

Submission to the Future of Media Commission



By Communicorp Media
January 2021

Executive Summary

- Communicorp Media reaches 1.75 million weekly listeners and has a significant online, digital, and social audience.
- Independent Radio has 2.5 million listeners daily, close to double the daily reach of RTÉ Radio.
- Communicorp Media and Independent Radio have 800,000 more listeners aged Under 45 than RTÉ Radio and are vitally important in reaching a younger audience.
- 376,000 people listen to Communicorp Media radio stations only.
- Communicorp Media provides more than 12,000 hours of Public Service Content a year.
- Public Service Broadcasting is about the content broadcast rather than the ownership of the broadcaster. RTÉ is not the only provider of Public Service Broadcasting.
- Radio scored a trust rating of 79% in a recent IPSOS MRBI poll. This compares to 29% for Facebook and 34% for Twitter, showing radio's importance in an era where fake news is prevalent.
- 70% of daily radio listening is to a non RTÉ service. This shows content on Independent Radio has a distinct public value.
- Digital now accounts for 54% of all advertising spend in Ireland with Google and Facebook controlling 40% of the market.
- Radio advertising spend is down nearly 30% in the last ten years.

- ▶ The Funding of journalism on Irish radio is crucially important and must be supported, otherwise the dominance of global digital players in the advertising market will have an effect on the quality of journalism produced.
- ▶ The current Licence Fee exclusively supports news and current affairs on RTÉ radio stations which attract just over 30% of total listening. Despite independent radio delivering nearly 70% of all listening, no similar funding is provided.
- ▶ The Sound and Vision Fund does not currently support news, current affairs and live programming which is the majority of public service output on Communicorp Media stations.
- ▶ RTÉ estimate the evasion of the Licence Fee amounts to €50 million per annum.

Recommendations

- ▶ A Public Service Content Fund must be established to support the ongoing production of quality news and current affairs and live content on Independent radio. This should be funded as a percentage of the Licence Fee.
- ▶ A new method for the collection of Licence Fee is required to reduce evasion. Full collection of the Licence Fee can provide RTÉ with financial security and deliver a Public Service Content Fund for the independent radio sector.
- ▶ The Broadcasting Act 2001/2009 is outmoded and must be updated to take account of Radio and Television existing in a broader media context and to level the playing field with unregulated digital operators.
- ▶ A new proactive and progressive media regulator is required. One that plays a role in driving and fostering the sector while continually evaluating and conducting research to ensure regulation is appropriate and relevant.
- ▶ Changes are required to broadcast regulation to make it more flexible. Flexibility that does not compromise Public Service Content, but allows operators remain agile and innovative.
- ▶ The BAI Broadcasting Levy must be reduced in line with government commitments to provide broadcasters freedom to invest in quality content production.
- ▶ The 25% limit on the ownership of radio licences should be removed to provide scale and commercial flexibility to sustain investment and support for the industry. Without changes many local radio stations and smaller operators will struggle to survive into the future.
- ▶ Regulation should be audience-led, focused on the content to be delivered rather than how it is produced, where it is produced and by whom. Regulation should be judged on output not inputs. Programme policy and format commitments should be flexible without compromising on public service commitments.

- ▶ Advertising codes must be reviewed as they currently place radio at a disadvantage compared to digital and other media. Presenter mentions and brand integration should be allowed providing commercial activity is transparent to the listener. Flexibility is required around advertising minutage and its volume in broadcast hours.
- ▶ We encourage the Future of Media Commission to study closely the regulatory environments for radio broadcasters in other countries such as New Zealand and the United Kingdom. In particular, we believe the commission should consider the regulatory regime for broadcast in New Zealand which is entirely audience and market led.
- ▶ RTÉ must provide the distinctive radio and television output as efficiently as possible. Funding for RTÉ is limited and it must prioritise investment in the most important elements of Public Service Content rather than be all things to all people. This may require curtailment of services that are already well catered for by independent operators on radio and television.

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Introduction to Communicorp Media

Communicorp Media launched in 1989 when the first round of independent radio stations were licenced in Ireland.

Since its beginning with 98FM in Dublin, Communicorp Media has grown to become Ireland's largest indigenous independent radio operator.

We are a long term committed investor, making a key contribution to Ireland's vibrant media sector.

Communicorp Media operates the two independent national radio stations Today FM and Newstalk, two local Dublin stations, 98FM and SPIN 1038 and one regional station SPIN South West.

				
National	National	Dublin	Dublin	Regional - South West
25-44 Target	25-54 Target	25-44 Target	15-34 Target	15-34 Target
Broad Format	News & Speech	Music & Entertainment	Music & Entertainment	Music & Entertainment
Weekly Audience 877,000	Weekly Audience 804,000	Weekly Audience 193,000	Weekly Audience 259,000	Weekly Audience 180,000

Communicorp Media radio stations reach a combined audience of 1.75 million people per week with a significant digital and social audience.

We employ two hundred and eighty people across all our businesses with 210 involved in the production of content.

We take growing the next generation of broadcasting and journalism talent very seriously at Communicorp Media. We have an ongoing year-long internship programmes for second level and third level students interested in pursuing media careers. These placements vary from two weeks to six months and provide exposure to all aspects of the business. We are also a big supporter of the Transition Year Media week in association with Learning Waves which supported 225 students in 2020.

Communicorp Media runs FRQ radio, an online only radio channel. This station operates as a practical hands on academy for up and coming broadcasters, giving them real life experience of how to plan, produce, and present programming in a professional environment. Participants in FRQ receive mentorship and coaching from Communicorp Media personnel. The FRQ Radio channel has been very successful in sourcing and nurturing new talent with many now employed in full-time roles with Communicorp Media and other broadcasters.



Since its inception, FRQ has worked with more than 200 aspiring broadcasters and the work placement and intern programmes at Communicorp Media has involved over 110 people in the last two years.

1.75million
Weekly Listeners

280
Staff

27% Audience Share
of 25 - 44 Year Olds

3.9million
Social Media Followers

100million
Social Media
Reach Monthly

14million
Digital Audio
Streams Monthly

Communicorp Media stations are members of the Independent Broadcasters of Ireland which represents all independent radio stations in Ireland.


In addition, Communicorp Media operates OTB Sports (OFF The Ball) which provides award winning sports content on video, podcast, through an online radio station and with a daily video breakfast programme.

In the past two years, Communicorp Media has invested significantly in the development and launch of the Go Loud App for mobile devices and smart speakers. The app suite includes all stations live radio streams and podcasts in addition to third party podcasts, a listen back facility plus access to multiple specialist music streams and stations.



Audio Xi is Ireland's digital audio advertising exchange, a business established to capitalise on the growing use of digital audio and podcasts. It allows Communicorp Media, independent producers and independent radio stations the opportunity to commercialise their digital audio products.

