

Report for the Broadcasting Authority of Ireland

**Annual Review of Funding for
Public Service Broadcasters, 2017**

15 January 2019

Redacted version

Disclaimer

This is an independent report funded by the Broadcasting Authority of Ireland. The opinions offered herein are purely those of Communications Chambers. They do not necessarily represent the views of the BAI.

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1 Executive Summary

1.1 Market context

2017 was a challenging year for broadcasters and PSBs in particular. TV viewing per capita fell by 7%, and younger audiences saw an even sharper drop. (Within this declining market, RTÉ saw a small loss of share, while TG4 saw a gain.) Despite a robust economy, TV advertising fell in line with TV consumption, and was down 8%.

Radio listenership (and RTÉ's share) were roughly flat, but the radio advertising market declined 5%.

Online video consumption continued to grow, but the broadcasters (PSB and commercial) captured just 18% of this viewing. RTÉ saw a fall in Player streams, and while TG4 grew its streams overall, it saw [X].

1.2 TG4 commitments and compliance

Performance against 2017 commitments

TG4 had highly detailed 2017 commitments, with 18 commitments, 116 quantified targets and 59 qualitative targets. In TG4's view it 'fully achieved' 13 of its commitments, 'almost fully achieved' one, and 'substantially achieved' four. While we broadly agree with TG4's self-assessment, we note that for some of the 'fully achieved' commitments, some associated targets have not been met.

Key areas of challenge for TG4 were:

- For TG4's 'twin pole' commitment, it met its targets for the core Irish language audience. However, for the national audience it missed several targets related to reach, notwithstanding a strong share performance. A good share of a market with declining viewing is not necessarily enough to sustain reach
- TG4 also faced reach challenges under its commitment to engage with younger audiences. Its target for reach amongst adults 15-34 was to stay flat at 22%, but the result was a drop of a seventh to 18.8%
- Under its non-linear audience engagement commitment, TG4 had a target to grow both national and international Player streams. [X]
- Against its broadcast schedule targets, TG4 overdelivered in hours for the national audience, perhaps supporting its

strong viewing share. However, it missed its targets for content for the core Irish language audience.

Adequacy of 2018 commitments

TG4 has again set out highly detailed commitments for 2018. We believe these meet the relevant statutory requirements (including alignment with TG4's strategy).

Further we believe they are in general appropriately ambitious. For example, for the national audience TG4 is seeking to sustain share and increase reach. Overall, TG4 has increased roughly half its targets. (One third have been reduced).

For the core Irish language audience it has set itself lower reach and satisfaction targets, though this is due to a change in how these metrics are measured. TG4 is also anticipating another fall in reach amongst those aged 15-34, and [X] growth in Player hours.

While such targets may reflect underlying market trends, they highlight the risk that PSBs may end up simply 'managing decline'.

Commercial revenue maximisation and overcompensation

We have no concerns in these areas.

1.3 RTÉ commitments and compliance

Performance against 2017 commitments

RTÉ had 18 commitments and 74 associated targets (almost entirely quantitative). The great majority of these were met.

Areas of challenge for RTÉ were primarily under its 'comprehensive portfolio of media services' commitment. RTÉ missed RTÉjr's reach target (amongst 4-7s) and Radio 1's share and reach targets. While most other targets were met, this did include some that anticipated material declines. For instance, RTÉ2's share in peak amongst 15-34s came in at 8.1%, ahead of a target of 7.7%. But this compares to a 2016 actual of 9.1%. Similarly, under its 'reshape TV services' commitment, RTÉ's Player streams were down but nonetheless ahead of target.

There were a number of misses for targets based on surveys of audience perception. RTÉ believes this may have been due to a change in survey methodology.

Other misses included a 4% shortfall in commercial revenue, primarily due to a decline in television spot revenue.

Overall, RTÉ had a solid performance against its targets, but in part because those targets anticipated declines in some important areas.

Adequacy of 2018 commitments

We believe RTÉ's commitments for 2018 substantially meet the statutory requirements. They are a significantly simplified set of just six commitments with 34 targets, with a shift of focus from the performance of individual services to the level of engagement with audiences (a welcome change).

For those targets where comparison to the prior year target is possible, roughly two-thirds are unchanged, one sixth have been raised and one sixth have been lowered.

RTÉ's targets suggest a moderate deemphasising of older audiences, which we believe is appropriate given the importance and challenge of retaining younger audiences.

RTÉ plans to grow streams, but only moderately so (up by 6%). Certainly, this will not compensate for falling linear viewing.

RTÉ is also budgeting a deficit of €[X]m in 2018. While much of this is due to special event costs, there is no reason to expect that this loss will be covered by a robust surplus in 2019. In other words, RTÉ continues to operate with structural deficits.

Commercial revenue maximisation and overcompensation

We have no concerns in these areas. We note that the sale of the Donnybrook site means that RTÉ had a substantial surplus in 2017, but we do not believe that this represents overcompensation.¹

1.4 Adequacy of funding

Our assessment of the adequacy of funding for the PSBs is based on 'triangulation' from the conclusions of the recent Five Year Review (2018-2022). That Review (concluded in April 2018) involved detailed strategy and forecasting by the PSBs, and extensive analysis of their financials. We therefore believe the best approach for funding recommendations in the current Annual Review is to start from the recommendations made by the Authority as a result of the Five Year Review, and adjust for material recent developments or new data.

The Authority's previous recommendation arising from the 2018-2022 Five Year Review was for a minimum increase in funding per annum of €30m for RTÉ, and €6m for TG4.

¹ See page 50

RTÉ

Since this recommendation, key developments for RTÉ include:

- A sharper than expected decline in TV advertising, resulting in a €7m shortfall in commercial revenue for RTÉ in 2017
- A €1.5m step up in public funding for RTÉ in 2018, and €8.8m for 2019
- The VEP (Voluntary Exit Plan) has [§<]
- RTÉ's costs are developing in line with its 'preferred scenario' from the Five-Year Plan. This was based on a €21m increment in public funding, which has not come to pass.

Of the Authority's recommended €30m increment per-annum, €21.4m has not been committed by government. Given the developments above, RTÉ could easily face a deficit of €[§<]m in 2019, and therefore there does not appear to be a basis for the Authority to reduce its funding recommendation.

TG4

TG4 has exceeded expectations for 2017 commercial revenue by approximately €0.3m, though of course commercial revenue is a small part of its total revenue. Costs have been in line with plan.

We do not believe these developments are material enough to warrant the Authority reappraising its previous recommendation for a €6m increment in public funding TG4. (We note that the DCCAE has allocated an additional €985,000 one-off to TG4 in 2018).

1.5 Audience yield

For this Annual Review, we have also prototyped an analysis of 'audience yield'² – the hours of TV watching and radio listening each PSB delivers for a given level of spend on programmes. This is intended to illuminate how effectively the PSBs are using their public funding across their different services. It shows whether the PSBs are serving all audiences, avoiding both underserving and super-serving, and helps assess the overall efficiency of different kinds of content in reaching different audiences. While many of the insights contained in this analysis are familiar from previous reviews, yield brings them together into a single framework which supports analysis of the interplay between programme spend, audience impact and

² We have preferred the term 'audience yield' over 'audience efficiency' since efficiency may imply that more is always better. However, in this context, a lower result may be preferable once PSB objectives are taken into account. For example, game shows might deliver a higher audience per € than news, but we would not therefore say it was 'inefficient' for PSBs to air news

commercial effectiveness. Of course, these all need to be assessed in the context of the PSBs' wider public service missions.

Yield analysis has applications for both the broadcasters and the BAI. For the broadcasters, it helps make trade-offs between alternative uses of content budgets, given their strategic priorities. (To an extent, RTÉ is already using it this way). For the BAI, it provides a means of monitoring the impact of market developments on the broadcasters' performance and indicates whether they are prioritising services that efficiently convert content spend into viewing, particularly by less well served audiences. It also helps assess whether the broadcasters are making the most of commercial opportunities.

1.6 Recommendations

TG4

We suggest:

- TG4 simplifies its performance commitments (as we understand it intends for 2019) to provide greater focus
- TG4 shifts away from share as a prime target, to an absolute consumption metric like TVR³ or hours of viewing. Reach should be defined in terms of a meaningful volume of consumption or complemented by 'loyalty' metrics such as frequency of consumption. In both respects, TG4 may wish to focus targets on younger audiences
- TG4, RTÉ and the BAI work together to streamline the RTÉ content provision arrangements mandated by §120 of the Broadcasting Act.

Regarding funding, there has been no ongoing increase in TG4's funding, and thus the Authority's previously recommended €6m increment remains to be allocated.

RTÉ

We suggest:

- As with TG4, RTÉ may wish to consider absolute consumption, 'meaningful reach' or loyalty metrics, and focus more specifically on younger audiences

³ TVR, or TV rating, is the percentage of a given population (total, age group or so on) that watched a particular programme or channel. For example, if 1m people (out of Ireland's population of 5m) watched a programme, it would have an 'Individuals TVR' of 20 [percent]

- Policy makers should recognise that RTÉ’s current output is only viable by incurring structural deficits. This is not sustainable.

Regarding funding, €21m of the Authority’s previously recommended increment remains to be allocated.

Financial reviews

This year’s assessment of the adequacy of public funding was based on a less in-depth triangulation approach. We believe that in the interests of minimising regulatory burden, it may be appropriate to use a similar light approach to the prospective (forecasting) aspect of most future annual reviews. All reviews would retain a full retrospective analysis based on existing data, primarily the PSBs’ annual reports and review of performance commitments.

Such light annual reviews could be punctuated with periodic more in-depth reviews, either in the third year of the five year cycle, or alternatively at the request of the BAI or broadcasters if a party felt that there had been material developments to warrant a heavier review.

