

DÁIL ÉIREANN

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

JOINT COMMITTEE ON COMMUNICATIONS, CLIMATE ACTION AND EN- VIRONMENT

Dé Céadaoin, 27 Meán Fómhair 2017

Wednesday, 27 September 2017

The Joint Committee met at 9.30 a.m.

MEMBERS PRESENT:

Deputy Timmy Dooley,	Senator Terry Leyden,
Deputy Eamon Ryan,	Senator Tim Lombard,
Deputy Bríd Smith,	Senator Michael McDowell.
Deputy Brian Stanley,	

DEPUTY JAMES LAWLESS IN THE CHAIR.

Business of Joint Committee

Vice Chairman: As we have a quorum and the Minister present, I will call the meeting to order. I shall chair today's meeting as Vice Chairman. Apologies have been received from the Chairman, Deputy Hildegard Naughton, and Senator Joe O'Reilly.

I remind members to either turn off their mobile phones or switch them to flight mode. This is because they interfere with the sound system and can make matters difficult in the context of parliamentary coverage. Even though it may not appear so in the Chamber, interference can often manifest in the footage afterwards. Any submissions or opening statements that are made to the committee will be published on its website after the 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.

Estimates for Public Services 2017: Vote 29 - Communications, Climate Action and Environment

Vice Chairman: I welcome everyone present. This is the second annual mid-year review meeting of the joint committee covering Vote 29 - Communications, Climate Action and Environment. We are conducting a mid-year review of the Estimates. The OECD report, Review of budget oversight by parliament: Ireland, for 2016 sets out a roadmap for enhanced parliamentary scrutiny of spending by Departments throughout the budget cycle. We met representatives from the OECD on a couple of occasions during the past 12 months. The joint committee is following this roadmap, which contains the following elements: ex-ante scrutiny; budget year scrutiny; and ex-post scrutiny. The main purpose of the mid-year review is to consider the mid-year position in terms of expenditure and performance outputs, review the utility of performance measures and targets provided and examine the position in the lead-up to 2018. In essence - and before we reach the end of the year and it is too late to do so - our job is to discover where we stand at the mid-term point in terms of targets and voted Estimates and whether remedial actions are required. If such actions are required, this is obviously a good time to note them.

As per usual, I propose that the Vote will be examined programme by programme, from A to F, under the different headings. Members will be invited to ask questions about subheads in the context of the relevant programmes. The committee is particularly interested in programmes containing information that will be useful in illustrating the link between expenditure and performance. In other words, any high-level metrics. Following the examination of these programmes, members may wish to address questions to the Minister on the administrative subheads, programme G - appropriations-in-aid - and the environment fund. Finally, members may ask questions relating to the Vote as a whole.

On a housekeeping note, as we are in the Dáil Chamber and as the business of the House is due to commence at 12 noon, we must adjourn not later than 11.30 a.m., even if we are not quite finished. However, I hope all will be in order by then. Is that agreed? Agreed.

I welcome the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten. I understand that the Minister of State at the Department of Communications,

Climate Action and Environment, Deputy Seán Kyne, will join the meeting when we reach sections that relate to his portfolio. I thank the Minister and Minister of State for the briefing material provided. I ask the Minister to make his opening statement.

Minister for Communications, Climate Action and Environment (Deputy Denis Naughten): I thank the Vice Chairman for allowing me to make an opening statement.

I welcome the opportunity to engage with the committee on the Estimates for my Department and to consider the mid-year expenditure position and programme metrics, where available. This process is very useful and it gives members the opportunity to rattle the Minister. Leaving that aside, this is an important opportunity to scrutinise the figures before us. The OECD recommended that a mechanism of this nature be introduced. It is a very positive development rather than the situation that obtained heretofore whereby it was only at the end of the year and into the following one that these figures were examined.

I apologise that the Minister of State, Deputy Seán Kyne, who has responsibility for community affairs, natural resources and digital development cannot be here at this point. He is currently in transit. He had to speak at an event on e-commerce in Blanchardstown earlier this morning and will join us as soon as possible. I am accompanied by Ms Finola Rossi, finance officer; Ms Rebecca Minch, principal officer in the energy efficiency and affordability division; Mr. Jim Whelan, assistant principal officer in the finance unit; Mr. Eoin Deegan, assistant principal officer in the waste policy and resources efficiency division; and Mr. Dualta Ó Broin, assistant principal officer in the broadcasting policy division.

The total provision for my Department for 2017 is €183 million for capital investment, including a capital carryover of €12.1 million from last year, and €357 million for current spending, of which €222 million represents a pass-through of TV licence receipts. By the end of June, my Department had spent €53 million of its capital allocation, or 77% of profiled expenditure of €68.5 million. On current expenditure, my Department had spent €164.3 million, or 96% of profiled expenditure of €171.7 million. Appropriations-in-aid were running at €111.7 million, or 98% of profiled receipts amounting to €113.7 million.

My Department has been progressing projects in key strategic areas during 2017. These include: the national broadband plan to ensure that all citizens and businesses have access to high-speed broadband no matter where they live or work; the trading online voucher scheme to support more small companies to trade online in order to help them grow sales, jobs and exports; the digital skills for citizens training programme to help 25,000 citizens get online for the first time and participate in the digital economy and society; the National Cyber Security Centre, which plays a key role in securing Government and critical national infrastructure and data; the residential energy efficiency improvements under the better energy schemes targeted at reducing CO2 emissions from the built environment; the energy efficiency measures in the commercial and public sectors to deliver significant energy savings, while also meeting the commitment in the programme for Government to improve the competitiveness of Irish industry; the electricity vehicle grant scheme-----

Deputy Timmy Dooley: Can the Minister supply copies of his presentation to members?

Vice Chairman: Can we have copies?

Deputy Denis Naughten: I literally only got the presentation on my way in. Yes, I am sure we can provide copies.

I shall continue listing the key strategic areas, which also include the following: the integrated mapping for the integrated mapping of the sustainable development of Ireland’s marine resource, INFOMAR, programme and the Tellus geo-environmental mapping project; protecting our natural environment and promoting the transition to a resource efficient circular economy; and progressing the climate action agenda in line with the first whole-of-Government national mitigation plan.

Looking forward, focus will be maintained on achieving targets in the areas of renewable energy and energy efficiency to combat climate change and contribute towards Ireland’s 2020 targets. In progressing Ireland’s transition to a low-carbon economy, the further development of renewable energy across the electricity, heat and transport sectors will be critical to position us to meet the more challenging emissions targets for 2030.

Delivering a “connected” economy and society is a strategic priority. The national broadband plan will deliver a future-proofed telecoms network throughout Ireland. Expenditure on the State-led intervention will ramp up following the successful conclusion of the ongoing procurement process. Investment will be targeted at building on existing digital adoption initiatives aimed at businesses and citizens.

The sustainable management of waste and improved resource efficiency is critical for future generations. In the environmental area, the Environmental Protection Agency will continue to deliver on its research commitments and meet its expanded role in respect of ambient air quality, noise and non-ionising radiation monitoring, as well as the significant climate action agenda.

Vice Chairman: Before we start discussing programme A, have members been given copies of the Minister’s remarks? No. Can such a provision be organised?

Deputy Denis Naughten: It is not normal. I do not think it is protocol to supply copies to a committee but I have no problem at all with my remarks being circulated.

Vice Chairman: Copies are on the way.

Deputy Timmy Dooley: It is usual to provide them.

Vice Chairman: I have a copy of the presentation, which is useful. The matter is in hand. The officials have indicated that copies will be supplied.

I propose that we start with programme A, which deals with communications. I invite the Minister to make a brief opening statement on programme A.

Deputy Denis Naughten: The focus of programme A, communications, is to support economic growth, competitiveness and social inclusion through a range of policies and regulation designed to facilitate a more digitally connected economy and society, along with investment in high-speed broadband networks. The Estimate for programme A includes initial funding of €15 million for the national broadband plan to bring high-speed connectivity to all parts of Ireland through a combination of commercial investment and State intervention. Programme A underpins the implementation of Ireland’s national digital strategy through measures such as the trading online voucher scheme and the digital skills for citizens programme. It supports growth and innovation in digital entrepreneurship through the Digital Hub Development Agency and the National Digital Research Centre. The 2017 provision also includes €1.5 million for Eircode postcodes and €1.95 million for the National Cyber Security Centre for the protection of critical infrastructure and Government networks.

Vice Chairman: I thank the Minister.

Deputy Timmy Dooley: May we ask questions on programme A?

Vice Chairman: I thank the Minister. Beginning on a very positive note, I note that he referred to the trading online voucher scheme, with which a number of members have expressed satisfaction. I have seen it in action myself.

What proportion of the mid-year figure has been spent on the national broadband plan to date?

