Ireland: In search of reform for public service media funding

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Abstract

This chapter discusses public service media (PSM) in Ireland in the context of the recent financial crisis and major demographic changes. It considers some of the factors impacting domestic PSM that are similar to those in other mature media systems in Europe, such as declining funding streams and debates over PSM-funding reform. After introducing the Irish social and political-economic context and providing for a brief historical review of PSM in Ireland, the roles of the domestic PSM organizations RTÉ and TG4 in the Irish media market are discussed. The chapter addresses initial government support for the introduction of a German-style household media fee, a Public Service Broadcasting Charge. While the charge was intended for introduction in 2015, it was later ruled out by the Irish Government in 2016.
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Public Service Media (PSM) has a long-tradition in the Republic of Ireland (ROI, hereafter Ireland), dating back to the commencement of the state radio service 2RN in January 1926. The state’s involvement in broadcasting later gave way to the main public broadcaster RTÉ, which has broadcast simultaneously on television and radio since New Year’s Eve 1961, and latterly, delivered public service content online. RTÉ is funded both by a television licence fee and through its commercial activities, and as such its services carry advertising. A second PSM organization, the Irish language broadcaster TG4 completes the country’s public service provision, with all other indigenous television channels and radio stations being provided by the market. This chapter discusses PSM in Ireland in the context of the recent financial crisis and major demographic changes. It considers some of the factors impacting PSM in Ireland that are similar to those in other mature media systems in Europe, such as declining funding streams and debates over PSM funding reform. As such the chapter addresses initial government support for the introduction of a German-style household media fee, a Public Service Broadcasting Charge. While the charge was intended for introduction in 2015, it was later ruled out by the Irish Government in 2016.

Ireland: social and political-economic context

Ireland’s population of 4.6 million (CSO 2016) is relatively small in European terms, equating to 0.9% of the population of the European Union in 2015. While throughout the Twentieth Century Ireland was a strongly religious (Roman Catholic) and conservative country, it has shifted significantly in recent years to become a much more socially liberal country. This was most clearly seen in the 2015 referendum vote to introduce same-sex marriage. Moreover, immigration, mainly from continental Europe, Africa and Asia, has also brought about rapid changes to the demography of the country. For example, immigration numbers in the 30–40,000s throughout the 1990s rose to 151,100 in 2007, a trend which meant that Ireland had continuous net migration between 1996 and 2009 (CSO 2016). In the years 1994–2014 the
population of Ireland grew by more than one million people, a fairly remarkable population trajectory (CSO 2016).

Ireland had been for much of the Twentieth Century a relatively poorly performing economy, represented by low GDP per capita relative to other leading European economies. However, during the period of the economic boom in Ireland known as the Celtic Tiger (usually placed between the mid-1990s and 2007/2008), the country became one of the richest in the world as measured by GDP-per-capita (by 2002, the fourth highest in the world) (OECD 2016), while government debt as a ratio of GDP reached its lowest level for many years. The economy was driven along in part by high levels of foreign direct investment, while Ireland became the European base of numerous multi-national corporations such as Facebook, Google and Apple.

The end of the Celtic Tiger came about in the context of the 2008 global financial crisis, which led to a drop in GDP in Ireland between 2008 and 2012 of 5.6% (Crowe Horwath 2013: 24). Ireland’s economy was bailed out by the Troika2 in 2010, with a financial package that amounted to €67.5bn (McDonald 2013). Stringent cuts to public finances were enacted, house prices collapsed, and government debt rose by 2011 to 108.2% of GDP, “having been 24.8% only four years previously” (CSO 2011). The country exited the bailout programme in 2013. In recent years the country’s finances have begun to stabilise; however, the events of Ireland’s financial crisis will resonate for many years to come.

**Historical Context of Public Service Media in Ireland**

Radio broadcasting formally began in Ireland on 1 January 1926 with the station 2RN (Morash 2010: 134) a little over three years after the commencement of the Irish Free State in December 1922. The country remained part of the British Commonwealth until 1948 and became a Republic in 1949. Following political concerns about unregulated radio broadcasting in Ireland, the State took full responsibility for it (Morash, 2010: 134). The wider context for commencement of radio during that decade was a *White Paper on Wireless Broadcasting* published in 1923, which set out that the “service would be financed from a combination of licence fees and importation duties on radio sets” (Pine 2002: 60), and was based upon the fact that Irish audiences were receiving BBC radio by the mid-1920s (Morash 2010: 132).
Other studios and transmitters followed 2RN, with a newly named national service *Radio Éireann* in place by 1937 (Morash 2010: 136).