The national radio Network Newsroom supplying every radio station in Ireland with a 'rip and read' and live bulletin service is operated by Communicorp Media. Dedicated correspondents, news readers and editors produce the service which is used by all independent radio stations in Ireland outside of RTÉ. These stations have a daily audience of 2.5 million people.



2.5million
Listeners

The quality of Communicorp Media broadcasting is recognised by industry peers and experts. At the 2020 IMRO Radio Awards, Communicorp Media was the most successful radio group, winning 18 Gold awards and 41 awards in total. This included Station of the Year For Newstalk for the second year running and awards in key News, Sport and Current Affairs categories.

Newstalk has also won recognition for its news broadcasting in the Justice Media Awards winning in two categories in 2020; Broadcast Journalism and Court Reporting.

Communicorp Media and its businesses offer a distinct alternative to RTÉ, are significantly popular and in tune with the younger audience. We provide valuable Public Service Content and are recognised and trusted as providers of regulated news, information, and entertainment to an Irish audience.



Justice Media Award Winners – 2019 & 2020
Frank Greaney & Andrea Gilligan

Public Service Content on Communicorp Media

Communicorp Media welcomes the clear definition of 'Public Service Content' in the Future of Media Commission submission document.

Public Service Broadcasting is about the content broadcast rather than the ownership of the broadcaster.

RTÉ is not the only provider of Public Service Content on radio and other platforms.

Communicorp Media and Independent Radio stations are Public Service Broadcasters and provide a widely used service that performs a vital role in society.

Nearly 70% of radio listening every day in Ireland is to a non RTÉ service showing that the content on Communicorp Media has a distinct public value.

It is a misconception that a commercially funded radio station or one that plays music cannot be a Public Service Broadcaster.

All broadcasters in Ireland, independent and RTÉ are commercial businesses who require income from sponsorship and advertising to ensure they can operate.

The national and local news, sport, current affairs and entertainment content broadcast by Communicorp Media and other independent stations is Public Service Content and is equally as valuable as that broadcast by RTÉ.



This is achieved through relevant programming that reflects the lives of the audience it serves. This high-quality content responds to the needs and interests of those communities; provides a forum for unbiased news and information, wide ranging opinion, sports coverage, discussion, debate and interaction that is not replicated by other media.

Aside from significant audiences in Ireland, Communicorp Media stations play an important part for the diaspora, informing and entertaining the Irish abroad.

More than 1 million digital audio streams a month to Communicorp Media originate from outside of Ireland. This shows a strong interest from Irish abroad in staying up to date on what is happening in at home.

The output on Communicorp Media stations is professionally produced to clearly defined professional and ethical standards and is an important public source of unbiased information and diverse opinions.

PSC Content on Communicorp Media Stations

Conservative analysis of regular output across Communicorp Media's five radio stations shows that we are broadcasting a minimum of 224 hours of Public Service Content per week, an equivalent of 12,168 hours across a year.

This excludes any special events such as Elections, Referenda and Special Events Sports Coverage.

12,000+ Hours
of Public Service Content Annually



How Communicorp Media Delivers Public Service Content

Communicorp has five radio stations and OTB Sports, each of which reaches a different target audience.

Communicorp Media addresses Public Service Content in different ways and styles for different audiences. The group has a strong editorial team focussed on delivering entertaining, informative and engaging radio and content both nationally and locally.

In addition to producing content for our own radio and online businesses, we provide content to independent commercial operators as part of the Network News service.

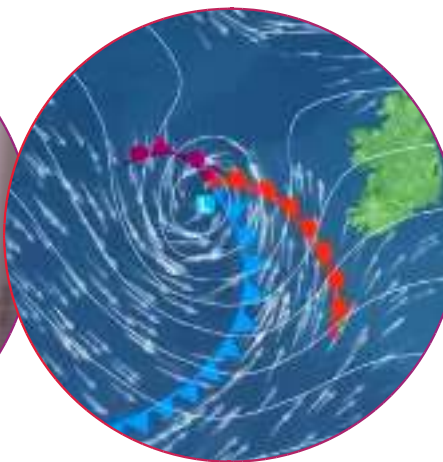
The type and style of Public Service Content is different across the different Communicorp Radio Stations and OTB Sports but each one delivers Public Service Content as defined by the Future of Media Commission.

Below we provide an indication of the Public Service Content broadcast on Communicorp Media stations on a weekly basis. We believe this showcases the breadth of Public Service Content produced by our stations.

We provide high quality, impartial, independent journalism across all of the Communicorp Media stations. News and Sport play a key role, with hourly bulletins across the day, seven days a week, covering local, regional, national and international stories as well as traffic and travel information and weather.



News



Weather



Traffic & Travel

Newstalk provides in excess of sixteen hours of News and Current Affairs programming daily while Today FM broadcasts a daily News and Current Affairs programme, The Last Word with Matt Cooper.



Pat Kenny
Newstalk



Matt Cooper
Today FM



Sarina Bellissimo
SPIN



Adrian Kennedy
98FM



Ciara Kelly
Newstalk

Communicorp Media stations deliver significant amounts of Public Service Content that informs, educates and entertains the Irish public. This includes twenty-nine hours per week of sports programming and six hours of business content. We also invest in home grown Irish comedy with Mario Rosenstock and Dermot and Dave on Today FM as a key part of our Public Service Content.



Sport -
Aisling O'Reilly



Business -
Vincent Wall



Comedy -
Mario Rosenstock

Diverse and specialist programme form a part of weekly output on Communicorp Media stations. These programmes cover specific areas including;



Communicorp Media supports new Irish talent, as presenters, performers and artists.

We have a strong commitment across all stations to promote new Irish music, including interviews, playing tracks and promoting new releases.



Paul McLoone
Today FM

John Barker
98FM

Tom Dunne
Newstalk

Today FM regularly hosts and records high quality acoustic sessions with new and familiar Irish acts for broadcast across the station and posted and supported on the station's social media channels.



The Coronas

Erica Cody

Kodaline

OTB Sports has been working with 20 x 20 to create a cultural shift in the perception of girls and women in sport by making commitments to increase coverage of women's sport and have more women talking about sport across our channels.



As a result new talent has been introduced to the schedule with regular contributors such as Máire Treasa Ní Cheallaigh, Valerie Wheeler, Fiona Steed, Ruth Fahey, Stephanie Meadow, Cora Staunton and Ellen Keane.

Responding to the Covid Challenge

In response to the Covid-19 crisis and the demand from the audience for relevant and timely information, Communicorp Media stations created a wide range of custom content and increased news bulletin outputs and coverage at a time of national crisis across a wide range of audience platforms.

Content across the brands included live streaming of HSE and Government press conferences, bespoke podcast series, science and medical updates, business and enterprise information, youth mental health and advice on health and fitness.



The value of this Public Service Broadcasting and the interest from the audience was evident through the growth in digital audio streaming, social media and website traffic of the Communicorp Media brands with a 55% growth in audio streams as the audience sought out information, grappled with new ways of living, adjusted to lockdowns and new routines.