Deputy Denis Naughten: The trading online voucher scheme has been hugely successful. Of the 9,000 businesses that have engaged with us, just short of 50%, or about 4,000, have taken up the voucher. We can get the exact figures for the committee. We have analysed the businesses that have taken it up and have found that, on average, their sales have increased by one fifth, employment has increased by one third, and two thirds of those companies are now trading internationally. With the roll-out of pure fibre to every single premises in about 60 provincial towns across the country, as well as the roll-out of high-speed broadband to the vast majority of villages across rural Ireland, all of which is through pure fibre, opportunities are now being given to many businesses to start trading online that have not traded there to date.

The spend on the national broadband plan up to the end of June was €4.4 million. To date, approximately €7 million has been spent.

Vice Chairman: I am going to dig into that a little bit to understand it fully. Some €7 million has been spent on the national broadband plan procurement operation and management thereof to date. That is from an estimate of €15 million, so it is about halfway there. It seems to be on track. Is the Minister satisfied with the progress on the national broadband plan to date?

Deputy Denis Naughten: Personally, I would like to see the State intervention phase happen much more quickly than is the case at the moment. It is important that people understand the context of this, however. To use the analogy of a road, we are trying to bring a motorway to every single home in Ireland. Everyone has two cars outside their home at the moment but, in the future, everyone in each house is going to have two cars and some will even have a bus or two. We are now saying that if people decide in the future to set up a freight business, the road infrastructure will be able to cater for that at any stage over the next 25 years. That is a massive task. This is a contract for 25 years to ensure that the broadband we install now is robust enough to meet requirements and needs over that period. Over the last five years, we have seen a dramatic ramp-up in demand for data, and every single digital network in this country is investing and investing just to stand still.

We are not just trying to bringing a motorway to every single home, however. In the short term, we are also looking at the boreens. We want to cut the hedges, take the grass out of the middle of the road, take the grass verges off the sides and resurface them. We are doing that through the build-out of wireless and mobile technology. Given that we have put a pure fibre backbone into 60 towns across the country and pretty much the vast majority of rural villages in the form of open access networks, we can put hot desks into every community in the country. People in their own, local areas can have access to pure fibre at 1,000 Mbps high-speed broadband, the likes of which is only available in places like Hong Kong and Singapore. Wireless and mobile operators can improve on their existing level of service and expand into rural areas, into the amber areas, into the 542,000 homes and premises that do not have access to broad-

band and are not part of the current commercial intervention. I am determined to make sure that every single one of those 542,000 homes has access to a broadband services as quickly as possible. We are working with private operators to do that.

On foot of releasing the 3.6 GHz spectrum earlier this year, I have had one operator come to me that is looking at a 5G point-to-point fixed wireless deployment, which is expected to cover 85% of the land mass of this country by 2019. Work is ongoing. My priority at the moment is to address the issues and genuine concerns of the people on those digital boreens who are not getting access to a broadband service or who are getting access only to an inadequate service. My priority is to provide them with a basic service pending the roll-out of the high-speed broadband service. I am satisfied that we are on target to ensure that a minimum of 77% of premises in this country will have access to high-speed broadband by 1 January 2019. By 2020, at least 91% of premises in this country will have access to high-speed broadband. I suspect it will probably be higher than that but I am only committing to 91% until I see the detail roll out.

Deputy Timmy Dooley: The Minister has been captured by the big telcos and he is suffering from Stockholm syndrome. He is looking at the shiny technology they are waving at him and using their verbiage. In particular, he has been captured by Eir. It has led to a really difficult situation for the State notwithstanding the Minister's best efforts to get SIRO to remain part of the bidding process. If the chat around these Houses is to be believed, he has been on bended knee, a bit like the football players in the United States, arms linked with his officials, begging and pleading with SIRO to remain in the race to give credibility to a bidding process that now has no credibility.

We have heard the Minister's protestations since he came into office that he needed to be careful and do this right. He had the big baddies in Europe looking over his shoulder and he was there for the people. He has lost contact with the people we are seeking to serve, for whom we are to roll out a broadband service. We are no further on today than we were in 2012. We are no further on in understanding when that intervention area is going to have a broadband service. I could go back through the Official Report to when the former Minister, Pat Rabbitte introduced the project and when the former Minister, Alex White and others sought to move it on. There was talk of a delay of a month, two months, then it became six months. The Minister has still failed to give this House and those outside these Houses a date for the start of this contract.

The Minister used the term "we", and that is why I say he has been captured by Eir and others. He now sees himself as part of a conglomerate: "We are delivering to 60 towns." I remind the Minister that these are commercial decisions by large multinationals that see a return on their investment for their shareholders and because they give him the benefit of cutting a tape, the Minister thinks he is part of it. When is he going to get real and start spending the taxpayers' money for the benefit of those 542,000 premises he talks about? We need action from the Minister. We need to get this tender through and we need a start date. The Minister knows from project management experience that unless he sets a timetable projects never happen. They keep getting pushed out. If he has a timetable he will have to answer to this House, and I and others will criticise him if he misses a deadline, but it is better to have a deadline and have some milestones as it is good project management to set dates. The Minister should be prepared to suffer the political consequence of someone kicking him around a bit because he fails to meet the deadlines but that is better than running around hand in glove with big corporations that are just pushing him around. At this stage they know he will issue a statement, cut the tape and the roll-out to the 542,000 homes is no closer. The Minister is being tied up in knots. He should put pressure on the Department and those who are naysayers and set the deadlines. A total of

€7 million of the €15 million is spent and perhaps he will get the other €7 million by the end of the year. That is not what it is about. Multiples of that amount need to be spent. People need to see broadband rolled out to areas that do not have it.

What is happening at the moment is good. I am pleased that at last Eir has taken a decision to invest in its network. It is replacing poles that fell over years ago. It is stringing fibre along them principally into places that already had a reasonable level of broadband. It is doing it on the edges of villages that were already reasonably close to the exchange and had some element of a broadband service but now they will have fibre. That is fantastic. It is a commercial decision so let us not clap ourselves on the back for that. The question is when will the people who live beyond the edge of the village get a service. The Minister should move away from taking credit for what others are doing. He should concentrate on defining the national broadband plan as that which requires State intervention, which falls on his shoulders. Whatever way the Minister will kick the sand in people's eyes and hope they will somehow get confused, and that he will get to cover himself in some level of glory by taking credit for what others are doing, will not happen because people in rural areas who do not have a broadband service are mightily unimpressed. They are particularly concerned now that the Minister's courtship of Eir has led to SIRO pulling out, notwithstanding his best efforts, which has led to a situation where the taxpayer will likely have to pay a lot more now because there is not really a competition anymore. Let us be honest. There is no competitive environment now for this tender. As the Minister well knows, prices will be jacked up and the taxpayer will have to pay more money. That is all because the Minister has failed to get a tendering process in place that is effective and seeks to have a start date and a finish date so that the work can be done on a project basis.

Senator Terry Leyden: It is unusual to be back in the Dáil Chamber for a committee meeting as that did not happen in the past.

Deputy Denis Naughten: That is twice in the one week. The Senator is doing well.

Senator Terry Leyden: Not particularly. I was here for quite long enough so I am not too bad. I was expecting to hear the Minister explain the situation on "Morning Ireland" this morning. Perhaps he did and I did not hear it.

Deputy Timmy Dooley: It was one of the few mornings he was not on.

Senator Terry Leyden: I thought he would be on the radio this morning to explain about the dramatic situation following SIRO, the ESB company's withdrawal from the tendering process. The Minister also has responsibility for the ESB. I cannot understand how he allowed SIRO to run from this project. It looked at the project and it seemed to me like a very competent company that could provide genuine, quality broadband throughout the country. The Minister explained about the breen with the grass growing in the middle of it. That sounds like my road. The Minister must have been down it recently. I do not expect to get broadband there. We have very bad broadband and it does not work too well at all. It is well hidden.

Deputy Denis Naughten: We will get there.

Senator Terry Leyden: We will see. As far as Eir is concerned, one must bear in mind that the company has been asset stripped for so long. It has been kicked around, bought over, unfortunately sold by the State and then asset stripped. I was a Minister of State in the Department at one time. We had built up the telecommunications system. Pádraig Faulkner was the Minister who brought in the digital system. In fairness, he was a very progressive Minister. He

was followed by Albert Reynolds and others. The point was at that stage we put massive investment, approximately €1 billion, into building infrastructure and accommodation. Now the people who work for Eir go around in their vans. They do not have any place to go. They do not have depots. The Minister expects Eir to solve the entire problem yet it is under questionable financing at the moment. The company could be on the market in the morning. We do not know. There is no continuity.

