

DÁIL ÉIREANN

AN COMHCHOISTE UM CHUMARSÁID, GNÍOMHÚ AR SON NA HAERÁIDE AGUS COMHSHAOL

JOINT COMMITTEE ON COMMUNICATIONS, CLIMATE ACTION AND EN- VIRONMENT

Dé Máirt, 4 Iúil 2017

Tuesday, 4 July 2017

Tháinig an Comhchoiste le chéile ag 5 p.m.

The Joint Committee met at 5 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
James Lawless,	Terry Leyden,
Eamon Ryan,	Tim Lombard,
Bríd Smith.	Joe O'Reilly.

I láthair / In attendance: Senator Paul Daly.

Teachta / Deputy Hildegarde Naughton sa Chathaoir / in the Chair.

Business of Joint Committee

Chairman: It is proposed that the meeting will proceed as follows. Session A is an engagement with Mr. Paul Holden, chairman designate of the Digital Hub Development Agency. In session B, Mr. Michael O’Keeffe, chief executive of the Broadcasting Authority of Ireland, BAI, will account to the committee for the performance of its functions. We will go into private session in session C. Is that agreed? Agreed.

Digital Hub Development Agency: Chairman Designate

Chairman: I remind witnesses and members to turn off their mobile phones as they interfere with the sound system.

I draw the attention of members and witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the joint committee. If, however, they are directed by the Chairman to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. I also advise witnesses that any submissions or opening statements they have made to the committee will be published on its website after this meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

The purpose of this afternoon’s meeting is to engage with Mr. Paul Holden, chairperson designate of the Digital Hub Development Agency, in order to discuss the approach he proposes to take, if and when reappointed to the role, and his views on the challenges currently facing the body. Members are well aware of the Government’s decision of May 2011, which put new arrangements in place for the appointment of persons to State boards and bodies. Reference to this arrangement is also made in the Department of Public Expenditure and Reform guidelines on appointments to State boards of November 2014. In 2016, the programme for Government suggested that nominees for chairs of State boards will be required to engage with the relevant Oireachtas committee prior to their appointment. This committee welcomes the opportunity to meet with the chairperson designate in public session to hear his views and we trust that this provides greater transparency to the process of appointment to our State boards and bodies.

I welcome Mr. Holden and invite him to address the committee.

Mr. Paul Holden: I am honoured that the Minister has decided to reappoint me to the chairmanship of the board and I welcome this opportunity to explain to the committee something about the Digital Hub Development Agency and how I expect it to develop over the coming

years.

The hub has a multi-faceted brief and three main ways in which it contributes to Irish society, namely, the enterprise development aspect, the urban regeneration aspect and the community development aspect. Our role is to create an environment in which an enterprise cluster can develop. A cluster attracts a variety of businesses of different sizes and different stages of development which are engaged in similar activities or complementary activities where, by virtue of their close proximity, they can learn from one another, help one another, buy and sell from one another or share facilities talent, ideas and costs. Our job is to make this interaction as frictionless as possible.

The simple view of what we do is that we are just landlords, albeit extraordinarily flexible landlords on account of providing lease agreements which allow companies to expand easily and shrink when they have to shrink within the hub. Beyond the simple view, we are also facilitators in a whole variety of ways. We provide a world-class technical infrastructure for the companies we host. We provide meeting rooms, as and when they are needed, an on-campus cafe and networking events, educational events and advice clinics. We have a centralised reception and security facilities and all these are things which emerging companies would normally have to look after themselves. It would cost them and distract them from their core business.

Our cluster currently has 95 companies, with 750 employees in total. One of our most important achievements is that roughly half are Irish-owned, the other half being foreign owned, which presents great opportunities for learning from one another, supporting one another, trading among themselves and opening up geographical and sectoral markets in which they can help each other. Clusters of this kind enable things to happen that would not otherwise happen, and faster than they would otherwise happen. We envisage that the concentration of companies will attract to the area, though not necessarily to the hub itself, all sorts of specialist support services such as legal services specialising in intellectual property or in mergers and acquisitions, financial experts who are plugged into sources of finance, graphic designers, web designers, marketing experts, translators and so on.

Continued growth of the cluster ties in with the second aspect of our mission, which is urban regeneration. When it was established, the agency was made custodian of a significant property portfolio, including 19 buildings spread over nine acres. Many of these are listed buildings and are of architectural or historical value but many have been disused for a long period and are in a poor state of repair. Our challenge is to treat them with the respect that such a heritage deserves while repurposing them and converting them into productive use. Without very significant State investment, we have to do this in conjunction with the private sector and the project stalled for a number of years during the recession, when it was difficult to get private developers involved. Things have begun to pick up in that respect. At the end of 2015, we succeeded in securing the conversion of a grain storage facility, which once stored the raw materials for making whiskey by the George Roe distillery, into modern offices. In the 1800s, it was the largest distillery in the world and exported some 2 million gallons of whiskey per year. The building was a grain store but now it is a brain store - instead of being used for heavy industry it is being used for intellectual activity. In return for the work carried out on the grain store we transferred title to a disused warehouse at the back of our campus, which had been in a very poor state of repair. The developers constructed two blocks of high-quality, modern student accommodation, which are now fully operational and house almost 500 students. This has brought a huge level of economic activity into the area.

We are currently engaged in a process to secure the redevelopment of a large site on the

south side of Thomas Street, including a vat house which was formerly part of the Guinness facility. It will be a very significant development that will revitalise a big stretch of Thomas Street that is currently very run down and unattractive. It will bring employment and economic activity into the area and will have a positive impact on tourism, because it is just around the corner from one of the biggest tourist attractions in the country, the Guinness Storehouse. Most important for us, it will significantly increase the amount of office space we have for our clients and allow us to expand the cluster further.