Charity & Education Initiatives

Communicorp Media commits significant resources and airtime to supporting the charitable sector and audience education initiatives across all our stations.

Communicorp Media used the combined resources and reach of their stations to drive awareness and support for frontline workers with the 'Formal Friday' initiative which raised €170,000 for frontline workers in April 2020.

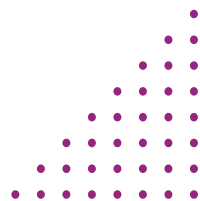


€170,000 raised
for Frontline Workers

Dare to Care For the Irish Cancer Society, an annual event on Today FM has raised over €1.6 million since 2016. While a one-day initiative in December 2020, 'Wear to Care' raised €105,000 as charities struggled during a time of heightened demand and limited opportunity.



€1.6 million
raised



Other Public Service Content initiatives recently produced by Communicorp Media brands include:

- “No Excuses” - a campaign to highlight consent and sexual violence
- A partnership with Cosc highlighting awareness of safeguarding and protecting vulnerable adults
- A campaign with the charity ALONE to raise awareness of elderly people living alone
- The Speak-Up content series in conjunction with the youth charity SpunOut.ie which was broadcast on-air and online looking at race in Irish society and the pressures of social media
- The Champion Green initiative to support local Irish businesses by encouraging buying local to assist the economy during Covid
- Shine a Light on Homelessness with Focus Ireland to highlight services provided and challenges faced by homeless individuals and families
- Newstalk Goes Green – a focus on climate change and the impact on our society

Importance of Communicorp and Independent Radio Audience in Political Discourse & Operation of Democracy

Communicorp Media stations reach a broad range of audience, many of whom are not users of RTÉ radio services and so are critical in delivering Public Service Content to these audiences.

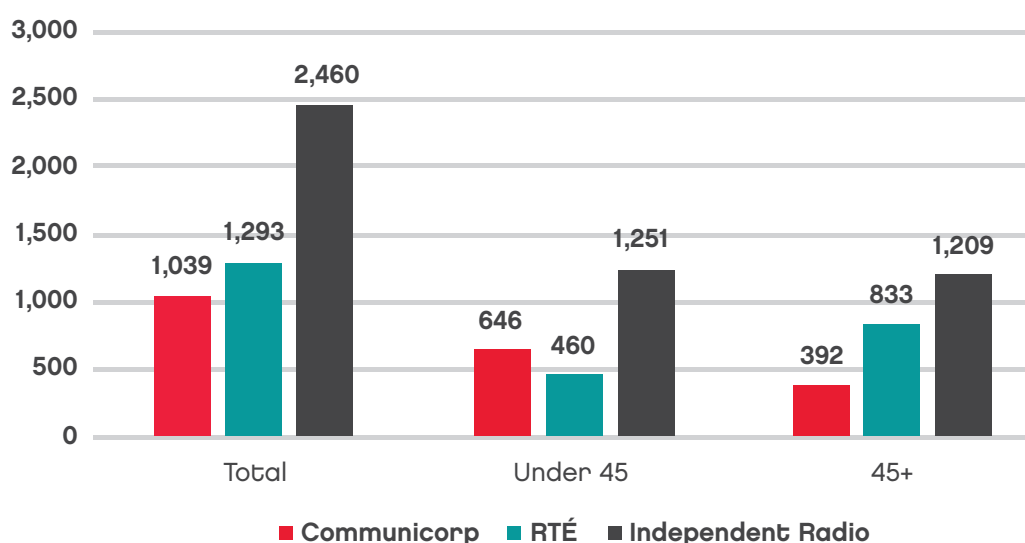


1 million listeners
Daily to Communicorp Media Services

Looking at Daily Radio Listening based on the latest JNLR listenership survey results, we see that Communicorp Media has a daily audience of over 1 million.

While RTÉ may have a larger audience than Communicorp Media it is dwarfed by the level of listeners to Independent Radio as a whole which has just under 2.5 million listeners daily, close to double the daily reach of RTÉ Radio.

Daily Radio Listening by Age



Source: Mediastar / JNLR Q3 2020

The importance of Communicorp Media and Independent Radio in reaching audiences becomes particularly evident when listenership is analysed by age.

With audiences under 45 years of age, Communicorp Media stations significantly outperform RTÉ Radio and when we look at Independent Radio as a whole it has 800,000 more listeners Under 45 each day compared to RTÉ.

▶ **81%** of Communicorp Media audience is under 54

45% of RTÉ radio audience is over 55

It is widely acknowledged that younger audiences are harder to reach, with strong competition with other media and digital properties for audience attention.

This shows the importance of Communicorp Media and Independent Radio in delivering critically important and valuable Public Service Content to their audiences but most importantly younger audiences who do not use Public Media / RTÉ Radio.

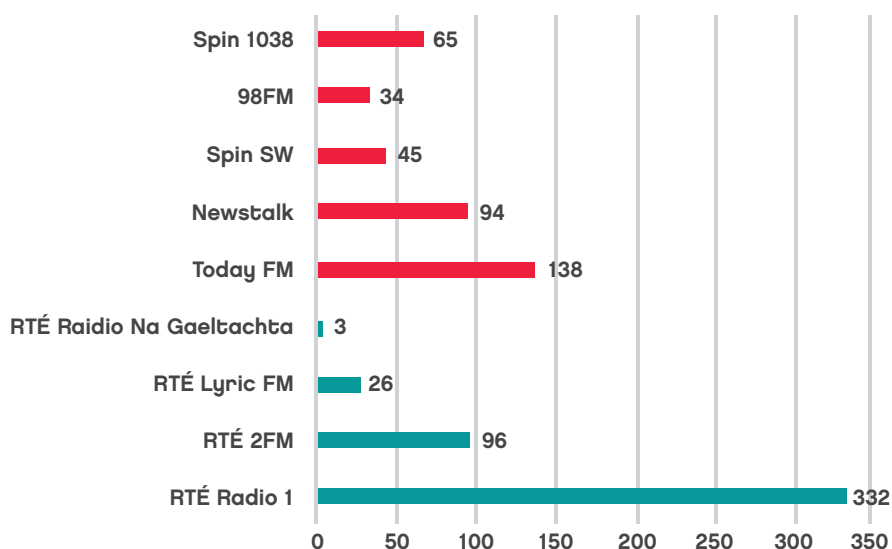
▶ **70%** of Daily listening is to Independent Radio

Some Listeners Only Use Communicorp Media Services

Communicorp Media serves a critical role in reaching an audience that is simply not served by RTÉ with each of the Communicorp stations reaching a significant number of listeners, who do not listen to any other station.

We do not suggest that these listeners do not consume other news sources, simply that their primary radio source of news and information, comes from Communicorp Media Stations.

