central Bank consumer protection code, which requires a lender to assess the suitability of a product for a consumer and the ability of the borrower to repay the debt over the duration of the credit period, should be extended to hire purchase and PCP arrangements. The implementation of this recommendation for all providers of hire purchase and PCP agreements requires the legislation that is being debated today.

This is most welcome. We have seen the huge impact that the PCP market is having in Ireland. This is welcome legislation that gives additional protection to the consumer.

Senator Maria Byrne: I thank the Minister of State for coming to the House to discuss this important Bill. I realise its significance in protecting the consumer. Like Senator Casey, Fine Gael will support this Bill. The primary purpose of the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill 2021 is to provide that any firm that offers credit under buy now, pay later arrangements, hire purchase contract plans or consumer hire agreements, and other relevant persons, will, unless already subject to Central Bank of Ireland regulation, require to be authorised as a retail credit firm by the Central Bank. This is important. I pay tribute to Mr. Michael Tutty and all the work that he put into it. He brought forward his recommendations. The legislation is about protecting the consumer and bringing the providers of indirect credit within the authorisation and regulatory remit of the Central Bank. It is so-called because the lender indirectly provides credit to the borrower by paying a retailer on behalf of a consumer for the purchase of a good or service, often as part of a buy now, pay later offer.

The Bill brings credit, hire purchase and consumer hire agreements within the authorisation and regulatory remit of the Central Bank, which has a key role to play. It does this by extending the existing authorisation scope of credit servicing firms to include those additional types

of financial agreements. It widens the current definition of credit. We are all used to hearing about people looking for credit. The definition will include retail credit and credit servicing firms, which applies to credit in the form of cash loans only. It will include credit in the form of a deferred payment, cash loan or other similar financial accommodations. It extends an existing cost of credit gap of up to 23% APR on credit provided to consumers by certain firms to all entities which provide credit or hire purchase agreements, other than moneylending agreements or credit unions, both of which have their own regulatory requirements.

The Bill provides for measures mainly by amending the Central Bank Act 1997. It currently provides for the authorisation of, *inter alia*, retail credit and credit servicing firms, but changes will also be made to certain other relevant legislation, including the Consumer Credit Act. Overall, this is beneficial for the consumer. It means there is regulation and accountability, which is most welcome. I thank the Minister of State and look forward to working with him.

Senator Róisín Garvey: Gabhaim buíochas leis an Aire Stáit as teacht isteach. Tá obair an-tábhachtach á déanamh ar an dlí seo, mar sin gabhaim buíochas leis. This is an important Bill. I thank the Minister of State for all his work on this. All too often, consumers fall prey to great offers of hire purchase agreements. As someone with a degree in mathematics and physics, I find some of the calculations in hire purchase agreements really complicated. It ends up being much more money than it looks like when agreements state 4% or 6%, since there is compound interest, cumulative interest and interest rates on interest. It is insane.

I welcome this Bill from the Government. It relates to the regulation of buy now, pay later plans, personal contract plans, and related financial products, such as hire purchase agreements. With the cost of living rising, we will probably see much more of this happening and people moving towards that model of purchasing, which is why this Bill is important. It would bring providers of these financial products into the regulatory remit of the Central Bank. It will require these providers to include the annual percentage rate in hire purchase agreements. We all know how we can fall prey to advertising. It is really important. A great advertisement used to have someone saying he did not know what a tracker mortgage is. It is also the case with hire purchase agreements. I do not know what APR really means.

It is great that this Bill was amended on Committee Stage. I welcome the legislation. It is a significant step to bring these lenders into the remit of the Central Bank, which will provide greater protection for people who use these services. These providers are not currently required to conduct background checks or suitability assessments on customers. It becomes difficult. I know people who have been caught out by this. They wanted to get an expensive present for their child for Christmas, because everybody else was getting it. They gave into that and took on a loan that they could not fulfil. It is unfair that lenders have been getting away with this. This Bill will help the most marginalised in some ways, which is why the Bill is important.