The third part of the digital hub's project is our integration into the local community. It is located in the Liberties, where there is a very strong local community and a tradition of hard work and enterprise. Our vision sees the digital hub as an integral part of that community, just as Roe's distillery was in time gone by and Guinness still is. In partnership with the National College of Art and Design, we have been working with young people in the locality to help them to master digital technologies and become active producers of various things of which they would normally be passive consumers, such as graphic design, fashion design, video production, music production etc. We have been working with local schools to help them derive maximum value from digital technologies and we have run programmes for older people parents and others who have had limited exposure to digital technologies. We are working with local businesses to help them develop their web presence and realise the potential of online trading. Together, these three aspects of the Digital Hub's project mean that the hub makes a contribution at many levels, not only economic but also social and cultural. It is my hope that this will continue in the years ahead.

If any members wish to visit the Digital Hub to see what we are doing, they would be very welcome. I am happy to answer any questions they may have.

Chairman: I thank Mr. Holden for his presentation. I will start with my own questions before bringing in my colleagues. I note a recent article in *The Irish Times* by the Digital Hub's CEO in which he describes trying to attract companies with 150 employees. How does Mr. Holden see that fitting in with his current operation?

I understand that approximately 64% of the Digital Hub's revenue is self-generated, with the rest coming from State funds. Are there plans to grow that revenue? Does Mr. Holden believe that, in light of the way it is currently constituted, the Digital Hub Development Agency can be successful? Finally, on economies of scale, can Mr. Holden see the Digital Hub taking advantage of linking in with the likes of Google? I ask Mr. Holden to note those questions as I will call on my colleague, Senator Leyden, to speak next.

Senator Terry Leyden: I thank Mr. Holden and congratulate him on his appointment. The Digital Hub was under enormous pressure during the recession. The concept is brilliant; the hub utilises an area of the city which was run down and which it has regenerated. The hub has nine acres and 19 buildings under its control. What kind of funding is it getting from the State per annum? Mr. Holden said that student accommodation has been developed on the campus. Is that correct?

Mr. Paul Holden: The arrangement we had with the private developer was that we provided it with the property for which we had no use, which was essentially run down, in return for which it developed another property for us. There was a trade.

Senator Terry Leyden: That sounds very practical. Does it bear any relation to the development of further inward investment? I presume the hub receives support from IDA Ireland. I

presume the agency is promoting the Digital Hub internationally.

In light of Brexit and what is going to happen, I imagine the Digital Hub should be focusing on the British market and hoping to attract small companies that would like to avail of a base in a central location in Dublin. I think the hub is doing its best in a very difficult climate. Temple Bar was a concept of the late Charles J. Haughey and has been very successful in regenerating that part of Dublin. I am aware that the area in which the Digital Hub is located has architectural merit, with the development of the grain store and so on.

The Digital Hub is not confined to digital work in respect of developing the campus. Nine acres is quite a lot of land in a very strategic location. Mr. Holden made the point that the development agency worked with a private developer to develop student accommodation. That is very practical work done with the private sector. I have great time personally for State companies like the one of which Mr. Holden is chairman, which have the flexibility and imagination to develop. They have the opportunity to go beyond what private developers can do because they have the support of the State in respect of finances, loans and so on.

I wish Mr. Holden and his board every success in the future. I certainly have not come across any difficulties with the Digital Hub and I am delighted it survived. During the recession, the troika and the rest would have been delighted to close down everything. The Digital Hub is very lucky to have survived and can now only go from strength to strength.

Deputy Eamon Ryan: I welcome Mr. Holden and apologise for being a little late. I missed the very start of his presentation. I have always been a sympathetic supporter of the Digital Hub. I think it was in the late 1990s or early 2000s that it was initially conceptualised by, if I recall correctly, Mr. Ahern. It seems that the Digital Hub has always had involvement with over 90 companies and has always had the same property deals in play. It has always had good relationships with the local community. The companies located there have been an important part of turning Dublin into a hub for start-up businesses. However, the world has moved on. We are now established as a venture capital and digital centre. A lot of the activity is located by the docks south of Samuel Beckett Bridge in the quarter called SOBO District, especially for smaller companies. Is it time for a rethink and recalibration? While this is not to criticise, what I heard today sounds very similar to how one might have described where the hub was at seven or eight years ago, when I had more of a connection with it. Perhaps that will change when the hub gets new office space and is able to expand. Is it time for a strategic rethink?

Over the years consideration has been given to bringing the hub under Dublin City Council, while Enterprise Ireland and other bodies were considering other institutional structures. The Chairman asked about the governance structure. Is there blue-sky thinking about what comes next? The answer may be for the hub to stick to what it is doing because that is working. The hub is a valuable part of Dublin's and the national infrastructure. Having listened to Mr. Holden's presentation, my overriding feeling is that it is very similar to what has been there for the past ten years in both scale and nature.

Chairman: I invite Mr. Holden to go through those questions at his leisure.

Mr. Paul Holden: I will work backwards, if I may. For the past few years, the Digital Hub has been host to over 90 companies. That is true. However, it is not the same 90-odd companies all the time. We have a constant throughput of companies. That is quite a difficult trick to achieve as we have to be able to manage the companies coming in and the ones going out in order to maintain our occupancy level, which is at virtually 100% at all times. That brings us

to the Chairman's question about room for expansion. At the moment, we literally do not have any room for expansion. However, we do have a property portfolio, which is the only asset we can leverage to develop additional office space and revenue and - to arrive at another of the Chairman's questions - become financially self-sustaining. The ultimate objective is to use the assets we have to become financially self-sustaining and to continue to attract more businesses into the area. The hub should be a magnet for businesses while supporting enterprise in the same area. We can already see that happening as there are some support and service type businesses in the immediate vicinity of hub although they are not our clients.

