

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Dé Máirt, 27 Aibreán 2021

Tuesday, 27 April 2021

The Committee met at 12.30 p.m.

MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Paul McAuliffe,
Deputy Jennifer Carroll MacNeill,	Deputy Marc MacSharry,
Deputy Matt Carthy,	Deputy Imelda Munster,
Deputy Cormac Devlin,	Deputy Catherine Murphy,
Deputy Alan Dillon,	Deputy Verona Murphy,
Deputy Neasa Hourigan,	Deputy Sean Sherlock.

DEPUTY BRIAN STANLEY IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

Business of Committee

Chairman: No apologies have been received.

I welcome everyone to our online meeting. Due to the current situation regarding Covid-19, only the clerk to the committee, support staff and I are in the committee room. Members of the committee are attending remotely from within the precincts of Leinster House. This is due to the constitutional requirement that in order to participate in public meetings members must be physically present within the confines of the place Parliament has chosen to sit, namely, Leinster House or in the Convention Centre. I ask Members to confirm their location before contributing to ensure we are adhering to the constitutional requirement. The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness to the committee and he is joining us remotely.

Before we begin our public engagement, we considered the minutes of our meetings of 23, 24 and 30 March at our private meeting last Wednesday, 21 April. Standing Order 107(3) requires that the minutes be agreed in a public session. Are those minutes agreed to? Agreed. As previously agreed, the minutes will be published on the committee's website.

2019 Report of the Comptroller and Auditor General and Appropriation Accounts

Vote 29 - Communications, Climate Action and Environment

Ms Dee Forbes (*Director General, RTÉ*) called and examined.

Chairman: Today we will engage with officials from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and the Media, Raidió Teilifís Éireann, RTÉ, and the Broadcasting Authority of Ireland, BAI, to examine matters including Exchequer funding of RTÉ in the context of programme B, broadcasting, in respect of the 2019 Appropriation Account for Vote 29 – Communications, Climate Action and Environment.

We are joined remotely from within the precincts of Leinster House by Mr. Joe Healy, principal officer at the Department of Tourism, Culture, Arts, Gaeltacht, Sport and the Media. We are joined remotely from outside the precincts of Leinster House by the following officials from the Department: Ms Triona Quill, principal officer, and Mr. Donal Crowley, head of human resources. We are also joined remotely from outside the precincts of Leinster House by the following officials from RTÉ: Ms Dee Forbes, director general; Ms Eimear Cusack, director of human resources; and Ms Fiona O'Shea, group financial controller. We are also joined by Ms Anne Louise O'Donovan, senior manager, BAI. I warmly welcome all the witnesses to the meeting. I thank them and their staff for the briefing material they prepared for the committee.

I note that this is the first time the Department of Tourism, Culture, Arts, Gaeltacht, Sport and the Media - a big Department - has appeared before this committee. I wish Mr. Healy and his staff every success with their diverse and important brief.

When we begin to engage I ask members and witnesses to mute themselves when not contributing so we do not pick up background noise or feedback and, as usual, I remind all those in attendance to ensure their mobile phones are on silent mode or switched off.

Before we start, I wish to explain some limitations to parliamentary privilege, and the practice of the Houses as regards reference witnesses may make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected, pursuant to both the Constitution and statute, by absolute privilege. However, several of today's witnesses are giving their evidence remotely, from a place outside the parliamentary precincts and, as such, may not benefit from the same level of immunity from legal proceedings as witnesses physically present. Such witnesses have already been advised that they may think it appropriate to take legal advice on this matter.

Members are reminded of the provisions within Standing Order 218 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government, or a Minister of the Government, or the merits of the objectives of such policies. Members are also reminded of the long-standing parliamentary practice that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. To assist our broadcasting service and the staff of the Debates Office, I ask Members to direct their questions to specific witnesses. If the question has not been directed to a specific witness, whether that is RTÉ or the Department, I ask each witness to state his or her name the first time they contribute.

I am informed that there is a technical issue with the Comptroller and Auditor General's connection so I invite Ms Forbes to make her opening statement. She has five minutes and I will give her a reminder after four minutes.

Ms Dee Forbes: I thank the Chairman and all the members for inviting us here today. The invitation comes at a very important time. We sent the committee some notes last night which I hope the members will find useful to engage today.

The questions the members have regarding employment in RTÉ are important. Over the past few years, we in RTÉ have reviewed, and changed as appropriate, the basis of engagement for a number of people whose working relationship with RTÉ had evolved over time. The Eversheds Sutherland review has been thorough and I and my colleagues are happy to answer questions on that across the next couple of hours.

At the outset, however, I thought it would be useful to give the committee some context of what is going on in our sector and within RTÉ at present. While terms and conditions of employment in RTÉ and the sector are certainly important, the broader challenges facing the sector have caused many to lose their jobs and are threatening the future of many more.

Decisions soon to be made by the Government on the future of media in Ireland will have far-reaching consequences not just for RTÉ and all who work here but the broader sector and, crucially, Irish audiences into the future. Much is at stake.

Public service media now exists in a very different world from when RTÉ was established. Audiences in Ireland now live in a transformed media and communications landscape. With unlimited choice and every interest and taste catered for, audiences enjoy a digital world - always on, accessible across multiple devices and, increasingly, delivered or mediated by global companies. Audiences today exercise much more control over when and how they consume

information, journalism and programming.

RTÉ has evolved with these developments and still occupies a unique place at the heart of Irish public life. Over the past 15 years RTÉ has embraced the opportunities of digital technology. Today, while continuing to deliver the country's leading broadcast channels, RTÉ has extended its public value with market-leading online and mobile media services, offering all of its journalism and programming on the smartphone, tablet and desktop.

These investments have ensured that RTÉ remains at the centre of Irish public life, accessed in any given week by 94% of the people living in Ireland, and many more around the world. This has never been more important than in the past year when RTÉ underpinned a shared national narrative and was a consistent and trusted source of information, analysis and news that people could rely on every day to keep themselves, their families and their communities safer. As independently tracked by Amárach every week, 90% of the Irish people are choosing RTÉ as their main source of information, news and analysis on Covid-19.

Over the next decade, as broadband speeds increase and coverage extends fully into rural areas and as digital devices become smarter and global competition becomes even greater, the effects of digital disruption on media are likely to become even more fast-moving and profound, particularly for a small country such as Ireland.

The members will see from our annual report in 2019 that RTÉ carried a deficit for the year of €7.2 million, a deficit that underscores a structural funding problem at RTÉ that has emerged in the past decade.

The financial crash of 2008-09 devastated the economy and many sectors, including media. In 2008, RTÉ had total revenues of €444 million; in 2019, RTÉ's total revenues were €342 million. The result has been a significant contraction in investment in Irish broadcast journalism and programming over the past decade. Investment by RTÉ in the independent production sector has reduced from over €75 million per annum in 2008 to €40 million now. RTÉ's investment in drama and children's programming has more than halved and its investment in factual programming has reduced by a third. This is not good for RTÉ, audiences in Ireland or the Irish creative media sectors.

Reform and cost-cutting has been a necessary theme in RTÉ throughout this period. RTÉ has reduced its annual operating costs by over 20%, approximately €100 million, in line with a total fall in income of the same level. Staff numbers have reduced by 22% from 2,351 in 2008 to 1,831 by the end of 2019. That is a reduction of 520 people. RTÉ has also reduced its remuneration of top talent by over 30% on the 2008 levels.

Due to ongoing financial constraints over the past decade, RTÉ has only been able to invest half of what we should in capital. In 2017, underutilised land in Donnybrook was sold to raise funds for essential capital investment in digital technology, studio infrastructure and to reduce debt and fund restructuring. In late 2019, RTÉ committed to further reducing its operating costs by €60 million between 2020 and 2022. RTÉ is on track to deliver these reductions, which include a further reduction of 15% of our top talent fees and a 10% cut to the pay of the executive board, as well as a waiving of fees by the RTÉ board. However, cuts and asset disposals cannot sustain RTÉ, let alone allow RTÉ to invest to meet the needs of future generations. Just when RTÉ's income has sharply contracted, changing audience needs and increasing global competition demands that RTÉ increase its investment in its journalism, programming and key technology so that we can retain distinctiveness and connection with our audiences. Quite sim-

ply, RTÉ does not have adequate revenues to deliver against our remit or fulfil our prescribed role. Numerous independent reviews, including the review of the funding of public service broadcasting conducted by the joint Oireachtas committee in 2017, have identified the need for increased public funding for RTÉ and structural reform to the TV licence system.

As noted above, 94% of Irish people access one or more of RTÉ's services each week using multiple devices, yet the law still only stipulates ownership of a television as the basis for paying the TV licence. In 2019, 11% of households therefore were ineligible to pay the TV licence. The cost of collection is higher in Ireland than the European average, more than double that in the UK, and evasion levels in 2019 were also among the highest in Europe, at 12.6% of eligible households. Both the levels of evasion and the numbers of ineligible homes have significantly increased since 2019. By our estimates the evasion level rose to over 15% of homes in 2020, with the level of ineligible homes rising to 13%. As a consequence, every year the current TV licence system is now losing over €50 million. To put that in context, that is the equivalent to the annual cost of all programming on RTÉ's radio stations and orchestra. It is more than RTÉ spends annually on news and current affairs programming on RTÉ 1 and RTÉ Radio 1. It is more than double what RTÉ currently spends on TV drama. It is more than three times the current Broadcasting Association of Ireland, BAI, sound and vision scheme, which supports independent producers. That is the amount being lost every year. The system is also unfair on those who pay. It should be a universal fee to which all households contribute and benefit, but over a quarter of households now do not pay at all. The TV licence fee system is now by some distance the most unreformed part of the public media in Ireland. Fixing this is the responsibility of Government. Persistent failures to do so have already cost jobs, both within RTÉ and the broader audiovisual sector, and hundreds of hours of journalism, creative and cultural programming.