One striking issue was that the collection of data was not regulated. People who had bought something on impulse and were unable to pay it back were pursued by unlicensed debt collectors. We have all heard horrendous stories about those situations. As I understand it, previously, companies could outsource their debt collection to private debt collectors. They were not subject to regulation if the original company was not subject to regulation. It shows how badly needed this legislation was.

There has been a significant increase in recent years in the number of PCP arrangements, particularly for buying cars. We need to be careful about consumer protection. Does this Bill mean that debt collection by lenders providing hire purchase agreements, PCPs and buy now, pay later arrangements will now be regulated and brought under the remit of the Central Bank? They are debt collectors working for the companies that are offering the loan. Will the Minister of State clarify this issue for people who fail to meet repayments?

In the world we live in, we have become interdependent. The EU has failed to be able to tell Putin it will not buy his oil or gas because we are so dependent on it, even though I know the Irish are coming out stronger than other EU states. We need to look at our buying power, what we are buying, where it is from, if it is ethically made and where it is sourced. We have a climate emergency and significant issues with fast fashion. Sometimes these low interest loans can tempt people to buy things that they really do not need, or perhaps they get it from Amazon or somewhere. If we are buying, let us try to buy ethically, from Irish companies. People can buy hoovers from their local electronics shop in the heart of their local town as opposed to online or by driving to some warehouse belonging to a millionaire who has 50 shops. We need to look at our power as consumers. If we borrow money, let us try to support small, local, indigenous businesses that have ethics and morals relating to their staff and where they source their goods.

Senator Paul Gavan: The Minister of State is very welcome. It has been four years since the Tutty report came out. We finally have legislation which will hopefully reach its final Stages soon. It is welcome that this legislation deals with the concerns expressed in that report, but I am critical about the time taken to get to this point. This Bill implements the key recommendation of the Government-commissioned Tutty report that was published in 2018. Many people will be surprised to learn that providers of credit are not yet regulated by the Central Bank. This Bill will require providers of hire purchase and PCP credit lines to become regulated entities. That will give the Central Bank the power to apply the consumer protection code to such firms, particularly the part that requires firms to assess the suitability of the product for the consumer and the ability of the borrower to repay the debt over the duration of the credit agreement.

In the past number of years there has been an explosion in the PCP market. The number of PCPs for car finance alone between December 2014 and February 2020 increased by 528%, while the total outstanding credit in the PCP market stood at €1.7 billion by 2020, which represents a 573% increase since December 2014. This sharp rise in the PCP market and PCP credit has raised justified concerns regarding financial stability and consumer protection. PCPs have become a prevalent feature in the Irish motor finance market. A PCP is a type of hire purchase financial arrangement in which the customer is not the owner of the car until the final payment has been made. PCPs are characterised by a final balloon payment at the end of the contract which is often much larger than the previous repayments. Unlike other arrangements, the borrower can choose to either return the car to the seller, make a final payment to assume ownership, or enter into a new PCP which is the norm. It has been noted that this balloon payment can prove to be very expensive. As a consequence, as outlined by Mr. Michael Tutty in 2018, in practice the tendency with a PCP is that it is rolled over into a new contract at or before the end of the monthly payments.

As the Competition and Consumer Protection Commission, CCPC, noted in its 2018 report on PCPs in the Irish market, “the low monthly repayments, while making new cars appear affordable, may in some cases cause consumers to enter contracts which may become unaffordable when the final payment is taken into account.” In the view of the commission, there

is potential for detriment in the absence of mandated affordability or suitability checks, particularly given the complexity of PCP products. The difficulty with PCPs is that they can seem affordable to many people due to what look like affordable repayments at the beginning but the balloon payment at the end can cause terrible difficulties. I am sure many people in this House have been contacted by people looking for help with legacy debt, worried that they are being ripped off because they have been lured in by six-month interest-free credit deals only to find themselves locked into a four-year high-interest arrangement because companies have made it as difficult as possible to repay the balloon payment at the end of the arrangement. This has to stop.