In respect of governance structures and so on, as has been stated, the plan is to transition the hub under the aegis of Dublin City Council as soon as possible. I understand that legislation is in preparation to do so. That will change the governance structure. The intention is that the hub will be created as a company controlled by the council. That will allow it to get on with its business.

Senator Leyden asked about the level of Exchequer funding. The State funded us to the tune of €1.5 million last year for operational purposes. This is down considerably from even a couple of years ago when I think €1.7 million was available for operational purposes. In that time, our commercial income has increased from €1.5 million to €2.7 million, so one can see that we are already making strong progress towards self-sufficiency. Within our current envelope, we have cut our costs and increased our commercial income quite considerably but there is probably a limit to what we can do until we get further office space to generate income for us.

The Chairman asked about the possibility of getting bigger companies into the hub. At the moment we just simply could not accommodate them. However, the ideal mix would include some companies that are larger, and of necessity have sub-supplier requirements, and can buy in specialist expertise. That will allow companies which have that specialist expertise to grow in their shadow. That is the international experience. Large companies tend to have a collection of smaller companies that survive by being sub-suppliers to them. Our ambition would be to have some larger companies as almost anchor tenants so that we could encourage a sub-supply team to grow up around them.

The Senator asked about our relationship with IDA Ireland. This week, the Minister announced the appointment of someone from IDA Ireland to our board. We have had representation from IDA Ireland on the board for as long as I can remember. IDA Ireland almost routinely, when bringing them into the country, bring FDI companies to visit the Digital Hub to see what is going on there. Many of the FDI companies, even the largest ones, start off in the Digital Hub when they come to Ireland first. It is what we call a sort of soft landing point where they can start their recruitment drives and do the groundwork to build up their team here. On Brexit, attracting companies in from the UK is very much on our mind.

Senator Leyden asked whether we are restricted to just digital activities. The Act specifies that we are a digital hub development agency. The enterprises we are interested in developing are involved in digital business of some kind, be it digital content or technical application of some kind. The benefit is in the clustering activity that I described. They may be even taking or stealing staff from one another but they are bouncing ideas off one another, challenging each other in a whole variety of ways or assisting each other in co-operatively going after a market. They can help each other in a whole variety of ways. However, we are a digital hub development agency.

Chairman: I will bring in Senator Leyden who wants to ask a question.

Senator Terry Leyden: The amount of money involved seems to be very low for something that has such potential. I presume the agency has access to capital funding for capital projects. Is there any special tax designation in terms of developing that area as being, in a sense, one of national significance? St. Patrick's Tower is in the agency's portfolio. I pass it quite regularly. It can be seen from the road. I know the area. The National College of Art and Design was down in that area at one time.

Mr. Paul Holden: It is down the road from us.

Senator Terry Leyden: Is it still there?

Mr. Paul Holden: Yes.

Senator Terry Leyden: It is still operating. It did not move. It is close to the agency's operation.

Mr. Paul Holden: Yes.

Senator Terry Leyden: It is kind of complementary to what the agency is doing.

Mr. Paul Holden: It is closer to town, down Thomas Street.

Senator Terry Leyden: Yes. It is quite a good area. It sells a lot. It is distinctive.

Mr. Paul Holden: Yes.

Senator Terry Leyden: On the question about capital, I feel that the money involved is very low in relation to, say, the development of the International Financial Services Centre. I was on the Front Bench of Fianna Fáil when Mr. Haughey brought that to the Front Bench. No one knew much about it except himself, including any of the potential Ministers, but he drove it very fast. Should there be a bit more drive here? That was developed very well and there was massive financial investment. Is the potential there to get more funding for what the agency is doing in order to try to accelerate the development and give it a push in this current climate? There is so much demand for accommodation, etc., in the city of Dublin. Given that it has access to nine acres, which is enormous, I am wondering what is holding the agency back.

Mr. Paul Holden: To answer the Senator's questions directly, we do not have any capital funding and there is no special tax designation for the area of which I am aware. However, if the Senator knows of any way in which we might get either, we would certainly make good use of any capital he can find for us and would exploit any special tax designation he can get for us.

Senator Terry Leyden: He might be back shortly in government so Mr. Holden might as well be speaking to the right man.

Chairman: If members do not have any other questions, on behalf of the committee I thank Mr. Holden for coming before us and his worthwhile engagement. I propose to forward the transcript of today's discussion to the Minister for Communications, Climate Action and Environment for his information and consideration. Is that agreed? Agreed.

Senator Terry Leyden: We may avail of the invitation to visit at some stage.

Chairman: Yes. The committee would be very much interested in visiting the hub. I have no doubt that Mr. Holden's experience, in particular his experience in business, ensures that he is very well qualified for his role. We wish him well.

Sitting suspended at 5.38 p.m. and resumed at 5.40 p.m.

Broadcasting Authority of Ireland: Discussion

Chairman: This is session B of our discussion on oversight of the Broadcasting Authority of Ireland, BAI. I remind members and witnesses to turn off their mobile phones as they interfere with the sound system.