Audience yield

We do not recommend that yield is itself used as a target in the broadcasters’ annual statements of performance commitments (ASPCs). But it would make sense to align further development of yield analysis with a shift to volume of consumption (TVR or time spent) as primary performance indicators, alongside reach, in the ASPCs (as set out above).

The yield analysis should be developed further by the broadcasters in consultation with the BAI, including correlation with other measures of public value, benchmarking future performance against this year’s review, integration of online data, and agreeing an approach to reporting yield as part of the annual review process.

2 Introduction

This report – prepared by Communications Chambers on behalf of the BAI – is the Annual Review of the public service broadcasters (RTÉ and TG4) for 2017.

Such a report is required by statute. However, there is some discretion as to the exact format of the report. For the 2017 report, there are two key areas of change – the incorporation of an ‘audience yield’ analysis, and a somewhat different approach to the question of funding levels, as we set out below.

2.1 Statutory context

Section 124 of the Broadcasting Act specifies that:

- (2) The Authority, shall in each year, carry out a review of the extent to which a corporation has during the previous financial year fulfilled the commitments in respect of its public service objects stated in an annual statement of performance commitments for that financial year and the adequacy or otherwise of public funding to enable the corporation to meet its public service objects

...

- (5) The Authority shall on the basis of the review under subsection (2) recommend in a report to the Minister an annual television licence fee modification and the amount of any payment to be made to TG4 under section 123 (4).

Thus, a review of prior commitments and the adequacy of funding are integral to the annual review.

In practice, annual reviews have also provided an assessment of the overall economy and broadcasting market; consideration of the adequacy of commitments for the year ahead; and an assessment of the compliance records of the PSBs. We do so in this report also.

2.2 Audience Yield

This year, the Authority has directed that an ‘audience yield’ analysis be incorporated, to pilot an approach to assessing the cost-effectiveness of different services and types of content in reaching different audience segments. This approach is described in detail in section 6.

We believe this provides valuable insight, but we note that while it is vital PSBs capture substantial audiences, it is equally important that

they not maximise audiences at the expense of delivering their public service objectives.

2.3 Funding

As always, a funding recommendation is a key part of the annual review. However, this review takes place not long after the comprehensive analysis of funding incorporated in the Five-Year Review of Public Funding 2018-2022 (completed in April 2018). For this, the PSBs provided comprehensive information on their financials as well as forecasts for various funding scenarios. Based on this (and supporting analysis and a report by Communications Chambers) the Authority made recommendations regarding levels of funding.

It would not have been appropriate to repeat this detailed data gathering and analysis so shortly after the Five-Year Review. Our approach therefore has been one of ‘triangulation’ – identifying significant developments within the PSBs or the market more widely, and determining whether these would be likely to change the recommendations made by the Authority.

2.4 Structure of report

We begin by setting out market trends, both macro-economic and specific to the broadcast sector.

We next consider the commitments and compliance of TG4 and RTÉ in turn. For each we look at their performance against 2017 commitments; the adequacy of the 2018 commitments; and compliance issues.

We then turn to funding, considering developments in the wider market and specific to each PSB that might change the previous funding recommendations.

Next, we set out our audience yield analysis, before finally offering recommendations regarding public funding and enhancements to future annual reviews.

2.5 Acknowledgements

We gratefully acknowledge the helpful participation of both RTÉ and TG4 in this process, particularly given the additional work required by the introduction of the audience yield framework.

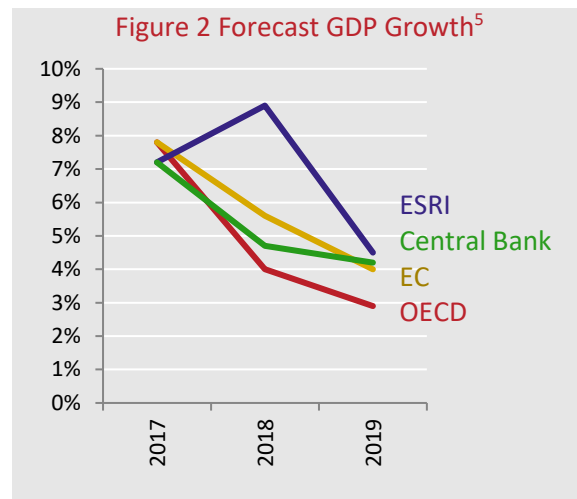
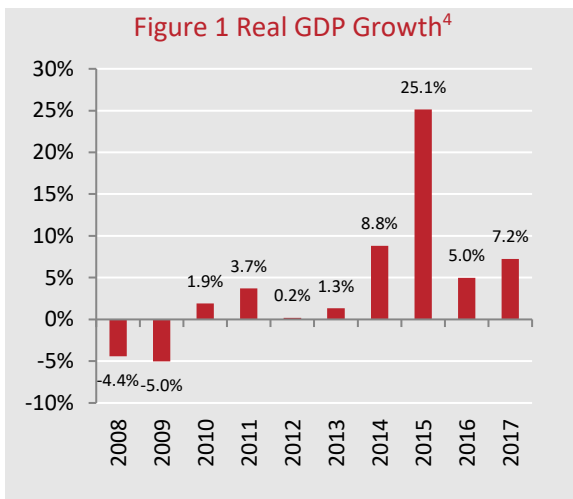
3 Review of Market Trends

In this section, we consider the market context in 2017 for the PSBs. We first look at the wider economic and demographic environment. We then turn to TV and radio, considering: platform mix; trends in consumption; the state of competition for audiences; and developments in advertising.

3.1 The Irish macro environment

GDP

After sharp declines during the crisis and a period of relative stagnation up to 2013, Irish GDP growth in 2017 continued to be healthy. Looking ahead, there is generally a consensus that GDP growth will still be healthy, albeit at somewhat slower rates than in recent years:

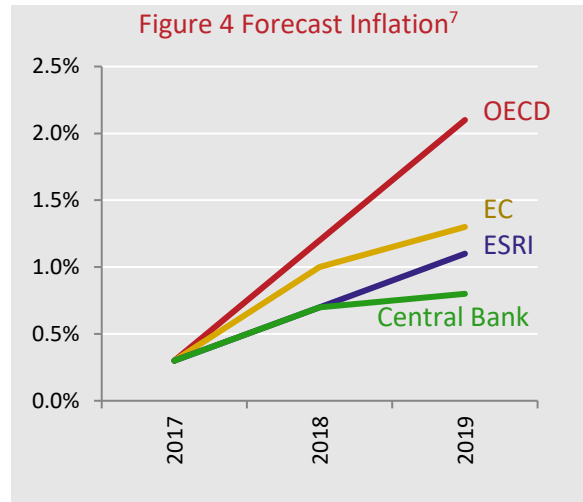
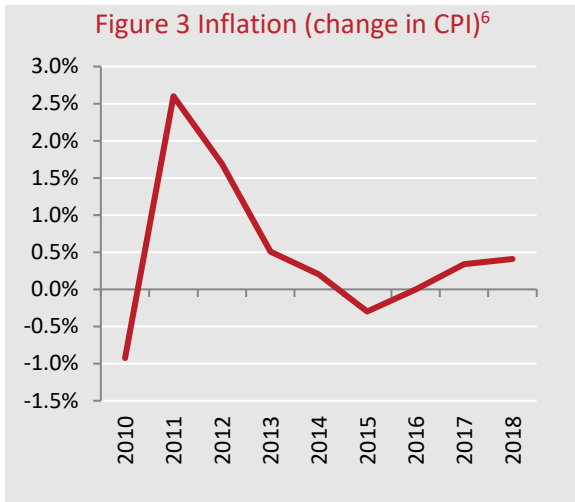


⁴ CSO

⁵ Central Bank, *Quarterly Bulletin*, October 2018; ESRI, *Quarterly Economic Commentary, Autumn 2018*, September 2018; EC, *Summer 2018 Economic Forecast – Ireland*, July 2018; OECD, *Ireland - Economic forecast summary*, 2018

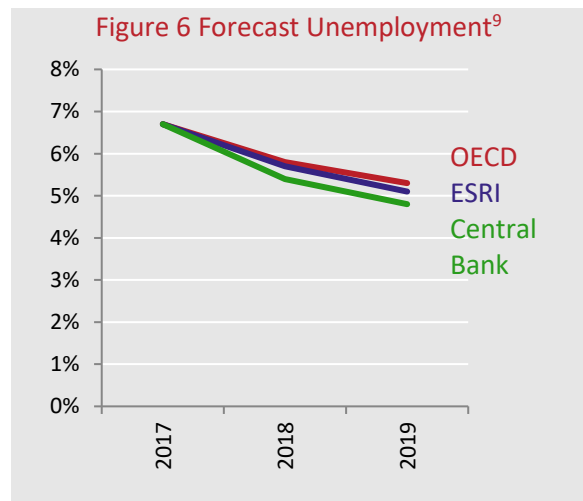
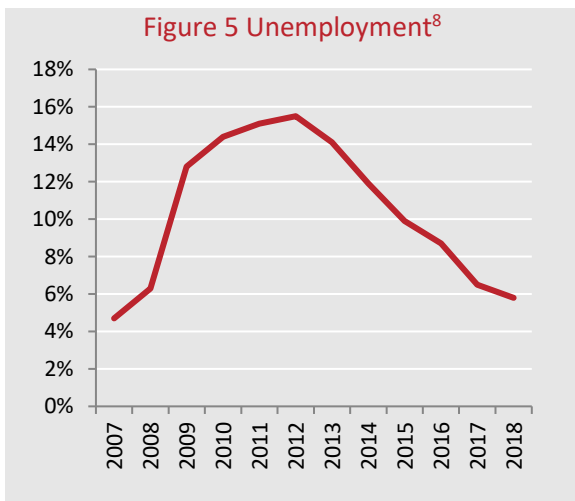
Inflation

Inflation in Ireland has fallen, and in 2017 continued to be close to zero. It is expected that inflation will rise again, but remain modest at roughly 2% or less:



Unemployment

Unemployment in Ireland has also fallen rapidly, though is still not yet at pre-crisis levels. The downward trend is expected to continue, though at a slower pace:



Conclusion

2017 was another strong year for the Irish economy, with robust GDP growth and falling unemployment. Growth was materially ahead of

⁶ CSO, [Consumer Price Index](#) [2018 is average to Oct]

⁷ Per FN 5

⁸ CSO, [Seasonally Adjusted Monthly Unemployment Rates %](#). Figures are for June of each year

⁹ Per FN 5

that forecast at the time of the Five-Year Review (7.2% vs a consensus of around 5%).