Key decisions are now essential to secure the future of public service media in Ireland and those who work in it. Inaction will mean a decline in RTÉ's relevance, financial sustainability and the level of services it can provide. Those who gain from this decline will not be Irish-owned media organisations but, in the main, large international media providers who invest little or nothing in Irish-focused programming or journalism or create or sustain jobs here.

Much is at risk beyond RTÉ's own future, from Irish investigative broadcast journalism, comprehensive election and political coverage, international broadcast news coverage, to in-depth coverage of Northern Ireland and national regional coverage, a vibrant Irish TV drama sector, a viable independent production sector, distinctively Irish children's programming, cultural and arts programming, significant investment in Irish sport and Irish-language news, current affairs and radio services. None of these services or activities is sustainable on any scale in this country without a strong and viable RTÉ. I thank the Chair. We look forward to the discussion.

Chairman: I thank Ms Forbes for her opening statement. We are having some technical problems with Microsoft Teams and are trying to resolve them. I ask the Comptroller and Auditor General to make his opening statement. Deputy Hourigan may still be having problems getting into the meeting. We will persevere with that.

Mr. Seamus McCarthy: One of the programmes under the 2019 Vote for Communications, Climate Action and Environment funded a range of expenditures related to broadcasting. As a result of changes in departmental responsibilities following the formation of the Government in 2020, responsibility for broadcasting expenditure transferred to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media and will, from 2020 on, be accounted for in the Vote

for that Department.

Broadcasting expenditure in 2019 totalled €260.4 million. The largest element of the expenditure was annual grant funding provided to RTÉ, totalling €196.5 million. Grant funding to Teilifís na Gaeilge amounted to €36.2 million. The broadcasting fund, which is used mainly to grant assist the development and production of programmes for radio and television, received a contribution from the Vote of €14.8 million in 2019. The fund is managed by the BAI.

A substantial part of the Vote expenditure on broadcasting is funded by appropriations-in-aid in the form of broadcasting licence fee income. Receipts of licence fees in 2019 totalled €222.7 million, an increase of around 1.6% from the 2018 level. Payments to An Post to cover the costs of collection of the licence fees totalled €11.4 million in 2019. The vote contribution to the broadcasting fund is equivalent to 7% of the net licence fee receipts, after the payment to An Post. RTÉ receives grant funding equivalent to the balance of the fee receipts.

Committee members may wish to note that while I audit the financial statements of Teilifís na Gaeilge and the BAI, I do not have responsibility for the audit of the financial statements of RTÉ, which is classified as a commercial State body. Consequently, it would not be appropriate for me to comment on RTÉ's financial statements.

Deputy Jennifer Carroll MacNeill: I thank our witnesses for being here today. In particular, I thank the representatives of RTÉ for “Home School Hub” which has been a lifesaver for many people.

I take from Ms Forbes's opening remarks that we have a big structural funding problem with RTÉ, which is accessed by 94% of people and 90% of people choose RTÉ as their main news source. It is clearly in a dominant market position but experiencing a structural funding problem. Ms Forbes is suggesting the solution to that is a need for increased public funding and reform to the TV licence, which I know has formed a strong part of RTÉ's communications for many years. I have broader concerns on the structural funding problem that I want to go through with Ms Forbes in some detail. I feel there is an over focus on the licence fee as a possible solution to RTÉ's financial difficulties. I have some questions to pose that might help me to better understand the situation. At what stage did RTÉ cease to be on the temporary wage subsidy scheme, TWSS?

Ms Dee Forbes: I am having difficulty hearing the Deputy.

Deputy Jennifer Carroll MacNeill: I appreciate that. I refer to this year.

Ms Dee Forbes: I am sorry, but could the Deputy repeat the question because she got cut off?

Deputy Jennifer Carroll MacNeill: When did RTÉ cease being in receipt of the TWSS this year?

Ms Dee Forbes: Like all organisations, last year when it became available, RTÉ qualified under the criteria of the TWSS. Like most organisations we had a severe financial impact early on in the crisis. When the TWSS changed in August, we no longer qualified and we came off the scheme at that time.

Deputy Jennifer Carroll MacNeill: August. I thank Ms Forbes. What I am curious about is that from a consumer's perspective, television has changed considerably. The licence fee is

one of many fees that are available for accessing content. People might have some combination of Sky, Virgin, Eir, sports channels or Netflix. The cost of television is much higher from a consumer's perspective if one has a Sky package and pays the TV licence. How much does RTÉ get from Sky for me to watch its content on Sky's platform?

Ms Dee Forbes: First, in terms of Sky, Virgin or any of the cable and satellite platforms, there is a must-carry provision in law, which means that public service broadcasters must be carried by those providers. We do not get paid anything by Sky or Virgin for the provision of our channels in that environment. That has been the case forever. We do get a fee for our player, because the player is a new way of viewing, but it is a small amount compared to what the value of the channels would be to Sky and Virgin. We have had many conversations with the joint Oireachtas committee and with Sky and Virgin about this. The provision of funds to public service broadcasters by cable and satellite providers is a subject that is being discussed in many countries at the moment, but that is not the case in most countries. Where we benefit from being on Sky and Virgin is from advertising because we can sell advertising to the entire outlet of households that have Sky and Virgin, but there is no payment from them.

Deputy Jennifer Carroll MacNeill: It is not there. Is Ms Forbes saying the platforms are obliged to carry RTÉ and RTÉ is obliged to provide its service?

Ms Dee Forbes: That is correct.

Deputy Jennifer Carroll MacNeill: Is RTÉ obliged to provide it free to them?

Ms Dee Forbes: That is correct, at this moment in time.

Deputy Jennifer Carroll MacNeill: I accept it is an international discussion and one can see different moves in different countries regarding it.

I wish to check the situation with Facebook. Essentially, I can watch all of RTÉ's public service broadcasting on different channels on Facebook. What does RTÉ get from Facebook?

Ms Dee Forbes: As regards Facebook or Twitter, one would not be able to get everything on those platforms. One would be able to get select broadcasts. Typically, what one would see most of all on Facebook or Twitter would be news. If there is a broadcast from the Taoiseach or something happens election-wise, we will put our broadcast out. Again, there is no funding from any of those platforms for RTÉ. The Deputy is probably aware of the groundbreaking changes that happened recently in Australia. Google was the first to receive payment for its news services from News Corporation in that territory. What we are seeing is possibly a shift coming from the online providers and we will begin conversations shortly on that, but that was the first time for an online provider to be paid by a news outlet for its content. That is a global deal, which will apply to News Corporation's content everywhere in the world.

Deputy Jennifer Carroll MacNeill: But RTÉ is not obliged to put its content on Facebook.

Ms Dee Forbes: No, we are not. We choose to put selective content on it.

Deputy Jennifer Carroll MacNeill: I checked last night. It is more than selective; it is all of this week's major political stories, for example. I presume there is a feed through, because what RTÉ wants from Facebook is deriving the advertising from billions of eyeballs. Facebook is deriving information from people to better target them. It is profiting from this advertising model by people going on Facebook and watching RTÉ's public service content in large part.

Ms Dee Forbes: That is correct. Obviously, our content does help Facebook. As we expand and appeal to the users of Facebook and Twitter, it is important that the demographic is also getting access to public service content, because as the Deputy knows, many of the younger generation are accessing TV content through their devices, which is their chosen mode. It does help us in terms of awareness building, but we do not benefit from any cash coming the other way. It benefits their awareness and it is helping the younger generation see news, current affairs or discussions that we are having, in particular on a national level.

Deputy Jennifer Carroll MacNeill: In terms of the advertising model, presumably RTÉ is trying to drive a certain volume of traffic from Facebook through to its own app or digital platforms to derive advertising revenue from them?

Ms Dee Forbes: The overall goal of public service media broadcasting is reach and to be as broad as possible. It is our remit to attract as many people as possible, hence us being on as many platforms as possible. That is good from a public service objective, but also getting to the audience. What we are seeing more and more is that audiences, in particular in the younger demographic, are choosing to watch when and where they watch. We have seen time spent on our own player increase significantly this year, for example, as audiences go there to watch more and more content. I accept we have to monetise that content because we are public service and commercial. The more people that know they can watch “The Young Offenders” or the latest drama and the more people that know it is on, the greater chance we have of attracting them and getting a wider reach.

Deputy Jennifer Carroll MacNeill: I am sorry to go on and on about it, but in terms of Facebook, RTÉ has a significant critical asset in its newsroom and there are so few of those assets with content at that scale and of that quality. I pay the TV licence fee for that public service content, but it is coming out for nothing. Last night, for example, I went on Facebook. I went into the news app. Ms Forbes referred in her opening statement to being a market leader in its use of digital technology. I presume I have been driven to the news app so that RTÉ can derive further advertising revenue from me watching the content I seek and I ended up with it broken. Ms Forbes is welcome to check, but the date stamp for last night was not working. If I go through to the RTÉ website now, I see some advertising from which it can derive revenue, but there is so much available on the RTÉ 1 channel. I can see last week’s “Prime Time” interview and a link to “The Week in Politics”. It is not just selective content concerning elections, it is a continual stream of content. We pay for it by way of the TV licence and RTÉ is creating good content, but it is essentially being given away on Facebook for no return.

Ms Dee Forbes: The important point is the fact that public service broadcasting needs to be universally accessible. The Deputy is correct in the sense that while all these platforms provide awareness building, they are getting bigger and bigger. The discussions have started in Australia where for the first time there is payment coming the other way and we will probably see more of that. It is certainly something that we are very keen to progress because it is incumbent on the newer providers in the market to be fair and decent and to pay for some of that content. I think we will see more on that in the months ahead.