The Bill will require providers of indirect credit to become entities regulated by the Central Bank. Indirect credit is so-called because the lender provides credit to the borrower by paying a retailer for the purchase of a good. This would significantly improve the level of protection available to the consumers of such agreements. My colleague Deputy Doherty has done a lot of work on this with the Minister of State on Committee Stage in the Dáil and Sinn Féin will continue to support the Bill, which is long overdue.

On the Bill itself, section 9 inserts a new section into the Central Bank Act allowing the Minister to request that the Central Bank collect and publish information on credit, hire purchase and consumer hire agreements. This follows a recommendation of the Tutty report. However, it is not guaranteed that this data will be collected and published regularly as subsection 36EA(5) of section 9 provides that they may be requested on a “once-off basis”. I ask that consideration be given to making the collection of this data a regular occurrence, once every six months. I also note that section 9 does not specify the particulars to be collected and published in that data. These particulars are left to the discretion of the Minister in the request that he or she makes under section 9. As part of pre-legislative scrutiny of the heads of the Bill in 2019, a number of stakeholders recommended that a span of items be included in the data collected and published. For example, the Free Legal Advice Centres, FLAC, recommended that details of deposits required for entering these agreements and the range of penalties and interest that customers may be charged in the event of default be included. The Money Advice and Budgeting Service, MABS, suggested that the data also include the number and value of such loans in arrears, pointing out that the data frequently published by the Central Bank on mortgage arrears are of great use to the agency as it supports borrowers in the services it provides. This legislation does not include such particulars and I ask the Minister to clarify what he intends to request of the Central Bank under section 9.

Finally, section 13 requires that the APR under hire purchase and consumer credit agreements cannot exceed 23%, with the notable exception of moneylenders. I urge the Minister to deal with that issue. My colleague Deputy Doherty has drafted a Bill in this regard. The Government permits moneylenders to charge an APR of 187%, or 288% when collection charges are included, and I urge it to work with Sinn Féin to finally address that issue.

Senator Marie Sherlock: I thank the Minister of State for coming to the Chamber today for this debate. The Labour Party very much welcomes the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill. I wish to begin by paying tribute to the work of Mr. Michael Tutty, the former official in the Department of Finance who put together the aforementioned report. The report was published in 2018 and while we have had two years of a pandemic, this legislation is long overdue.

I am conscious that we are debating this Bill on a day when a new bank has been launched

in Ireland, with Revolut announcing that it is officially establishing a presence in the Irish market. Over the last five years in particular, the multiplicity of financial products and actors in this country has grown enormously. Never has it been more important for us to ensure that credit products, and PCPs in particular, are regulated. PCPs have become an enormous feature of the car finance market in Ireland. I understand that they now account for around one quarter, or 40% of the value, of the car finance market. Senator Gavan and others have spoken about the increase in the number of PCPs from 10,000 in 2014 to 62,000 in February 2020, while the volume of credit involved has grown from €174 million in 2014 to €1.7 billion in 2020. The scale of PCPs out there is significant. One of the things that has frightened me in recent years is that PCPs are seen as a way to get a new car every few years but there is a very significant issue around people really understanding what they are signing up to. A particular bugbear of mine is the issue of financial literacy. Sometimes policies that may seem like the best thing since the sliced pan are, when one looks at the fine print, very different and PCPs are a classic example in that regard. The CCPC has described PCPs as being among the least flexible forms of finance. Others have spoken today about the difficulties faced by those with PCPs when they need to sell a car. Of course, we are all only too aware of the difficult financial circumstances that many households now find themselves in. Many households faced difficulties during the pandemic because family members lost their jobs and some still do not have jobs and they are now facing very significant increases in the cost of living. In that context, regulation of PCPs is absolutely vital.

Reference has been made to the balloon payment at the end of PCPs and many people are not aware of the extent of the final payment in order to take a car into full ownership. We have been made aware of situations where PCP contracts contained a provision for a certain level of mileage every year and if that is exceeded, there is a very real difficulty at the end of the contract in terms of handing over. The fine detail of PCPs has proved enormously challenging to many householders.

It is great that we have this Bill before us. It is very positive that APR has been capped at 23%, even though that is still extraordinarily high. A Sinn Féin Bill is going through the Dáil at the moment which aims to limit the APR charged on all forms of finance.