While growth is expected to continue to remain strong (in the range of 4-5%), this does represent a deceleration. This may put pressure on PSBs' commercial income, relatively speaking.

Inflation will put moderately increasing pressure on costs but is likely to be a relatively small factor in their overall level.

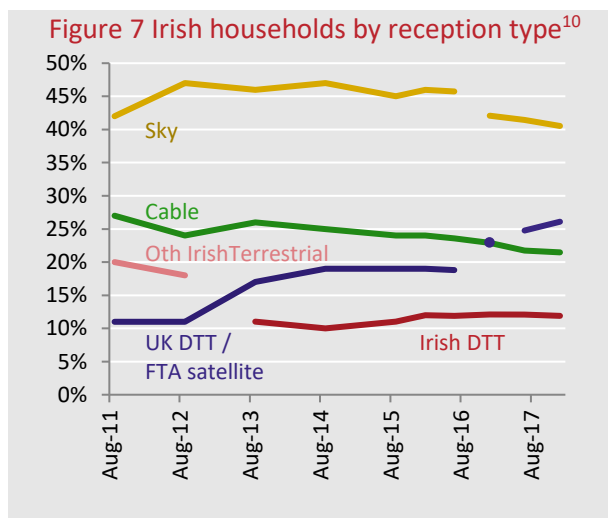
3.2 Television

Platform mix

Since the completion of digital switchover, the mix of TV platforms in Ireland has been broadly stable. That said, there has been a decline in pay TV households, both Sky and cable.¹¹

The implications of platform mix changes for the PSBs are complex. Pay TV households represent a particularly competitive environment for their channels, with many alternatives available, including a wide array of specialist channels, more targeted than the PSBs' multi-genre offerings. Thus, all else being equal, a decline in pay TV might be helpful for the PSBs.

The most benign environment for the PSBs is Saorview (Irish DTT). However, it remains small with just 12% of households using it as their only platform. (That said, 42% households will make use of it on at least one set in the home). Looking ahead, Saorview may benefit from households switching from pay broadcasters to SVOD services but using DTT for 'foundational' linear TV.



¹⁰ Nielsen Establishment Survey

¹¹ As of 2017 Nielsen changed its allocation of 'lapsed Sky' households from the Sky category to the UK DTT/FTA satellite category. From July 2017 web-TV households with no other reception type were added to FTA Satellite. Thus, for these categories figures before and after these dates are not comparable.

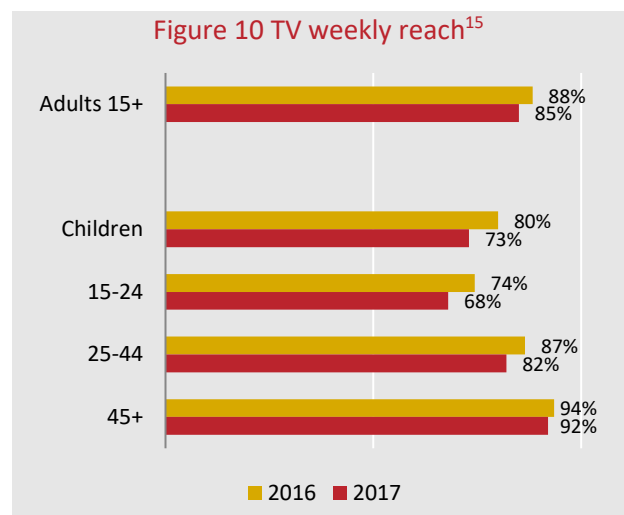
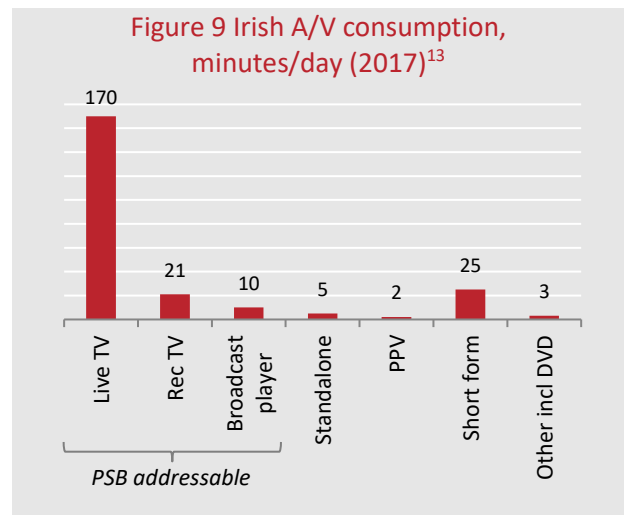
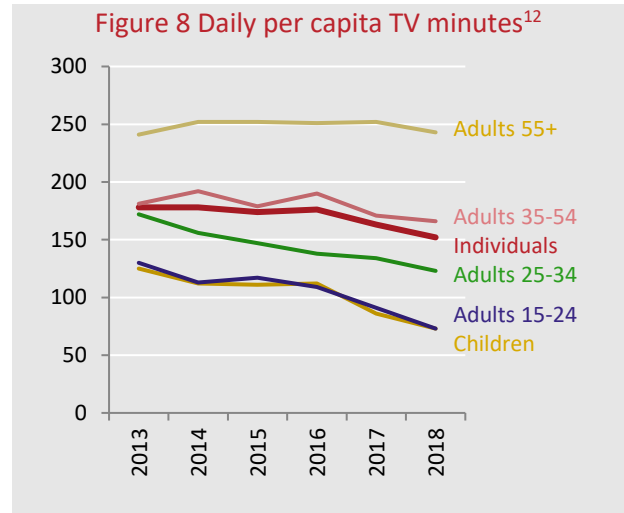
Consumption trends

Individual TV viewing in Ireland (live and via PVR) declined by 7% in the year to June 2017, and by the same amount in the year to June 2018. While all age groups saw a fall, the drop was particularly sharp for children (down 15%) and those aged 15-24 (down 20%).

Despite the decline in broadcast TV viewing (live and recorded), it remains far more important than other forms of video consumption. In 2017, it represented 81% of video consumption by adults (with a further 4% from broadcaster players).

Of course, new forms of video are not the only competition for TV audiences' time. For example, 45% of those in Ireland use Facebook daily. (For Instagram and Twitter, the figures are 16% and 11% respectively).¹⁴

Associated with the decline in TV viewing is a drop-off in reach. In 2017, 85% of adults watched at least a minute of commercial television per week, down from 88% in 2016 (Figure 10). The drop-off has been particularly steep amongst younger audiences. Almost a third of those aged 15-24 watched less than one minute per week of broadcast TV in an average week. (This includes viewing via PVR and via players on the TV set).



¹² TAM Ireland. Figures are for June each year, including time-shifted (via PVR) viewing

¹³ TAM Ireland, [Review 2017](#), 17 January 2018 [Adults 15+]

¹⁴ IPSOS MRBI, [Social Networking Tracker - November 2017](#), February 2018

¹⁵ TAM Ireland, [Review 2017](#), 17 January 2018; [Review 2016](#), 2016. Data is for all commercial channels, including RTÉ and TG4

Competition for audiences

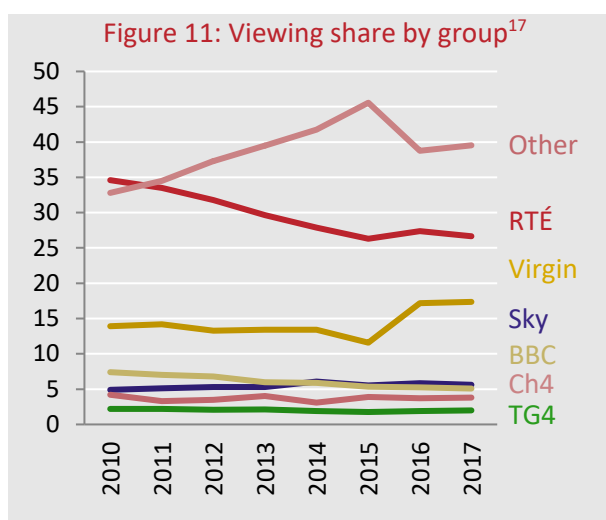
Amongst broadcasters

The structure of the Irish broadcast market was broadly stable in 2017, with Virgin Media’s acquisition complete and no major market entry or exit, or significant channel launches.

The Virgin Media channels are benefitting from a stronger parent, which claims their “share of commercial impacts is 36% bigger than RTÉ Group for Adults 15-44,” an important demographic for advertisers.¹⁶

We discuss PSB viewing in greater detail later,¹⁸ but Figure 11 shows shares stabilised somewhat in 2017, after the sharp changes caused by Virgin Media’s acquisitions:

While not a new issue, all Irish broadcasters continue to face the extra competitive challenges of being an English-speaking market, and adjacent to the UK. These two factors mean that it is easy for both US and UK content to be deployed in Ireland, with its costs recovered over far larger audiences than Ireland-only content might capture.