*Telefis Éireann*, Ireland’s first television station (Savage 1996), was enabled by the *Broadcasting Authority Act, 1960* which put broadcasting on an independent footing rather than being directly under the authority of the Government (RTÉ 2007). The first form of Irish language broadcasting was through a pirate radio station, with an RTÉ radio service broadcast in Irish later commencing in April 1972 (Horgan 2004: 87). Further developments throughout the latter decades of the century led to extensive Irish language provision culminating in the launch of the Irish language-only television station TG4, discussed below.

Bringing this brief historical overview up to the present day, Ireland’s media, and primarily RTÉ, have variously made shifts and adapted their policies to cater for Ireland’s migrant population (Titley, Kerr and O’Riain 2010: 14), with RTÉ having “very publicly embraced the idea that their public service remit must include not only serving new minority audiences, but also adapting the historical role of the public service broadcaster as an integrative agent to the context of contemporary society in Ireland” (Titley 2014a: 131). Titley (2014b) has shown through extensive policy analysis how RTÉ sought to embrace the discourse of interculturalism to meet with the demographic shifts, which “emerged from an internal process focused on constructing the ‘correct’ discourse to capture new social realities and the assumed, integrative role of PSB in shaping attitudes, fostering understanding and cultivating an ‘appropriate valuing’ of other cultures” (Titley 2014b: 256). However, he also exemplifies that RTÉ had “ceased including updates on intercultural strategy in its annual reports” around the time that Ireland’s recession was intensifying, at the same time as a “low-level but insistent causal association of immigrant presence with recession” (Titley 2014b: 256) was occurring.

**Ireland’s media market**

Ireland’s media market is relatively small compared to the larger European media systems, given its population size. The markets in television and radio are both mixed economies, regulated by the Broadcasting Authority of Ireland (BAI). Household media spending in Ireland has been calculated as second only to Norway in being the
highest among European countries (Crowe Horwath 2013: 6). Driving such spending levels is the popularity of paid-for television services, found in 71% of Irish homes in 2014 (Oliver and Ohlbaum 2014: 23). However, despite high household spending, Ireland’s total market size is likely to be perpetually hindered by its small population size, relative to many of Europe’s more prominent markets. As such, Corcoran (2007: 27) has noted that “Small national broadcasting systems like RTÉ have very limited possibilities for gaining any advantage in the European single market that the Television Without Frontiers directive was designed to encourage.” One of the most major issues affecting Ireland’s media market was the sharp decline in advertising revenues between 2007 and 2013, declining from €1.05bn in 2007 to €0.69bn in 2013, a 35% drop (Oliver and Ohlbaum 2014: 23). Specific to advertising spend on broadcast media, these decreased in the period 2007–2013 drastically: by 32% on television and 28% on radio (Oliver and Ohlbaum 2014: 11).

Ireland’s Public Service Media Organizations

RTÉ

RTÉ’s service provision marks it out as a fully-formed PSM organization, with extensive provision on DTT (digital terrestrial television) and other television platforms, radio, and through a number of Internet-based services. It broadcasts four main channels (RTÉ One, RTÉ 2, RTÉjr and RTÉ News Now), along with HD versions of the two main channels and the time-shifted RTÉ One +1 (RTÉ 2016a). It has four main radio stations (RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm and RTÉ Raidió na Gaeltachta) and five digital-only radio stations (RTÉ Radio 1 Extra, RTÉ Pulse, RTÉ Gold, RTÉ 2XM, and RTÉjr Radio) (RTÉ 2016a). A number of online services augment this provision, such as the RTÉ player (a catch-up television service), and RTÉ.ie, the corporation’s main website. These services are delivered by little less than 2,000 staff, most of whom are based in the area of television (RTÉ 2015: 11).

RTÉ operates as a statutory corporation, operating under legislation most recently set out in the Broadcasting Act 2009 (RTÉ 2015: 139). Its vision statement is to “enrich Irish life; to inform, entertain and challenge; to connect with the lives of all
the people” (RTÉ 2015: 2). A four-fold mission statement suggests that the broadcaster will:

Deliver the most trusted, independent, Irish news service, accurate and impartial, for the connected age; provide the broadest range of value-for-money, quality content and services for all ages, interests and communities; reflect Ireland’s cultural and regional diversity and enable access to major events; support and nurture Irish production and Irish creative talent. (RTÉ 2015: 2)

Finally, four value statements put an emphasis on serving the audience, creativity, innovation, resourcefulness, openness, collaboration, flexibility, responsibility, respect, honesty and accountability (RTÉ 2015: 2). A board is responsible for the corporate governance of RTÉ, chaired by an independent member and predominately formed of independent directors. These directors are appointed variously by the government and a committee within Ireland’s legislature. The final two positions on the board are held by the Director-General of RTÉ and one elected staff member.