The joint committee has had a discussion with the OECD on its role as an oversight body which it intends to develop over the coming year. The committee intends to meet each regulator on an annual basis to review its performance. The committee is also developing a model of engagement with regulators and this will have ex-post, current year and ex-ante elements. Today, we are meeting the BAI to discuss the above. This is our first engagement with it and I welcome Professor Pauric Travers, BAI chairman, Mr. Michael O’Keeffe, BAI chief executive, and Ms Stephanie Comey, BAI senior manager.

Professor Pauric Travers: I thank the Chairman and members for the invitation to meet them today as part of the committee’s series of meetings with regulators. In these days of Wimbledon, our presentation will be a double-hander. As chairman, I will give a brief retrospective on the recent work of the authority and Mr. O’Keeffe, our CEO, will outline some of the strategic priorities for the period ahead.

As the committee knows, the BAI regulates Irish broadcasting. Our key functions include licensing, drawing up codes and rules in accordance with legislation, performance reviews, the provision of funding, monitoring and enforcing compliance, considering complaints from viewers and listeners, supporting development and fostering understanding of the media. Last year, 2016, marked the final year of our three-year strategy and the preparation of a new strategy for the period 2017 to 2019. Our annual report for 2016 is going to print. We signed off on our accounts at the end of June and will forward that information to the committee in due course.

As part of the transition in 2016, we undertook an extensive review of the outcomes of our previous strategic plan, including market research on public and industry perceptions of the BAI. This showed that the BAI is seen as a trusted and effective regulator. It also identified a twin challenge, namely maintaining that trust while maintaining relevance in a rapidly changing media landscape. In meeting those challenges and delivering our new strategy, we are committed to collaborating closely with broadcasters, the Department, other stakeholders and members of the joint committee. Effective policy and practice requires research that is well focused. Among several research projects supported by the BAI is Ireland’s inclusion in the Reuters Institute for the study of journalism digital survey, which is a comparative longitudinal study. The latest report, which was recently launched, confirms a rapid shift to mobile devices, customer resistance to paying for news and high levels of dissatisfaction with news sources internationally. However, a welcome finding in respect of Ireland is that trust in news remains strong compared to other countries, especially trust in traditional media. A major challenge in the rapidly changing environment is sustainability, in terms of business models and quality journalism. There are some positive signs that concern about fake news is contributing to a demand for quality journalism. The message seems to be that investment in quality can pay dividends.

The major challenge for Irish broadcasters at local, community and national level is to

continue to produce quality content that is culturally relevant. The BAI has sought to support broadcasters in responding to this challenge through a variety of initiatives. These include: the sound and vision scheme under which €27 million has been allocated to 286 projects over a two-year cycle; the commemoration of the 1916 Rising through support for radio and TV programming at local and national levels; the cultivation of an archiving culture with €5 million invested to support archiving schemes; and collaboration with the Canadian media fund to promote joint Irish-Canadian projects. This is a timely initiative, given the visit by the Canadian Prime Minister, Mr. Justin Trudeau. It offers a potential model for other international collaborations.

The Broadcasting Act 2009 imposes specific obligations on the BAI in the context of media literacy. In December, we launched an ambitious media literacy policy aimed at empowering audiences to make informed choices about the media they consume. We hope this will equip viewers, listeners and citizens with the capacity to access, critically evaluate and, if necessary, challenge media, in ways which are indispensable for the well-being of the individual and society. Our work in this area will not seek to reinvent the wheel. We recognise and affirm the work done by other agencies and we will seek to add value by creating and supporting a media literacy network.

I will now hand over to my colleague, Mr. O’Keeffe, who will speak about the strategic plan of the authority for 2017-2019.

Mr. Michael O’Keeffe: I thank Professor Travers. I will provide a brief introduction and then go into some of the detail. We launched the current statement of strategy in February. It covers a three-year period and we are developing multi-annual work plans. I want to discuss the five strategic themes that give us the focus for our work. They are: promoting diversity and plurality; achieving excellence in accountability; communicating and influencing; empowering audiences; and enhancing innovation and sectoral sustainability. There is a series of strategic objectives and outcomes within the document under each of these themes.

I will start with promoting diversity and plurality. There are number of headings under this theme. The first involves our broadcasting services, which capture much of the licensing work we do. We are about to embark on a significant piece of research which will examine an environmental and economic analysis of the Irish marketplace to determine the potential, if any, for additional services or changes in the nature of the services we currently operate. We have ongoing licensing plans and are running a plan for community radio. We completed a fairly significant plan for commercial radio in the past number of years. We license a range of services. In addition to local and community radio stations, with which the committee will be familiar, we also have content provision contracts for services which are carried on cable and satellite platforms. They come under section 71. An interesting dimension to this is that, under the audiovisual media services, AVMS, directive, there is the potential for services which are licensed in the UK but which are currently seeking to base their operations in other jurisdictions as a result of Brexit to consider locating in this jurisdiction in light of the similarities in the regulatory regimes and language. It may be an issue for us in the coming years.

On media plurality, we have supplied a copy of the Reuters report to which Professor Travers referred to the committee. Some of the findings are quite interesting. Professor Travers did not mention the rise of *thejournal.ie* to the top position in terms of people accessing news. Its profile has steadily grown over a three-year period and it has now reached the pinnacle, which is an interesting development. Under this heading, we will also carry out a three-year review for the Minister on changes in plurality across the period. The report will be published next

year, I understand.

We are due to review the ownership and control policy around Irish broadcast services. The other element is media merger evaluations, which come on request from the Minister. We do not initiate media merger evaluations. Under the Competition Act we will do that work. Under this heading, we will also examine the increased diversity in society and are placing a particular emphasis on gender and language in the current period. One of the issues under the heading of the diversity and culturally relevant content is the sound and vision scheme, to which the Chairman referred.