Deputy Jennifer Carroll MacNeill: Could I ask Ms Forbes about the land sale some time ago to Cairn Homes, which I know she is happy to speak about today? The land was sold at a moment in the market at a one-off price. How did RTÉ originally acquire the land? Was it part of a public service transfer, and if so, when? I just do not know the answer to that. What was the original source of the land RTÉ has?

Ms Dee Forbes: Again, I will have to check the details, but the land has been in RTÉ's ownership for an awfully long time. I do not know if the Deputy is aware, but it was a piece of unused land. There was nothing on it apart from a sports and social club. When we were looking at the sale of this land, it was examined mainly through the lens of where the money would go if the asset was sold. Due to the years of underinvestment, particularly in capital, we really felt the need to release some money for capital. We had to go through the various checks and balances. We had to get approval and then-----

Deputy Jennifer Carroll MacNeill: I understand that. What I am curious about is whether consideration was given to alternative options to a single once-off moment-in-time sale. Were any long-term revenue raising options considered? I ask that because of the long-term difficulties that RTÉ, especially with structural funding and pension funds. A moment-in-time sale only represents one option. For example, was consideration given to a model such as that used by Transport for London, where rental properties are built over their stations, etc., and a long-term income is derived from that revenue source, or was it a case of option A being a sale, and option B being to look at option A? What other strategies were considered?

Ms Dee Forbes: A lot of work was done at the time on what would be the optimal solution. The advice at the time was pretty clear that a sale would generate the best return. As the Deputy probably knows, it did generate a large amount of cash and the money has since been put to various uses. We had advisers working with us on this decision to ensure that this was not just a one-option only situation. We looked at various options, and this was deemed to be the best one at the time, given the market was particularly buoyant as well then. That is how that happened.

Deputy Jennifer Carroll MacNeill: That is fine. I will move on to ask Ms Forbes about the Eversheds Sutherland report and this question regarding competition and competitive talent in particular. It is of interest because it is very visible. I appreciate that it is a very small part of RTÉ's employment profile generally, but it is a visible one in which people are interested and also an aspect that I think frustrates people. I suggest that what frustrates people in particular is the idea that there is this huge competitive broadcasting market where top talent would be snaffled up in a second but for the pay those people get.

I was concerned to see reports from Virgin Media referring to aggression by RTÉ in respect of outbidding on talent, on production staff or on sports' rights, for example. Given RTÉ's position in the market as reflected in Ms Forbes's opening statement, does she really think it is credible that the top talent would fly, as it were, but for the fees they are paid and the structure through which those fees are paid?

Ms Dee Forbes: That is fine. First, all the world over in the media and entertainment sector there is a requirement for skilled staff to present shows. Those people command a certain value. It is a value that is higher than the average salary in any organisation. It is the same right around the world. I regularly compare notes with other public service broadcasters in Europe, for example. It is a factor of the entertainment and media industry that people who present programmes and shows command a market. It is also important to state that certainly-----

Deputy Jennifer Carroll MacNeill: I am sorry for interrupting and I apologise for cutting across Ms Forbes, it is just that time is so tight. The market, though, is necessarily local or linguistic. There is not a competitive European market for talent. It is not as though an RTÉ presenter is going to go off and land a gig presenting in France because there are obvious language barriers. There is even the very local nature of language, linguistics and familiarity, so the market is much more local in this regard. There is the possibility of the UK and that is about it.

Ms Dee Forbes: The Deputy is absolutely right. The market is local. What I am saying is that it is a feature of the overall media market that the talent are paid various rates above normal salaries in other broadcasters. The important thing to note here is that these people fulfil a particular role and they have a particular skill set. They fulfil a public service remit and, I suppose, a commercial role for us which attracts advertisers etc.. Having said that, I appreciate that this causes concern among the population and the members of the committee. Since 2008, however, those salaries have reduced by 30%. In 2019, we committed to those salaries reducing by a further 15%. Our annual report for 2020 is not out yet, but when it is available it will be evident that the top talent group has been reduced by a further 15%. I am very conscious of this aspect, as is RTÉ as an organisation.

However, we must also recognise that these people play a very important role for us as a broadcaster, commercially and in doing their job. It is something we are keeping under constant review. I hope the Deputy sees and hears our presenters every day and what we ask them to do. It is not that simple to put together a two-hour show or to be on camera for two hours. Here we are and it is hard enough for one hour. These presenters are skilled and they have a particular set of skills. Having said that, however, the reductions have come about, namely, of 30% since 2008 and a further 15% last year.

Chairman: I thank Ms Forbes, but we are going over time. I call Deputy Devlin.

Deputy Cormac Devlin: Like my colleague, I compliment RTÉ at the outset concerning its ‘school on TV’ initiative which ran during the lockdown. It was really beneficial for many primary school students during that time. It was well done and well produced. Well done on that. Turning to the reduction in the deficit run by RTÉ, it was €13 million in 2018 and that was down to €7 million in 2019. I note that Ms Forbes spoke of some cost-cutting measures, but how was that deficit reduction achieved?

Ms Dee Forbes: I thank the Deputy. I ask my colleague, Ms Fiona O’Shea, to take that question.

Ms Fiona O’Shea: I am the group financial controller of RTÉ. Concerning the changes in finances during 2019, there was an overall increase of €3 million in our revenue, which was largely due to an increase in licence fee income in the year. There was also the reversal of prior year emergency cuts which were reinstated. We had an increase of €7.2 million in our licence fee income. Our commercial revenue, however, declined in that year, largely due to the impact of Brexit on the media sector across Ireland. Our declines in commercial revenue are broadly in line with the experience across the media sector. Our operating costs declined in the year, and again that was probably a factor of the change in content and events. We had a reduction in the cost of special events between 2018 and 2019 as well, so that gave rise to a net deficit improvement of €5.8 million in the year.

Deputy Cormac Devlin: Staying with finance, what proportion of income generated in 2019 and 2020 by RTÉ came from the licence fee? I note that Ms O’Shea said there was an increase in the amount allocated from the licence fee to RTÉ. That contrasted with commercial revenue, which Ms O’Shea stated has reduced in recent years.

Ms Fiona O’Shea: Licence fee income represented about 57% of our total income in 2019 and 56% in 2018.

Deputy Cormac Devlin: The remainder then is commercial revenue. Is it correct that this

is the other funding stream for RTÉ?

Ms Fiona O'Shea: That is correct.

Deputy Cormac Devlin: I am not sure who is going to take this next question, but the last appearance by Ms Forbes before this committee was in May 2018 and a report was compiled in July of that year. I note that public funding in 2016, for instance, was €179.3 million, while commercial revenue stood at €158.2 million. Where do those figures stand today compared to 2016? Has RTÉ's commercial revenue improved since 2016 or has the licence fee income improved? I ask that because I note that Ms Forbes stated in her opening remarks that the evasion rate for the licence fee was in and around 15% for 2020. Back in 2018, it was similar enough at about 15% as well. Is that the average percentage of evasion? I ask Ms Forbes to deal with the issue of the comparison between commercial revenue and licence fee income first, please.

Ms Dee Forbes: In our annual report, on page 162 if the Deputy has it anywhere nearby, we break down our income from 2015 to 2019. In 2015, for example, television licence revenue was €178.9 million and commercial revenue was €155.4 million. In 2019, our most recently audited set of accounts, television licence revenue was €196.248 million and commercial revenue was €145.837 million. It can be seen from those figures that commercial revenue has declined and that licence fee revenue has increased. There are a number of things here. During the recession, there was an amount of money taken away from RTÉ. In the years from 2016 onwards, a lot of that money was put back into the licence fee, if you like. It was replenishing moneys that were taken away. In the main, that is what we are seeing here. Ms O'Shea can comment on this. That is what has happened really with the licence fee. The licence fee revenue has increased but it has increased because there was a move to make up for moneys that were taken away.

Deputy Cormac Devlin: I understand. If I can turn to the task RTÉ has ahead of itself in the context of digital content, when she was last before the committee in May 2018, Ms Forbes recognised that this is a major challenge for RTÉ in this regard. How has the organisation championed that in the past number of years and how has it improved matters on the digital front?

Ms Dee Forbes: This has been a major focus of the organisation because it is reflective of our audiences are consuming media now generally. As I informed the previous speaker, the younger generation are now consuming their media through digital devices. Part of the reason for the land sale we did in 2017 was to generate some capital in order that we could improve our infrastructure. We have put a lot of money into improving our digital infrastructure, whether it be studios, cameras or equipment, to enable us to do all of that. The RTÉ Player is the choice now for many people to come to first and we have had to invest substantially in the player in order to make it fit for purpose because, of course, we are being compared with Netflix, Amazon, etc. It is something that we are continuing to do.

A digital first strategy in news has been prevalent for the past couple of years. Whereas people will recall a time when they would hear a news break at 6 p.m. or 9 p.m., as news stories break now people get them immediately because that is what they want. We have been adjusting our technology, on the one hand, but we have also been adjusting our content and how we deliver it, whether it is news, whether it is podcasts or whether it is the ability to hear and see content where and when one wants. A key aspect is that digital audiences are strong but we still have some way to go in maximising the revenue generated from that because, as everybody says in the media, there is not an equivalence in that one euro in the linear world does not equate

to what is on offer in the digital world. That is the challenge the organisation faces.

Deputy Cormac Devlin: I thank Ms Forbes for that. In terms of the evasion rate and the collection for the licence fee, Ms Forbes has been a big advocate of reforming the licence fee and what it is charged for. She mentioned that we have one of the highest average rates of collection in Europe. Can she explain why the cost of collection and the evasion rate are higher here than in other jurisdictions across Europe?

Ms Dee Forbes: To be honest, that is a question for the Department because it controls the relationship between the itself and An Post. RTÉ, as the Deputy will be aware, is not responsible for the collection of the fee. There are a number of things involved. There is a need to invest in the database that is being used and, I suppose, the penalties for non-payment probably need to be looked at as well. I am sure the Department would have further comment on that.