Solus Listening - RTÉ vs Communicorp



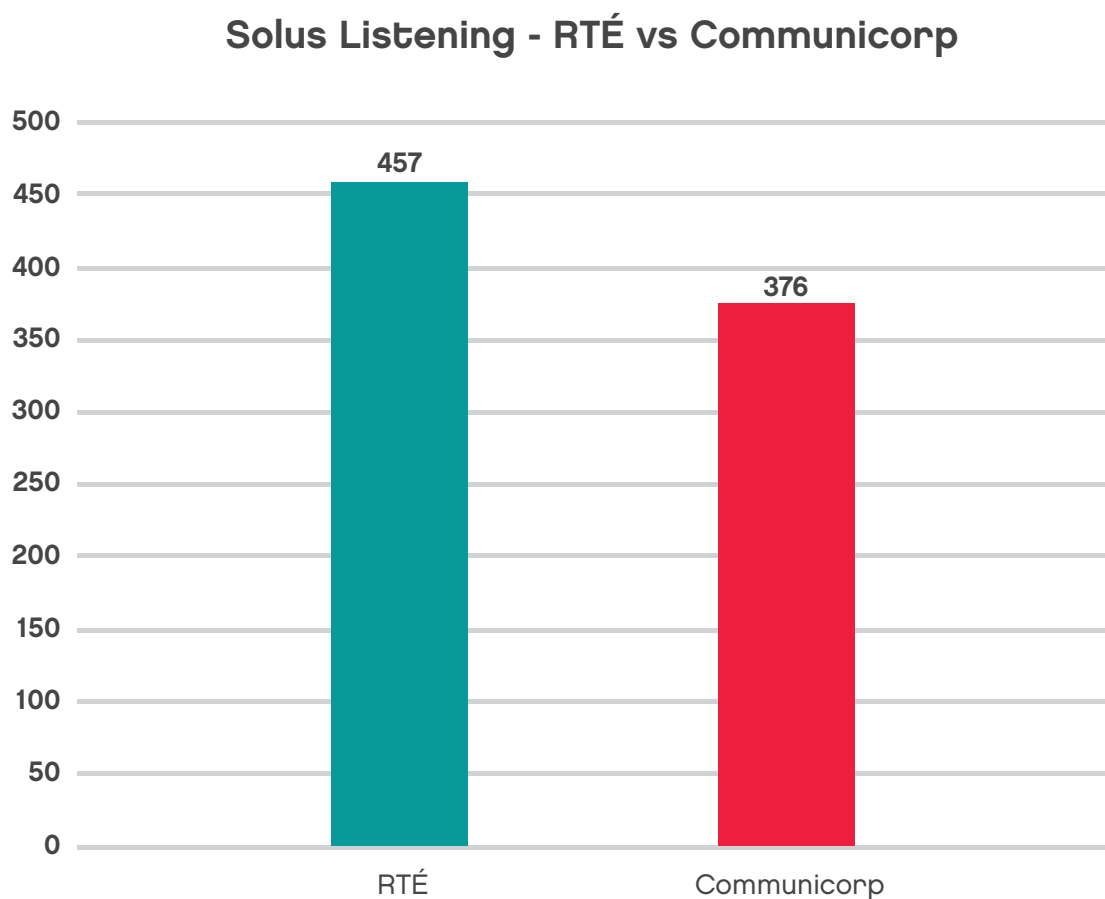
Source: Mediastar / JNLR Q3 2020

Communicorp Media reaches a substantial audience that is not served by other broadcasters which means that the Public Service Content on Communicorp Media stations is of real importance.

Solus listening reflects the number of listeners who listen only to that station. Today FM's solus listening is significantly higher than that of RTÉ 2FM, while Newstalk, SPIN 1038, 98FM and SPIN SW also have significant levels of solus listening.

When we look at solus listening, comparing RTÉ and Communicorp Media, the difference between the two is just over 80,000 listeners.

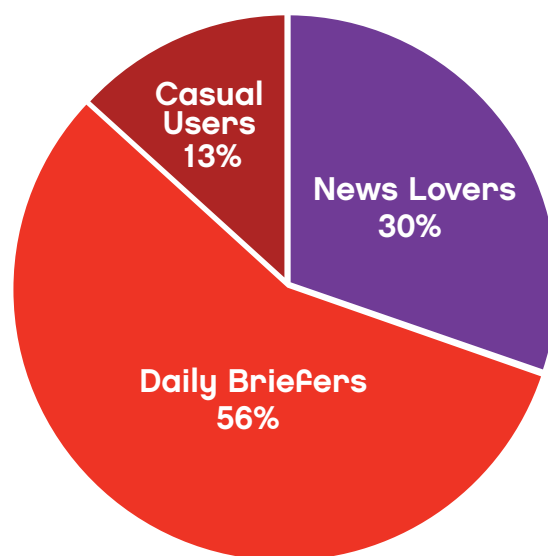
This confirms that Communicorp Media stations serve a significant audience of radio listeners and have a valuable role in providing Public Service Content.



In a world of digital and social media, where global content can overwhelm local content and Public Service Content is scarce, having a backbone of Public Service Content provided by independent broadcast radio is increasingly important.

Interest in News

The recent Reuters Digital News Report 2020 (Ireland) shows that just under 70% declare themselves either extremely or very interested in news with 86% of people checking the news each day.



Source: DNR 2020 – News Conceptual Groups

‘News Lovers’ are extremely interested in news and access news content more than five times per day while ‘Daily Briefers’ access news less than five times a day but are very or extremely interested in news content.

86% of people very or extremely interested in News

‘Casual Users’ access news once a day or less and are somewhat interested in news. This cohort reduced in 2019 with a move to more ‘Daily Briefers’ and has remained consistent in 2020, indicating a more permanent shift towards more engaged news consumers.

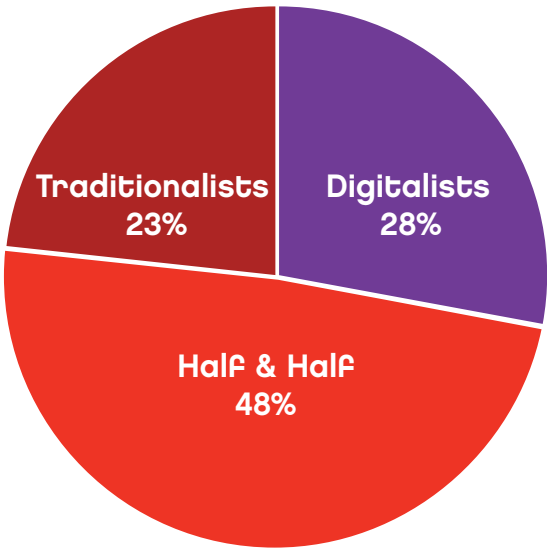
Together, ‘News Lovers’ and ‘Daily Briefers’ account for 86% of people who are very or extremely interested.

