

## Opening Statement

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Public Accounts Committee

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Chair, Members of the Committee, thank you for the invitation to speak with you today on a number of topics, many of which are important to the future of Ireland's national public service media.

Firstly, with regard to RTÉ's Financial Statements, 2020 was a transformational year in Irish life, and for Irish business. It was a hugely challenging time for everyone and every sector, but it was also a year in which RTÉ demonstrated our purpose and our value as a public service for the people of Ireland.

Despite the logistical, financial, and human challenges of the early stages of the pandemic, Ireland's media, both local and national, played a critical and leading role in keeping people in Ireland informed, engaged, and safe. Naturally, I want to highlight the very particular contribution made by RTÉ during this time.

Along with public service media all over Europe, RTÉ informed and empowered the people of Ireland. In research conducted at in the first six months of the pandemic, 90% of people indicated that they turned to RTÉ for information, while a further 76% said that they placed their trust in RTÉ.

This confidence and trust has been earned over many years, and in many ways.

Alongside comprehensive and in-depth news coverage, RTÉ was and is a source of companionship, diversion and connection for millions. People turned to story in all its forms; from documentaries, to drama, to comedy, to investigative journalism, and the nation joined together in helping RTÉ to bring light to darker days, with events such as RTÉ Shine a Light.

New original Irish drama - like the hugely acclaimed *Normal People* - got the nation talking and connecting more than ever. And with connection comes community: RTÉ rallied around Irish businesses, Irish artists, producers, frontline workers and those in need – together, with the people of Ireland we raised over €12 million in 2020 for Irish charities.

These achievements came against the backdrop of extreme financial uncertainty. RTÉ is funded through a combination of public funding (TV Licence) and commercial income. An immediate result of Covid-19 was a sharp drop in licence fee revenue, and a decline in advertising revenue. Although income stabilised towards the end of that year, we witnessed the precariousness of the financial system underpinning public service broadcasting in Ireland.

RTÉ has highlighted, for many years, that the licence fee system on which Ireland's national public service media is reliant, is utterly broken. Evasion in 2020 reached a level of 15.2%. "No-TV Homes" grew to 15.1% in 2022. In 2019, RTÉ committed to a range of cost efficiency measures, and in 2020 we made good progress in achieving our agreed targets. This strong focus on cost management is reflected in the surplus achieved in that year, aided by the exceptional circumstances of that year when expenditure on coverage of live events and sport, among other types of production, was suspended.

The core structural funding problems remain, and in fact are deteriorating quickly. Losses to national public service media funding are now estimated to be €65 million annually. RTÉ cannot continue to deliver its remit for the people of Ireland without adequate public funding. We welcomed the formation of the Government-appointed Future of Media Commission in early 2021, and we await with interest the urgent publication of the recommendations of that Commission.

As we await meaningful reform of public funding, RTÉ has been focussed on its own programme of reform. This has included the critical upgrading of studio and broadcasting infrastructure; the appointment of a Diversity lead to help improve representation within our workforce and our output; a large-scale organisational restructure to help us achieve greater collaboration and synergies; and we are investing more in digital services and content.

To help ensure that RTÉ evolves, we commissioned a number of different reviews of how we work. The Review of Role and Gender Equality in 2017 offered an in-depth analysis of gender equity within RTÉ's own workforce. To begin with, RTÉ's staff body is almost evenly males/female, which in itself is notable when compared to the private or the semi-state

sectors. The review also found that RTÉ is both a fair and equitable employer, with good terms and conditions of employment for its people.

The review found that RTÉ equals, and in various cases exceeds, national policy objectives and targets for gender related employment, and the review found that the pay differential at RTÉ is approximately 4%, which is significantly less than the 14% for the economy as a whole.

Whilst these findings were encouraging, they leave no room for complacency, and gender balance within our overall workforce, within roles, and within our output, remains a high priority. RTÉ's journey on gender pay and general employment continues and is supported by the Willis Towers Watson project, which is looking at an updated job and career framework for all staff.

RTÉ is also focused on complying with reporting requirements on gender pay, which will help us develop more plans to address any gaps. A consistent, methodical, and universal approach is now captured by the requirements under the Gender Pay Gap Information Act (2021). This is a welcome development on a national level, which will provide further transparency across all employment within the State.

Following on from this review, we also proactively undertook a review of the organisation's use of contractors. The resulting report found that the majority of those reviewed (i.e. a list of 433 freelance / contractors providing services across the organisation) were appropriately engaged as contractors. It also found that some contractors appeared to have some "attributes akin to employment", and highlighted 157 individuals as being in need of further review. A total of 82 contracts of employment were issued, with 79 acceptances.

In accordance with the Eversheds review recommendations, we have also updated the relevant RTÉ policies for engaging individuals, and implemented training and awareness for all managers within the organisation.

Arising from the review into the engagement of contractors, RTÉ also engaged in dialogue and co-operation with the Revenue Commissioners, and a settlement amount to the value of €1,223,252 has now been paid to Revenue in respect of identified liabilities.

Alongside this audit, RTÉ has also been in dialogue and co-operation with the Department of Social Protection (SCOPE division), and is one of 500 organisations in Ireland currently under review for potential PRSI classification liabilities. This is a substantial and complex process, involving the investigation of the contractual and employment arrangements of

approximately 500 individuals. The precise duration of this investigation is unknown, but it is conservatively estimated to be active until at least 2023.

Finally, arising from one of the recommendations of the original Role and Gender Equality Review, and as mentioned earlier, RTÉ has engaged with an external partner to carry out a full evaluation of staff roles and grades in RTÉ. This will enable RTÉ to control costs and make decisions on the best shape and size of the organisation so that we can successfully face the future. This will involve a full evaluation of the role and grading structure in RTÉ.

The original research clarified that RTÉ's existing structure, which comprises 164 different grades, is overly complex and no longer fit for purpose. It is therefore intended that this review will create greater levels of transparency, parity, and agility within the organisation. All staff and all services will be included within this review.

All of these measures will allow us to plan how RTÉ will evolve as a Ireland's national public service media. We and our staff have already embraced hybrid working, and the past year has resulted in a number of innovations in terms of our broadcast services. In spite of its many challenges, Covid-19 has accelerated change across the working world, and it essential that RTÉ keeps pace.

By comparison with many of our international counterparts, RTÉ offers a considerable range and quality of programmes and online services, on a very cost-efficient basis. We have a highly dedicated, experienced and qualified workforce; we are a highly trusted organisation, and we continue to play an essential role in Irish life.

Covid-19 has shown us the importance of public service media to the proper functioning of a country, of a democracy, to the nurturing of cultural vitality, unity, and community. Whether it be in moments of celebration, or in times of crisis, it is RTÉ's privilege and RTÉ's unique responsibility to be the place where people turn, and the place that brings the nation together.

We would urge all members of the Committee to engage with the work of the Commission, when its recommendations are published, and to consider those recommendations with urgency and shared purpose.