The next area involves two strands. One is external and will involve the compliance of broadcasters. This covers their compliance with commitments they have given in their contracts and the compliance and commitments RTE and TG4 will give in respect of their services. The other is internal and we have a robust record system which we need to develop further. We have high standards in environmental governance and social practice, such as financial management, a code of corporate governance and initiatives in support of the environment. We will develop those further over the period.

Our third area is communicating and influencing. The major aspect here is the revision, at European level, of the AVMS directive. That revision will, to some extent, change the nature of regulation. In particular, it will bring some dimension of regulation to non-traditional, non-linear on-demand services such as Netflix, which will be subject to some form of regulation under this revision. YouTube and other video-sharing platforms will also be subject to some elements of regulation. We are playing a very active role at European level in conjunction with our colleagues in the Department on the revision. I understand the committee will be covering the new broadcasting legislation next week so I will not go into it except to say we will be playing an active role with the Department and other regulatory bodies on that. Finally under this heading is our communications strategy, which is around how we deal with public affairs and liaise and engage with the public. In the past 12 months, we brought forward a new website designed to be more user-friendly in allowing the public to access what we do.

The fourth area relates to empowering audiences. Professor Travers spoke about media literacy activities. We have the first meeting of the network today. We are also looking at developing codes and rules here. These include: the general commercial communications code; a review of the access rules, which are the rules on subtitling and sign language; and the introduction of the short news reporting code of practice whereby broadcasters take extracts of major events. Interestingly, it was the first time in all my experience of dealing with codes that there was absolute unanimity. No one disagreed with any of the provisions we had in that. It would be great if that were the case more often. The other aspect of this area with which members will be familiar is the complaints process. We have tried in the recent past to make it a bit more user-friendly so that it is easier for people to make complaints in respect of broadcasting matters. A final element of this theme is the participation of the public in media. We see that in particular in the communities sector where we seek to get more involvement from people there.

Our fifth and final theme comprises two strands. One is the funding of broadcasters. I will not go into too much detail on that, particularly as we are committed to attending the committee's forum on broadcasting. We also made a presentation to the committee on the matter last November. We look forward to Friday and what will emerge from that session. One of the big pieces of work for us is the five-year review of public funding of both RTE and TG4. We have started that process and hope to report to the Minister in the first quarter of next year. The final element of that is linked back to the first slide I showed on the broadcasting services strategy.

The review process will look at the models we have in radio at present because of funding challenges and how sustainable services are. That will look at the rules and regulations applying to the local and commercial radio sectors, in particular, where these challenges exist.

The second element of the theme is creativity and innovation. We have, as Professor Travers mentioned, the Canadian joint fund, which is one of our sound and vision ancillary schemes. We are meeting some other people to develop a separate one. There are four projects in train as a result of the fund established by ourselves and the Canadians this time last year. Creative Ireland is a recently established interdepartmental group to which we are contributing through our representative on it. There is a whole range of things under sectoral learning and development. We provide a great deal of funding and other supports to the various networks such as the Community Radio Forum of Ireland, CRAOL, the Independent Broadcasters of Ireland, IBI, Learning Waves and others. We also have a number of innovation schemes. We have a training scheme for people who are involved in writing creative drama for which we provide funding. We also have a media research funding scheme to which we have allocated €50,000 for research projects. We do those over the course of a number of years and they cover different topics.

That was a whistlestop tour of what we do and we are happy to answer any questions members have.

Chairman: I thank the witnesses for their presentations. Will the authority commit to an annual meeting with the committee to discuss the general administration of the BAI as per the Broadcasting Act 2009? Is an oversight agreement in place between the authority and the Department and, if so, does it include key performance indicators? Are those indicators included in the annual report? That is important from the committee's point of view having regard to our oversight function in respect of the BAI.

When will the children's commercial communications code come up for review? Is there an expected date for the consultation and who will undertake the review? Will the BAI consult extensively with stakeholders, including, for example, the Department of Health, which has primary responsibility for promoting World Health Organization, WHO, protocols? There may also be other health organisations that might be part of the consultation. Having regard to the WHO's protocol on monitoring food and beverage marketing to children via television and the Internet, will the BAI undertake work to quantify the extent and nature of children's exposure to marketing for high-fat, salt and sugar, or HFSS, foods via the Internet and television?

Senator Joe O'Reilly: I welcome the witnesses. They made very interesting presentations. I have both questions to ask and comments to make. I congratulate the BAI on the 1916 commemorations, which were successful. The radio and television inputs there were highly successful also. I am happy that, as a natural spin-off from that, the BAI is involved in the Creative Ireland project, which has enormous potential to bring the arts to every child and adult irrespective of social background or location. It is enormously liberating for people and has huge implications for quality of life and tourism. I am delighted the BAI is involved. Having regard to the great success of the 1916 commemoration and without seeking in any way to politicise the committee, I must congratulate my constituency colleague, the Minister, Deputy Heather Humphreys, for her political leadership in respect of this matter. There is a consensus on that.

The references to Creative Ireland and 1916 lead me to the work on archiving RTE programmes. It comes within the brief of the BAI to see that this happens. Those programmes represent a huge social history of our country and are a major artistic resource in themselves. What work is being done to archive and rebroadcast them?

No one in the room will say TG4 is not an enormous success. It is very popular. What is exciting is the number of non-Gaelic speakers who watch, enjoy, relate to and are very pleased with it. The position is similar in the context of Raidió na Gaeltachta. I am not sure that I sense there is an adequate presence of the Irish language and Irish culture on RTE 1 and RTE 2. The witnesses might correct me if I am wrong in that regard. I would be very happy to be proven wrong.