How News is Consumed

In reporting on how news is consumed, the Reuters Digital News Report categorises news consumers as;

Traditionalists - Who consume news mostly through traditional media

Digitalists - Who consume news mostly from digital sources (smartphones, tablets, computer)



Source: DNR 2020 – News Conceptual Groups

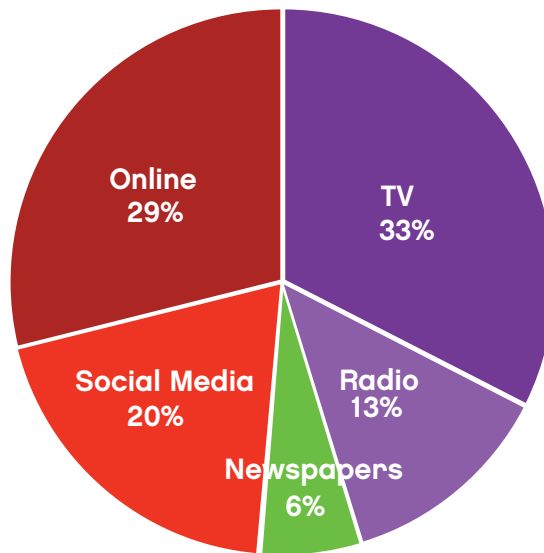
Most news consumers, at 48 per cent access news from both traditional and digital sources and are classed as ‘Half and Half’.

The number of digitalists has remained steady over recent years, while those using both has been rising.

Sources of News

While consumers identify TV as their main source of news, it has fallen three percentage points since 2016.

There has been some growth for Online / Digital media over the same period, with a 5% growth in people using social media as their main source of news.



Source: DNR 2020 – Main Sources of News

Radio and Newspapers have maintained a consistent performance over the same period as the main source of News with Radio accounting for 13%.

Both Communicorp Media national stations, Newstalk and Today FM feature in the Top 10 of Main Traditional News Brand Used.



12% of people use Today FM as a source of news on more than 3 occasions a week



10% of people use Newstalk as a source of news on more than 3 occasions a week



‘radio and newspapers have a consistent place in the daily news habits of Irish consumers

‘this highlights the importance of continued investment in these sources by news media and the continued role of traditional news sources in Irish society’.



Source: DNR 2020

When we look in detail at how various news brands score in the Reuters Digital News Report and in particular at how news brands score with the critical younger audience, Today FM performs exceptionally well.

Today FM is the third most popular “traditional news brand” just behind RTÉ TV News and Sky News and significantly ahead of RTÉ Radio News and all other radio news in the 18 - 24 year old age group.

FIG 66: 18-24 MAIN TRADITIONAL NEWS BRANDS 2020



The above demonstrates the importance of Communicorp Media Stations and Independent Radio in delivering Public Service Content in a regulated environment.

Irish people’s connection to the political, democratic, economic, and social life of our country is largely through our media. It is vital that this connection to the democratic process in Ireland is maintained and supported.

Media Trust

In the Reuters Digital News Report 2020, participants were asked about the role of independent journalism in society.

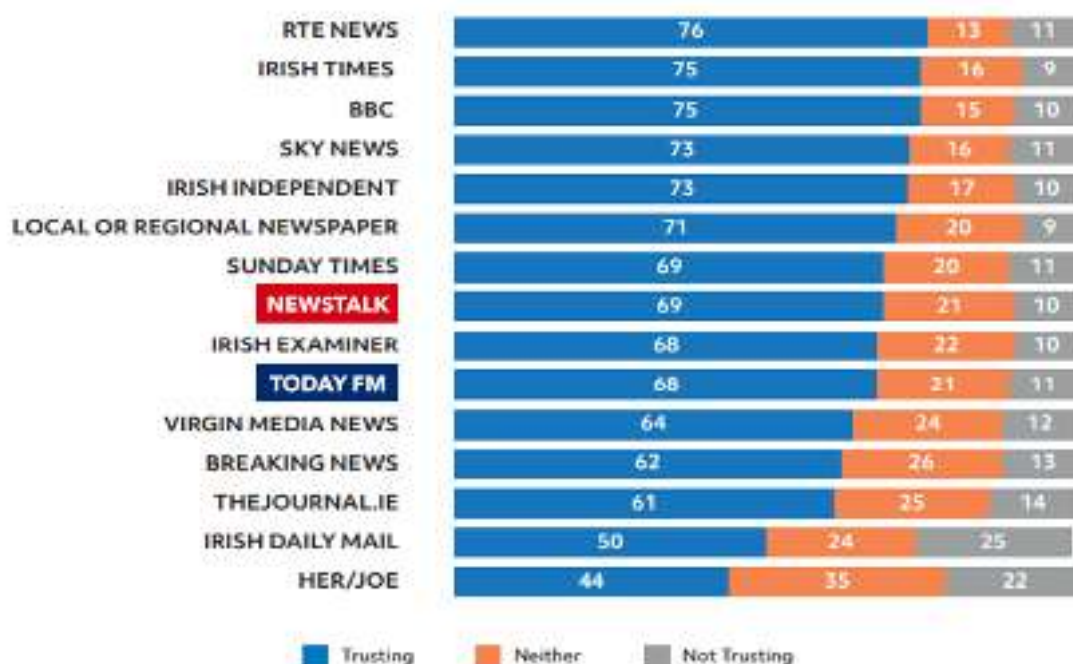
66% believe it is either very or extremely important For the proper Functioning of society

62% concerned about what was real and Fake on the internet

51% Do not trust news via social media most of the time

The Communicorp Media national brands of Newstalk and Today FM perform strongly in terms of public trust and confidence in their output.

FIG 29: TRUST IN NEWS BRANDS



Trust In Radio

An IPSOS MRBI poll carried out since the outbreak of COVID-19 showed that nine out of ten of those polled had listened to radio in the previous week.

Radio scored a trust rating of 7.9 out of 10, compared to 2.9 For Facebook and 3.4 For Twitter.

Trust Ratings



79%



34%



29%

Interest in Politics

The Reuters news report shows that the level of political interest in Ireland remains high and at a greater level than the UK and the EU.

75% of respondents say they are somewhat, very, or extremely interested in politics

Only **8%** say they are not interested at all interested in Politics

Public Service Content Funding

Communicorp Media and Independent radio in Ireland is currently completely reliant on commercial revenues to fund broadcasting and operational activities.

The 2008 recession caused a significant impact to the advertising and radio market. The effects of the recession took a long time to recover from and it is estimated that the radio market is still 45% below its 2008 peak and down 30% over the last ten years.

These reductions in advertising investment are significant and have been felt across the industry. Gains of recent years have been hampered by the effects of Covid-19 with reduced investment in radio advertising once again in 2020.

The depressed economic conditions have been a major factor in the advertising spend investment over the past ten to 12 years. Coupled with this, the popularity of digital and social media advertising has accentuated the pressure on traditional media.