This issue is exacerbated because some platforms (Sky, Freesat and – in some parts of Ireland – Freeview) serve both UK and Irish audiences. Programming on these platforms reaches Ireland ‘by default’, without even a conscious decision to serve the Irish market.

From VOD players

The adoption of SVOD continues to increase. At the end of 2017, Netflix (which launched in Ireland in 2012) was used by 42% of all Irish households and Amazon Prime (launched in December 2016) in 5% of households.¹⁹

As we have seen, such services do not currently capture a significant percentage of overall viewing (though that percentage is likely higher for young or affluent audiences sought by advertisers).

¹⁶ Virgin Media, [TV Advertising on Virgin Media Ireland](#). Sourced to TAM/Nielsen, H1 2018 [accessed 7 November 2018]

¹⁷ Adult viewing share. Medialive, [Channel Share of Viewing](#) [accessed 7 September 2018] & Communications Chambers analysis. Based on viewing of channels reported by Nielsen, group shares exclude certain smaller channels (eg CBBC for the BBC)

¹⁸ See page 29

¹⁹ ComReg, [Ireland Communicates Survey 2017 - Consumer Survey](#), 23 March 2018

The competitive significance is rather that the high production values of content from the likes of Netflix is resetting audience expectations. This requires broadcasters to ‘put more money on screen’ to compete, particularly in genres such as drama.

The high production values of the SVOD players is enabled by their global scope. Netflix is available in over 190 countries (with China being the main market where it is not available). It has 130m subscribers, paying an average of €8.70 per month.²⁰ This scale allows them to amortise the cost of content over far more viewers than most broadcasters can hope to match, even allowing for international rights sales in select markets.

Competition for adspend

TV broadcasters face competition for adspend both from other media and from other broadcasters. We take these in turn.

TV in the wider advertising market

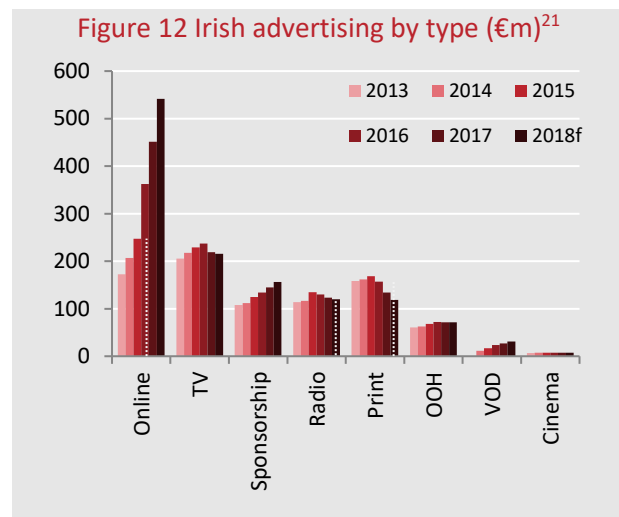
In part because of the robust economy, the Irish advertising market grew by 5% or €55m in 2017. However, online alone grew by €89m, while all traditional media fell by €37m. (VOD grew by €3m).

Online now represents 38% of Irish ad spend, and will continue to grow, driven by increasing hours online, expansion of mobile advertising, and the transition to higher value formats such as video. However, there are some countervailing trends, including advertiser concern regarding effectiveness; uncertain contexts; and ad fraud.

TV advertising in particular contracted by 8% from €237m to €219m, due both to the shift online and to Brexit. Core Media’s forecast for 2018 (made in February) is for a further slight decline to €216m.

Competition between broadcasters

Competition between broadcasters for available TV advertising spend is driven by audience share (discussed above); pricing; and the number of channels carrying advertising.



²⁰ Netflix, *Q3 18 Financials Statements*, 16 October 2018)

²¹ Core Media, *Outlook18*, February 2018, and prior year equivalents. Cinema excluded (approx. €8m per year). OOH is ‘out of home’. Note series breaks for print in 2014, radio in 2015 and online in 2016 – figures before and after these dates for these media should be compared with caution

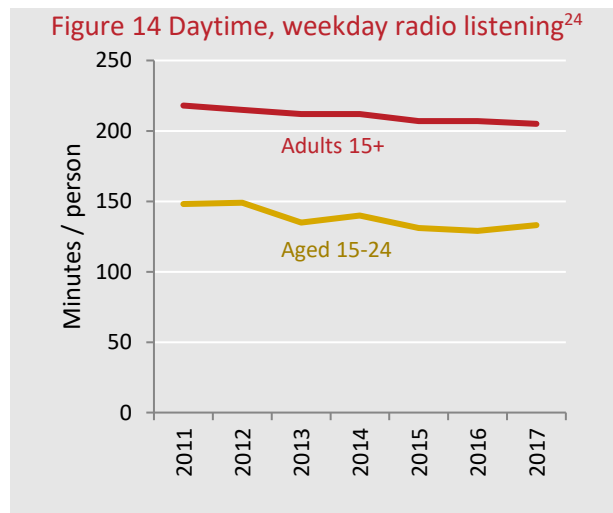
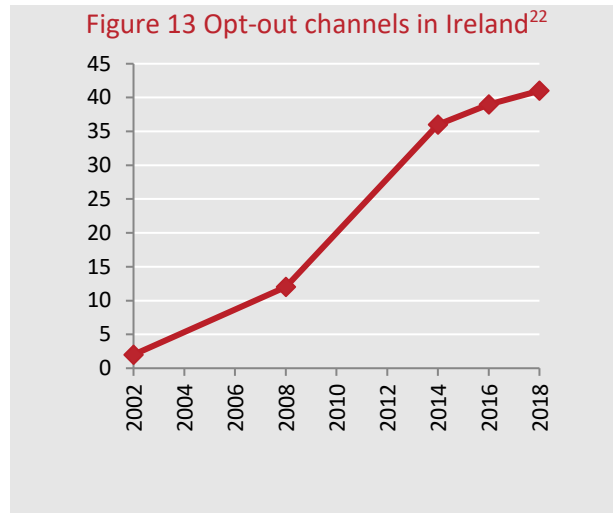
Pricing depends in part on reach. Channels with high reach generally command a premium, since they are more efficient at reaching a wide audience. Thus diminishing reach for RTÉ will continue to put pressure on its share of TV adspend, by (all else being equal) reducing its ad rates.

Further pressure on PSB share of Irish TV advertising comes from the growth of opt-out channels – international channels carrying Ireland specific advertising. Today there are 41 such channels (represented by Sky Media Ireland and Media Link), and they are estimated to capture approximately €50m of Irish TV ad spend.²³

3.3 Radio

Consumption trends

Consumption of radio in Ireland has been relatively steady. While younger audiences listen to less radio, their consumption has not seen the steep drop-off experienced in TV. Overall weekday listening fell by 1% in 2017, to 205 minutes.



²² Dr Roddy Flynn, [“RTÉ need to get with the programme in a rapidly changing TV landscape”](#), *Irish Examiner*, 1 April 2017; RTÉ, [Statement by Dee Forbes to the Joint Committee on Communications, Climate Action and Environment](#), 22 November 2016; Communications Chambers analysis

²³ SPI, [Annual Report 2016](#), 12 April 2017

²⁴ JNLR

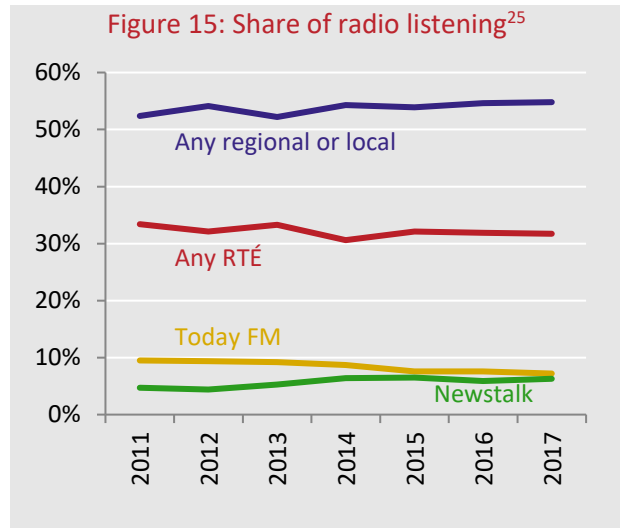
Competition for audiences

The composition of the radio market was broadly stable in 2017, with no entry or exit by commercial stations. (TX FM closed in late 2016).

RTÉ's share was flat in 2017 (31.7% compared to 31.9% in 2016). However, within this, Radio 1 fell from 23.6% to 22.2%, while 2fm rose from 6.0% to 6.8%.

Competition for adspend

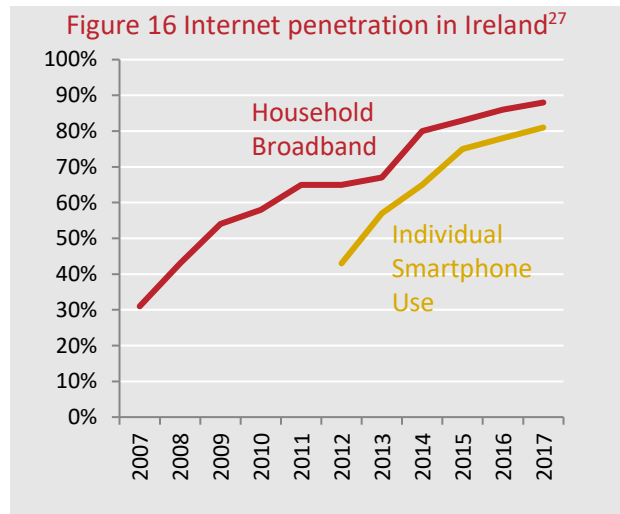
Radio advertising has been in decline as the medium loses share to other media. In 2017, there was a 5% drop in radio ad spend.²⁶ In addition to the threat from other media, radio now faces competition for audio advertising from the likes of Spotify and podcasts.