I would have much more faith in the Electricity Supply Board or SIRO to provide that service. The Minister might explain to this House and to the people what exactly is happening with the tendering project. I know the Department is highly sensitive about previous tendering and that it is making it so careful and transparent because it does not want to have another inquiry. I presume people in the Department are running away from that situation. I do not know how much information they can give the Minister or what they can divulge in this particular regard but there is an opportunity for the Minister to make a comprehensive statement on the withdrawal of SIRO from the tendering process, and how that will affect the outcome. Given that the Minister is in charge of the ESB, is there any way he can persuade the company to review the decision?

Deputy Denis Naughten: First, I will respond to the questions from Senator Leyden. The reason SIRO has decided to withdraw from the process is that it wants to refocus on delivering pure fibre broadband to 51 towns across the country to 500,000 premises. As everyone here that has been watching this situation unfold knows, two years ago SIRO announced the roll-out of pure fibre to the towns in question and the roll-out did not happen. As a result of the commitment agreement I signed with Eir, SIRO pulled up its socks in that regard and by the end of this week both Eir and SIRO will have delivered pure fibre to 100,000 premises. Given that both of those companies have decided to go down the route of bringing fibre to the door, Enet has also decided to do the same thing, and announced bringing pure fibre to 115,000 homes. In total, on foot of the work I am doing, the work of the Department and the national broadband plan, we have three companies putting their hand into their own pockets and rolling out pure fibre to 900,000 homes across provincial towns in rural Ireland, including 28,209 farms. We will have a situation where the village of New Inn in east Galway is now going to have a better broadband service than many parts of New York. The same is true of villages like Ballymacward and Ahascragh. That is what is happening on foot of the work being done. As to whether I am happy that 542,000 people outside of those villages are not getting pure fibre next week or next month, I am not happy in relation to it. It is an unacceptable situation that they should have to tolerate that.

Deputy Timmy Dooley: The Minister should get on and do something about it.

Deputy Denis Naughten: As Senator Leyden knows better than anyone - we represent the same constituency - and Senator McDowell lives some of the time in the constituency, one in every two premises in the constituency will not have access to high-speed broadband at the end of the commercial roll-out process. That is not an acceptable situation. That is why I am not only pushing the State intervention aspect of the national broadband plan, to which I will return, but working with the commercial operators to facilitate them in rolling out network in rural areas. Senator Leyden knows that in our constituency we have a very good wireless operator in Eir and Imagine has rolled out network as well across rural areas. Other investors are now coming in as a result of me releasing the 3.6 GHz spectrum that will provide new 5G services, point-to-point services. The mobile telephone companies are also getting involved in that. That will improve the quality of service in members' homes and businesses and in every

rural home and business among those 542,000. I am anxious that as many of those as possible get a broadband service as quickly as possible. We are doing that. Some 171 premises a day are getting access to a fixed broadband service. There are additional homes being connected every day.

Senator Leyden knows the history of this and he is correct. Ours was the first country in the world to digitise our telecommunications system. We were a global leader in that regard. To go back further, Ireland was also a global leader in being the first country in the world to bring electricity to every home in the country. We will be the first country in the world to bring high-speed broadband to every home. In fact, globally, everyone is looking at the challenge we have in this regard so they can piggyback on what we are doing. I accept that it is a complex procurement process. I would prefer a far simpler process than the one we are going through. However, I participated in the debates in the House on the electronic voting machines that were eventually scrapped. I also remember, as does every other rural member of the committee, the great saviour the national broadband scheme was to be. The contract was signed with 3 and the day it went live, it was obsolete. This will not be obsolete because this is a 25-year contract. This is not about broadband for tomorrow, next month or next year, but broadband for this generation and the one that follows. This contract will ensure the network is built out into every home and premises, including every isolated rural premises, across Ireland and meets the needs of the future. When this is built out, people in urban Ireland will be demanding the same service as the people in Ballymacward have, because they will be ahead of them in that regard.

Deputy Dooley asked about a timetable and milestones. He is correct that it is imperative to put timetables and milestones in place. I was not prepared to sign the Eir commitment agreement unless timetables and milestones were put in place. The Deputy has not asked me questions on that because we have reached all of our milestones to date for our first, second and third quarters. On foot of being able to pin Eir to that under the commitment agreement, SIRO has now reached a point where it is passing 10,000 premises every month for pure fibre. Now, Enet is coming into it. It is a little disingenuous and inaccurate to talk about the bidder of Granahan McCourt Capital, Enet, SIRO and John Laing Group being a minor player. It is wrong of the Deputy to give that impression.

Deputy Timmy Dooley: I did not mention the word.

Deputy Denis Naughten: This is a global telecommunications consortium that has a huge wealth of experience. In fact, when Deputy Dooley was in short pants and I was on the other side of the House discussing this with Senator Leyden's good friend, former Deputy Mary O'Rourke, I spoke about bringing all the State-owned fibre together. Enet came into this country and did that by itself on a commercial basis without any assistance from the State. That is the reason there is an independent backhaul network available in this country. It is also the reason we are in a position to be able to conduct such a bidding process. At present, three open access pure fibre networks are being built which allow for wireless and mobile operators to reach the four corners of the country. That is happening as we speak.

The reason SIRO decided to withdraw from this process is to focus on the roll-out of the 51 towns across the country. Deputy Dooley said that this will undermine the tender process. It will not.

Deputy Timmy Dooley: I must interject.

Deputy Denis Naughten: I did not interrupt Deputy Dooley so perhaps he will let me fin-

ish. I will listen to the Chair.

Deputy Timmy Dooley: The Minister has misquoted me.

Deputy Denis Naughten: Let me comment on the competitive tender process.

Vice Chairman: Deputy Dooley can speak again when the Minister concludes his statement.

Deputy Timmy Dooley: I am subject to correction, but I do not recall-----

Vice Chairman: I am conscious of the time.

Deputy Timmy Dooley: I seek clarification on this. I do not recall using the term “minor player” about any named company.

Deputy Denis Naughten: Fair enough, I will withdraw it.

Deputy Timmy Dooley: This is serious. The Minister is in the middle of a bidding process and he has asserted something in the Dáil that I am reputed to have said. We can check the record, but I did not use the word “minor” with regard to either company-----

Deputy Denis Naughten: I have withdrawn it.

Deputy Timmy Dooley: I thank the Minister. I cast no aspersion on any company. The only thing I am concerned about is-----

Deputy Denis Naughten: I am withdrawing it for the third time.

Deputy Timmy Dooley: The record is corrected so let it stand.

Vice Chairman: Thank you for that clarification. I remind members and the Minister that we are under pressure for time this morning.

Deputy Denis Naughten: Deputy Dooley questioned the issue of the second bidder and I wanted to clarify the credentials of the second bidder in this process.

Deputy Timmy Dooley: Hold on a second-----

Deputy Denis Naughten: The point I wished to make is that there are two-----

Deputy Timmy Dooley: I must intervene.

Deputy Denis Naughten: -----and the process we are involved in at present in respect of the two bidders is that across Europe there has not been, nor is there, in the vast majority of countries-----

Deputy Timmy Dooley: Chairman, I must intervene.

Deputy Denis Naughten: -----two very detailed bids.

Vice Chairman: I will have to ask the Minister to pause. Deputy Dooley can make a brief clarification.

Deputy Timmy Dooley: The Minister has withdrawn an allegation he made, but he has continued to indicate somehow that I questioned the credentials of one of the bidders.

Deputy Bríd Smith: Come on, Deputy Dooley.

Deputy Timmy Dooley: I did not. It is serious, Deputy Smith, because if there is a problem with the tender at a later stage Deputy Smith will be on her high horse, and rightly so, saying that there was political interference in the outcome of a State contract. This is quite serious. I have cast no aspersion whatsoever on any company. The only thing I have cast aspersion on is the Minister's behaviour and his management of the process, which has required SIRO to make a commercial decision to pull away from the bidding process. That will further delay the matter. Will the Minister withdraw his last statement, that I cast any aspersion or raised any issues about the conglomerates on either side bidding for this contract?

Vice Chairman: Thank you, Deputy. The point is clear. The Minister can make a brief reply and then I will call on the other members.

Deputy Denis Naughten: The record is available on this. We have two very strong bids before us. The reality is that if the Chairman were building a house in his constituency-----

Deputy Timmy Dooley: Can we stick to the issue?

Deputy Denis Naughten: It is hard when asked a question to not be allowed to answer it. However, if the Chairman were building a house in a rural area in his constituency, he will go to the local builder to get a price from him. The Chairman will then go to a second builder and seek another price for it. Independent of that, he will also be sounding out the price of materials and so forth. We have carried out that process. We have a good idea, independent of any bid that is made, of the potential cost of building out this network. We have two strong bids from two separate bidders, with international connections involved. In fact, a filing cabinet landed at the door of my office yesterday with one of those bids. The other one was of similar size. We are in a very competitive process on this. It would have been nice to have received a third filing cabinet, but it was not critical to the process that we would receive it. In fact, it will help to speed up the process because we will go through two filing cabinets rather than three. The electricity network is still available to either of the bidders should they require it down the road. However, the two bidders in the process are using the existing regulated telecommunications network that is available. That is the choice they have made.