Irish Advertising Market 2011-2020

€ IN M	2011	2013	2014	2015	2016	2017	2018	2019	2020
TV	201.6	181.9	191.1	196.6	199.6	187.3	191.5	190.9	170.2
Growth	-1.8%	-2.2%	5.1%	2.9%	1.6%	-6.2%	2.2%	-0.3%	-10.8%
Share	24.2%	23.9%	23.7%	23.4%	22.3%	21.0%	20.2%	19.3%	18.8%
RADIO (AUDIO)	137.9	130.6	128.8	131.7	134.4	130.2	119.1	114.1	100.1
Growth	-10.3%	-1.4%	-1.4%	2.3%	2.1%	-3.2%	-8.5%	-4.2%	-12.3%
Share	16.6%	17.1%	16.0%	15.7%	15.0%	14.6%	12.6%	11.6%	11.1%
NEWSPAPERS	283.5	214.4	206.4	180.4	176.3	153.0	127.4	104.9	82.6
Growth	-8.7%	-14.4%	-3.7%	-12.6%	-2.3%	-13.2%	-16.8%	-17.6%	-21.2%
Share	34.1%	28.1%	25.6%	21.5%	19.7%	17.2%	13.4%	10.6%	9.1%
MAGAZINES	20.2	18.1	18.2	18.4	18.4	18.4	17.2	15.9	12.3
Growth	4.4%	-4.5%	0.5%	1.2%	0.1%	-0.4%	-6.6%	-7.6%	-22.2%
Share	2.4%	2.4%	2.3%	2.2%	2.1%	2.1%	1.8%	1.6%	1.4%
OUTDOOR + CINEMA	76.4	62.5	67.5	71.4	74.8	78.8	82.8	86.2	49.7
Growth	-9.5%	-7.1%	8.1%	5.7%	4.8%	5.3%	5.1%	4.1%	-42.3%
Share	9.2%	8.2%	8.4%	8.5%	8.4%	8.8%	8.7%	8.7%	5.5%
INTERNET	111.7	154.4	194.1	240.2	290.0	324.1	410.6	474.7	489.1
Growth	12.4%	19.0%	25.7%	23.8%	20.7%	11.7%	26.7%	15.6%	3.0%
Share	13.4%	20.3%	24.1%	28.6%	32.5%	36.3%	43.3%	48.1%	54.1%
TOTAL	831.3	761.9	806.2	838.8	893.7	891.7	948.5	986.6	904.1
Growth	-4.7%	-2.9%	5.8%	4.0%	6.5%	0.2%	6.4%	4.0%	8.4%

Source: Group M / TNY Ireland, December 2020

Digital Advertising spend now accounts for more than half (54%), of all advertising spend in Ireland.

Facebook and Google attract more than 40% of the total market combined.

Digital Advertising

 **€490 million**

Radio Advertising

€100 million 

This move to digital advertising has accelerated in recent years and is now a structural and permanent feature of the market. This change has affected Communicorp Media and all operators. While RTÉ is affected by the decrease in advertising it is insulated by Licence Fee revenues and government support.

Communicorp Media and independent radio stations do not benefit from this level of security and despite this work to continue to deliver the expected quality output of programming irrespective of financial position.

As our business model is audience led and ratings translate to revenue, a reduction in quality output that could lead to a lower audience figures cannot be tolerated.

The consumption of radio is free and we are not in a position to pass on the extra costs or shortfall of running a business to the end consumer.

The Financial Cost of Producing Public Service Content

The largest cost in operating Communicorp Media is staff and salary costs and within this, news and current affairs output is the most labour intensive.

The programmers, journalists, researchers and producers required to deliver quality output as well as back-up administrative and technical staff command the largest share of station expenditure.

The Future of Media Commission and the Irish Government must recognise that traditional media is in crisis and there is now a duty to support indigenous Irish journalism by ensuring it is adequately funded and protected in order to protect the democratic fabric of the country.

The funding of journalism on Irish radio and media cannot be solely at the mercy of the advertising market, a market where more than 40% of total ad spend goes to two digital media giants, Facebook and Google.

40% of total Ad Spend is to Google and Facebook



The PSC Funding Dilemma

At the core of a thriving democracy is the protection of journalism.

A failure to agree to properly fund news and current affairs broadcasting and Public Service Content will have a negative impact on democracy and signal the death knell of independent journalism and radio in Ireland.

Communicorp Media and independent stations must be in a position to invest in staff to ensure experience is retained and to provide trusted, quality news and information services. The lack of funding and investment in the media is making content production and journalism a less attractive and secure career. A deficit of experience will impact negatively on the quality of debate and diversity.

Irish journalism needs to remain accessible to local audiences, produced in this country and not outsourced.

To have a policy with the Licence Fee that exclusively supports news and current affairs on state owned radio stations that receive just over 30%

of radio listening while failing to provide any support for broadcasters responsible for providing these services to the remaining 70% is no longer tenable.

Radio plays a crucial role in retaining our Irish identity and staying connected to what matters. Radio is an indigenous medium that does not transfer in the same manner as television, newspapers or websites, a fact that is proven by the high levels of listenership to Irish radio stations.

The key attributes of Communicorp Media's products are its Irish focus, relevance to the lives of its listeners and ease of access.

The Problem with the Sound and Vision Fund

The Sound and Vision Fund in operation since the mid 2000's is funded by 7% of the revenues collected from the television licence fee which are set aside to cover the costs associated with making specific programmes by any broadcaster or programme maker:



This set a welcome precedent by which the television license fee could be accessible to broadcasters other than RTÉ for the production of programmes of a public service nature.

The big issue and limitation with Sound and Vision which makes it unsuitable is that the scheme specifically excludes news and current affairs programming and does not fund live speech programming which is the majority of public service output on Communicorp Media stations.

Radio broadcasting by its very nature is predominantly live programming, is extremely flexible in its programme topics and is contemporary in its focus and its output.

None of these characteristics are considered in Sound and Vision and the result is a scheme that is not appropriate to the programming which is produced by independent radio stations like Communicorp Media.

By failing to take this fast moving and ever changing environment into consideration, the Sound and Vision scheme is largely unworkable and unusable by many independent radio stations. It has therefore failed in the original aim of supporting the public service programming activities of independent radio stations.

While the Sound and Vision scheme has no doubt produced excellent quality long form and long lead time productions on Communicorp Media stations and on independent radio, the reality is a scheme where a significant portion of the Fund continues to support television projects with an overwhelming amount aired on public service media channels which are already heavily supported by the Licence Fee.

Communicorp Media believes that a recent example of the specially created Sound and Vision Funding round during the Covid-19 pandemic shows there is flexibility the ability to fund the types and amount of Public Service Content we have previously outlined.

How Public Service Content should be funded

Communicorp Media and our colleagues in the Independent Broadcasters of Ireland believe that a Public Service Content Fund should be established to address the previously explained challenges facing the sector and to mitigate the shortcomings of the Sound and Vision Fund.