3.4 Internet

Internet penetration in Ireland is approaching saturation, both for home broadband and for smartphone use. However, while adoption is slowing, usage by those online continues to grow. For instance, traffic per residential broadband line in Ireland grew by 27% in 2017,²⁸ as consumers spend more time online and make use of higher traffic services such as streaming video.

This growth in usage has been one factor contributing to the robust growth of internet advertising mentioned above.



In 2017, VOD was used by a substantial minority in Ireland, with 37% of adults saying they used it daily (and 68% of those aged 16-24). However, broadcaster VOD captures just 18% of this online viewing,

²⁵ JNLR reports for relevant calendar year. Listening from 7am to 7pm

²⁶ Core Media, [Outlook18](#), February 2018

²⁷ ComReg, [Irish Communications Market Quarterly Key Data Report - Data as of Q2 2017](#), 14 September 2017; ComReg, [Irish Communications Market Quarterly Key Data Report - Data as of Q3 2018](#), 13 December 2018; Google, [Consumer Barometer](#) [accessed 19 December 2018]

²⁸ Communications Chambers calculation based on data from Comreg, [Internet Data Q3 2018](#)

behind video-only sites (such as YouTube), SVOD and social media sites.²⁹

3.5 Conclusion

The macro-economic environment for the PSBs was relatively benign in 2017, although there are signs that the economy may weaken somewhat.

The broadcasting markets did not face any new competitive shocks, in the form of significant new entrants or services.

That said, advertising continued to be under pressure, due to Brexit and the rise of digital advertising. Changing patterns of consumption were also a factor, as younger audiences shifted rapidly away from broadcast TV, with an increasing portion of their media consumption online.

²⁹ IAB Ireland, [Video on Demand 2017](#), October 2017

4 TG4 Commitments & Compliance

4.1 Performance against 2017 commitments

Structure of TG4's commitments

TG4's 2017 performance commitments were highly detailed. TG4 had 18 commitments, under which it had a range of more detailed quantitative and qualitative targets. In some cases, the qualitative targets included a number of sub-targets.

For example, under the commitments 'Strengthen TG4's position with younger audiences', TG4 had nine quantitative targets, such as 'weekly broadcast reach with children' and 'audience share with adults 15-34'. It also had eight qualitative targets under this heading, such as 'Social Media / 15-34 year olds' which comprised sub-targets to 'Develop TG4's Social Media presence particularly on Snapchat, Facebook and Instagram' and 'Develop YouTube site to include long-form content'.

Across its 18 commitments, TG4 set itself 116 quantified targets³⁰, and 59 qualitative targets. (Within the qualitative targets, there were many more sub-targets).

Overview of performance

In its *Review of 2017 Performance*, TG4 provided a self-assessment of its performance against each of the 18 commitments. It also reported against its quantitative targets and provided self-assessments for the qualitative targets.

TG4's own rating scheme is 'fully achieved', 'almost fully achieved', 'substantially achieved / ongoing' and 'not achieved'. We have made our own assessment of TG4's performance against its quantitative targets, using these ratings. If performance was within 2% of the target, we have deemed it 'almost fully achieved', and if within 5% 'substantially'. (These figures are of course somewhat arbitrary).

Combining TG4's self-assessments together with our assessments for the quantitative targets gives the results shown in Figure 17. In TG4's view it fully met 13 of the commitments, almost fully achieved one, and substantially achieved four.

³⁰ This figure excludes targets for total figures (eg produced hours of core Irish language content) if there are distinct targets for the component figures (eg news & current affairs, Irish soap and so on)

Figure 17: TG4's performance against its 2017 commitments

Broad heading	TG4 self-assess	Communications Chambers assess of quantitative targets	TG4 self-assess of qualitative targets
1. Twin pole audience perf	●	●●●●○●●●●●●●●●●	
2. Non-linear audience engag'nt	●	●●●●●●●●●●●●●●	
3. Younger audiences	●	●●●●●●●●●●●●●●	●●●●●●●●●●●●●●
4. Northern Ireland & Diaspora	●		●●●●●
5. Audience measurement	●		●●●●●
6. Sub-titling	●	●	
7. Broadcast schedule	●	○●●●●●●●●●●●●●●	●●●●
8. Non-Linear content	●		●●●●●
9. Creativity and innovation	●		●●●●●
10. Irish Production Sector	●	●●●●	●●●●●
11. Digital archive	●		●●●●
12. Irish language & Creative Ireland	●		●●●●
13. Efficiency, Value-for-money	●	○●●●●●●●●●●●●●● ●●●●●●●●●●●●●●○●●●●	●●●●● ●●●●●
14. Partnerships	●		●●●●●
15. Commercial revenues	●	●●●●	
16. Capital plan	●	●●●●●●●●●●●●●● ○●●●●●●●●●●●●●●	
17. Governance	●		●●●●●
18. Compliance	●		●●●●●

Fully achieved: ● Almost fully achieved: ● Substantially achieved / ongoing: ● Not achieved: ○

We note that for commitments 2 and 7 (amongst others), TG4 has rated its performance 'fully achieved', although a number of the associated targets were missed. The two commitments were (in full) "Grow TG4's reach and engagement with audiences across the Player, web and mobile services" and "Develop TG4's broadcast schedule and programming to support delivery of the new twin-pole audience strategy."

TG4 has explained that it regards these commitments as fully achieved, since it did indeed ‘grow reach’ and ‘develop the schedule’, even if particular targets under these commitments were not met.

Performance by commitment

We begin by considering the commitments where TG4 is most cautious on its own performance, namely twin-pole strategy and younger audiences. We then consider some of the other commitments where a material number of associated targets were missed.

Twin-pole audience performance (PC1)

The full twin-pole commitment is “Implement a ‘twin-pole’ audience-focused strategy to rebuild TG4’s resonance with national television audiences and to ensure our content and services are valued highly by our core Irish language audience.” TG4 described its status for this commitment as ‘ongoing’.

For its core Irish language audience, TG4 appears to have performed well, with reach and satisfaction ahead of targets and comparable to 2016. (However, changes to the Fios Físe Panel mean that comparisons to 2016 figures may be unreliable).

However, TG4 missed four national television audience targets. These all related to reach. For example, TG4 set itself a target to hold weekly reach³¹ at 35%, but it fell to 33%. That said, TG4 comfortably exceeded its target for share, which rose from 1.78% to 1.87%.

This apparent contradiction is explained by the decline of total TV viewing and reach. This means all broadcasters have to ‘run to stand still’ regarding reach. TG4’s decline in reach is roughly pro-rata to the decline of overall TV reach. On a related point, while TG4’s viewing share has grown, given the decline in *total* TV viewing, its absolute volume of viewing has fallen slightly.

Younger audiences (PC3)

TG4 also rates as ‘ongoing’ its commitment to “strengthen TG4’s position with younger audiences – children, teens and 15-34 year olds”. Relevant actions in 2017 included its first significant commission for children in over a decade, and a number of new series for young adults. TG4 also invested in a range of non-linear content for these audiences. Such actions were covered by TG4’s

³¹ TG4 uses the TAM standard 1 minute criterion for reach – that is, a viewer who watches just one minute of the channel in a month is included within reach

qualitative targets for this commitment, and TG4 rated them fully achieved.

The quantitative targets were related to the audience results of these steps (though we note that some of the commissioning was for content that will air in 2018 and beyond, and so could not be expected to have impact in 2017). TG4 comfortably exceeded most of its quantitative targets, across broadcast and nonlinear.

The material exception was broadcast reach for adults 15-34. The target was to stay flat at 22%, but the result was a drop of a seventh to 18.8%. (There was no target for children's reach, but this fell by a sixth from 16.1% to 13.3%). As we have seen, TV reach as a whole is falling. However, these drops for TG4 are appreciably steeper than those for these age groups as a whole. This is an acute case of the challenge that all broadcasters face (and PSBs in particular) in trying to reach young audiences.

Non-linear audience engagement (PC2)

TG4's second commitment was to "Grow TG4's reach and engagement with audiences across the Player, web and mobile services." For many of the associated targets, TG4 enjoyed substantial growth, often materially above targeted levels. However, national player streams were well below target, and indeed down on 2016. While we understand that streams have returned to growth in 2018, this is nonetheless concerning given that growth in online consumption has been expected to be an important counterbalance to falling broadcast viewing, particularly for young audiences.

Broadcast schedule (PC7)

As noted, TG4 rated as fully achieved its commitment to "Develop TG4's broadcast schedule and programming to support delivery of the new twin-pole audience strategy." In terms of its qualitative targets, TG4 cites the launch of a new-look *Nuacht TG4*; the cessation of in-house production of linear content; and the success of its revised schedule, evidenced by strong audience results.³²

TG4 rated the qualitative target to 'strengthen *Nuacht TG4*' as fully met, even though news broadcast hours were [3<] % below target (discussed further below). TG4 argues that this shortfall was for reasons beyond their control, but this is perhaps better addressed as an explanation for a missed target rather than as a reason to rate the target as met.

³² Regarding this last point, while TG4 has indeed grown share, it could be argued that this is a 'double count' since audience metrics are considered separately against Commitment 1, 'twin pole audience performance'

The quantitative targets for this commitment related to the mix of broadcast hours by genre and core Irish/national audience split. TG4 exceeded its targets for the national audience, which represented [X] broadcast hours, or [X]% (against a target of [X] or [X]%).³³ This was primarily due to additional sport and entertainment hours ([X] hours over target respectively).

