



Independent
Broadcasters of Ireland

At a glance:

IBI policy on the funding of independent commercial radio in Ireland



1. Recognition of the public service contribution of independent commercial radio.



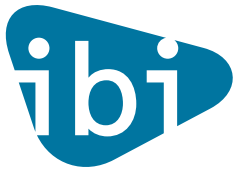
2. A fund to support public service broadcasting (PSB) on independent commercial radio.



3. Amendment of Section 108 of the 2009 Act to define and limit the commercial mandate of RTÉ.



4. Funding of the BAI to come from the new Household Broadcasting Charge.



Independent
Broadcasters of Ireland

About the IBI

The 1988 Broadcasting Act was a seminal piece of legislation in paving the way for Ireland's independent broadcasting sector.

Prior to the introduction of the Act, broadcasting in Ireland was limited to the state broadcaster, which enjoyed a monopoly in radio and TV broadcasting in many areas of the country.

In July 1989, Ireland's airwaves were opened and the first two commercial stations to go on air were Capitol Radio (later to become FM104) and Mid West Radio.

That same year the Independent Broadcasters of Ireland (IBI), formerly called the Association of Irish Radio Stations, was founded to champion the sector and to promote diversity and quality of broadcasting to Ireland's radio listeners.

The diversity of independent broadcasting is seen in the growth of radio in Ireland with specialist pop, talk, classical, country and youth stations now broadcasting on the airwaves. The strength of the sector is evidenced in the IBI currently representing the interests of two national radio stations, one multicity radio station, four regional radio stations and 27 local radio stations from across Ireland.

The mission of the IBI is to promote a strong and vibrant radio sector which reflects the preferences and needs of the listening public. The IBI represents the interests of radio station owners to the government and to the independent regulator, the Broadcasting Authority of Ireland (BAI).

The IBI also lobbies on behalf of the radio listeners of Ireland and constantly seeks to ensure that the quality of programming remains extremely high. In this regard we regularly contribute to industry consultations and forums on issues ranging from programming to advertising and strategy.

The IBI aims to provide a distinct and coherent national voice in the ongoing campaign for competitive equality across the broadcasting sector.

Independent broadcasting is intertwined in the life of every community in the country. 66.1% of the population tune into our stations on a daily basis. This translates into weekday figures of 2.449 million listeners. With more than 1500 people employed in the sector, independent broadcasters make a significant economic, social and cultural contribution to the Irish economy.

The IBI board includes ten industry members, representing broadcasters from around the country. A chairman is elected every two years by the board.

Independent Broadcasters of Ireland

Creating a fair broadcasting sector that serves the whole community



Policy on the funding of independent commercial radio in Ireland

Overview:

Independent radio in Ireland is just 23 years in existence and since its inception has become an essential part of the daily lives of the people of Ireland. The independent radio sector in Ireland is unique in Europe in the quality of our local programming and our very high listenership. Approximately 70% or 7 out of every 10 minutes of all radio listening in Ireland is to an independent radio station every day and many local radio stations have a market share of greater than 50% of the audience in their franchise areas. Independent radio stations have unprecedented levels of listener loyalty and high levels of engagement with their audiences.

Local stations are vital in sustaining local communities and Irish culture in the broadest sense. Our sector employs more than 1500 people and makes a significant contribution to the national economy and to local economies. Every week independent radio stations provide more than 1300 hours of public service broadcasting content to local audiences. This comprises news, current affairs, sport and a wide range of speech and Irish language programming. In one typical local station during the last general election, 22 candidates across two constituencies were interviewed on air 236 times, not including several full scale live election debates and more than 20 hours of live coverage of election counts.

Independent radio stations operate in a commercial environment and rely entirely on advertising to fund broadcasting and operational activities. The economic downturn has hit the independent radio sector hard with revenues decreased in many stations by in excess of 40%, resulting in wide spread cost cutting, wage reductions and unfortunately, redundancies. Despite this, the main focus of each radio station is and has always been the listener. The consumption of radio is free to the end user so financial losses incurred as a result of the marked decrease in advertising revenues have been borne by broadcasters. This is undermining the ongoing development of programming and causing serious concern regarding the future viability of many independent radio stations.

Broadcasting remains one of the few sectors where unfair competition from a state owned entity continues to hamper the development of a healthy, fair and balanced range of services. A recent enforcement decision by the Competition Authority described

RTÉ as 'dominant' and the dual funding system as a "competitive advantage". Approximately 50% of RTÉ's revenue comes from advertising and Ireland stands out in Europe in the extent to which the state owned broadcaster remains so reliant on commercial revenue.

It is now time to finish what began more than 20 years ago and create a fair and balanced broadcasting sector where the state owned broadcaster must operate within a clearly defined mandate and independent broadcasters and the majority of the population who are their listeners are fairly treated.