The IBI has previously prepared detailed submissions in relation to the proposed details and operation of this Fund.

The core objectives of the proposed Public Service Content Fund;

- To ensure that the Irish listening public is served by a vibrant indigenous Irish broadcasting sector
- To allow independent radio stations to deliver diversity in content, programming and information to its listeners
- To allow independent radio stations offer high quality and innovative indigenous content relevant to their target audiences
- To maintain plurality of content and opinion on the Irish airwaves
- To ensure the quality of Public Service Broadcasting provided by independent radio stations at national, regional and local level

Where should the money come From;

It is estimated that €50 million+ is currently lost each year in Licence Fee evasion and collection costs.

A new system of collection would radically reduce these losses and result in a significant uplift in the amounts collected, even if the current annual Licence Fee of €160 Fee is left unchanged.



€50 million
in Licence Fee evasion

Communicorp Media and the Independent Broadcasters of Ireland support proposals to change the TV Licence Fee to a household charge or a household levy providing that the proceeds are fairly allocated among broadcasters who are legally obliged to produce Public Service Content.

We also believe that this charge should only be used to support Public Service Broadcasting, whether it is on state owned or independent broadcasters.

This currently uncollected €50 million of Licence Fee revenue would bring total Licence Fee collections to €240 million.

If 7% of this, €16.8 million was allocated to independent radio stations under the proposed funding scheme to assist in the production of Public Service Content and programming, it would allow all qualifying Independent radio stations participate in a meaningful scheme to support Public Service Content.



€240 million
potential total Licence Fee income

€16.8 million
Fund for independent radio



The Future For Irish Media

Digital and Social Media has caused irrevocable changes in the advertising and audience landscape. The impact of un-regulated digital media can no longer be ignored.

Despite significant technological and audience changes, the regulation of radio and media has not progressed.

Digital media remains unregulated with no statutory commitments and commercial Freedom. They have the best of both worlds; no commitments and endless revenue opportunities.

Meanwhile, radio broadcasting remains highly regulated, subject to an overly strict regulatory Framework, onerous commitments, and large costs.

This confers an unfair advantage on digital media operators who have no public service remit compared to traditional broadcasters such as radio.

The Independent Radio sector needs appropriate regulation and a level playing field to compete with digital operators.

As digital advertising revenues increase further, the independent radio and indigenous media sector which is hugely popular and demanded by Irish audiences will be further jeopardised and could be lost.

The sustainability of indigenous media is under threat. Plurality and diversity of home-grown radio programming can only be maintained through a robust and competitive independent broadcasting sector supported by Funding For Public Service Content.



Broadcasting Legislation

The legislation governing Independent Radio, the Broadcasting Act is over twenty years old with the last update in 2009.

Significant changes in technology and media have happened in this period of time with no changes to the legislation. This has left the legislation limited by definitions that are now longer relevant.

The legislation is no longer fit for purpose and needs to be updated to take into account that Radio and Television now exist in a broader media context.

The Regulator

In conjunction with legislative change, the industry and the sector deserve forward-thinking initiatives to ensure growth and investment in the sector.

The sector requires a regulator that is more proactive. One that will work with operators to develop the sector.

The BAI and its successor can no longer just police the rules, it must play a stronger role in setting and influencing the rules.

The regulator should be an advocate for the sector as well as the audience, a progressive regulator, that will work with operators and industry stakeholders to drive, foster and protect the industry.



The regulator must ensure that policies it creates and implements facilitate rather than hinder operators. In interpreting legislation, any regulator must do so for the benefit of both broadcasters and audiences so that the sector continues to provide Irish radio listeners with choice, diversity, and quality of listening experiences.

The regulator must also undertake on-going quality and appropriate sectoral research to ensure decisions on regulation are evidence based.

Changes Required to Broadcast Regulation

Reduce the Regulatory Burden

Regulation is over onerous placing indigenous Irish media at a damaging disadvantage.

Simplified, Flexible regulation that does not compromise Public Service Content will allow operators to remain agile and innovative, Facilitating the survival of Ireland's fine tradition of quality broadcasting.

Broadcasting Levy

The Broadcasting Levy calculated as a percentage of broadcasters turnover needs to be permanently reduced by a minimum of 50%.

In response to the Covid-19 pandemic, a 50% reduction in the levy was announced for 2020.

Commitments are in place in the programme for government for this reduction to become permanent and we encourage the relevant legislation to be progressed as a matter of urgency.

A Level Regulatory Environment

Digital Media has no regulation, no statutory commitments and commercial Freedom. This is a completely at odds with radio and creates commercial and viability issues for broadcasters.

Change is required to level the playing field.

Ownership and Control Policy

Communicorp Media believes that rather than a policy implemented by a regulator, the acquisition of media assets and radio licences should be administered by the Competition Authority as Ownership & Control must be considered as part of the total media market not just broadcasting.

Absent of that, the current Ownership and Control policy needs a radical overhaul to ensure a viable, sustainable, indigenous independent media sector in Ireland.

The 25% threshold limit on the ownership of radio licences should end and restrictions on concentration of ownership of radios should be removed.

Without changes to the Ownership and Control policy, many local radio stations and smaller operators will struggle to survive in to the future. Consolidation of ownership can provide scale and commercial flexibility to sustain investment and support for the industry.

Other markets, including the UK, have clearly demonstrated that changes can be successfully implemented while still maintaining diversity & appeal for audience and advertisers.

Audience-led output regulation For Broadcasters

Radio licences should focus on the content to be delivered. Not how, by whom or from where it is delivered.

The regulator should judge on evidence from outputs, not inputs such as studio locations and personnel.

Programme policy and format commitments should be flexible to allow radio to compete for audiences.

In a world where listeners can choose favourite music from multiple sources, operators must be permitted to have flexibility to adapt music output and formats to address changing listener tastes.

Liberalised Commercial Communications

Existing codes place commercial radio at a damaging disadvantage, unable to deliver fresh creative solutions to advertisers, where rival and unregulated media can. Whilst radio remains hugely and uniquely powerful, we need to continue to appeal to our advertisers.

Restrictions on 'promotional references to a product or service' or 'calls to purchase' make radio campaigns less attractive to brands and places our medium at a damaging disadvantage.

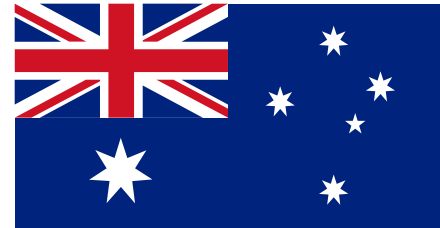
Provided there is transparency to the listener, there should be no further rules on how commercial activity for legitimate advertisers is delivered creatively including by presenter mentions and live reads.

This can only be achieved with a much freer approach in such areas as brand integration and flexibility around advertising minutage and its volume in broadcast hours.