Conversely, for the core Irish language audience, entertainment, drama/soap and N&CA were all down against targets (by [X] hours). Children’s content represented [X] broadcast hours aimed at the Irish language audience, and was [X] hours over target, due to heavier rotation.

Clearly, both the national and core Irish language content contribute to TG4’s twin pole strategy. However, news & current affairs and drama for the core audience would appear to be at the core of TG4’s public service remit. That delivery of broadcast hours were respectively [X]% below target is concerning.

TG4 attributes the shortfall in news hours to two main factors:

- *Longer than expected negotiations with RTÉ.* Under §120 of the Broadcasting Act, RTÉ is obliged to “provide to TG4 programme material in the Irish language of such amounts and at such times as may be agreed between them, being ... the equivalent of one hour of such programme material being provided daily.” News content is part of this provision. However, reaching the relevant agreement is not necessarily simple
- *The transition to the new-look Nuacht TG4.* (The transition was not unexpected – indeed, it was one component of this performance commitment).

Regarding the drama shortfall, TG4 notes that [X].

Efficiency & value for money (PC13)

Under this commitment TG4 had higher than expected cost of sales on commercial income but given that commercial income was well ahead of plan, this is to be expected. The two other missed targets related to the cost per broadcast hour of documentaries and music. However, these had only moderate impact on TG4’s overall CPH, which was [X].

³³ France 24 broadcast hours excluded

Capital Plan (PC16)

TG4 had multiple missed targets under this heading. However, some of these are nominal – for instance, [X]. Overall TG4 had an overspend of [X] against its revised target of [X].³⁴

Compliance (PC18)

Missed targets here relate primarily to a decision to abandon plans to pursue certain audience measures in NI (due to the cost of BARB), and delayed development of brand-tracking research.

Other commitments

Above, we have focused primarily on areas where TG4 faced the greatest challenges. However, there were also areas of significant outperformance, such as commercial revenue, social media use and non-linear use by children.

Conclusion re performance against commitments

TG4 had a large number of commitments and targets for 2017. However, one perspective on them is to group them as inputs and outputs. Inputs are those items entirely or largely under TG4's control – spend, changes in the schedule and so on.

Outputs are those targets that relate to consumption. These are certainly affected by TG4's success with the inputs, but also depend on the wider market, the inherent uncertainty of consumer taste and so on. Complete success on the input commitments is (generally) worth nothing if it does not result in consumption, and so these output targets are critical.

Broadly speaking, TG4 had a very strong performance regarding the input measures. The main exceptions related to targets that involved partnerships, such as that with RTÉ.

However, the output commitments (1-3) had some significant areas of weakness, including national audience reach (all adults and for younger audiences). These highlight the increasingly challenging environment TG4 is facing.

Set against this, TG4 did grow viewing share, perhaps as a result of a schedule that was skewed appreciably more to the national audience than anticipated.

³⁴ The targets were revised as a result of additional capital funding received in 2017 to cover studio upgrades and other capital development

4.2 Adequacy of 2018 Commitments

We now turn to the adequacy of TG4's performance commitments for 2018. We recognise that this is in part an academic exercise, in that, by the time of publication of this document, 2017 will be complete. However, some of our conclusions may be relevant for the formulation of TG4's commitments in future years.

We first consider the commitments against the requirements of the Broadcasting Act, and then turn to an assessment of their scope and level.

Requirements for commitments

The requirements for performance commitments (for both TG4 and RTÉ) are set by section 102 of the Broadcasting Act. In particular, they should:

- Be in accordance with the corporation's objects, strategy and public service statement
- Address children's, Irish language and science & technology programming, as well as printed and recorded audio material produced.

Consistency with TG4's objects

Section 118 of the Act sets out TG4's objects. These primarily address the provision of public service broadcasting, within Ireland and to Irish communities beyond. This includes provision of online services and teletext. TG4's commitments are almost entirely within this set of objects.

A number of ancillary objects are also set out in Section 118, notably the provision of choirs, emergency services, archives, exploitation of commercial opportunities and (with the consent of the Minister) provision of local services. TG4 does not provide choirs, and does not explicitly address emergency services in its performance commitments. It does however have commitments related to archives and commercial opportunities.

Consistency with TG4's strategy

As we have seen in the Five-Year Review of Public Funding, TG4's preferred strategy was based on a significant and immediate uplift in funding which has not come to pass. Thus, the targets set out in that strategy are not necessarily appropriate since TG4 is operating with lesser funding.

That said, TG4's performance commitments are qualitatively in line with the 'twin-pole' strategy set out in the broadcaster's five-year

plan. Moreover, where appropriate, TG4 has set itself *more* ambitious targets than were in that plan. For example, based on a strong 2017 performance, it has set a [X<] % TV share target for 2018, against an expectation of [X<] % in the plan.

Specific requirements

TG4's 2018 commitments address both children's and science & technology content (though for the latter, it targets to spend just €[X<]). Irish language content is of course fundamental to TG4.

The commitments do not address printed or recorded audio material, which TG4 does not provide.

Conclusion

We conclude that TG4's statement of performance commitments meets the requirement of the Act.

Scope and level of TG4's commitments

Overview

As for 2017, TG4 has provided highly detailed commitments and targets for 2018. Across its 17 commitments, it has set out 158 qualitative targets and sub-targets, and 100 quantitative targets. Of these, 13 and 32 have been identified as 'key' targets.

We have considered the targets TG4 has set itself relative to both the targets it set itself in 2017, and the actual performance for that year. The results are as follows:

Figure 18: TG4 2018 Performance Commitments³⁵

		Qual		Quant		Quant Target Level Change vs 2017 ...
		Total	Key	Total	Key	
1	Maintain Nat'l TV share & Irish language pos'n	0	0	10	5	Actual Target
2	Grow non-linear audience engagement	7	4	27	14	Actual Target
3	Develop partnerships for distr'n & availability	7	0	0	0	Actual Target
4	Enhance brand, awareness & appr'n	10	1	0	0	Actual Target
5	Sub-titling	0	0	1	1	Actual Target
6	Invest in factual, live music, cultural & sport	16	0	7	0	Actual Target
7	Improve schedule for Irish speakers	16	0	6	0	Actual Target
8	Partnerships for content and creativity	9	4	0	0	Actual Target
9	Invest in technology & systems	0	0	11	0	Actual Target
10	Invest in independent production	13	4	3	1	Actual Target
11	Expand Irish language archive	9	0	0	0	Actual Target
12	Initiatives to support Irish language & culture	10	0	4	3	Actual Target - - - -
13	Efficiency and value-for-money	3	0	27	6	Actual Target
14	Grow commercial revenues	0	0	3	1	Actual Target
15	Org structure & skills	6	0	0	0	Actual Target
16	Diversity & inclusiveness	3	0	1	1	Actual Target -
17	Governance & compliance	49	0	0	0	Actual Target
		158 13		100 32		
<p>Key: Increase of >3% Change of <3% Decrease of >3% [Colours reversed for overhead costs - e.g >3% decrease in staff cost is shown in green]</p>						

³⁵ Assessment by Communications Chambers

In the chart, green bullets indicate quantitative targets that are up by 3% or more (vs last year's actual result or last year's target, as the case may be). Red bullets are targets that are down by this amount or more, with yellow indicating targets that have seen minimal change. Note that new targets - for instance, those under commitment 12 - do not have prior-year targets to compare to and are shown with a dash. (We have not attempted a similar comparison for the qualitative targets).

Key changes to quantitative targets

Approximately half of the targets represent an uplift, while conversely under a third represent a downgrade, which suggests that TG4 is not being complacent.

One example of an uplift target is weekly TV reach. This has been under pressure and fell from 35% to 33% in 2017. TG4's 2018 target is to [X]%. That said, TG4's target for reach amongst those aged 15-34 is [X].

Other 2018 targets that TG4 is setting *below* the 2017 target or actual figure (or both) include:

- Reach with the core Irish language audience
- Satisfaction amongst this audience
- National player streams (up against 2017 actual, but down against 2017 target and 2016 actual)

However, reduced targets for reach and satisfaction are associated with changes in the measurement of these metrics.

Some other reductions in targets are associated with the development of TG4's schedule. For instance, for the Irish audience, targeted broadcast hours of entertainment and children's is down. Conversely N&CA is up. For the national audience, film and drama is substantially up, and sport too (to a lesser extent). Documentaries, music and entertainment hours are all down for this audience.

Overall, national content is targeted to be [X] hours, versus [X] for the core. This represents a shift of [X] hours to the national audience.

Spend does not directly map onto broadcast hours, both due to changing per-hour budgets and due to the lag between spend and broadcast. The genres seeing material spend increases are music, children's and entertainment. (Sport is roughly unchanged but will continue to represent [X] of content spend). Beyond TV, non-linear spend is to [X].

Finally, TG4 is targeting increased non-content costs in a number of areas. For instance, salary costs are expected to increase [X]. TG4 has noted that recent staff costs were suppressed by extended staff absences. The 2018 salary target is [X].

General overhead costs (excluding salary) are expected to be up [X]%, primarily driven by the expansion of the Fios Fise panel.

Qualitative targets

TG4 provides a substantial number of qualitative targets against its various commitments. A detailed review of these is beyond the scope of this paper. However, many of these relate to issues that appear to be entirely within TG4's operational discretion – for instance, individual programming choices.

Further, a number of them might be regarded as 'hygiene factors'. Examples include 'comply with State Aid rules', 'comply with employment laws', 'comply with the reporting requirements of the Regulation of Lobbying Act', and so on. Clearly it is important that TG4 do these things – it is less clear that they sit naturally within an annual statement of performance commitments.

Finally, some of the qualitative targets are 'soft' – for example, 'Continued development of the organisation structure.'