Vice Chairman: I thank the Minister. I invite Deputies Stanley and Bríd Smith to speak.

Deputy Bríd Smith: I had my hand up before the last two speakers.

Vice Chairman: That is the convention I am using. Deputy Stanley, if you want to-----

Deputy Bríd Smith: I had my hand up from the beginning and the Vice Chairman acknowledged that. I am not-----

Vice Chairman: Sorry, Deputy Smith-----

Deputy Bríd Smith: I just get fed up. I am the only woman on this committee and it is very clear to me-----

Vice Chairman: There is a reason.

Deputy Bríd Smith: What is the reason?

Vice Chairman: There is a convention in terms of the order.

Deputy Bríd Smith: I was here before Deputy Stanley.

(Interruptions).

Senator Terry Leyden: I was here for the start of the meeting and I had my hand up from the very start. Do not start that old messing.

Deputy Bríd Smith: It is not messing.

Senator Terry Leyden: This is a joint committee and I was here before the Deputy.

Vice Chairman: There is a protocol in terms of the way members are called, part of which is their grouping.

Deputy Timmy Dooley: The Minister is loving this.

Vice Chairman: I invite Deputy Stanley to speak next.

Deputy Bríd Smith: I was here before him.

Vice Chairman: I will invite Deputy Smith to speak after Deputy Stanley. I will then invite the Minister to reply. Deputy Ryan can come in then and if any other members wish to indicate, they are welcome to do so.

Deputy Brian Stanley: I thank the Minister for the presentation and outline relating to the broadband plan. I am glad to see Fianna Fáil has copped on to what I was saying six months ago about this process. The reality is that the game is over regarding the broadband plan. I asked the Minister the question about SIRO's withdrawal at the press conference yesterday and he went off on a tangent talking about private companies and what they were doing. I know that and I told the Minister at the press conference yesterday that I am one of the beneficiaries of that in so far as the broadband service to my house on the edge of Portlaoise town has improved. I accept all that. I accept that on sections of the local roads - the Minister used the term "boreens" but it would be difficult to get to the boreens without going through the local roads first - Eir is improving broadband. However, it is the areas beyond those that I am concerned about, and I have raised that with the Minister from the first day he announced the allocation of €200,000. I welcome every house that is connected, as does the party I represent. The problem is that if there are 840,000 acres of land to be reclaimed and I am a contractor, Senator Michael McDowell is another contractor-----

Senator Michael McDowell: The Senator is not going to get it. He will be at the end of the line.

Deputy Brian Stanley: -----and the Minister allows me to cherry-pick the easiest 300,000 acres, that makes it less attractive for the other contractors to bid for it because one can aggregate it across the 840,000. That is the position. It is the iron law of economics.

If the Minister had read the statement from SIRO yesterday on the reason it withdrew, he would have seen it is a completely different reason. It said it is uncompetitive and not possible to continue in the process given what has happened. What has happened is that Eir has cherry-picked the 300,000. The process has been tilted and skewed. Those are the facts.

What has happened, and Senator Leyden referred to it, but as I recall, his party sold off the

company that is now Eir - it changed its name a few times - is that Eir has been asset stripped. The Minister has allowed it become the plaything of international vulture capitalists, supported by the hard left and Fine Gael. The only way the State can have skin in this game now is gone since yesterday because the ESB and Vodafone have pulled out.

Deputy Timmy Dooley: Correct.

Deputy Brian Stanley: The show is over as regards the State having its hands on the levers, so to speak. The Minister went on at length yesterday about what all the private companies are doing, which was not the question I asked. Of course they are. It is dog eat dog. The Minister has named the companies involved. The national broadband plan has become the plaything of the various capital interests involved in it because the Minister has allowed the main infrastructure to be taken over by the private sector.

We have no costings or timeline and we have little or no competition. That is where this process is at now. It is a logistical mess for anyone trying to bid against Eir. It is also a financial and a legal mess. The Minister knows it is complicated because we have not been able to wring a date out of him, even a timeframe of, say, six months in which the procurement process will be completed. He does not know. His officials do not know. God knows we have tried to get answers on that often enough from the Minister. It was to happen this year. Will it happen next year? I do not know.

The Minister keeps talking about the rural electrification scheme. The difference is that, ultimately, the rural electrification scheme was controlled by this House and driven by the people elected to it who had the vision to take a decision. The problem is that this process is now the plaything of international capitalists. The Minister is a bystander, and as someone said earlier, he can cut the ribbon and we can clap or cheer but that is all we can do.

The Minister has lost control of this process. It is a legal mess and I cannot see how it can be unravelled easily. I do not say that lightly. I wish it was not the case. I raised my concerns about that, and I am speaking from my heart. I hate to see a situation where the taxpayer and the State will be strangled in future as a result of this process and left to finance what are the most difficult parts of this country to reach. There will be a disproportionate cost put on the State. It is Joe and Mary taxpayer who will pay the cost of the hard to reach areas. I understand there would always be a cost because there were 840,000 households and premises to be serviced. We in Sinn Féin understand that would need subsidisation. The problem is that the level of subsidisation for those households and premises will be much higher but, even worse, we now have a situation where the international capitalists who have taken it over are the dominant players and they will determine that cost.

Deputy Bríd Smith: For the record and the information of the public and everyone in this House, I want to reiterate the point I made earlier. Deputy Stanley arrived late. I had my hand up at an early point but the Vice Chairman called him before me. I get it that there is a pecking order in this system in terms of the size of one's party, but men in this House should get it that there is sexism in politics. It may be subconscious but it does exist. In a situation where one woman in a committee is ready to speak but everyone else is a man, the Vice Chairman should at least take that into consideration. I say that with respect to everyone in this House, but I want to put on the record that I see that going on repeatedly.

It is all over the media that the national broadband plan is a hames, that it is in chaos and that it has received a major blow. I understand why the Minister is putting up a robust defence

of himself, his office, his officials and the entire project, but at some point it has to be admitted that when it is clear that the national broadband plan will now cost us possibly up to 60% more than the original estimate when it was rolled out a year ago, something is rotten in the state of Denmark.

It is very clear to me, as someone who watches the way companies operate, and we all do that because we live in a society that is dominated by companies in everything we do, whether it is building a house, a swimming pool, a school or walking down the road and seeing who is fixing the pipes or laying tarmac, that all this is being done by private companies. Everything in this State has been privatised, and that goes to the heart of what is wrong here.

The Minister did an elegant job of comparing the national broadband plan to the roll-out of the rural electrification programme. He stated: "Just as by building Ardnacrusha nearly 90 years ago, electricity unlocked the potential of a young country, and ensured its survival, broadband will unlock our potential today as Europe's youngest population." All that sounds lovely. The problem is that when we electrified the country, the State owned the ESB. It did not have to put up with a competitive, chaotic market. I do not know if Eir threatened potential litigation against the State if it did not get access to those 300,000 premises in towns and villages because it was doing it anyway. We may find out some day, but it was given access to those premises in towns and villages to lay cables. No one really cares about the boreens, bogs and far away bits that come after that-----

Senator Terry Leyden: I do.

Deputy Bríd Smith: -----besides the State. Only the body politic and the State care about them. No one in the market does. I have listened to people arguing about this company and that company, but companies are not going to make profits going up boreens, up hills or down dales unless we heavily subsidise them. That is what the taxpayer is about to do to the tune of 60% more than it was meant to cost us in 2016. When this was rolled out last year, I told the Minister at a committee meeting that it would be brilliant and work well if we followed the model set by Ardnacrusha and the electrification of Ireland. That would have been in the interests of the State and people and we would have controlled the taxpayers' money. Under the current model, though, and comparing broadband to electrification, half the country will be left in the dark - the Minister used the analogy of roads, but I will use the analogy of light - because there is not enough profit to be made by these companies. They will not be interested. Hence the reluctance of the Minister, his officials and everyone else to give a deadline. They cannot predict what the market will do. It is a bag of chaos and does not deliver public services.

My final point goes to the heart of the matter. It is ironic that Fianna Fáil challenges the Minister in the way it does when it was the party that privatised Telecom Éireann. As Mr. Fintan O'Toole said, that company was passed around like a joint at a student party. It was kicked around the marketplace, leaving it in its current position. We owned Telecom Éireann and got rid of it. Our State is now trying to do something important, since everyone must get access to broadband in order that people can work, do business, learn and communicate. However, we are relying on a chaotic market to deliver it as opposed to what we did in the 1950s and 1960s when we delivered electricity ourselves. Fianna Fáil has significant responsibility for this situation. It privatised a State-owned company that was doing well. We might have had a chance of getting ESB, which is part-owned by the State, to do something. Tragically, it has pulled out as well.