International Examples of Regulatory Environments

We encourage the Future of Media Commission to study closely the regulatory environments for broadcasters in the United Kingdom but in particular New Zealand.

The similarities between Ireland and New Zealand, the countries, the population make up, the urban/rural divide and the mix of state owned and private media make it a great comparator for Ireland.



In addition, New Zealand effectively 'de-regulated' its radio and broadcast industry in the 1980's so it is significantly advanced and can demonstrate positive learnings from its experiences.

New Zealand to this day has a thriving indigenous broadcast industry that performs well commercially and has strong audiences.

This progressive industry in New Zealand exists without limits on ownership and control, the full flexibility to decide the output and format of radio licences and frequencies, commercial flexibility on the level of advertising minutage, transparent presenter endorsements and the networking of output.

The key to the regulation of broadcast in New Zealand is that it is totally audience and market led.

This has not resulted in anodyne music driven radio, because this is not what the audience want or demand.

Radio stations are not obliged to make local content or provide news bulletins, but they continue to do so because the audience demand it. Without this relevant local content, the audience do not tune in, which means the stations cannot convert ratings to commercial advertising.

Communicorp Media believes this audience and market led approach to regulation should be implemented in Ireland.

Public Service Media

Communicorp Media recognises that our industry, country, and society would be poorer without a dedicated Public Service Media such as RTÉ and TG4.

The news and current affairs output is of a high standard on Public Service Media and represents the truest form of Public Service Broadcasting and provides valuable content for listeners and viewers.

RTÉ 1 and RTÉ Radio 1 deliver high quality, distinctive news, and entertainment programming which, by its very nature, would be difficult for the commercial sector to replicate.



The public service remit for services such as RTÉ 2FM, RTÉ 2 and RTÉ Lyric FM are harder to define and identify. With services such as RTÉ's Digital Audio Broadcasting trial, which has run for over a decade, it is not clear what the public service remit is. Many of the services replicate what is widely available from commercial operators.

RTÉ makes a valuable contribution to Irish radio and media, but it needs to be held to account more firmly against its public service remit. Peak daytime hours are largely devoted to popular programmes and are not providing sufficiently distinctive content for listeners. Public Service Content is not always evident and can be scheduled in largely in off peak hours.

RTÉ's broad focus on public service is not efficient or effective and in a divided media landscape with global content providers competing for the audience's attention, RTÉ must have a much clearer public strategy to deliver content for all of the diverse Irish audiences.

In a modern and diverse Ireland, the public service media must make greater efforts to serve a diverse Irish audience and not just focus on the traditional audience that RTÉ has historically enjoyed, an audience that is exceptionally well catered for by independent radio operators.



2.6 million people

do not listen to an RTÉ Radio Service daily

RTÉ's audience, particularly in radio is heavily weighted towards the 45 and older demographic, while Communicorp Media and the independent radio sector serve a younger demographic.

2.65 million people do not listen to any RTÉ radio service on an average weekday and cannot depend upon it for Public Service Content.

RTÉ Financials

With a changing media market, challenges to commercial and License Fee revenues and despite significant pronouncements and promises, RTÉ appears inefficient and not serious or committed to any meaningful change.

Now in 2021, RTÉ has not yet released its Annual Report for 2019, therefore, we are only able to use the publicly released Annual Report for 2018 to analyse performance.

Ireland needs a quality public service media that delivers appropriate output and value for the audience and the Licence Fee. RTÉ requires structural change to future proof the organisation and ensure it is fit for purpose.

RTÉ has committed to cost reductions of €60 million by 2023. The evidence of the last number of years' performance, including increased costs and missed job reduction targets does not point to an organisation that is serious about transforming itself.

Below are key insights of the Financial performance of RTE in its 2018 Annual Report.



150 million
Commercial Revenue - Static over 5 years



 **€11 million**
Increase in Licence Fee revenue over 5 years



€333 million
The total cost of running RTE in 2018



 **€20.7 million**
Increase in Operational Expenditure (excl. special events) over last 5 Years



€13 million
Net Deficit at the end of 2018 was €13m

Any attempt to reduce costs in RTÉ business is being wiped out by increases in personnel costs.

In the last Five years, personnel related costs have increased by €20 million, this is equivalent to the total Operational Expenditure increase over the period.

54

No. of Full-time equivalent employees reduced over last Five years



€88,000

Average RTÉ staff cost – up 16% in 5 years



1,822

No. of Employees 2018



122

Employees earning more than €100,000 per annum



In 2017 RTÉ sold part of the land at Donnybrook for €99.5 million (€78m after tax)

Over the previous 5 years, the overall surplus after the land sale is €6.8 million.

Changes Required in Public Service Media

- ▶ RTÉ is expected to submit a Five-year strategy and public Funding review to the BAI this year as required under section 124 of the Broadcasting Act 2009. This review should place significant Focus on a coherent public service, Financial and operational strategy and should be accompanied by a thorough Financial review of RTÉ's performance and plans to ensure it is making the relevant changes and providing value For money.

RTÉ as a recipient of Licence Fee Funding must provide clear and identifiable commitments to increase efficiencies, reduce costs and live within budgetary constraints. This can be done by removing services and content that are provided by commercial operators.

- ▶ RTÉ's Fair Trading Policy and Procedures are due For review in 2021. We encourage this policy to be analysed to ensure it is Fit For purpose. It must be established that no distortion of the advertising market occurs by RTÉ using its dominant position to influence price and to ensure that no opaque volume advertising deals are in operation that could disadvantage independent commercial operators and make it difficult to complete.
- ▶ Section 108 of the Broadcasting Act 2009 should be amended to remove the commercial mandate For RTÉ and replace it with a limit on the commercial reach of the state broadcaster.

An enforcement decision of the Competition Authority in 2011 stated RTÉ's position was dominant and that its dual funded income conferred a competitive advantage. Legislative change is required to ensure a healthy and sustainable broadcasting sector.

We believe a move to Free RTÉ From commercial pressures could only benefit it in its pursuit of public service objectives.

- ▶ RTE's remit should be channelled to ensure Funds are focused on high quality programme services to underserved audiences who need it and are not being served. RTE should not compete for well served commercial audiences. A comprehensive audience charter should be the backbone of any RTE strategy proposals.
- ▶ All efforts should be made to provide the most distinctive radio and television output as efficiently as possible. Proposals and agreements should be more ambitious and prioritise Public Service Content.
- ▶ In terms of Music Output, RTE should have a responsibility to bring the broadest possible range of music to their audience. RTE 2FM should avoid playing a majority of music that is played elsewhere on commercial radio. Removing this duplication would more clearly differentiate RTE 2FM and increase its public service credentials.
- ▶ RTE needs a clear strategy around providing Public Service Content to diverse audiences in a modern Ireland. It must deliver content that appeals to audiences who are currently less likely to listen to its services, including ethnic minorities and RTE as public service media should have a more ethnically diverse representation across all its channels.