Conclusions

Level of targets

As we have seen, TG4's commitments meet the threshold statutory requirements. Further, the goals set out by the targets look (in general) to be appropriately ambitious.

However, TG4 has been more ambitious for the national audience than for the core Irish audience. This shift in emphasis towards the national audience is also reflected in the changing mix of the broadcast schedule. Within the limits of its budget, TG4 must inevitably make trade-offs in pursuing its twin-pole strategy.

In common with other PSBs, TG4 faces the challenge of growing its digital offers and (as a related point) retaining younger audiences. Some of TG4's digital targets appear modest – [X]% growth in Player hours watched, and [X]% in social media video views. We do not underestimate the challenges here – the environment is highly competitive – but it may be worth asking the question whether such growth rates will be sufficient to compensate for the contraction of linear viewing. If not, then in the longer term TG4's strategic position will be in doubt.

For younger audiences, TG4 is targeting a TV reach of [8<] amongst those aged 15-34, down from 18.8% (and 22% in 2016), notwithstanding the investment in the national audience, the primary driver of reach.³⁶ We do not suggest this is too easy a target, given the wider market trends, but it does highlight the extent to which TG4 is 'managing decline' with this age group in this medium. It may be that a metric that looked at 15-34's cross-media usage of or attitude to TG4 would be helpful. This would provide a perspective on whether TG4 was retaining an overall relationship with this audience, even as TV viewing declined.

Choice of indicators

In an environment with declining TV viewing, share has the potential to be a misleading metric, since steady share may still represent an absolute contraction. TG4 has addressed this by setting not only a target to 'hold the line' on national share, but also to grow reach. Targets for TVR or viewing time, both overall and for key demographics, would be worthwhile, potentially as a substitute for share.

With regard to reach, it is important to specify a meaningful metric. We understand that TAM's standard definition of reach is 'one minute of viewing per week'. It is debatable, in our view, whether this represents real, valuable engagement – it could be achieved simply by channel-hopping. We suggest that the broadcasters consider tracking a more significant 'reach' metric. A further option would be a 'loyalty' metric: for example, the proportion of the audience that watches more than x times per week. 'Loyalty' metrics are particularly useful for online services where time spent is a problematic measure (see section 7.1).

Number of targets

More generally, we note the very large number of targets TG4 sets itself – more than 250. The broadcaster has identified a subset of these as 'key' targets, but there are 45 of these. It may be that having so many targets dilutes the impact of those that are fundamental to the organisation. It certainly adds to the administrative burden of TG4, in establishing them in the statement of performance commitments, tracking them, and then reporting back against them in the annual review. The associated level of detail may also reduce TG4's operational room-to-manoevre regarding matters that are properly for its own discretion.

³⁶ Note that this reach will include those who do not watch linear TG4, but do watch TG4 programming on demand via the TV set

We understand that TG4 is moving towards a shorter list of commitments and targets for 2019, and we welcome this development.

4.3 Commercial revenue maximisation and overcompensation

Commercial revenue maximisation

The Broadcasting Act requires that the commercial activities of TG4 (and RTÉ) are “operated in an efficient manner so as to maximise revenues”.

In 2017, TG4 grew its commercial income from €3.6m to €4.1m (or up 13%) due to a material growth in airtime sales. Net sales grew from €2.8m to €3.1m (or up 10%). This growth was in part driven by TG4’s growth in viewing.

However, the TV market as a whole contracted by 8%. Thus TG4’s income growth is likely driven not just by its viewing but also by an increase in yield relative to other broadcasters.

We therefore conclude that TG4 has been operated in an efficient manner to maximise its revenues.

Overcompensation

Clause 71 of the European Commission’s guidance on State Aid, requires that “the amount of public compensation does not exceed the net costs of the public service mission”. In 2017, TG4 had a deficit on ordinary activities of €2,000, and thus it meets this test.

5 RTÉ Commitments & Compliance

5.1 Performance against 2017 commitments

Structure of RTÉ's commitments

RTÉ had 18 performance commitments, and 74 associated targets. The great majority of RTÉ's targets are quantitative

Overview of performance

RTÉ assessed its performance against its targets as follows:

Figure 19: RTÉ's performance against its 2017 commitments

Broad heading	
1. Comprehensive portfolio of media services, which together reach across the spectrum of audience age groups to serve multiple needs	●●●●●●●●●●●●●●●● ●●●●●●●●●●●●●●
2. Connect with lives of Irish people, to be trusted & accountable	●●●●●●●●○
3. Reshape TV services to meet the changing needs of audiences	●●●●●
4. Reshape radio services to meet the changing needs of audiences	●●●●●●●●●●●●
5. Develop digital services to meet the changing needs of audiences	●○○○○
6. Strong modern Irish source of News & Current Affairs	●●●
7. Quality Irish content for children	●
8. Reach out to all Irish language speakers	●
9. Deliver the big national events	●
10. Use digital tech to enhance quality and accessibility of its services	○
11. Support and promote innovation	●●●●●●●
12. Bigger, more ambitious and more inclusive Arts and Culture content	●
13. Meet interim budget target	●
14. Deliver value for money	●●●●●●○
15. Operate RTE's commercial activities efficiently	●●
16. Highest editorial standards	●●●●●
17. Demonstrate leadership in access services	●
18. Highest standards of corporate governance and business reporting	●●
Fully achieved: ● Largely achieved: [● if within 2% of target, ● if within 5%] Not achieved: ○	

RTÉ did not provide a combined score for each of its 18 commitments. However, target-misses were primarily in ‘comprehensive portfolio of media services’, ‘reshape digital services’, ‘digital tech’ and (to a lesser extent) ‘value for money’. We start with these commitments.

Performance by commitment

Comprehensive portfolio of media services

This commitment – in full, “RTÉ to provide a comprehensive portfolio of media services, which together reach across the spectrum of audience age groups to serve multiple needs” – is anchored in a range of consumption targets. These cover share, reach, unique users and so on, depending on which of RTÉ’s services is being considered. Key ‘misses’ were as follows:

RTÉjr was targeted to slightly increase reach amongst 4-7s to 16%. Instead, it fell to 14%. As we have seen, TV reach has fallen sharply for children, and RTÉ has not been able to buck this trend.

RTÉ Radio 1 was targeted to increase its reach amongst 35-54s from 22% to 24% and maintain adult share at 24%. In fact, reach fell to 21% and share to 22%. Regarding reach, RTÉ says “This was an ambitious target following a strong year for the station in 2016. The number at work also increased in 2017, reducing the available audience.” However, RTÉ’s reach actually fell in 2016 – the 24% target simply represented a return to the 2015 level. Moreover, reach for radio as a whole (across all stations) increased in 2017, notwithstanding the number at work.

RNN saw a reach drop from [X]% to [X]%, well below its target of 22%. RTÉ sees this as a result of the migration to mobile and is considering the future of the RNN service.

The RTÉ Archives maintained an ‘ever used’ rating of [X]%. The target was for [X]%, an aggressive increase.

While RTÉ met its other targets under this commitment (or almost so), this did include some significant declines, anticipated in the targets. Notably, RTÉ2’s peak TVRs among 15-34s fell from 2.0 to 1.5, and its peak share with this audience dropped from 9.1% to 8.1%.

Monthly streams also fell (7.8m to 7.5m)³⁷ – as with TG4, this drop off in streaming is concerning. However, RTÉ has indicated that

³⁷ These figures include audio and streams outside the Player

growth in 2018 will be in the region of [X<]%. In part it attributes this drop in 2017 and rise in 2018 to the special events in 2016 and 2018.

Areas of strength for RTÉ under this commitment included online reach, Player reach and online news unique browsers, all of which saw material growth ahead of target.

Develop digital services

RTÉ had four targets under its commitment to “develop its Digital media services so as to best meet the changing needs of audiences with compelling content”. These related to perceptions of the RTÉ Player and RTÉ.ie. Most notable were the scores for perception that the Player and RTÉ.ie ‘offer a good range of content’. These fell to [X<]% (for each), down from [X<]% respectively. RTÉ notes that this may be due to a change in the methodology of the underlying tracker survey. Moreover, RTÉ ranked first or first equal amongst its comparator sets for each of the Player and RTÉ.ie. For example, 33% of respondents said YouTube offered a good range of content, the same figure as for the Player.

Use digital tech to enhance quality & accessibility of services

This commitment was also based on surveyed perception, specifically that “RTÉ programmes and services are easily accessible on a range of devices”. This dropped from [X<]% to [X<]% (against a target of ≥80%). Again, RTÉ speculates that this may be due to the change in the research methodology.

Subject to rights costs, RTÉ has been seeking to make its content available on a wide array of platforms and services. For example, in November 2017 Saorview Connect was launched. However, to the extent to which the drop in score is not an artefact of the methodology change, it may in part reflect rising consumer expectations. For example, as more people experience Netflix, with its ease of use, personalised recommendations and so on, the more they may expect of RTÉ.

Value for money

RTÉ largely met its targets under this commitment. The main exception was RTÉ 2fm, which had actual public funding of €6.7m, against a target range of €[X<]m. This was due to a €[X<]m shortfall in commercial income. RTÉ attributes this to a change in rate card, which made Radio 1 relatively more attractive. (While 2fm had good audience growth in 2017, there is a lag for commercial revenue growth, since media budgets are allocated in advance for the year ahead).

Other commitments

Other missed targets included commercial revenue ([<])% behind the interim budget); delayed implementation of a diversity strategy, continuing falls in the perception of the quality of RnaG; and less than expected spend on training.

Conclusion re performance against commitments

Overall RTÉ performed relatively well against its commitments. The key misses (if we accept that some of the perception issues may be driven by survey methodology change) were around consumption metrics for RTÉjr and RTÉ Radio 1. While only moderately behind target, the [<])% shortfall in commercial revenue is also significant.