Of all public private partnerships, PPPs, this must be the worst. At least previous PPPs al-

lowed the State to own the assets eventually, be it after 25 or 30 years. We will never own this asset, having pumped in millions of euro, including 60% more this year and God knows how much more next year. We will not know, and the Minister cannot give a deadline because he cannot predict what the market will do. This goes to the root of the problem. You have made a bags of it, not because you are Deputy Naughten, Fine Gael or Fianna Fáil, but because the whole nine yards of you believe in the neoliberal model, which does not work for delivering this kind of service.

Vice Chairman: I thank Deputy Smith. I will allow Deputy Ryan to contribute later. Before the Minister responds, though, I wish to address the point that Deputy Smith raised about the protocol and order. There is a set of guidance for the Chair and a protocol that is followed. It is the same convention that is used for Leaders' Questions and every other type of business in the Dáil. It is used to guide committees and it is gender neutral. It is a function of nothing except the direct democratic mandate of each grouping in the Dáil. That is the only function that devises and drives that protocol. I just want to put that on the record.

Deputy Bríd Smith: That does not have to be the case for this committee. I am not-----

Vice Chairman: There is an element of discretion, but it depends on the nature of the session. As we have seen, this meeting has been engaging and intense, every member wishes to contribute and time is precious. Every member has had equal time, but the order being followed is a function of the wider rules of the Dáil, which themselves are a function of the mandates received by each grouping. It is important that this be noted. Would the Minister like to respond to the substantive points?

Deputy Denis Naughten: A number of issues were raised, but I will take Deputy Smith's point on rural electrification first. I use that analogy. When Ardnacrusha was built, the Government of the day was told it was mad and that the amount of electricity generated at Ardnacrusha would never be used because there would never be that much demand. Today, Ardnacrusha produces 1% of our total electricity usage. It was far-seeing at the time. I use that analogy because the programme transformed rural Ireland. I do not doubt that when broadband goes down every single boreen, it will transform rural Ireland.

The Deputy is correct, though. Rural electrification was done by a State company that owned the assets, and it took more than 20 years to build out that network across the country. I am not prepared to wait 20 years for people to get access to broadband. I want to see this happen yesterday. I want it to happen at every crossroads, village and isolated farmhouse throughout Ireland as quickly as possible. That is why I am not prepared to go down that particular road. The reality is that, on foot of our interventions, 900,000 premises will get access to pure fibre.

I am being criticised for not providing a date. I will not do so because this is the most complex contract of its type ever constructed anywhere in the globe in terms of rural broadband. All my colleagues across Europe are watching to see what we are doing. Professor Vint Cerf, who was here last May and is one of the founders of the Internet, acknowledged that what we were doing was pioneering and had never been done anywhere else. Just like when we brought electricity to every single home, we were the first country in the world to do that. Just like when Senator Leyden and his colleagues digitised the telephone system, we were the first country in the world to do that. That we are the first country doing this does mean that it takes a bit longer. When many of us are gone from the Houses, I do not want my name to be bandied around here because, like electronic voting machines, the national broadband scheme failed to deliver even though a great deal of money was invested in it. I want to ensure the scheme is like rural

electrification and digitisation, which have stood the test of time. This contract, when signed, will stand the test of time.

I have written down my reply to Deputy Stanley just in case I am misquoted. He stated that the game was over and there was no competition within the process. Deputy Smith spoke about this being a major blow, but it is nothing of the sort. It is disappointing and I would have liked to have had three bidders, including the ESB, but the ESB has taken a commercial decision because it believes that there are greater opportunities in bringing broadband to provincial towns in rural Ireland. Does this affect the bidding process? No, it does not. Does it affect the competition? No, it does not. That is because we have two very good bidders in the process, one of which has considerable international connections, a global history in this sector, and significant capital and a major electricity company that is involved in telecoms in the UK behind it. Granahan McCourt Capital, which is known internationally for its telecoms experience, has Enet, which operates the State-owned broadband backbone throughout the country. I commend Enet on working to bring that together.

Twenty years ago when no one else was talking about broadband, I was talking about it in this Chamber. I know the issue as it relates to every rural community. I want to ensure every home, no matter how isolated, gets broadband not one day later than is absolutely necessary. That is why we are working with mobile and wireless companies to provide people with a broadband service today. That all of this fibre is being built out on a commercial basis allows us to bring hot desks to villages and wireless and mobile services to greater parts of rural Ireland.

I must put something on the record regarding Deputy Stanley's comments on the Eir contract. The state aid rules require that any State-led intervention in this sector does not disrupt commercial investment. In this regard, the national broadband plan's State intervention is designed to intervene only in areas where there is no existing high-speed broadband infrastructure and where there are no concrete plans to roll out such infrastructure in the near future. Those are the rules I must comply with. If I do not, then colleagues of Senator McDowell will take me to the High Court and the European Court of Justice, thus delaying this process along the lines of the 20 years that it took to roll out rural electrification. I am not going to accept that. Yes, I have to be careful and tread carefully through this process, as does the procurement team, and we are doing so. We have and will have a robust contract that will not only stand the test of time for every single rural home and business in Ireland. The service will stand the test of time for every single rural dweller across the globe because we, again, will be the global leaders in this sector. We will deliver the programme and it will deliver for every single home. I guarantee the committee that it will happen and that it will not take one day longer than is absolutely necessary.

Deputy Stanley used the analogy of reclaiming and draining 840,000 acres of land but cherry-picking the best 300,000 acres. First, one must install drainage pipes one way or the other and they must have a capacity to drain the rest of the land, which is happening at the moment. As he well knows, there is no point draining land unless one diverts the entire river away from the land thus allowing the water to get away. The expensive part is building the infrastructure to the land and ensuring the shores are cleaned and drained until one reaches the river. All the preparatory work has been done and the drainage pipes have been put down in the field.

Deputy Brian Stanley: Who controls the river?

Deputy Denis Naughten: The big cost and heavy lifting has been done. Therefore, it will be much easier and quicker to finish the project, and it does not make it any more expensive.

Deputy Brian Stanley: Who controls the river? Private companies, and that is the problem.

Vice Chairman: I thank the Minister for his comments. I will bring in Deputy Eamon Ryan and give him the equal opportunity that every other member has had. When we move on to the next subheadings of B to F, inclusive, we will have to keep the debate tight because we are under pressure to conclude the meeting by 11.30 a.m. I have allowed quite a degree of latitude. This matter is a huge issue and a very topical one and, therefore, deserves a bit of latitude. However, we must keep the debate a bit tight and I ask members for their co-operation. I give Deputy Ryan the floor and he has equal opportunity to ask questions, as every other member has had, on this section.

Deputy Eamon Ryan: I thank the Vice Chairman. The Minister said at the start that these sessions are designed to rattle a Minister. To be perfectly honest, I am rattled at this moment. I came in reasonably okay but I had to send an emergency text to my office looking for some headache pills. I am with Deputy Dooley. My head is full of images of boreens, buses, filing cabinets and hot desks.

Deputy Brian Stanley: There was also land drainage.

Deputy Eamon Ryan: East Galway is ahead of New York and south Tipperary is ahead of South Korea. I mean, come on. I had this vision that we would provide fibre to every home. Every house has an electricity wire attached and every house has a phone line pretty much attached. I thought to myself can we not make that leap in order that every house would have a fibre connection, and maybe competition between those two wires in getting it in would make sense. My idea is shot now.

I have only one question. In May, the Minister said the national broadband scheme would be predominantly a fibre to the home solution. There is a world of a difference between a 30 Mb connection and a gigabit connection that one gets with fibre to the home. What is the percentage of homes in the broadband area that the Minister estimates will now have fibre to the home rather than wireless or other technology? Forget about hedge cutting, boreens and buses. How many of those houses will have fibre to the home access?

Deputy Denis Naughten: I cannot give the Deputy an answer but will give him a guesstimate in a second. I cannot give him an answer because it is in the filing cabinets that were delivered to the Department yesterday. The Department has to provide the solutions in terms of how the final connection is made.

Why I have said that the scheme will be predominantly fibre is as follows. The only way to future-proof the network for 25 years is to roll out fibre. There is no way to future-proof it for 25 years except by using fibre. I suspect the majority of the 342,000 homes will be a fibre solution, but technology is changing. In fact, in one particular town a process is being piloted that involves fibre to the gate and a wireless connection into the home. That means the last 50 metres or 100 metres connection would use new wireless technology. To answer the Deputy's question, I expect that well over half the 342,000 homes would have pure fibre outside their gates.

Deputy Eamon Ryan: Predominantly does not equal 50%.

Deputy Denis Naughten: No.

Deputy Eamon Ryan: The Minister said “predominantly” in May.