**TG4**

TG4 (*Teilifís na Gaeilge*) is Ireland’s second public service broadcaster, a dedicated Irish language broadcaster that has been in existence since 1996. TG4 is tasked in its Charter with providing “a comprehensive range of programmes: primarily in the Irish language; that reflect the cultural diversity of the whole island of Ireland; that entertain, inform and educate” (TG4 2011: 3). Additional tasks relate to the coverage of sport, culture, religion, news, current affairs and specifically with coverage of the Irish and European Parliaments (TG4 2011: 3). Its mission is “to provide an attractive and innovative television and content service that celebrates Irish creativity and identity – language, culture, music and sport – and to connect to, and entertain, audiences in Ireland and worldwide” (TG4 2011: 7).

Operationally, the television channel TG4 which makes up the main part of the organization’s activities alongside its online operations (such as the TG4 Player, an online catch-up service available internationally) has the goal to “strive to
broadcast at least six hours per day of original / new Irish language content” (TG4 2011: 5). The broadcaster also receives 365 hours of Irish language programming from RTÉ (TG4 2015: 24), which is considered by the government to be a subvention (DCENR n.d.), and which is recorded by RTÉ as funding provided to TG4.

The Television Licence Fee and Public Service Media funding

In Ireland a television licence fee is collected which costs €160 per annum, applying to any household where there is one or more television set (RTÉ 2016b). This fee is administered by the Department of Communications, Climate Action and Environment. The Irish postal service, An Post, is the collection agent. RTÉ receives about 85% of licence fee revenue (RTÉ 2016b). Most of the remainder of the licence fee is divided as follows: financing for the Broadcasting Funding Scheme, administered by the BAI⁴; funding for TG4; and to pay for the collection of the fee. In 2015, 85% of the licence fee equated to an income for RTÉ of €178.9m, which was a marginal increase since 2014 (RTÉ 2015: 10). The 2015 commercial revenue for the Corporation was €155.4m (a €5.8m increase since the previous year), giving the broadcaster a total revenue of €334.3m.

To set the broader context, RTÉ’s licence fee income has reduced by €22 million (11%) between 2008 and 2015 (RTÉ 2015: 9). This is a significant issue as the licence fee makes up 53.5% of the Corporation’s total income (2015 data). The commercial element of RTÉ’s income is generated through activities such as the broadcasting of advertisements on radio and television, and the hosting of advertisements on its Internet services. However, the commercial environment has been very tough for RTÉ in the past few years, with its share of the television advertising market declining from 62% to 52% in period 2007–2013 (Oliver and Ohlbaum 2014: 24). This decline in percentage terms was aggravated by the steep decline in the advertising market experienced generally in Ireland, as highlighted earlier.

TG4 is predominantly publicly funded, though it does have a small commercial income gained through advertising. TG4 received €32.24m of public money (termed Grant-in-aid) in 2015, equating to 90.7% of its funding (made up mostly of direct government funding, and also including €9.24m per annum of licence
fee revenue) (RTÉ 2016). The remaining 9.3% consisted of advertising, sponsorship and other forms of commercial income (TG4 2015: 30). However, like RTÉ, TG4 has faced significant reductions in its income over the past number of years, with a reduction of some €6m since 2009 (TG4 2015: 9). Given this, TG4 has argued that “there continues to be a gap between [2016] funding levels and what is required for TG4 to deliver on its five-year strategy for 2013–2017” (TG4 2016: 3). Commenting on the organization’s fiscal position, the BAI noted that TG4 is something of a special case given its size and specialist remit:

This is a significant challenge, unlike that faced by any other television broadcaster operating in or available to Ireland. There is an inescapable level of cost in providing a schedule but there is a self-defining limit in terms of reach and share that can reasonably be expected to be achieved. (BAI 2013: 12)

For the BAI, the funding of TG4 is in a difficult position, as some of its alternate funding streams (from the BAI’s Sound and Vision funds and the Irish Language Broadcasting Fund, administered by Northern Ireland Screen) are not guaranteed. Despite the straitened times for TG4, the BAI’s Five-year Review of Public Funding recommendations – a provision that was made in the Broadcasting Act 2009 – did not argue for increased funding to be provided for TG4, albeit ruling out a decrease.