Plurality was mentioned. Local radio is a hugely important medium, in particular for a certain demographic which might not access other media, including modern multimedia. Are the witnesses confident that local radio is playing on a level pitch or could more be done to support it? Is it adequately supported? I am approaching this as a lay person based on anecdotal evidence but one gets the impression it is underfunded or under-resourced, perhaps also in terms of commercial input.

The witnesses talked about structures, funding and plurality in multimedia and I want to raise a question while they are here because it is relevant. It would be remiss of me not to bring it into the debate and seek a reaction although in many respects it is probably more germane to Friday's meeting. I would like all three witnesses to respond because it is a serious matter. There are people in the country with a certain belief and if what they believe is true it is very serious. If what they believe is not true it is still serious. The traditional religious population of the country - people who hold what we consider conservative, traditional values - feel very alienated at the moment. They have a perception that the broadcast media is against them, their culture and set of beliefs, that it is not reflective of their views, beliefs and practices and does not give adequate expression to them. I have not met any who are suggesting they should have exclusivity but they are feeling alienated. They may be completely wrong and the witnesses may be able to readily establish that for me. If they are wrong, how could their firm belief on this be addressed? I will finish but it is a very important point. I am only doing my job. Very educated people with numerous degrees, including postgraduate qualifications, come to me with this view. It is not the view of only one sector of the population. It is the view of quite a range of people, some of whom have very high educational levels. It does not matter what level of education they have but it would be too simplistic to assume their view is based on some form of ignorance because it is not. I am interested in the witnesses' response to it. They will probably tell me it is more germane to Friday's discussion. I can live with that because I can raise it again then.

Chairman: I will bring in Deputy Ryan. Will members ask a question and keep it short?

Deputy Eamon Ryan: Will Brexit have implications for how media being beamed into Ireland from the UK are managed? Does the BAI have a role in regulating that? Are there British broadcasters or others who have come to the BAI looking for licensing or engaged in informal discussions with regard to establishing a business here if Brexit transpires, which it looks like it will? The witnesses do not have to name them. Is the remit of the BAI slightly out of date? It is fortunate we are doing this in advance of the funding forum next Friday. Where is the money going? Is it going to Netflix, Virgin Media and Sky, which the BAI does not regulate? It does not regulate the €300 million that is going to Facebook. All the big international players are cleaning up here and we are regulating the daylights out of the Irish sector. Do the witnesses have a view on how that might change?

I had a chance to read the Reuters Institute digital news report that Professor Travers cited in his presentation. It is interesting to see some of the developments in that and the continuing move towards digital. It is interesting that in the news category, in the Irish sector *thejournal*.

ie is becoming the lead digital forum. It is a very good organisation; I have a lot of time for it. The BAI does not regulate *thejournal.ie*. Facebook is going into television; it launched it last week. The BAI does not regulate Facebook. What are we doing in terms of regulating media if we do not regulate Netflix, Facebook, Sky, Virgin Media or *thejournal.ie*? Is it fair in a world where it is all meeting in the one place - online - and it is all video streaming? Do we not need to change the legislative remit and approach to broadcasting regulation?

Senator Terry Leyden: I welcome Professor Pauric Travers, Mr. Michael O’Keeffe and Ms Stephanie Comey to the meeting. It is hard to get a big turnout in these meetings when something is happening. I thank the witnesses for the presentation and the survey. The Reuters Institute digital news report is very informative. I do not know if it has had much coverage in the media. I do not think it has. I will concentrate on local radio. Local radio is providing the service in our area. Local radio, Shannonside radio, Northern Sound, Radio 103 Offaly-Westmeath and Midwest Radio are the only stations bringing real, local information to local people, whether it is the events of a county council meeting or current affairs. The views of Oireachtas Members are broadcast regularly on those stations. No one has ever complained they were deprived access or not allowed to have their views expressed. Yet the BAI is not giving them the support they deserve. They will not be able to continue broadcasting current affairs without support from the licence fee or some form of support. The cost involved in providing current affairs is very expensive. Most of the local sports programmes are sponsored by some company because it is an attractive package. Current affairs is different because it cannot be sponsored. There is no point in having a politician or Oireachtas Member sponsoring a programme because it is not allowed.

Mr. Michael O’Keeffe: We allow it on radio.

Senator Terry Leyden: I am not fond of that idea. I do not agree with any political party or politician controlling current affairs. They are the people with the deep pockets. If they are allowed to that, I oppose it. I do not agree at all with that. It gives them regular appearances. Community radio was mentioned. In most places, it is dying on its feet. There is no revenue coming in. Local schemes have been withdrawn. Employment schemes have been withdrawn. Community employment schemes were available to community radio. They never got the traction that was hoped for simply because very few people flick stations. Some people listen to Shannonside radio all day and then they might watch the 6 O’clock news on television. I do not know what the BAI can do to support community radio but I wish it well.

As far as the national service is concerned, home produced drama is very attractive and very expensive but it attracts the biggest audiences. Current affairs is wall-to-wall at the moment. One can start out with “Morning Ireland” and end up going through it again on the Sean O’Rourke show, then move on to “News At One”, then another programme, then “Drivetime” and it goes on and on. The story is reproduced, which is fine. Some people would like current affairs 24 hours a day. Some mornings I turn it on to Lyric FM to hear Marty Whelan. It is a relief sometimes when they go on and on. Access to shows such as the Marian Finucane show seem to be restricted to a panel. It seems to be the same panel. Deputy Eamon Ryan might be more regularly on it than people from outside the Pale. I do not hear many people from outside the Pale on the Marian Finucane show on Sunday mornings. Nobody wants to go on the Vincent Browne show on TV3 but everyone wants to watch it, which is a different thing.