Deputy Denis Naughten: Yes, and I stand by that.

Deputy Eamon Ryan: Now the Minister has said 50%.

Deputy Denis Naughten: No. As many as 300,000 rural homes get pure fibre at the moment. There are 842,000 homes in total and, if one does the maths, it is predominantly but it is not just that. At this time, 900,000 premises across provincial towns and rural Ireland get pure fibre outside their doors. My estimate is conservative. As I have always done up to now, I have used conservative estimates because I do not know what is in the Department’s filing cabinet. I suspect the figure is higher. I am not going to tie myself to a figure that I cannot stand over and I will explain way. I am sick of my predecessors coming in here and picking figures out of the sky only for the figures to end up being a bottle of smoke. I have been on this bandwagon long before there ever was one and when it was only a bicycle. When I was in opposition, I was the only one who spoke about broadband. People looked at me as if I had two heads when I spoke about it. The Deputy will be well aware of that situation and can acknowledge it. I know the issues and I knew them long before anyone else here even realised that broadband was a political issue. The service is not about politics. It is about providing a service to people who live in rural Ireland. Just like running water and electricity, they have a right to broadband. I am determined to fulfil that right and to do so as quickly as possible. The scheme will not take the same of length of time it took to bring water or electricity to rural Ireland. I am not going to be a Minister who goes around with a car boot full of telephones, handing them out to people and telling them the telephones will be connected in a few weeks. Some of those telephones are still in Donegal awaiting connection. We can and we will deliver the service, and it will be delivered quickly.

Deputy Timmy Dooley: When?

Vice Chairman: Great. We will move on to programme B that deals with broadcasting. We are under time pressure and I urge people to keep the debate tight on programme B and the other programmes.

I welcome the Minister of State, Deputy Kyne, who has joined the meeting. We will deal with his sections shortly, although we are a little behind time. I call the Minister to make a brief opening statement on programme B.

Deputy Denis Naughten: The purpose of programme B is to promote the broadcasting sector by ensuring high-quality output by the State broadcasting companies and promoting a strong quality private broadcasting sector. RTE and TG4 are funded through a mix of commercial revenues obtained largely from advertising, Exchequer grant payments and licence fee revenues. Broadcasting licensing fee receipts are estimated to be €222 million in 2017. The broadcasting programme provides for €190.7 million in television licence fee receipts to RTE to enable the company to meet its statutory obligations as a national public service broadcaster. In addition, the programme provides €4.2 million in television licence fee receipts and €29.5 million in grant payments to TG4 to produce a comprehensive range of programming in the Irish language. Programme B also funds new Irish television and radio programmes through the broadcasting fund operated by the Broadcasting Authority of Ireland. The fund receives 7% of the net television licence fee receipts and amounts to €14.7 million in 2017.

Programme B provides €8 million to fund the migration of the Saorview services from the

700 MHz band, releasing valuable spectrum that will assist in delivering improved mobile coverage and broadband speeds, particularly in rural areas through the roll-out of the 5G network.

Deputy Timmy Dooley: The State public service broadcaster, RTE, has indicated for some time that it is under significant financial pressure as a result of the changed nature of the way in which advertising expenditure occurs. In his early days in office, the Minister ruled out the notion of a broadcasting charge extending to all homes in the country in order to get over the high level of non-payment of the television licence fee. He indicated that he had some other ideas but we have yet to see these come to fruition. Has he given any consideration to the use of the Revenue Commissioners in the collection of television licence fees? Has consideration been given to addressing some of the cuts which RTE took during the recessionary period, particularly the cut relating to social welfare? While that is an issue for the Department of Employment Affairs and Social Protection, obviously the Minister will have an input into it.

There is a requirement on RTE to fund TG4 from its central fund, which was a separate line item in the budget previously. Some amendments were made in the budget last year. Will the Minister tell us if he is considering addressing that immediate shortfall in the coming days?

We all share a respect for the importance of public service broadcasting but we recognise the way in which media is consumed is changing rapidly. It is clear that RTE has its own plans. I know the director general and the board are developing a strategy about which we may hear about. What role does the Minister believe the State will need to play to ensure public service broadcasting is protected, particularly with the advent of news and current affairs finding its way to consumers through digital platforms where the same level of verification is not at all as evident as has been the case in the past?

Senator Terry Leyden: I know the Minister is in favour of supporting local radio and the licence fee. Local radio is under pressure regarding current affairs, news, sport and the Irish language. If there was an increase in the licence fee, it would put the Minister in a stronger position to provide support.

In the context of equal pay for equal work in RTE, the Minister requested that the pay scales of different broadcasters be disclosed. They have been announced and the disparity between broadcasters' salaries has been clearly identified. When one watches television or listens to the radio, the quality of broadcasters is as good as any. It is wrong for a national broadcasting organisation not to have equal pay for equal work. It is quite extraordinary. It would be like having two Deputies being paid different rates. It would be unacceptable. When a national broadcaster has a policy-----

Deputy Bríd Smith: That is rich coming from youse.

Senator Terry Leyden: Who is "youse"?

Deputy Bríd Smith: Fianna Fáil.

Senator Terry Leyden: I do not know about the term "youse". I am me and I am elected to the Seanad. I was elected to the Dáil and am a former Minister of State. I do not know what the "youse" bit means. That is not the policy of Fianna Fáil.

Deputy Bríd Smith: The gender gap is not something new.

Deputy Timmy Dooley: That is not fair.

Senator Terry Leyden: I certainly would not be in favour of that. The term “youse” does not refer to me. The Deputy can take that as a fact.

The programmes on television and radio are fine. However, the usual guests are rolled out on the Friday gathering segment on “Today with Sean O’Rourke” and on Marian Finucane’s show. Guests from outside urban areas do not get much of an opportunity to speak on these shows. I can see the work of PR companies saying that X would be wonderful and would contribute greatly on the Friday gathering with Sean O’Rourke. Forget about anyone from outside of Dublin getting a look in on these shows. That is the Dublin-based, Donnybrook, Dublin 4 mentality.

Deputy Denis Naughten: All of the issues raised by Deputy Dooley have been looked at in the context of the Estimates process. It would be helpful if he could mention that to the Minister for Finance in his travels through the corridor.

On the reform of public sector broadcasting, we all accept that, in the long term, the licence fee structure is not going to work. It is an old system with old technology for a completely different era. What will the new structure be? I do not know. That is why I am looking forward to the feedback from the committee. I am quite open in this regard. Historically, it has always been the case - Senator McDowell would know this better than anyone - that officials do not want to give away power on policy-making. Instead, they want to be the ones driving the agenda. It is the same in the case of broadcasting. Rather than it being a case of me drawing up proposals and putting them to the committee, I would like to see proposals not just from committee members but also what is coming up organically across the country on this. I want to acknowledge the role the Chairman and the committee played with the recent forum in Dublin Castle on public broadcasting, which was very useful. Let us see if some good, novel and innovative ways to deal with this will emerge from that.

Deputy Dooley is correct; the way in which information and news is now consumed is different. News is quite expensive to produce. That is not just for the State broadcaster but, as Senator Leyden, said for local radio stations. I had representatives from the provincial newspapers in with me yesterday making that exact case again. For all of us, it is important we have access to verifiable news output. Anyone can make an accusation online now and it can spread like wildfire. We must have some way of verifying it. Some people on the other side of the Atlantic want to introduce some sort of monitoring of the Internet. I think that will be impossible. However, we could have verifiable news sources. That will come at a cost and how it is funded needs to be considered.

On local radio, the committee will deal with the Broadcasting (Amendment) Bill next month. This will look at waiving the Broadcast Authority of Ireland, BAI, fees relating to community radio stations. Such stations do a tremendous job. We have the biggest network of community radio stations in the world and still have a significant level of radio listenership. Reducing the BAI fees for commercial radio stations would acknowledge the challenging circumstances in which they are operating. I would like far more flexibility in this regard. We are introducing a bursary for young local radio journalists. I would like that expanded to print journalism as well. We should be proud of the fact that we have excellent quality journalists. The reputation of our journalists is second to none. If one looks at what exists throughout Europe and across the globe, it is all about “clickability” rather than accuracy. We always traditionally had a good standard in Ireland. I would like to see that continue but that comes at a cost. I accept that we should use some of the public service funding to do that.

On Senator Leyden's point about Dublin-orientated radio gatherings on Fridays and at the weekend, part of the problem is that we, as people from outside Dublin, are not prepared sometimes to participate on such programmes. At one stage, when I was a member of the party, Fine Gael could nearly put its members in a taxi. The Fianna Fáil Party was in a similar position. It was very difficult for us and we had a responsibility to travel to broadcasting studios. The issue can be addressed by having more broadcasts from outside Donnybrook, which comes at a cost. In addition, politicians and others must offer themselves for interview.