The impetus for public service media funding reform

The wider system for broadcast regulation in Ireland, and the funding model that follows it, has been a matter of strongly-worded debate in recent years, with the former Director-General of RTÉ (Noel Curran) calling the system “broken” (Curran 2016). RTÉ has argued that the funding mechanism of the television licence fee in Ireland is itself the key reason why RTÉ’s funding has gone into decline, with Curran calling it “one of the most inefficient and ineffective TV licence fee systems anywhere in Europe” (RTÉ 2015: 9) and that the “licence fee system is not fit for purpose”. Curran also suggested that the system is one which “will reflect less and less how people consume public service content” (RTÉ 2014: 9), as people are
increasingly consuming media across a range of media devices including through RTÉ’s own digital innovations. This assessment was for Curran due to the fact that the licence-fee evasion rate is at 14% (RTÉ 2015: 9), a much higher rate than in the UK, for example. In this context Curran argued that the “lack of licence fee reform now represents the most significant risk to RTÉ’s, and the indigenous independent production sector’s, long-term sustainability and growth potential” (RTÉ 2015: 9). The Corporation backed the introduction of a household media fee, which has been considered by the Irish government at various points.

In 2011, the Programme for Government (PfG) published by Ireland’s Coalition government elected that year, committed the government to:

Examine the role, and collection of, the TV licence fee in light of existing and projected convergence of broadcasting technologies, transform the TV licence into a household-based Public Broadcasting Charge applied to all households and applicable businesses, regardless of the device they use to access content.

(Department of the Taoiseach 2011).

The PfG set out that the government would consider alternative methods of collecting payment for public service media, including the options of “paying in instalments through another utility bill (electricity or telecom), collection by local authorities, [or] Revenue” (Department of the Taoiseach 2011). A policy review which followed this “supported the concept of a household based Public Service Broadcasting Charge … and made recommendations on how such a charge might be implemented” (DCCAE 2013). Then in 2013, the Irish Government announced its intention (following a consultation) to have the new charge in place by 1 January 2015 (BBC News 2013). At this stage the government signaled that it did not expect the Public Service Broadcasting Charge (PSBC) to be more expensive than the licence fee (DCCAE 2013).

In June 2016, however, the new (minority) coalition government (following the February 2016 General Election) accepted that the PSBC would not be implemented after all, with a minister announcing “it is not going to be possible to bring legislation along those lines through in the current Dáil” (Parliament) (McQuinn 2016), given that the Irish government was by this time a minority government and thus would not be able to command the requisite support for the proposal. The
minister instead argued for a maximisation of the licence fee under current conditions through enforcing less evasion.

**Debates over setting the level of public funding**

In the first five-year report on public service broadcasting funding in Ireland, RTÉ’s funding plans were considered to be viable although there was an impetus for greater commercial income to be generated, along with additional financial efficiencies in the broadcaster’s spending (Crowe Horwath 2013: 127). However, the BAI – who addressed the external report and based their recommendations on it – rejected the notion by the external consultants Crowe Horwath that “there should not be any increase in the level of public funding either from an increase in the licence fee or from the universal broadcast charge” (BAI 2013: 10).

Instead, the BAI argued that RTÉ’s public funding should be increased, with the proviso that four clauses be adhered to: costs should be reduced and commercial revenues increased to their “full potential” (BAI 2013: 10); additional funding should be “deployed to the greatest extent possible through the independent production sector; it would be desirable to identify the minimum percentage so to be deployed” (BAI 2013: 10); that extra funding be directed toward additional rather than existing programming; and that:

> The Minister should determine a point above the current level of licence revenue where further public funding will be matched by a reduction in commercial revenue for RTÉ achieved through a restriction on commercial activities by, for example, a reduction in permitted advertising minuteage, or a reduction in sponsorship or a combination of both. (BAI 2013: 10)

For the BAI the rationale for this move was so that it “would serve to enhance the security of RTÉ’s revenues, underline the public service character of its role and responsibilities and open the possibility for commercial broadcasters to enhance their schedules through access to greater commercial revenues” (BAI 2013: 10–11). In its response, the Irish government noted that changes to the minuteage could only come
“after considerable evaluation of the impact on the market and on other players” (DCCAE 2013: 7).