Chairman: Does the Senator have a question?

Senator Terry Leyden: I put a question already. What has happened to Irish TV? Is it be-

ing supported by the BAI? Local radio is my main currency and I am delighted the witnesses will be attending the forum on Friday.

Chairman: There were many questions there. The witnesses might share them.

Professor Pauric Travers: We will share them. I will pick up a few and then pass over to my colleague. The short answer to the question about Irish TV is that it has unfortunately gone into liquidation.

Senator Terry Leyden: It had great traction at the start. It really brought television down to the people.

Professor Pauric Travers: The Senators asked a number of questions about radio. The Reuters report confirmed what we knew, that is, that we listen to a lot of radio in Ireland and tend to do radio well here. Obviously, there are significant financial challenges for local radio, to which we will come in a moment, but there are financial challenges right across the board regarding the business model for all the national broadcasters as well. Some steps have been taken to try to ease the situation for local radio, but we recognise and accept - this is what we are addressing in the strategic theme relating to sustainability - that there is a fundamental challenge regarding the funding model right across the board.

This brings me to the elephant in the room which Deputy Ryan mentioned, that is, that we have a broadcasting context and landscape which has been fixed and is shaped by a particular set of legislation and that, in the meantime, the world is changing rapidly. It is to be hoped some of this will be addressed by the AVMS when it is finalised, but we certainly accept the anomalies that exist. These anomalies are growing in terms of what is and is not regulated. At the heart of this is a financial issue which means that the funding - the revenue - which might go to supporting local radio, community radio or Irish national broadcasters is being hoovered up and is going elsewhere. This is not an issue that can be easily resolved. The full resolution of it does not lie within the Broadcasting Authority of Ireland or even within the Oireachtas. It is a global issue but we must begin to respond to it. I will hand over to my colleague to respond to some of the other issues raised.

Mr. Michael O’Keeffe: The easiest question was whether we will attend the annual meeting. The answer is “Yes, we will”.

Chairman: I was hoping so.

Mr. Michael O’Keeffe: We have key performance indicators, KPIs, in our strategy statement. We have strategic objectives, key deliverables and outcomes for 2019. Our relationship with the Department means that we meet it quarterly, it is given our work plan and objectives and we review the different strands. In the past, we had what used to be called service level agreements. We do not have them anymore. My understanding is that this is linked to the fact that we are an independent regulatory authority with a board. We are answerable to the Oireachtas joint committee and also to the Committee of Public Accounts. Given that we are an independent regulatory body, having KPIs that would make us answerable to the Department raises some questions. The independence of regulators, in particular in the broadcasting area, is a huge issue at a European level because governments in certain countries - not this one - seek to interfere with their broadcasting sectors. Given the power of broadcasting, it is still a very powerful medium, despite certain developments. We have an agreement in place to have quarterly meetings at which we agree and send the Department all our strategic objectives and

deliverables. We give the Department copies of our accounts and all the statutory requirements we have, but we do not formally answer to the Department. I think that was the issue and I think we are similar to other regulatory bodies that have the kind of independence we have. That was a long way of answering the question.

The children's code is due for review. This will be carried out probably towards the end of this year. We have just completed the general code, we are to review the access rules and we did the short news reporting code, the one they all liked. The children's code, which was very controversial five years ago, will no doubt be the same, particularly in respect of the issue of diet and nutrition. Ms Comey was involved in this five years ago. Does she wish to say anything about it?

Ms Stephanie Comey: I will say just a few words about it. The process five years ago was quite new for Ireland so there were many differing views from stakeholders, but what is important to note is that there have been very few implementation issues in respect of the code. Regulations that have been put in place are adequate and are met by stakeholders. It is very difficult to measure the impact of regulation in this area, and this is a problem with which most of Europe is grappling. We are well aware of the World Health Organization's position on it, and this will definitely form part of the consultation process. We will review the diet and nutrition elements of the code but also conduct a broad review of the code in general to assess its suitability in a changing world. We do not have a date for a consultation at this point because the processes have not been finalised just yet but we will be-----

Chairman: Does Ms Comey think the consultation will take place this year?

Mr. Michael O'Keeffe: I think it is more likely to be next year. There is a requirement within the Act for us to consult with health authorities, and we will commit to do that.

Ms Stephanie Comey: The consultation process will be wide-ranging, as it was the last time, but there will be a further benchmarking against other European jurisdictions as well and the World Health Organization, so it will be comprehensive.

Professor Pauric Travers: Senator O'Reilly had some comments and questions about the 1916 centenary and an archiving scheme. While we funded 2016 programmes locally and nationally, we cannot claim the credit for the quality or otherwise of them, although we were certainly very happy to be able to support them. I know that RTE has been working on its archives, particularly its news archive. I was talking to someone just this morning about this and I understand RTE will launch a major development regarding its archives. As I mentioned in my presentation, we have an archiving scheme which has funded some very significant projects. The scheme is being reviewed and we will come forward with proposals in that regard.

Regarding TG4's and RTE's programming, we meet both organisations and we have met the new ceannaire of TG4. They have presented their new strategic plan, which is very well focused. We also meet and have discussions with RTE regarding its performance in a number of areas. This includes performance in the area of Irish, so we are certainly conscious of the issue and we ask RTE leading questions and searching questions about this and other areas.