One of the biggest problems I have in filling positions on State boards is that the vast majority of applicants to the Public Appointments Service are, first, men, and, second, based in Dublin. I ask Deputy Bríd Smith to encourage female colleagues to apply for these posts. I also call on colleagues from rural constituencies to encourage people in provincial towns and rural areas to apply for positions on State boards in order that I will at least have a choice. I suspect this is also part of the problem for researchers in RTE.

Deputy Brian Stanley: On programme B, is the Minister satisfied with the way in which matters have been panning out with RTE in recent years? Is he satisfied that the position regarding the collection of the licence fee has become more sustainable? The rate of non-payment hovers between 14% and 17% of all households or premises. I am concerned that "Viper"-style tactics will be used to collect the licence fee, with An Post being moved out of the way and a heavier handed approach being taken. None of us would like this to happen. I have made suggestions to the Minister on how to address this issue because none of us wants the licence fee to be increased. The obvious course of action for a business experiencing a rate of default on payments of 17% would be to capture payment from those in default. The key issue is to avoid increasing the licence fee for householders. I do not use language such as the term "consumers". This is supposed to be a republic and we should refer to citizens accessing or using services rather than consumers consuming goods. People should be treated as human beings, not consumers.

If we do not do this right, the licence fee will increase. I do not need to rehearse the arguments on the use of flat-rate fees. A single parent on €221 per week has to find the same amount of money as those on much higher incomes, including the Minister and me. The same applies in the case of a person on the minimum wage. The licence fee should not increase for these people.

Maintaining public service broadcasting means ensuring its financing is placed on a sustainable footing. The best way to achieve this is to reduce the level of non-payment among households and premises, rather than hiking the cost of the licence fee for people on low incomes, including single parents, those who are in receipt of social welfare payments and individuals who make beds and clean rooms in hotels for the minimum wage. The cost must be spread by capturing more of the population. I have made suggestions to the Minister on how this can be achieved, including through the use of modern technology, suppliers and service providers.

I am glad Senator Leyden raised the issue of the gender pay disparity in RTE. Claire Byrne comes from my home town of Mountrath in County Laois. I cannot figure out why someone like Ms Byrne is on less money than a male colleague doing the same job. I do not get why Sharon Ní Bheoláin, who co-presents "Six One", is paid less than the male newscaster sitting beside her. However, I also do not get why people are being paid €400,000 per annum to talk to people on the telephone for one hour per day.

Sinn Féin has raised the issue of bogus self-employment in the context of workers being

disadvantaged, particularly in the construction industry where employers use bogus self-employment. I understand certain staff in RTE are not direct employees. Given the power of the State and legal profession, surely we can do something about this practice in the public service broadcaster. Nobody, not even God almighty, is worth €400,000.

A good point was made about the commentariat. We hear the same stuffy old heads on radio shows every weekend. On the issue of casting the net wider, it took Sinn Féin two years to get one person onto a certain weekend radio programme. This was 15 years after section 31 had been abolished as a result of one of the good deeds of Uachtarán na hÉireann, Michael D. Higgins, when he was a Minister.

Deputy Denis Naughten: I assume Deputy Stanley will support the President's candidacy if he stands for election again.

Deputy Brian Stanley: I did not say that. As a democrat, my preference is for a contest.

Deputy Timmy Dooley: The Deputy will be on "Claire Byrne Live" next.

Deputy Brian Stanley: The same people are invited on radio programmes all the time. They are all so close to the centre, they are balancing on the edge of a knife. It is a case of groupthink, although there is some very good public sector broadcasting on RTE. "Prime Time" tends to be good and there are good presenters, including Claire Byrne, Miriam O'Callaghan and David McCullough. However, some of the broadcasts at the weekend are shocking and feature the same stuffy heads all the time. This needs to change because citizens are paying for it. There are individuals who are willing to appear on these programmes and certain organisations which never receive a call to feature on it. There are people who are not members of political parties or not directly involved in politics who would be very good on radio. The net is not cast much further than Donnybrook and Dublin 4 in general, which means we have a middle and upper class groupthink.

If bogus self-employment is the barrier that is preventing us from addressing high pay levels in RTE, can anything be done to remove it? Will the Minister or his officials indicate if we can address this issue? We should not have to pay people €400,000 each year to talk to someone on the telephone for one hour each day. I do not see the logic in that. The gender pay gap should have ended yesterday.

Does public service broadcasting receive sufficient funding and are its finances sustainable for the next couple of years? Will the Minister consider how to spread the net wider in collecting the licence fee, rather than increasing it given that to do so would impact disproportionately on low-income households and people who got up early this morning to make beds in hotels and work in factories, many for €9.25 per hour? I do not want to place another burden on this group and I hope the Minister does not want to do so either.

Vice Chairman: I remind members that, where possible, they should ask questions rather than make statements. I will, however, show some latitude.

Deputy Brian Stanley: I want the stuffy heads removed.

Senator Michael McDowell: I have heard a great deal this morning. I was reminded that when the Shannon scheme was being built, one of the then Fianna Fáil Deputies, a veteran republican, Martin Corry, is reputed to have said he was opposed to the scheme for two reasons. The first was that it might flood Limerick and the second was that he was not as sure as

everyone else in the House that this electricity thing was going to catch on. I wonder if, in the fullness of time, people will laugh at us on the basis of some of the remarks that have been made here, particularly those relating to the unlikely prospect that anyone would ask me to drain a field. That will not happen.

Deputy Brian Stanley: I was using an analogy.

Senator Michael McDowell: Reverting to the discussion and to the Minister's aspiration to bring high-speed broadband to every home in Ireland by one means or another - I am not particularly hung up on how it is done - the implication is that every home would have access to fibre broadband or its nearest available equivalent. One has to ask how that aspiration can be squared with the notion of a television licence. Going back to the days of Martin Corry, the State was so afraid of radios that it thought it had the right to prevent people having them in their homes unless they had licences for them. This was long before television. Radio was considered something the State had to control completely. One had to have a permit to have a radio set in one's house. That was the situation. The television licence is the younger brother or sister of that arrangement. It is completely inconsistent philosophically to say that there will be high-speed broadband in every house, on the one hand, and that people need a licence to have a television set in their house, on the other. Curiously, we had a reference to my house in Roscommon so I might as well say one thing on it. We made a decision not to have a television in that house-----

Deputy Timmy Dooley: Economics.

Senator Michael McDowell: -----so as to get away from the stuffy heads in Dublin 4 and all the rest of it at weekends. An Post has plagued us since then trying to get us to prove that we do not have a television in the house. It is curious that, if we have broadband in the house, we can look at the RTE player and not be liable for a licence fee, while, at the same time, if somebody has a normal mobile television in a caravan down the road from us, that person is liable for a licence of €160. There is something inconsistent in all of this.

The Minister's predecessor, Pat Rabbitte, came up with the idea of having a charge on every home. Logically, he was correct. He got a bit of stick because he said that only people who live in caves do not have access to a television. He put his chin out for that and got clobbered. The reality is, however, that if it is the Government's policy to bring broadband to every house, it is absurd that somebody should be liable for €160 extra per year if he or she puts a particular piece of apparatus at the other end of that broadband rather than a computer. I know the Minister is a cute man and has not put his chin out where Deputy Rabbitte's chin was. He has asked this committee to come up with ideas as to how the matter should be dealt with. Let us be honest, the fairest thing to do would be to make the fee collectible as part of the local property tax. That tax applies to every home in the country and the biggest and best homes pay more than the smallest, most modest homes. If a fraction of that income were to fund broadcasting, the fee would be collected most easily.

People forget that for many in this country to earn the €160 which must be paid for the privilege of having a television rather than watching programmes on-----

Deputy Timmy Dooley: The computer.

Senator Michael McDowell: -----the computer, they would have to earn €320 gross. That is what they must get in their wage packet to bring €160 home. It is a huge burden on many

families. As Deputy Stanley said, the cost is not equitably distributed among the people of Ireland when one thinks about it. If the most modest household, struggling with the greatest adversity, has to come up with €160 and the wealthiest family with the greatest income, living in great opulence, has to come up with the same amount, it is not a very fair distribution of the cost of broadcasting.

One of the problems that would arise if the Minister did what I am suggesting and shaved off a part of whatever local property tax is paid is that the money would go to the Revenue Commissioners because it is they who collect that tax. It would not go to An Post and the €12 million subsidy given to An Post in collection fees would be withdrawn, which would add to its financial difficulties. Unfortunately, that is not a good reason for leaving things as they stand. In the short term, the Minister might not want to come up with another €12 million for An Post, one way or another, in order to make it viable, but paying it to collect this licence fee is very inefficient. There are advertisements on the radio about what one can do with the €1,000 - dental work and the like - fine charge for non-payment of the licence fee. The whole idea of constantly campaigning to get people to pay the licence fee, having little pieces of paper coming into every home saying that the inspector is in the neighbourhood and so on, is baloney. There is a simple way out of this. Having said all of that, it would be collected much more cheaply and much more easily if that were done. Even an empty home would be liable for the broadcasting charge if it was collected in that way. The Minister has to grasp that nettle.