Deputy Cormac Devlin: I will come back to the Department in the second round. Finally, can Ms Forbes indicate the percentage home-grown programming and productions versus other content that RTÉ purchases on an annual basis? Has she a percentage breakdown in that regard?

Ms Dee Forbes: I will try and get the Deputy a percentage quickly, but I can tell him that, in 2019, out of a total content budget of approximately €300 million, approximately €25 million was spent on acquisitions, that is, programmes we acquire from other producers. Some of that content is international and some of it may be Irish. I will have to go and get the figure.

Deputy Cormac Devlin: Yes, please.

Ms Dee Forbes: If the Deputy wants the particulars in respect of indigenous content, I can get that for him. The majority of our money goes on local. That is, I suppose, our differentiator. We are here to tell Ireland's story. We are here to support the industry. Of course, we do acquire content, whether from US studios or UK studios, but the majority of our content is indigenous Irish programmes. I will get the Deputy the exact percentage so that he has it.

Deputy Cormac Devlin: That would be very helpful. Do I have time for one more question?

Chairman: I thank the Deputy. Time up.

Deputy Cormac Devlin: I thought so. I thank Ms Forbes.

Chairman: I will let Deputy Devlin back in a second time. Hopefully, we will get around to that. I call Deputy Verona Murphy.

Deputy Verona Murphy: I thank the Chair and wish everybody a good afternoon. I thank the witnesses for appearing. Following on from some of Deputy Devlin's questions, the witnesses will see Leinster House in the background behind me. Is a television licence for Leinster House paid on the same basis as the licence for a householder? Can anybody answer that question?

Ms Dee Forbes: It is the same as a household. Where it changes is for commercial properties.

Deputy Verona Murphy: Would the Department of Agriculture, Food and the Marine pay for another licence?

Ms Dee Forbes: Correct, yes.

Deputy Verona Murphy: But only one. Maybe we would look into that for Ms Forbes, given that there are probably 500 televisions in Leinster House alone. It seems that there are some anomalies.

Another issue I would like to bring up is that earlier in the year there was a charitable payout based on a defamatory claim made against RTÉ - a libel action. RTÉ paid out €20,000. How was that decision made?

Ms Dee Forbes: If a case like that comes up, there is a lot of discussion between ourselves and the individual involved and both sides come to an arrangement or a place that is deemed appropriate in the case in question. That is how it was done. We deal with these matters on a case-by-case basis but our legal team, the relevant party and our insurers are all involved.

Deputy Verona Murphy: How often does that occur? In monetary terms, what would that amount to for this year or, if Ms Forbes prefers, last year?

Ms Dee Forbes: I will have to come back to the Deputy with exact amounts but it is not a lot. We have hundreds of hours of content and we aim, where possible, to avoid these situations. Unfortunately, sometimes in a live environment these things do happen.

Deputy Verona Murphy: Does RTÉ have insurance for it?

Ms Dee Forbes: We do have insurance.

Deputy Verona Murphy: Would that €20,000 have come from an insurance or would it have come from RTÉ's coffers?

Ms Dee Forbes: That would have come from insurance.

Deputy Verona Murphy: Even though it does not go to court, the insurance company makes the decision?

Ms Dee Forbes: Let me come back to the Deputy on the detail of it. I will be happy to do so.

Deputy Verona Murphy: I would be interested in looking at, possibly for the past ten years, what kind of defamatory claims were made and then settled out of court. We will be aware of the ones that go before the courts. I would like to see where we are going in this regard and ensure that if it has all been insurance payouts, RTÉ's licence fee income is not being affected. If Ms Forbes could submit information in that regard to the committee, I would be delighted.

Ms Dee Forbes: I would be happy to.

Deputy Verona Murphy: If Ms Forbes was able to provide a breakdown of payments by RTÉ to charities since 2010 as opposed to payments made in respect of defamation claims that went to court and were settled out of court, it would be great. I just want to see the significance of it and the impact it is having.

There is something else I wanted to ask Ms Forbes. She said there were categories that were outside the eligibility criteria. Specifically who is outside of the criteria of paying a television licence fee, apart from non-homeowners?

Ms Dee Forbes: I ask Ms O'Shea to take that.

Ms Fiona O'Shea: In respect of the TV licence system, as the Deputy will be aware it is the responsibility of the homeowner in all cases to purchase a TV licence. What we have seen in recent years is a significant increase in the number of households that do not have TVs. That goes back to the changing way in which individuals consume media. Over the last ten years we have seen an increase in what we call no-TV homes. Our latest figures from January 2021 show an increase in the number of such homes from about 2% to 13%. There is a significant increase in that number and those people are not eligible to purchase a television licence.

Deputy Verona Murphy: Does Ms O'Shea believe that figure is credible or is part of that avoidance?

Ms Fiona O'Shea: These are the statistics that come from TAM Ireland, the organisation which measures this. We have to take those statistics on face value. There is a change in how people consume media so it is credible that there has been an increase in no-TV homes. A lot of this boils down to the definition under which one must purchase a television licence. That is something we have had a lot of discussions about and it is well documented that the device definition for purchasing a TV licence is narrow. That is of concern to us and we would hope that would be reformed.

Deputy Alan Dillon: I welcome the officials from the Department and the guests from RTÉ who are before us. I acknowledge Ms Forbes and the staff in RTÉ, who have demonstrated a clear public purpose during the Covid-19 crisis as an essential service bringing our nation together. RTÉ did a tremendous job across all services in continuing with live broadcasts, and as Deputy Devlin said, in bringing new programmes forward, especially "Home School Hub", "Ireland on Call" and "RTÉ Investigates". Well done on that and I am sure these achievements were not easy, especially against the backdrop of extreme financial uncertainty.

Ms Forbes mentioned the deficit of €7.2 million in 2018 from the annual accounts in her opening statements. It was recorded as €12.6 million. Can Ms Forbes give us some information on the expected deficit for 2020?

Ms Dee Forbes: I thank the Deputy for his comments. They are much appreciated. On 2020, as the Deputy is probably aware our accounts have not yet been audited or signed off by our board. Having said that, to give the Deputy an indication I can say that last year was an incredible year on many levels, whether it was simply keeping everything going and keeping the country going or the huge shifts we saw in how we work as an organisation. On the one hand, our expenditure was less than expected. Why was that? Some of the big sporting events did not happen. The Olympics and the UEFA European Championship were cancelled and the GAA season, along with a huge amount of other sporting activity, was curtailed. However, some of those events were deferred and were not cancelled completely and we are hoping some of them will happen this year. Likewise, a lot of production could not happen. We had to stand down "Fair City" for many months while we physically could not produce it. The sector, particularly in the first lockdown, was not able to produce. We did not fulfil our commitment to the independent sector last year because it was not possible as it was not able to produce. Our expenditure was lower than expected but our revenue was also lower than expected, even though as the country opened up we got a bounce and revenue improved. All in all, when our accounts come to pass - and it was reported recently in *The Irish Times* - we will report a surplus in 2020. That was an unreal year, however, and we have to look at Covid over a two-year cycle because a lot of the reason we were able to do better than was anticipated was the deferral of a lot of cost but

that cost will come back in.

Deputy Alan Dillon: How does that impact RTÉ's revised strategy for 2020 to 2024 and the actions within that strategy in response to the financial crisis RTÉ is facing? I know so many actions on this were linked to a new reporting template that was introduced with a focus on monthly meetings. Are these meetings still taking place? Can Ms Forbes give us an indication of RTÉ's most recent meeting with the officials in the Department of the Environment, Climate and Communications, the Department of Public Expenditure and Reform and NewERA on how RTÉ can become more sustainable in the months ahead? What actions is RTÉ looking to implement? I note NewERA is looking to publish a report. When will that be published?

Ms Dee Forbes: I will ask Ms O'Shea to comment on the last meeting. In the revised strategy, we committed to reducing our operating costs by a further €60 million over a period of time. We are still committed to doing that but the make-up of how we do it will be different from when the strategy was published because 2019 seems like forever ago and the world has changed completely. There are a number of things we had planned to do that did not happen for whatever reason and there are a number of things that have simply been delayed or were not possible. However, we are committed to saving that money in that period. The important thing to bear in mind that we mentioned all the way through is that three things need to happen for there to be a sustainable RTÉ. First, public funding needs to be rectified. Second, our costs need to reduce. Third, our commercial revenue needs to stabilise. Those three things are all important in the mix for us to get to that place. I ask Ms O'Shea to talk about the engagement with NewERA, the Department of the Environment, Climate and Communications and the Department of Public Expenditure and Reform.

Ms Fiona O'Shea: Specific initiatives were identified in the revised strategy for RTÉ around commercial revenue, diversification, growth and specific cost-saving initiatives. We have regular engagement and meetings with the Department of the Environment, Climate and Communications, the Department of Public Expenditure and Reform and NewERA on tracking those initiatives. The savings under those have been built into RTÉ's budget for 2021 and we engage directly with the Department on tracking the delivery of those initiatives. That is an ongoing process.

Deputy Paul McAuliffe: I thank Ms Forbes for being with us. She said something earlier that we should not let pass, namely that RTÉ is a trusted source of news, a place of robust journalism and it supports the cultural life of Ireland. Increasingly, RTÉ is competing with operators that do not fulfil those categories. While RTÉ might receive public money, it is worth championing that work at the same time. Equally, that is the reason RTÉ comes before us. It does so to be accountable and answer questions.

In that vein, I will turn to the Eversheds Sutherland report on contractors. The report recommended that there were 157 contractors that it believed would be better placed as being directly employed. Could Ms Forbes say whether she believes that RTÉ has robustly responded to that and whether that response is complete? Of those people who were offered contracts and declined them, are they still in RTÉ's employment? What measures has RTÉ taken to ensure it is correctly complying with the Revenue guidelines and so on?

Ms Dee Forbes: I will ask my colleague, Ms Cusack, to take that.