Public service media and the Irish Border

The island of Ireland contains two political jurisdictions: the ROI and Northern Ireland (NI) (in the north-eastern corner), which is constitutionally part of the UK. Given that Ireland’s border with NI is the UK’s only land border, a number of regulatory issues have persisted across many decades that relate to the reality of there being two jurisdictions on the island of Ireland. As Corcoran (2007: 29) notes, “Ireland’s proximity to Britain, and its sharing of a common language, are important historical factors in the relationship between broadcasters and audiences in Ireland”. Longstanding ‘overspill’ from UK transmitters meant that Irish audiences had access for decades to UK programming (Corcoran 2007: 29), equating, by 1971, to some “76% of Irish households [that] had a television set, of which 37 per cent were able to receive UK channels in addition to [domestic] television” (Ivory 2012: 32). The continuing growth in the percentage of Irish households able to receive UK television channels is illustrated by the fact that access to BBC One rose from 52% in 1984 to 84% in 2009 (Ivory 2014: 146). UK television services are widely available through a range of satellite systems and other technological solutions, though not through the DTT platform Saorview (Ramsey 2015). However, there has been criticism of this actuality from Noel Curran, when as Director-General of RTÉ he argued that the selling of advertising in Ireland by UK channels had had an adverse impact on the media market there, with no reciprocal benefits, for example, in the creation of jobs in Ireland (Curran 2016). Curran also noted the competition faced by RTÉ “for audiences every night with the most highly-resourced and the best public service and commercial broadcasters in the world – the BBC and Channel 4, ITV and Sky, and a whole range of other smaller channels” (Curran 2014). Indeed, Ireland’s proximity to the UK, and the strong audience demand for UK programming continues to provide a substantial challenge to the Irish media market and the main public broadcaster.

The flow of media across the Irish border towards NI has also long occurred. That Irish television services should became available in NI was a goal for Irish
governments for many decades (Ivory 2014). In contemporary NI, there is considerable consumption of Irish television channels originating from across the border. Access to TG4 for Northern Irish audiences had been agreed in the 1998 Good Friday Agreement (Northern Ireland Office 1998) which ushered in a power-sharing political settlement in a new legislative body at Belfast, the Northern Ireland Assembly. Today, TG4 is available in HD in NI, in addition to RTÉ 1 and RTÉ 2.

Conclusion

PSM in Ireland has both shaped Irish society and the Irish economy and been reactive to the changes seen in both areas. As has been discussed here, RTÉ reflected the demographic changes in Irish society through its adoption of the discourse of interculturalism (Titley 2014b), no doubt in turn itself shaping the wider culture. But the cataclysmic effects of the economic crisis that led to the 35% drop in advertising revenues in the Irish media market could simply not have been hitherto predicted, even by the most pessimistic analysts. Twinned with the 11% reduction in licence fee income that RTÉ experienced between 2008 and 2015, the funding picture has been one of overall decline, even if there has been a small uplift in the past year. The prevailing 14% licence fee evasion rate clearly calls for some form of licence fee reform, whether it is through reviving the PSBC concept to bring Ireland into line with Germany and other European countries, or through finding an alternative mechanism.

In Ireland, as elsewhere in Europe, PSM requires a framework of stable and sustainable funding, favorable regulatory conditions and political support if it is to flourish. However, it is too often the case that the positive economic contribution that PSM makes to the wider economy in many countries is over looked, whether for reasons of political expediency or through ideological opposition. For example, though public funding to TG4 is relatively miniscule, the organization shows that “for every €1 invested by TG4 in the creative industries in Ireland, it is worth over €2 to the Irish economy” (TG4 2015: 22–23), while at the larger RTÉ €1 equated to a contribution of “€1.85 to the Irish economy, including taxes” (RTÉ 2015: 13). As the Irish government considers the future of PSM, it would do well to factor in this kind
of evidence in policy planning for the overall growth and support for the media system.
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Notes

1 My thanks go to Gareth Ivory, Head of Audience Research at RTÉ for his assistance in sourcing some of the institutional documentation that this chapter draws on.
2 Troica refers to the European Central Bank, the European Commission and the International Monetary Fund.
3 By contrast, homes in Northern Ireland had 67%, already above the UK average of 62% (Ofcom 2014: 1).
4 The Broadcasting Funding Scheme, administered by the BAI, involves the allocation of money to the Sound and Vision 3 fund, which was “established to provide funding to support high quality programmes on Irish culture, heritage and experience and programmes to improve adult literacy” (DCCAE 2016).