On the other end of the process, I notice that €190 million out of this fund is projected to go to RTE every year. I fully respect the needs of public service broadcasting and I take on board what other people have said about the need for authentic, reliable media. I will not repeat their comments. The Constitution itself refers to the press and radio, as it was then, as the educators of public opinion, so I have no problem with any government having a strongly pro-Irish media policy and supporting a quality medium, especially in this era of fake news. I do, however, agree with Deputy Stanley. I do not believe that there is anyone in Montrose who, if told that there was an upper limit on salary of €250,000 or €200,000, would go elsewhere. I do not believe anywhere else in Ireland would offer them more money. Some people would say that this is rich coming from a barrister, but I not believe there is a market for their services at all. I know that if a barrister who was useless said that he or she wanted X or Y, he or she would be told to take a hike.

Deputy Bríd Smith: Is that why the Senator is here?

Senator Michael McDowell: That is why I am here. That is why I am available this morning.

Deputy Timmy Dooley: That is why the Senator can afford to be here.

Senator Michael McDowell: Deputy Bríd Smith will have to cut out the red meat. She is dangerous sitting in here.

Coming back to the point, we need to grasp this nettle. We need to spread the cost of broadcasting more fairly. If it was collected in the way I am suggesting, that is as a fraction of local property tax, it would be more fairly, efficiently and definitely collected right across the country. There would be no evasion. It would be impossible to evade it as one cannot evade the local property tax. It comes back and is charged on one's estate or whatever. There is provision for hardship in that tax as well. People can defer it and so on. It is time for the Minister to grasp that nettle. The Minister must come out and say that is what he will do, though he must be more

subtle than my good friend, the former Deputy, Pat Rabbitte. He does not need a report from this committee to tell him that it is the way to go. There is no other way to go except to leave the system as it is. There is not some other brilliant alternative floating around.

I fully agree with Deputy Stanley that this should not be an excuse for the fee to increase. It is the taxpayers' money and it must be spent carefully. Some of us have had the experience of being invited out to TV3, which is a somewhat more modest operation than RTE. Perhaps it is in a somewhat less salubrious part of the city. One gets the impression that costs are more carefully controlled in one location than is the case in the other. Standards may be different too. I am not suggesting that one can pay peanuts and get monkeys. That does not apply.

As I have said previously, I strongly believe the way to collect the fee is the way I am suggesting. Having said that, I emphasise that the local property tax needs to be reformed. I was interested to hear the Taoiseach saying he intends to fight might and main to ensure it does not increase. As he is in charge, it is not a matter of him fighting might and main. He makes the decisions. He is not facing some other group of people who want it to increase. He can decide whether it increases. If one is living in a very modest house in Dublin-----

Deputy Timmy Dooley: Would one not be embarrassed if it was only a modest house?

Senator Michael McDowell: It is unfair that based on relative property values, if one is living in a former artisan's dwelling in the centre of Dublin city, one is asked to pay more in property tax than someone living in a six-bedroom or seven-bedroom mansion in certain parts of the country. The property tax has to be reformed. I have no doubt that it will be because political pressure will be exerted in that respect. If it is not reformed, the Government that fails to reform it will pay a very heavy price at the subsequent general election. The people of Dublin are being ripped off. Why should a doctor or barrister living in a seven-bedroom Victorian house, with stables and five or ten acres of land, in County Laois-----

Deputy Brian Stanley: There are very few of them in County Laois.

Senator Michael McDowell: -----pay less than a working-class couple in Dublin that is just about earning the average industrial wage is paying in respect of a modest former local authority house? It is unfair.

Vice Chairman: We have enough time for Deputy Eamon Ryan to ask a question and for the Minister to reply. I remind the committee that we agreed at the outset that we would be bound by a finishing time of 11.30 a.m. for today's hearings.

Deputy Eamon Ryan: I apologise for having to go out to take a call. I would like to support Senator McDowell. The report we have to compile will be important. I think there was consensus at the beneficial event we held in Dublin Castle. RTE is doing an important job. Local radio and print media also need support. Indigenous media are facing real problems in the digital environment that is being created. We need to change the licence fee system quickly because our media are in urgent danger. I agree with Senator McDowell's suggestion that there should be a complete change. It should not just be a question of looking for a tender for a slightly different means of collection under the same system. The current approach is inefficient, iniquitous and drives people mad. It is time to change the collection system. There are other mechanisms.

As a committee, we have worked to examine the issue of transmission rights. I think we need to move quickly on the broadcasting Bill that is due before the House so that RTE is given

the power to negotiate to get revenues from this source. The revenue support for Irish media can be strengthened in a variety of ways. It is not just about the licence fee. We should be looking at transmission rights. The Minister should act boldly and quickly on that. I expect that representatives of Sky and TV3 will say that all of this is nonsense when they come before us on Tuesday. They will bend our ears to tell us how brilliant they are. From my viewpoint, what Senator McDowell says is right. We need to be quick. We need to protect and support local indigenous Irish media in a way that does not just hit the householder but spreads the burden more widely. We need to look at a variety of low-hanging fruit. I just wanted to make that point. I think it is absolutely appropriate. I imagine that we will have our report by the end of this month. I hope that will help the process. The Minister does not have long to do this. I think it has to happen quickly because our media are in difficulty. We have to recalibrate how we fund them. I am not just talking about RTE; I am talking about other broadcast and print media as well. One of the things that came out of our forum is that these difficulties are being encountered across the media in general. Broadcast media is not the only sector we need to support.

Deputy Denis Naughten: Deputy Eamon Ryan said it all for me. I do not dispute anything he has said. Despite what some people have said, I think it was important that the committee was involved in this. I refer not only to the input of the committee but also to its role as a forum for all the interest groups in this area. Although the forum could have met behind closed doors to meet all the interest groups, the approach that was taken enabled the public to engage in the committee process. This is about serving the public. I think it is better to use the committees to do that than to ask a firm of consultants to come back with a glossy report, having consulted A, B and C. I will defend my reasons for using the committee for these purposes. I know I was accused of kicking the matter down the road. I have been a member of committees for long enough. I know that everything is submitted to us as *a fait accompli*. We are given a report and told we can like it or lump it. I gave the committee an opportunity to look into this complex area. It is not just about the provision of funding; it is also about what is done with that funding. I want to be crystal clear in this regard. I have absolutely no intention of increasing the licence fee. I do not believe that the people who are paying for everything should have to pay more for the people who are prepared to pay for absolutely nothing. One will find that it is the same people who pay for nothing in every case and not just in the case of the licence fee.

Deputy Bríd Smith: Like in the case of Apple.

Deputy Denis Naughten: If we move to a universal-type charge, I would expect to see these costs decreasing rather than increasing. There would be absolutely no justification for an increase. I would also expect the charge to cover a far broader spectrum in order to deal with the issues raised by Senator McDowell.

Members are right when they refer to the new realities that now exist. We are bringing high-speed broadband to every home in Ireland. We have to look at the issue of the television licence. We will also have to look at many other issues, including home working. The need for resources in the context of commuting will change. There will be a demand for refurbishing homes, particularly in villages. At the end of next year, nearly every village in Ireland will have pure-fibre, high-speed broadband. There is an opportunity to revitalise those villages, particularly by bringing families back into them. Deputy Stanley knows as well as I do that there is no one living on the main streets of many towns and villages across the lakelands region. One cannot buy a pint of milk in many of them. Now that there is pure-fibre broadband outside the door of these premises, we can bring young families and new and innovative technology businesses into those locations. Deputy Stanley made a point about service providers and accessing

the information that is there. I think he needs to take a little stroll up the road to Portarlinton to talk to Ms Helen Dixon about the significant data protection issues that exist in this regard.

Deputy Brian Stanley: We have looked at the data previously.

Deputy Denis Naughten: That is the problem. We have been looking at all of those. This is a complex aspect of the matter. We are trying to put public service content on a sustainable long-term footing, regardless of the medium that is used. That is my objective in this regard.

Vice Chairman: That concludes our session for today. As Deputy Eamon Ryan mentioned and as the Minister acknowledged, the committee held a forum on public service broadcasting in Dublin Castle earlier this year. I thank all the members of the committee and the Minister for their inputs into that useful exercise. We hope to bring the report and the outputs from that forum to this committee in approximately three weeks. We will resume our consideration of this matter at our next meeting. It depends on logistics. I thank all the members of the committee for their inputs today.

The joint committee adjourned at 11.30 a.m. until 5 p.m. on Tuesday, 3 October 2017.