No other deregulated sector of the economy continues to be dominated by a state-owned entity in the way that Irish broadcasting is. The Programme for Government made a commitment to review the funding of public and independent broadcasters. Public policy has up to now focused solely on ensuring that the state owned broadcaster is adequately funded. If the independent radio sector is to continue to develop and to properly serve the two thirds of Irish citizens who choose our services, then action must be taken now across a number of fronts including:

- Formal recognition of the significant public service broadcasting (PSB) contribution of independent commercial radio.
- A new fund to support and develop PSB on independent commercial radio.
- Amendment of Section 108 of the 2009 Broadcasting Act to define and limit the commercial mandate of RTÉ.
- Funding of the Broadcasting Authority of Ireland (BAI) to come from the new Public Broadcasting Charge.



1. Recognition of the public service contribution of independent commercial radio:

Democracy would be poorly served if there were only one broadcaster available to the people. We need diversity of opinion for a healthy and informed society. Ireland has a strong state-funded broadcaster in RTÉ and an equally strong independent broadcasting structure is vital to ensure that Ireland is properly served.

Public service broadcasting however is no longer the sole preserve of RTÉ. In fact, much of the content broadcast by independent radio is the very essence of public service broadcasting. Independent radio stations are at the heart of communities all over Ireland providing platforms for public discourse, local and national politics, local news,

sport and current affairs. The provision of such strong public service content allows independent radio stations to connect local communities and reflect the culture and pride of the listeners to whom they broadcast. Recognition now needs to be given to the significant public service broadcasting contribution of independent radio stations.



2. A fund to support public service broadcasting (PSB) on independent commercial radio:

The current television licence system was established under the Broadcasting Act of 1960 when RTÉ was the only broadcaster in the State. Little or no change has been made to the structure of the licence fee since then, despite the fact that the Irish broadcasting landscape has changed beyond recognition.

Changes in technology and the manner in which people access content have made the current television license system redundant. The Minister has recently announced his intention to introduce a Public Broadcasting Charge to replace the Television Licence Fee.

The report to the BAI on The Irish Broadcasting Landscape published in 2010 suggested that a new collection system that eliminated evasion and reduced collection costs would save up to €30m/ annum. This did not take into account any increased revenues that might come about as a result of possible increases in charges to commercial premises.

IBI proposes that a scheme should now be established to support Public Service Broadcasting on independent commercial radio stations. This scheme would be used to support a defined range

of live programming including: news, sport, current affairs, talk programmes of an informational nature and programmes broadcasting music of Irish origin. The new fund would allow stations to expand the range and depth of local news and current affairs they broadcast.

While this proposed scheme would not replace the Broadcast Funding Scheme (Sound and Vision) it must be recognised that although Sound and Vision is funded from 7% of the licence fee, a majority of the funding goes to the state owned broadcaster and not to the independent radio sector. This is due to the onerous application process. Many independent radio stations cannot dedicate the time required to craft successful applications due to limited staffing resources.



3. Amendment of Section 108 of the 2009 Act to define and limit the commercial mandate of RTÉ:

The Broadcasting Act 2009 provides for RTÉ to exploit commercial opportunities so as to maximise revenues.

108. – (1) The commercial activities undertaken by a corporation (RTÉ/TG4) in pursuance of its exploitation of commercial opportunities object shall –

- (a) be operated in an efficient manner so as to maximise revenues, and
- (b) be used to subsidise its public service objects

An enforcement decision of the Competition Authority in 2011 stated that RTÉ's position was dominant and that its dual funding system conferred a competitive advantage on the State broadcaster. Legislative change is required to address this to ensure a healthy and sustainable broadcasting sector in Ireland.

IBI proposes that the Broadcasting Act should be amended to remove the commercial mandate under Section 108 and replace it with a limit on the commercial reach of the state broadcaster.

An examination should be undertaken to determine how efficiently the revenue from the Licence fee is utilised. In this regard the cost base of RTÉ has to be reviewed to ensure that funding is appropriately allocated to support the development of programming.

While such an exercise might be construed as undermining the ability of RTÉ to function as a public service broadcaster we believe the opposite is true as a move to free RTÉ from commercial pressures could only benefit it in its pursuit of its real public service objects.



4. Funding of the BAI to come from the new Household Broadcasting Charge:

The introduction of the levy to fund the Broadcasting Authority of Ireland has coincided with the most severe downturn in revenues since the independent sector began. The levy is regressive and disproportionately impacts on small local stations. RTÉ pays for its levy from Licence Fee revenue and IBI believes that all broadcasters should be similarly supported in a sector where all participants are treated fairly and equally