Ms Eimear Cusack: I am director of human resources. To answer the Deputy's questions, we engaged in a thorough process with Eversheds Sutherland in the reviewing of all contrac-

tors back in 2018 and 2019. Part of that was an engagement with our trade union group on setting up governing principles which directed the course of travel on how we would carry out the process. It was inclusive and transparent. Of the contractors who were under review, 82 were offered contracts of employment, of whom 79 accepted. The three who did not accept are no longer with us. As part of the Eversheds review we engaged in a complete revamp and reformulation of our policy regarding how we engage services and employees. We carried out training for both managers and staff, and anybody involved in the recruitment process, to make sure we are compliant going forward. In that vein, we have a cross-division group that meets every second Monday. Every request for engagement comes through that group where it is scrutinised for compliance.

Deputy Paul McAuliffe: The shared island is one of the priorities of this Government and is something we wish to see promoted. However, I receive negative reports from people north of the Border who find themselves geo-blocked from content on the player or access to GAA content. In negotiations with international providers, does RTÉ seek to have an all-island usage? With regard to sporting organisations, does RTÉ seek to provide that coverage on an all-island basis? It does not seem consistent with what is otherwise a very all-Ireland based approach by the broadcaster.

Ms Dee Forbes: The issue of rights is hugely complex because the rights are the domain of either the federations in the sport world or the big studios in the entertainment world. Let us take sport first of all. It is the sporting bodies that dictate the break-up. Quite often sports discussions are held for the Republic of Ireland and the Northern Ireland discussion is had as part of the UK negotiation. That is the way the bodies work. It is nothing to do with the broadcasters. Some bodies are obviously different but that is the way they carve it up. We often get questions from our viewers as well but it is not something we decide. It is decided by the federations.

Deputy Paul McAuliffe: Would that apply to the GAA?

Ms Dee Forbes: In the main the GAA operates on a 32-county basis but some matches might only be covered in the North, for example. The vast majority are shown in the Thirty-two Counties.

Deputy Paul McAuliffe: Is there a reason that content would not be available on the player?

Ms Dee Forbes: Again, it depends on the rights. With the GAA, there is ourselves, BBC Northern Ireland and Sky. Depending on who has what match, one might not always get the player rights. As I say, it is on a case-by-case or sport right by sport right basis. It is likewise with the acquisition of media when dealing with companies like Disney or Warner. They typically see Northern Ireland as part of the UK so the rights are discussed on that basis and that is why people will sometimes not get a programme. Where possible when we are commissioning programmes we will typically buy 32-county rights. We will always commission for the Thirty-two Counties but there are occasions where for some reason we cannot. Music rights also have to be taken into consideration. It is not a simple issue. Of course we would have an all-island approach if we could because that is our remit. Our news, current affairs, Irish drama and factual content are all 32-county and that is a very important piece for us.

Deputy Sean Sherlock: I join in welcoming Ms Forbes and her team before us today. I acknowledge the work RTÉ has done throughout the pandemic as part of its public broadcasting remit, particularly in reassuring people and relieving their anxiety over the past 12 months or so

and imparting information based on science and fact.

I only have a few minutes. There are so many things I would like to talk about but I will focus on the independent sector. As I understand it, the independent production sector is protected under the Broadcasting Act 2009. I want to delve a little deeper into how Ms Forbes proposes to increase that funding as we open up society and the economy. What reassurances can she give to that sector that it will be the beneficiary of increased funding for output for the next 12 to 24 months?

Ms Dee Forbes: I thank the Deputy for his comments. The independent sector is hugely important to us. We are a partner in the production and provision of Irish content to our audiences. That is the first thing. Last year was a particularly tough year for the sector because practically no production was possible during the first lockdown. We were producing here as an essential service but everybody was still getting to grips with protocols and how to produce in a safe environment, so the first lockdown was very difficult. As I said, we underspent our commitment so we have commissioned excess programming this year to try to make up for that shortfall. We have regular contact and dialogue with the sector and have commissioned significant content this year. We talk with Screen Producers Ireland, SPI, on a regular basis and constantly update it on where we are at. This year will be a challenge - it already is - and we are seeing some issues come our way even with mandatory hotel quarantine, for example. We have a production crew coming in from Belgium on an important Irish drama in June and it is proving a huge issue in terms of both cost and availability. We are not out of the woods yet but the important thing is our commitment to absolutely honour what we should be spending. It is also important to state that under the Broadcasting Act 2009 it is a requirement of RTÉ to spend that money and we have two years after the year in which we did not spend it to do so. If production reduces again this year we have to keep commissioning until we get to that level.

Deputy Sean Sherlock: I thank Ms Forbes. She has hit the nail on the head. There is an obligation on RTÉ as per the legislation and she has confirmed that it will fulfil that commitment. That is where I was going with my point so I welcome that reply. I wholeheartedly agree about how people procure their content now and the multiplicity of devices that are available to people. We have not been strong enough politically in acknowledging that content is not free. There is a price to be paid and a cost incurred in creating content. We will all watch with interest what happens in Australia and Ms Forbes made a point about how that might permeate through to Ireland.

I am interested in whether RTÉ is now thinking about 5G and things like the roll-out of enhanced fibre broadband. Donnybrook and the citadel that is RTÉ was a place where there was a lot of production going on but surely to goodness with the advent of 5G, and people are already talking about 6G, there is a mechanism to use more geographical locations to produce content and give voice to the regions in how we produce content in this country, because the technology would allow us to do that.

Chairman: I ask Ms Forbes to keep her answers brief as we have to watch the time.

Ms Dee Forbes: As the Deputy rightly pointed out, technology is advancing at such a pace that it is overtaking everybody. One could say that Covid has enhanced that even more. The speed of adoption of things like online viewing or listening has catapulted in the last year.

Production is a complex business in many regards. Yes, in theory production can happen anywhere but having said that, there has to be infrastructure around it. The Deputy rightly

pointed out that we produce a lot of content in Donnybrook. We also do so in Cork, as he knows. The studio in Cork produces “The Today Show” while John Creedon broadcasts from there on a regular basis and “Nationwide” comes out of there as well. What is really interesting coming out of Covid is how we will work in the future. We are currently assessing this. It is fair to say that going back to a full Donnybrook, for example, will probably not happen for some time, so we are currently engaging with our staff with regard to the desire for a blended work week going forward and what that will look like. Will everybody be on site fully five days per week? They probably will not because of how we are doing this.

We must consider what that will do to our content production. Unless one has the infrastructure, it is not as easy as simply saying production can happen anywhere. However, it is certainly the case that technology enables us to be anywhere, as can be seen in the context of news reporting in particular. There was a time when one had to have a big outside broadcast unit on the road with the local correspondents. That is no longer the case. They have a small piece of equipment and can broadcast live and the signal comes to wherever it is needed.

That is probably a long-winded way of saying that all this is being reviewed to simply see what is the best way forward. I think it will be a mix, including what we have now, but technology will certainly enable us to build a new phase in our broadcasting.

Deputy Catherine Murphy: Ms Forbes and her team are very welcome. I will try to focus on one issue. I would love to have more time to go across the spectrum on this but I will focus on the Eversheds report. The vast majority of people who ended up being on the payroll as opposed to contractors were not the top earners but, rather, were on between €30,000 and probably €70,000. I am wondering whether, in terms of retrospection, they were misclassified to begin with. They are still doing the same jobs but they have now been classified as employees. Is it not self-evident that retrospection should be automatic and that there is a duty of care to the staff in that regard? Where is that at this point in terms of consideration of retrospection?

Ms Dee Forbes: Ms Cusack may wish to take that question.

Ms Eimear Cusack: At the outset of the process and because it was a fairly complex process to undertake, as the Deputy can imagine, and it was very thorough, we agreed with the trade union at the time that as part of our governing principles any residual matters arising, including the matter of retrospection, would be dealt with at the end of the process. That is a discussion that we intend to have with our staff and their representative bodies.

Deputy Catherine Murphy: What is the current status of the process?

Ms Eimear Cusack: That has not taken place yet because there are obviously two reviews under way from State Departments, the Department of Social Protection and Revenue-----

Deputy Catherine Murphy: I have very limited time. That answers where RTÉ is with the process at the moment. Eversheds went back two years. Is it not self-evident that there is a degree of retrospection when there was a look-back? That is an observation. In the UK, they are referred to as counterparts because it is not entirely set up on the same basis. The BBC ran into some significant high-profile difficulties with the same type of scenario some years back and the UK HM Revenue and Customs was brought in front of the Committee of Public Accounts of the House of Commons on foot of that. Was a Revenue audit ever carried out? Was this issue ever picked up in the past ten years? Did the auditors of RTÉ pick this up as an issue? I know it was raised continuously by some of the unions representing the staff.

Ms Dee Forbes: At the outset, I will ask Ms O'Shea to comment on whether anything was done in the past. When I came into RTÉ in 2016, I undertook to do a role and gender review and it was made clear to me at the time by union officials and some staff that we needed to look at the area of contractors. I committed that we would do so as an organisation. As Ms Cusack pointed out, the review is done and there are still pieces to be done on that. I do not know whether Ms O'Shea has awareness of a previous Revenue audit. We have such an audit going on currently.

Ms Fiona O'Shea: Through the years, there have been audits. We are currently in the process of a Revenue audit,. That process is ongoing on foot of the Eversheds review and we have had specific audits throughout the year on other matters as they have arisen. We are fully transparent in our dealings with Revenue in respect of all these inquiries.

Deputy Catherine Murphy: The scope section of the Department of Social Protection will be looking at PRSI. That is very important. In many ways, RTÉ is an example of things at which we need to look in other organisations with regard to self-employment because the Social Insurance Fund has to be put on a firm footing, just as RTÉ obviously has to be put on a firm financial footing. Essentially, it is Revenue as well as the scope section. Was it just a triggered audit by Revenue on foot of the Eversheds report or did it specifically relate to this matter?