Regarding the point Senator O'Reilly made about the perception or feeling that people of a particular religious disposition are not properly represented, I do not think it is a matter of whether it is right or wrong; if that is the perception, that is a great pity.

Senator Joe O'Reilly: Yes. That is the point.

Professor Pauric Travers: The whole emphasis in our strategy has always been on a plurality of voices, but a plurality of voices cuts both ways. It cuts for voices that are not being represented and should be represented and it does not greatly matter whether those are marginalised in one direction or another. The whole point of the system is that different viewpoints and all viewpoints should be represented and taken seriously. If there is a perception that this is not the case, that is a great pity and should be addressed.

Mr. Michael O’Keeffe: In addition, we have done some research on the public’s perception of how the public service broadcasters, both RTE and TG4, are performing and delivering on their objectives as set out in the Act. We will release the results of this later this year. The results are generally favourable. As the committee will be aware, people always like criticising RTE. It is a national pastime at times. However, generally speaking, as to whether RTE delivers on what it is asked to do, the results are positive. That is a message we are getting. We are required to report on how they are performing, and we were keen to get some more concrete research on that, and that has backed up the view that they are delivering.

On Brexit, we have been approached by several broadcasting companies which use the UK as a location to broadcast to the rest of Europe. Their concern is that if and when the UK leaves, they will no longer have the right to be carried on the service of the various European countries. They are considering other jurisdictions, and Ireland is one. We have been approached by different groups. That may not bring any great financial benefit because many of them are likely to base the majority of their workforce in the UK and their European licence would be based in this jurisdiction or somewhere else. It could bring a bureaucratic headache for us to process a range of licences which may not bring an economic benefit to Ireland. We are weighing up some of those issues. In general terms, our policy is that we should be permissive and welcome companies that want to locate in this jurisdiction. In the long term that may have benefits for production and other aspects and develop a greater production sector here. There are issues we are working through and we will bring a policy paper to the board in the next few months, having met several of these companies in recent months. It is on our agenda.

Deputy Eamon Ryan: Does Brexit have implications for large satellite operators such as Sky? Will their regulatory situation change if Britain leaves?

Mr. Michael O’Keeffe: We regulate the content that is carried on the Sky or Virgin platforms. For example, all the Sky channels, which have UK licences, may require a licence from Ireland or somewhere else to broadcast in other jurisdictions. That does not, however, mean they will move all their people here. They may move some. They have a base here and employ many people here. Even if it does not bring many people in here, it may open other opportunities.

Deputy Eamon Ryan: The legislation does not quite go into the question of whether Sky should be able to carry RTE free. We do not give RTE the power to charge for use of its content. Does the BAI have a recommendation on that?

Mr. Michael O’Keeffe: We have not taken a view on that. I know the committee will be considering this next week in the pre-legislative scrutiny. RTE is very strong on this. The platform operators take a different view. The BAI in the past has supported the principle of the broadcasters being able to charge the platform operators for their content.

Deputy Eamon Ryan: It is the same for Virgin.

Mr. Michael O’Keeffe: Yes, but there has been an interesting change in the policy of TV3 on this issue since it was taken over by Virgin. There are strong arguments from both sides on that issue. We have taken a view in the past that those providing content should be paid for it.

Chairman: We will be dealing with that issue next week. Senator Leyden had questions.

Senator Terry Leyden: On the archiving scheme, would the BAI consider talking to Irish TV which it licenses? It would be a shame if its archives were lost.

Deputy James Lawless: I look forward to engaging with the witnesses on the future of public service broadcasting, its funding and remit at the meeting on Friday. We met, I think, at the Parnell summer school and I hope we meet them again this year. I look forward to that.

I am interested in Creative Ireland because I am involved in the midsummer arts festival in Naas and a local history festival later in the year. Arts and local history groups were very excited about and interested in the Creative Ireland programme when it was announced earlier in the year, but the detail on how it works and how the applications work was not quite clear.

Mr. Michael O’Keeffe: Creative Ireland followed some of the programming and support given to the 1916 commemoration. We were keen to have an active role in that and we have been invited to join the interdepartmental group. There has been only one meeting on that. My colleague, who represents us on that, is not with us today. I will give the Deputy something more concrete later. My colleague has attended several meetings and will be in a better position to give us information.

In response to Senator Leyden, unfortunately, because of our contractual relationship with Irish TV, there was no requirement to archive its material. It would keep it only for a certain period and then dispense with it.

Senator Terry Leyden: That would be an awful tragedy. I strongly recommend that the witnesses get in touch with the manager there or the receiver because everything was recorded. It is terrible to lose material of that nature because they travelled the length and breadth of Ireland. I appreciate the cost of a new television station is enormous but the chairperson had said it made a great contribution and it was getting a good audience but it is very expensive.

Mr. Michael O’Keeffe: I will make enquiries about that, and when I am responding to Deputy Lawless, I will also reply on that.

Senator Terry Leyden: RTE lost too much at the start. “The Late Late Show” and others were taped over.

Chairman: That is a good point and on behalf of the committee I thank the witnesses for coming here this evening and we look forward to meeting them at our engagement in Dublin Castle on Friday.

Mr. Michael O’Keeffe: The committee will be seeing a lot of us next week.

Chairman: Yes, we will be well informed and I hope the meeting on Friday will be productive. I thank the witnesses and I propose that the committee publish their opening statements and the submissions received in connection with this meeting on our website. Is that agreed? Agreed.

The committee went into private session at 6.29 p.m. and adjourned at 6.36 p.m. until 5 p.m.

on Tuesday, 11 July 2017.