My last point relates to data collection. Time and again I have said that unless we understand a problem we cannot fix it. I am quite conscious that even the data we are relaying today are only a partial reflection of what we understand about the PCP market. In the context of section 9 of the Bill, there is a real issue with regard to the frequency of data collection and precisely what data will be collected. There is an onus on the Department and the Minister to provide more detail within the legislation. We need to hardwire into the Bill what precisely is going to be collated in the future. This is to ensure we have a good grasp of this and any other financial products so we can react accordingly, as regulators and legislators, if that need is required.

Minister of State at the Department of Finance (Deputy Sean Fleming): I thank the various Senators who have contributed to this constructive debate and for their general overall support of the Bill. It is generally accepted there is a need to improve the regulatory framework governing the provision of PCP and BNPL types of finance to consumers. The provisions in this Bill are designed to ensure the Central Bank of Ireland consumer protection code and any other relevant Central Bank code or regulation can be applied to all the entities that provide credit, hire purchase and PCP agreements to customers, in addition to entities that service those agreements.

There were a number of interesting and useful contributions to the debate and, where necessary, the Department of Finance will give consideration to them in the future consideration of the Bill by this House. I look forward to that engagement. I thank all the Senators who have spoken, all of whom have supported the Bill. It is important to summarise what we are talking about. Many people know about personal contract plans, which are very important, especially in the car market, and would have been surprised these matters were not regulated up to now. The Tutty report, which some Senators referred to, was published in 2018. While it took some time to implement it, it is good it is happening now. It would have been lovely if it had happened earlier. It did not, but it is happening now. It has gone through the Dáil and I hope this House will also conclude this Bill very soon for further consideration on the next Stage.

The other important issue concerns the buy-now-pay-later people. If somebody buys a suite of furniture or a bed for €1,000 or €2,000, the payments can sometimes be spread over a period. Sometimes a third can be paid now, a third a month later and a third the month after that. Up to now, none of those loans have been captured by this legislation. Customers are not taking a loan from the shop in those instances. People say they have not signed an agreement, but these loans involve finance companies providing funding to shops to provide customers with finance to pay for goods on a staged basis and this is worked into the original purchase price. It is very important to capture what we call indirect credit, where a customer does not sign an agreement but is indirectly caught by an agreement because he or she purchased the goods. That is why it is important this Bill comes to the House now.

Another important point was made regarding moneylender legislation. In this legislation, we are dealing with firms that provide credit. The issue of moneylenders is dealt with in separate legislation that is currently working its way through the Oireachtas. We discussed moneylending legislation quite recently in the Dáil, which is different from this Bill. The important thing is that everybody wants to see the exorbitant rates charged by some of these moneylenders outlawed once and for all. This will be seminal legislation. It is different legislation. It was rightly pointed out that some of those companies are now charging up to 288% APR, which includes collection costs incurred by calling to houses to collect money. Collection costs will not be allowed to be a separate charge in future. The proposal in the moneylending Bill is that the 288% maximum charge will be reduced by 240% to 48%. It is still a high rate but this will be a dramatic, overwhelming and seismic change compared with where it was.

I thank all the Members. As I said, I look forward to returning to the House for consideration of this legislation as soon as the Members find time for it. I look forward to this Bill being passed in due course.

Question put and agreed to.

Acting Chairperson (Senator Shane Cassells): When is it proposed to take Committee Stage?

Senator Pat Casey: Next Tuesday.

Acting Chairperson (Senator Shane Cassells): Is that agreed? Agreed.

Committee Stage ordered for Tuesday, 29 March 2022.

Acting Chairperson (Senator Shane Cassells): When is it proposed to sit again?

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Senator Pat Casey: At 2.30 p.m. on Tuesday, 29 March 2022.

Cuireadh an Seanad ar athló ar 1.54 p.m. go dtí 2.30 p.m., Dé Máirt, an 29 Márta 2022.

The Seanad adjourned at 1.54 p.m. until 2.30 p.m. on Tuesday, 29 March 2022.