How much has been spent on the Eversheds report to date, including legal fees?

Ms Fiona O'Shea: I will answer the first part of the Deputy's question first. The Revenue Commissioners on initial publication of our Eversheds review initiated an aspect query which subsequently became a Revenue audit notification to us. We have been fully co-operating with them and with regard to the findings and the detailed individual analysis post the initial Eversheds Sutherland report publication.

As regards the specific expenditure on the Eversheds report, I do not have that information to hand. We will provide that information after the meeting.

Deputy Catherine Murphy: If Ms O'Shea could do that, it would be welcome.

Deputy Marc MacSharry: I welcome the delegation from RTÉ and thank them for their very informative engagement so far. I totally get that RTÉ needs more money and that the licence fee is inadequate in terms of how it is currently administered. I also get that RTÉ has to pay large salaries to presenters. As much as all present would like to think that we could present a television programme, the reality is that nobody would tune in to watch it. However, bearing in mind that we will all retire at some stage, I would like to ask Ms Forbes what sort of fee I can look forward to charging RTÉ for "Iarnród Marc", which I am going to make when I finish being a Deputy?

Ms Dee Forbes: Does the Deputy have aspirations to be a presenter?

Deputy Marc MacSharry: Not at all. I am just wondering how one goes about that. Did the person in question have his own production company?

Ms Dee Forbes: My understanding of that show is that the production company approached the individual in question.

Deputy Marc MacSharry: Did it? I ask Ms Forbes to email the name of that company to all Oireachtas Members in order that the also-rans after the next election will know where to

send a few CVs with their production ideas. It is a very enjoyable programme. Unfortunately, I am not blessed with Irish. I did not study hard enough. Nevertheless, I found the programme immensely entertaining. It just shows there is life after politics.

What is the total area of the land remaining at Montrose after the sale of the 8.6 acres?

Ms Dee Forbes: From memory, there is another 24 acres or 25 acres.

Deputy Marc MacSharry: That is great. The net return to RTÉ was approximately €78 million. RTÉ distributed that appropriately in terms of capital expenditure and some other things it had to do. It reduced the debt by €10 million and did several other things. The net price per acre was pretty good. It is a very sought after part of Dublin. At approximately €10 million an acre, the remaining land would fetch in the region of €200 million. Going back to the time of the former Minister for Communications, Energy and Natural Resources, Alex White, one of the considerations was whether RTÉ should leave Montrose altogether and relocate to another location. Of course, the broadcaster's original home was in Athlone, even before it was at the GPO.

Would it be a consideration that, aside from retaining modest and essential studio facilities in an expensive part of Dublin, be it city or county, RTÉ could, from a production perspective, cash in the chips for €200 million and relocate to somewhere in counties Kildare, Meath, Wicklow or wherever? Is there an opportunity for independent production facilities whereby RTÉ could supply the infrastructure to be used by independent companies, movie makers or whatever, instead of them having to go to Ardmore, the studio in Limerick, Shepperton or one of the other studios in the UK? If RTÉ were to sell everything, bank a proposal whereby €200 million would come in, clear its remaining debt and, it would be hoped, be left with something like €170 million, would that be something worth considering? Notwithstanding that we have to get the structure of funding correct in any event, would that be a viable option? Has it been considered?

Ms Dee Forbes: It is a really interesting point. As the Deputy said, the land we sold went for a very lucrative price. I think it was the highest price per acre ever in this market. The value has now reduced but that does not mean it may not rise again. The thing we have to think about, and we have done a lot of work on this over the years, is that it is quite a complex matter simply to lift and shift RTÉ because of the infrastructure needed for broadcast. While the Deputy is correct to say that, if we were starting again, we would probably not need all the studio infrastructure we have right now, we have to look at the feasibility of that because the last time we looked at this, which was a couple of years ago, the amount of money we would get from a land sale and then to be able to build would not add up. We simply would not have enough money. If we take, for example, what the BBC has done and what the Canadian Broadcasting Corporation is doing, they are availing of significant other cash to move from where they are to where they are going to be. Typically, they are part of renewed areas or media city developments, so they are becoming anchor tenants in a creative space. They are getting preferential rates and everything else to be part of this.

This is something we have to keep on the agenda and keep looking at, but the maths, the last time we did them, did not add up in terms of being able to afford to move and build what is needed. Right now, there is no media city in Ireland like that in the UK, for example. Having said that, plans are afoot and it is great to hear that studios are coming in and setting up sound stages in the years ahead in and around Dublin, Wicklow, Wexford and so on. That is something we keep a close eye on but, as I said, the maths just do not add up at this point. The

interesting thing about the land we sold is that it was greenfield; there was nothing on it. It was a ready-made field that did not have any complex infrastructure. That made it very attractive to the buyer.

Deputy Imelda Munster: Ms Cusack stated that RTÉ is working with the Department of Social Protection and the Revenue Commissioners. I understand they contacted RTÉ after the publication of the Eversheds Sutherland report. At what stage are the discussions and when are they expected to conclude? Is it possible that a bill will end up landing at RTÉ on foot of the State broadcaster having engaged in bogus self-employment for years?

Ms Dee Forbes: I will ask Ms O'Shea to talk about where we are in the process, but it is important to state at the outset that we are not a bogus employer. RTÉ, like many organisations, has a number of relationships with its staff, whether they are full-time employees, contractors or whatever. As my colleague, Ms Cusack, outlined, the purpose of the Eversheds Sutherland report was to look at a number of people whose conditions changed over time. We did it voluntarily and put in place very strict rules around our processes-----

Deputy Imelda Munster: Sorry-----

Ms Dee Forbes: In that respect-----

Deputy Imelda Munster: I understand all that. My question was specifically about whether there is the possibility that a bill could land at RTÉ because of that, given that both the Department and the agency contacted RTÉ directly after the publication of the report.

Ms Dee Forbes: To be honest, until we know the outcome of that, we simply do not know. Ms O'Shea might talk through where we are in the process.

Deputy Imelda Munster: Will Ms O'Shea also outline when the process is expected to conclude?

Ms Fiona O'Shea: It is very difficult for us to confirm when any process will conclude. The engagement with the Revenue Commissioners began in 2018 on publication of the Eversheds Sutherland report, and we have had ongoing engagement with them from that point and throughout 2019. Last year, we received communication from the Department of Social Protection's subsection in respect of its reviews. Its reviews are also ongoing, so there are parallel processes in respect of both parties. Unfortunately, we cannot say at this point when they will conclude.

Deputy Imelda Munster: I understand they have not yet concluded, but has the Department or Revenue given any indication that RTÉ may well face a bill?

Ms Fiona O'Shea: At this point, I am not aware of an indication of a bill in respect of moneys due to them. Their review and assessment of whether any taxes are owing is ongoing, so we would-----

Deputy Imelda Munster: They have not yet said that. How many of RTÉ's top ten earners were involved in the Eversheds Sutherland review and how many moved employment as a result of it?

Ms Eimear Cusack: In terms of the top ten talent-----

Deputy Imelda Munster: The top ten earners.

Ms Eimear Cusack: -----they remained as contractors.

Deputy Imelda Munster: Turning to the terms and conditions of employment, specifically as they relate to Irish language workers at Raidió na Gaeltachta, I understand that the difference in remuneration for comparable workers, such as a Raidió na Gaeltachta cláraitheoir and an RTÉ radio producer, could be up to 25% in potential earnings simply because someone chooses to work at the Irish language station unlike their English language counterparts. Is that correct?

Ms Eimear Cusack: I would not know offhand. I would have to check that out. There are different grades. We have 167 grades across the organisation, so I would need to look into that for the Deputy.

Deputy Imelda Munster: Do any of the other witnesses know?

Chairman: Time is up, Deputy.

Deputy Imelda Munster: I imagine the issue has been flagged at some stage.

Ms Dee Forbes: We will happily come back and let the Deputy know. I do not know the answer.

Deputy Imelda Munster: If the Chairman will indulge me-----

Chairman: Briefly.

Deputy Imelda Munster: I ask RTÉ to get clarification on that before we come to the second round because I will return to the issue at that stage.

Deputy Neasa Hourigan: I thank the witnesses for attending. To return to the issue of the licence fee, commitments were made in 2019 by the then Minister with responsibility for communications to examine the device-based model, which I am under the impression RTÉ would support. Has there been any significant communication or development between RTÉ and the Department of the Environment, Climate and Communications on that issue, and will the witnesses give an update on it? We are not the only country that is struggling with public funding through a device-based model. In the UK, there has been a great deal of unhappiness since March at the fact the BBC did not manage to adopt a more progressive funding model. One of the things that was pointed out during that back and forth was that the Government had a concern that due to a failure to roll out broadband, a device-based model of funding for the licence fee would disenfranchise a certain section of the population. A device-based licence fee would be based on access to broadband, with regard to the public broadcasting aspect of it. I am interested in Ms Forbes's thoughts on that. Is a device-based model for the licence fee directly linked to or dependent on our roll-out of broadband?

My second question is around RTÉ Player. It is probably not news to RTÉ to say that sometimes there is criticism of RTÉ Player and its efficacy. I would like to understand a little bit more about how RTÉ is going to update that and keep it as live and relevant to users as it can possibly be. Before Christmas there was a significant issue around access to the Irish Sign Language, ISL, element of the RTÉ Player. For how long did that happen? When it was rectified was there follow up to see how we can ensure that it does not happen again?

Ms Dee Forbes: I will take the RTÉ Player question first. As the Deputy has pointed out, there have been some technical issues. It is worth saying, at the outset, that the nature of the RTÉ Player is complex because it is a combination of live and streamed content, unlike Netflix

and unlike Amazon, but Amazon does have some live sport. When one thinks about it, one is getting a stream from Netflix but if a person is watching RTÉ Player live it is a very different entity. Having said that, we have spent a lot of time and money in the last couple of years trying to upgrade it to the best product we can do. In the last eight to 12 months it has improved and, for example, we are seeing that time spent on RTÉ Player at the moment up by about 43%. The amount of content has increased and the quality of the player has improved. We have to develop and enhance it constantly. As the technology improves, so too will our process. I am not aware of the ISL issue but I will come back to the Deputy on it and get her an answer.

On the licence fee and the model to be decided on, there are a couple of things. First of all, in Ireland right now if a person is watching RTÉ on RTÉ Player he or she does not need a licence fee. That is the loophole in the current legislation. We had been talking a lot with the Department about closing that loophole. The UK closed it a number of years ago. If a person is watching the BBC iPlayer in the UK it automatically asks if the viewer has paid the licence fee. If not, it directs the person to the licence fee payment method. The licence fee in Ireland is now the subject of a media commission investigation. Part of that remit is to come up with a model that is best for this country, whether it is device-based or one of the other models. A number of countries around Europe are grappling with this, but there are also many successes such as in Germany, Italy and the Nordic countries. Other countries have managed to solve this. At this stage it is being discussed by the media commission and we hope it will recommend a model in the months ahead.

Deputy Colm Burke: I apologise for joining the meeting so late. Some of what I will ask may have been covered. I thank the witnesses for the documentation we received on the presentation.

The commercial income for RTÉ has, over the past number of years, experienced a downturn in certain areas and a lot more competition. How does Ms Forbes see commercial income progressing over the next four to five years? Is there any area that Ms Forbes believes needs investment in order to generate a larger portion of that income, which is currently going to competitors?

Ms Dee Forbes: Commercial revenue or advertising revenue is really all about demand and supply. Over the years, when there was only terrestrial television, advertising revenue increased. Since the advent of digital players, such as Google, Facebook and others, the number of platforms available to the advertisers has grown. In the main, the money involved in advertising has reduced and the number of players having to fight for that has also increased. There is less money with more players. Having said that, we are working at the moment on really trying to maximise our linear advertising, which has seen declines in line with the overall market, and on trying to maximise our digital offering. This is where we are seeing a progression of viewing going to digital. As I said earlier, €1 on linear television does not equate to the same on digital. We must work with the industry and our advertisers on maximising the digital offering. There is no doubt that digital advertising is taking money away from linear, but we have strong Irish content and strong programming, and Irish advertisers want to be seen in that light. We need to do more of what we are doing. We need to diversify more into digital areas, and we also need to come up with new revenue streams, which we had certainly planned for last year. Of course, Covid stopped a lot of our plans. We had a lot of plans to create events, to do more with the RTÉ Concert Orchestra and to take some of our programmes on the road to have immersive experiences for the audiences, such as by taking “The Sunday Game” on the road. We had plans to do a lot of that last year as another way of diversifying our revenue as an organisation. A

combination of all of those things will help us to get revenue to a more stable place.

Deputy Colm Burke: In doing long-term planning and planning for the next five years, does Ms Forbes see RTÉ getting in a greater amount of income from that area or will it just stay static, which would result in the restriction of further development for RTÉ?

Ms Dee Forbes: We would hope to increase the overall pot, but the make-up of it will change. While linear advertising may reduce, we would see increases in digital and other lines. I spoke earlier about events and the whole area of diversification. It is a given that we need to increase the overall pot. It is an important part of our revenue but in the last couple of years we have seen that it has been reducing as the markets have reduced because the digital offering was not keeping up to pace with the way money was being spent.

Deputy Colm Burke: In her opening statement, Ms Forbes said that a decision to be made soon by the Government on the future of media in Ireland will have far-reaching consequences. What in particular is Ms Forbes concerned about in that area that she feels could further restrict the development of RTÉ or the growth of RTÉ as an organisation, and restrict how it can bring in additional income?

Ms Dee Forbes: The Deputy is aware that the future of media commission is now in session. It has been tasked with a very wide remit to come up with a funding model and to look at the viability of the future of Irish media. It is a very important point in time for the media industry. We all would argue that having a strong, independent Irish voice is vital but it is all in the mix and all there right now. Whatever decisions come from that are going to have an impact. That is what we are waiting to hear from.

Deputy Matt Carthy: I thank our guests for being here. I will return to the issue of contractors. A lot of people will still be surprised to learn that some of the familiar faces they see on their television screens are not direct employees of RTÉ and are, in fact, contractors. Seven of the ten top earners in RTÉ, according to its 2019 reports, were contractors. Will Ms Forbes explain why somebody who essentially works full time for RTÉ would have become a contractor in the first place and the historical basis for it?

Ms Dee Forbes: I will say a couple of things on that. It is important to say first of all that those seven contractors Deputy Carthy speaks about are brands in their own right and they also have the ability to earn money outside of RTÉ. They are contracted by RTÉ to provide a particular service for a particular programme on a particular day. They are not full-time employees of RTÉ, and as a result, they are contractors as opposed to being employees. That is how it was deemed. Perhaps Ms Cusack might want to elaborate a bit more.

Deputy Matt Carthy: Before Ms Cusack comes in, perhaps she could explain whether there is something preventing direct employees of RTÉ having alternative sources of income from promotional activity, working in the local chip shop or whatever else. Is there a differential in that regard?

Ms Dee Forbes: The area of additional income that does happen for RTÉ employees is typically book publishing, for example. If a member of staff wants to publish a book, again provided that it is agreed with his or her manager, the person can do that, but it is probably the only area I am aware of where we have done that. Ms Cusack might correct me.

Deputy Matt Carthy: To clarify, is Ms Forbes saying that those who are directly employed by RTÉ are not allowed to have an alternative source of income other than writing a book?

Ms Dee Forbes: What I am saying is that as far as I am aware, they are employed by RTÉ and some of those people have, for example, written a book about their profession or whatever.

Deputy Matt Carthy: To clarify, is Ms Forbes saying they are not entitled to do any other work outside of RTÉ? What I am trying to do is differentiate between somebody who is employed under a contract and those who are directly employed. Ms Forbes says the latter cannot earn any other money.

Ms Eimear Cusack: I will come in there. They would have to seek permission. People cannot just unilaterally have other stuff going on.

Deputy Matt Carthy: Are contractors given *carte blanche* to do whatever else they want?

Ms Eimear Cusack: They have more freedom to act, but they have a commercial value to RTÉ as well as a commercial value outside of RTÉ.

Deputy Matt Carthy: We will just deal with the seven top earners in RTÉ who are on contracts. Apart from avoiding some taxes, what is the benefit to them of being on a contract? Considering the implications with pension rights and whatever the case may be, what other benefits do they have that they would not have if they were directly employed?

Ms Eimear Cusack: I do not understand. I do not know.

Chairman: The Deputy has one minute remaining.

Ms Eimear Cusack: I do not know what benefits they have.

Deputy Matt Carthy: I am trying to get a sense of who wants the contracts. Is it the personalities themselves or is it RTÉ? Who benefits most from a contractual arrangement?

Ms Dee Forbes: I think both parties do, because these people are working for us on a particular show and they can also do other things. It also means we can bring in other people if we need or other members of staff can do other things. As Deputy Carthy knows, presenting is demanding and it is not everyone's cup of tea, so we need to be able to have new voices and new faces when necessary as well. It probably works for both sides.

Deputy Matt Carthy: When RTÉ is negotiating with presenters, does it deal with them directly or with their representatives or agents?

Chairman: The Deputy's time is up.

Ms Dee Forbes: It is a mixture.

Deputy Matt Carthy: How many of the top seven earners would be dealing with the same agent?

Ms Dee Forbes: Some of them have the same agent.

Deputy Matt Carthy: How many?

Ms Dee Forbes: I will have to look through the details. I can see two at the moment have the same agent. I think it is two or three.

Deputy Matt Carthy: We might get clarification on that.

Chairman: I have some questions myself. I will try to allow people in for a second round of just one question each because we are tied for time. Unfortunately, the two hours go too quickly. I thank members for the questions they have asked so far and the witnesses for their replies.

I wish to ask Ms Forbes about the 433 contractors. Some 157 were found to be in the medium to high category of having the attributes of employees. Of those, 81 were offered employment, 78 accepted and three did not. Thankfully, one of the witnesses clarified that those three are no longer with RTÉ. According to the information in the summary of the Eversheds Sutherland report, 106 were assessed as being more like employees. What happened to the 25 and why were they not offered employee status? Will the witnesses please keep the answers brief?

Ms Dee Forbes: I will ask Ms Cusack to respond.

Ms Eimear Cusack: When the in-depth analysis was done, it was deemed that of the 106, 82 would be offered contracts of employment. To make sure there was absolute transparency, as part of the process we put in place an appeals process both for those who were offered employment contracts and those who were not. At the end of the day it was deemed that 82 would be offered contracts, which translated into 79 acceptances.

Chairman: I thank Ms Cusack. Has the Eversheds Sutherland report been passed on to Revenue? A simple yes-no answer will do.

Ms Eimear Cusack: I think Revenue might have received some-----

Ms Fiona O'Shea: Yes, it was.

Chairman: It has been passed on to Revenue. A witness mentioned earlier that there is a Revenue audit. Has any money that was owed retrospectively been paid to Revenue by RTÉ?

Ms Dee Forbes: That process is still ongoing.

Chairman: Has any money been paid to date?

Ms Dee Forbes: In what regard?

Chairman: In regard to revenue that might be judged to be owed on the basis of the Eversheds Sutherland report and Revenue's examination of that. Has any money been paid back at this stage to Revenue?

Ms Fiona O'Shea: I will answer that. RTÉ takes its responsibility for paying taxes very seriously and has made an initial payment to the Revenue Commissioners.

Chairman: Okay. I do not want to go into this in too much depth, but I wish to focus on the assessment by Eversheds Sutherland of the status of workers. A significant part of RTÉ's income goes on staff, and that is all to the good. When the report was being carried out, Eversheds Sutherland would have spoken to management and other stakeholders, but was each individual worker on a self-employment contract interviewed?

Ms Eimear Cusack: At the point of offering contracts of employment, the human resources department would have met with the individual and his or her representative. A series of meetings would have been held.

Chairman: But did they speak to each worker?

Ms Eimear Cusack: No, they would have spoken to the managers.

Chairman: That would seem to depart from the practice. If we take the case of CitySprint in Britain, a more detailed look was done in the case of each worker. I would have thought the worker would be central to this process and that all workers would have been interviewed.

Ms Eimear Cusack: We engaged very heavily in a process and in a governance process with the trade union group in terms of how we would handle each and every engagement and the involvement in the engagement with the individuals. That process took place over 18 months and at the end of it we had three appeals.

Chairman: I thank Ms Cusack.

Ms Eimear Cusack: People were satisfied.

Chairman: What percentage of the workforce, or how many contractors or employees in the organisation are earning more than €100,000 a year gross?

Ms Dee Forbes: We will have to come back to committee on that specific.

Chairman: I thank Ms Forbes. Based on the information RTÉ supplied, the figure we have for one afternoon show by one presenter is €450,000 per annum. I think the show runs for approximately an hour and a half. Ms Forbes said earlier that the money is spent is to attract talent. How often does RTÉ interview for those positions? I am sure there are many people in local radio stations here or regional stations in Britain who might like to apply. How often are they advertised and how are they assessed? The money seems to be extraordinary in a State with 4.7 million or 4.8 million people. How often are they advertised and what is the process?

Ms Dee Forbes: I guess each contract varies. The period of each contract-----

Chairman: Surely RTÉ has a template for how it selects people.

Ms Dee Forbes: Not necessarily. What is looked at first is what is required for the schedule, whether it is television or radio. Typically contracts last for different periods. Each discussion is very individual. Each discussion is based on what is happening at the time. If during the period of a contract something changes, of course, that must be reflected. That is the premise of this. In terms of these roles and if somebody new is to be considered, again this is done on a very confidential basis because it is a small market and we tend to know who is in the market for these sorts of roles. Again, every case is very different as we go through this.

Chairman: I thank Ms Forbes.

We had some technical difficulties and we still have some. Members may ask a brief second question taking no more than one minute each because we are tight on time. Unfortunately, we are tied to time constraints owing to Covid restrictions. I ask people to give a hand signal. I understand that the hand signal on Deputy Catherine Murphy's system is not working and she has indicated. I also see Deputies Devlin, Munster and Carthy indicating.

Deputy Catherine Murphy: Regarding the future of media in terms of content, advertising and so on, digital and social media platforms are here to stay. There is considerable revenue and Ms Forbes referred to Australia. The remit of the future of media commission does not include that aspect. Is that not necessary to fully evaluate what the future of media will be?

Ms Dee Forbes: Just so I understand the question, is the Deputy talking about payment from the other platforms?

Deputy Catherine Murphy: Yes. The commission on the future of media in Ireland does not include digital and social media platforms as part of its terms of reference. How complete is that commission if it is not looking at that?

Ms Dee Forbes: As the Deputy knows, the terms of reference were outlined by Government. It is incumbent on us, as the media, to optimise other opportunities. As we were saying earlier, the fact that the big digital players are now looking at payment for content - we have a precedent in Australia - it is incumbent on us now to speak to them as well. It is very under-developed at the moment and I think it will happen on a case-by-case basis with the individual platforms. Certainly, we will engage with them as well apart from what the commission reports.

Deputy Catherine Murphy: I thank Ms Forbes.

Deputy Imelda Munster: I am still quite aghast that Ms Cusack said she had no information about the disparity between the remuneration for comparable workers, particularly the 25% difference between a cláraitheoir and a producer at RTÉ radio. She may not be aware of this, but I would be surprised if she were not. *The Connacht Tribune* recently reported that Irish-speaking workers at Raidió na Gaeltachta felt that they were treated as the poor relation in comparison with their counterparts. I am not sure if she managed to garner that information since we spoke earlier. If she knows nothing about it or is totally unaware, which would be incredible, can she give us an undertaking that she will review the remuneration of Irish-language workers at Raidió na Gaeltachta in comparison with their colleagues and furnish the committee with the findings of that review?

Ms Eimear Cusack: I am more than happy to do that. As I said earlier, across RTÉ we have 167 grades, all of which have been negotiated per different categories and different roles, but I will take a look at that.

Deputy Cormac Devlin: I have a question for the departmental officials. I said I would come back to the issue of the licence fee. I know there was a talk of a renewal or a rejig of the fee. A working group was set up in the previous Dáil. What status does that have at present? Why is the cost for the collection of the licence fee so high in Ireland in comparison with our European counterparts? I will not say the Department's full name because that would take up more time than I have.

Ms Triona Quill: As regards where we go now, the Government has set up the future of media commission. It is looking at a range of issues, including the future funding model that will be used to fund public service media into the future. Among the options it will consider will be a replacement of the licence fee. It is important to have that in context when looking at the current evasion rate.

Regarding why it costs so much to collect the licence fee in Ireland, it is true that a system that is based on television licence inspectors going from house to house is quite an expensive model. It is the right thing for us to look to the future to see if alternatives to the licence fee are available. There is no doubt that An Post has made changes in recent years around working weekends, working evenings and so on, to try to improve the evasion rate. Realistically, looking to the future, any model that is based on door-to-door inspections will never be the optimum or most efficient model available.

Deputy Matt Carthy: I want to follow up on a question the Chairman asked and a response from Ms O'Shea about a payment to the Revenue Commissioners. What did that payment specifically relate to? Was it in response to the Eversheds Sutherland report regarding the employment category of staff?

Ms Fiona O'Shea: The discussions on the review with Revenue are ongoing. It is difficult for us to comment about an ongoing process with the Revenue Commissioners at this point.

Deputy Matt Carthy: However, a payment has been made. How much was that payment?

Ms Fiona O'Shea: I do not have the details of that to hand, but we made an initial payment.

Deputy Matt Carthy: Ms O'Shea does not know how much that payment was for, however.

Ms Fiona O'Shea: I am sorry. I just do not have it to hand today.

Deputy Matt Carthy: I have to say that is very unfortunate.

Chairman: Will Ms O'Shea please forward that figure to the committee? I believe Deputy Dillon had indicated. No, he is okay. With regard to the orchestras, I see a figure of €12.894 million for 2019 in the reports and accounts provided. How many people are involved in that? It seems to be a very expensive show to keep on the road. How many employees are involved in the orchestras?

Ms Dee Forbes: This figure relates to the two orchestras, the symphony orchestra, which comprises more than 80 people, and the concert orchestra, in which in the region of 60 people are employed. These provide orchestral music for the country. As the Chairman may recall, back in 2018, we instigated a report on the future of the orchestras, given our ongoing financial situation. At the time, the Government and the Opposition deemed it important and absolutely essential that the country have two orchestras. It was then decided that the National Symphony Orchestra should be assigned to the National Concert Hall. That transfer process has been going on for some time. I am sure the Department will have some other points to make in this regard. That figure relates to the cost of providing these two orchestras, one of which we expect to be transferred to the National Concert Hall at some point this year. RTÉ will continue to maintain the RTÉ Concert Orchestra.

Chairman: As a big supporter of public service broadcasting, may I ask Ms Forbes about the difficult job of trying to maintain balance and getting value for money? We pay for our television licences. How is content reviewed for balance and political impartiality? Who does that?

Ms Dee Forbes: We have many processes in place, particularly in our news and current affairs area. We review how we report and how we investigate on an ongoing basis, every day and every week. That is highly important. That happens on a programme-by-programme basis but content is also reviewed by the corporate editorial team on an ongoing basis. We evaluate ourselves every day and every week and we also look back over things later.

Chairman: Is Ms Forbes saying that reviews and monitoring are carried out internally? I have a yes-no question; is there external monitoring? Is there an outside independent body that-----

Ms Dee Forbes: The BAI is our regulator. If complaints are submitted by the public, the

authority investigates them and adjudicates on whether complaints regarding balance or fairness are to be upheld.

Chairman: With regard to balance of coverage, sometimes it comes down to the number of a times a political grouping or politician appears. Some analysis has been conducted in recent years regarding positive and negative stories in different news outlets. A fairly high percentage, 70% or more, of the coverage of certain political parties may be favourable. I refer to positive stories about the political organisation covered. The other 30% or so of coverage may be deemed negative. The flip side of this is that 70% of coverage of other political organisations would be on what would be perceived as negative stories and that such stories would be focused on while very little coverage is given to positive stories. Who monitors that? Is that also just internal?

Ms Dee Forbes: That is internal. Again, this relates to news and current affairs in the main. As I have said, we review this regularly. The monitoring process at election time is particularly stringent. We are very aware of coverage across any given month. We check and keep an eye on this matter on an ongoing basis.

Chairman: Okay. I thank Ms Forbes. I apologise for the earlier technical issues. As a result of holding meetings remotely due to Covid, there can sometimes be a bit of overlap between witnesses and committee members and they can end up talking over one another. We have tried to manage as best we can. I thank the witnesses for their patience and assistance with all of that. I also thank them for joining us today and for the information they have provided. I also thank Mr. McCarthy and his staff for attending and for assisting the committee in today's meeting.

Is it agreed that the clerk to the committee will be requested to seek follow-up information and carry out any actions arising from the meeting? Agreed. Is it also agreed that we will note and publish the opening statements and briefings provided for today's meeting? Agreed. The Committee of Public Accounts is adjourned until 2.30 p.m. tomorrow, 28 April, when the committee will meet in private session.

The witness withdrew.

The committee adjourned at 2.36 p.m. until 12.30 p.m. on Wednesday, 5 May 2021.