However, some of this strength against targets is because some of the targets anticipated material erosion. For example, as we have seen, RTÉ2's peak time share amongst 15-34s was 8.1%. This was down from 9.1% but ahead of a target of 7.7%. (By contrast, TG4 targeted essentially flat share for this group, and exceeded it). Other 'down but ahead of target' metrics include Player streams, quality of RTÉ Radio 1 and trust in RTÉ's news.

5.2 Adequacy of 2018 Commitments

Requirements for commitments

As for TG4, the requirements for RTÉ's commitments are set out in the Broadcasting Act. They must be in accordance with the corporation's objects, strategy and public service statement, and address children's, Irish language and science & technology programming, as well as printed and recorded audio material produced.

Consistency with RTÉ's objects

Section 114 of the Act sets out RTÉ's objects. These primarily address the provision of public service broadcasting (both TV and radio), within the island of Ireland. This includes provision of online services and teletext. RTÉ's performance commitments largely address these objects.

Other objects set out in Section 114 include the provision of orchestras, emergency services, archives, operation of multiplexes, exploitation of commercial opportunities and (with the consent of the Minister) provision of local services. RTÉ does not explicitly address multiplexes, emergency services or local services in its performance commitments, but has targets associated with the other objects.

Consistency with RTÉ's strategy

RTÉ's strategy (as laid out for the Five-Year Review) seeks to position the broadcaster for what it calls a "third phase" for national public service media, and proposes that RTÉ should become a "fully integrated multi-media organisation."

While seeking to remain Ireland's main broadcaster for all audience groups and offering the widest range of locally produced public programming, it recognises the need to strengthen its appeal to younger audience groups and extend its content into new digital media and platforms.

RTÉ's key proposals to enhance its content and services include: a significant shift in budget from broadcast TV and radio to online, especially in news and content for younger audiences; increased spend on high quality Irish programming, particularly drama, entertainment, factual and arts; and creation of a Digital Lab to produce multi-genre on-demand content.

These steps are supported by a reorganisation, designed both to make RTÉ more cost efficient, but also more audience centric.

RTÉ's performance commitments are in line with this strategy. As we discuss in more detail below, it has moved away from service specific targets, and towards more audience-focused targets (on a cross media basis). RTÉ is also targeting growth in online consumption. This is matched by a shift in spending. The Statement of Commitments anticipates falling or flat funding for almost all services but calls for [3x] spend on online services, from €[3x]m to €[3x]m.

Specific commitments

RTÉ's commitments include targets addressing children's and Irish language content. An example of science and technology content is mentioned in the discussion in the ASPC. Printed and recorded audio content is not mentioned (though both are a very small part of RTÉ's operations).

Conclusion

We conclude that RTÉ's statement of performance commitments substantially meets the requirements of the Act.

Scope and level of RTÉ's commitments

Overview

For 2018, RTÉ has taken the opportunity to significantly simplify its performance commitments, with six commitments and 34 targets (compared to 18 commitments and over 70 targets for 2017).

It has dropped a number of commitments related to the performance of individual services, such as ‘RTÉ2 peak TVRs among 15-34s’. However, cross-platform targets for reach, and platform targets for share (e.g. 26% share of adult TV viewing) have been retained.

RTÉ has also added some overarching, research-based targets, such as “Maintain public perception that RTÉ has high quality content and service.”

Figure 20: RTÉ 2018 Performance Commitments

Commitment	Targets	Target Level Change vs 2017 ...
1 Put the audience at the centre of decision making	2	Actual ● ●
		Target - -
2 Be where the audience is	9	Actual ● ● ● ● ● ● ● ● ●
		Target ● ● ● ● ● - ● ● ●
3 Provide trusted, challenging and engaging content	3	Actual ● - ●
		Target ● - -
4 Champion Irish culture	6	Actual ● ● ● ● ● ●
		Target ● ● - ● ● ●
5 Celebrate diversity and cultivate Irish talent	8	Actual ● ● ● ● ● ● ● ●
		Target - - ● ● ● - - -
6 Protect the future of PSM	6	Actual ● ● ● ● ● ●
		Target - ● - ● - ●
34		

Key: ● Increase of >3% ● Change of <3% ● Decrease of >3%
 - No prior year comparison
 [Colours reversed for opex - e.g. >3% operating cost is shown in green]

Key changes to targets

There are 14 new targets, and for these, comparisons to the 2017 target are obviously not possible. However, where comparisons are possible (either to 2017 actual or target), in roughly two-thirds of cases there has been no material change. In a sixth of cases, the target has been raised, and in a sixth the target has been reduced.

The reach targets are a case in point. RTÉ has set targets of [X]% reach overall, and for each of 18-34, 35-54 and 55+ (on a cross-media basis). These targets are [X].

That said, RTÉ is already super-serving older audiences. It seems appropriate to have a softer (though still high) target for this age group, to allow resources to be redeployed to younger audiences, where RTÉ’s position is more challenging.

One other notable change is a reduction in the target for RTÉjr's reach with those aged 4-7. Last year's target was 16%, but this has been dropped to 14%, in line with last year's actual performance.

Conversely, RTÉ has set itself some increased targets. In particular, its targets for mobile and online reach and streams are each up around 6% from 2017 actual results.

Financial targets

Under the commitment to 'Protect the future of PSM', RTÉ has a number of financial targets. One relates to RTÉ's profitability. The budget is for a deficit of €[<]m. In part, this relates to special events costs of €[<]m (associated with the World Cup, Papal visit and presidential election).

However, even without these costs, RTÉ would be operating at a loss. Further, such costs recur roughly every two years - there will be the Olympics in 2020, for example. An RTÉ that was breaking even across the cycle would be profitable in 'odd years' to compensate for losses in even years. Instead, RTÉ is proposing to spend at a level that means it is loss-making even before special events.

This represents the continuation of a trend discussed in the Five-Year Review. In the 20 years to 2016, RTÉ made cumulative losses of almost €300m (inflation adjusted, and excluding the €157m gain on the 1999 sale of Cablelink). While there have been periods of profitability, over the long term RTÉ is outspending its income.

Conclusions

RTÉ's commitments broadly meet the statutory requirements. In particular, they appear to be aligned with the broadcaster's strategy.

RTÉ has de-emphasised share as a metric. As discussed above under TG4,³⁸ this is appropriate, since viewing share has the potential to be a misleading metric. It is also positive that RTÉ is setting itself relatively more challenging targets for those aged 18-34 and plans to hold reach for this group roughly steady. However, RTÉ may wish to consider one or more additional targets focused on this group. Reach is helpful, but does not tell us about depth of relationship, and building a strong relationship with younger audiences is critical for RTÉ.

As for TG4, time spent or 'loyalty' indicators (such as high-volume reach, frequency of consumption or number of services used) represent other options. A particular advantage for RTÉ is that these

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can provide an overall cross-platform view but also be broken down by audience or service. For example, RTÉ could have an overall target for the amount of time audiences spend with all RTÉ services, that could then be apportioned to different parts of its portfolio.

As we have noted, RTÉ has raised its targets for online, including a goal of 6% growth for streams (compared to about [3<]%) for TG4). However, this needs to be seen in context of streamed viewing's current small share of overall viewing. We crudely estimate that streams represent around [3<]% of viewing to RTÉ's TV content (with the other [3<]% consumed by live broadcast or PVR).³⁹ This means [3<]% growth in streaming consumption can only compensate for [3<]% decline in live and PVR viewing. However, per capita TV minutes fell by roughly 7% in the last year.⁴⁰ In other words, RTÉ's targets appear to embed a diminishing relationship with audiences for AV content.

This may be the inevitable consequence of a challenging market for broadcasters (and PSBs in particular), coupled with the absence of funding increases for RTÉ that have been recommended.

5.3 Commercial Revenue maximisation and overcompensation

Commercial revenue maximisation

In 2017, RTÉ's commercial revenue fell from €158m to €152m, or 4%. This was largely due to a €6.7m (or 6%) drop in overall advertising income. Within this, for TV and radio RTÉ's decline appears to have been in line with the market, or slightly ahead (broadly consistent with its roughly flat consumption share).

However, RTÉ saw a 12% drop in its digital advertising and sponsorship revenues, which RTÉ attributed to sharp falls in pricing. The digital market overall saw growth of 25%, though much of this will have gone to international players such as Amazon and Facebook. More generally, as supply of online advertising increases (due to more time online and heavier deployment of mobile advertising), publishers have to grow to stand still. It is not clear that RTÉ's growth in online usage is sufficient to sustain its online revenues – though this does not imply that they are being inefficient in monetising the usage they have.

³⁹ Calculation based on assumptions of 45 mins per stream, 50% of consumption via the TV set (so already picked up by TAM) and 1.25 viewers per non-TV stream

⁴⁰ See Figure 9

Overall, we do not have reason to believe that RTÉ is not operating efficiently to maximise revenues.

Overcompensation

In 2017, RTÉ had a deficit from operating activities (before exceptional items) of €4.3m, which would suggest that “the amount of public compensation does not exceed the net costs of the public service mission, taking also into account other direct or indirect revenues derived from the public service mission”, the test set out in the PSB state aid guidance. In turn, this argues against there having been any overcompensation.

That said, as we have noted RTÉ also benefited from an exceptional item of €69.9m (€99.5m from the Donnybrook sale less €29.6m in restructuring and other charges). As a consequence, including exceptional items, its operating profit was €65.6m, or €42.1m after net interest and tax.

This surplus is in excess of the 10% of annual budgeted expenses that is the default cap under State Aid rules (set out in the 2009 Communication) which PSBs can carry in their reserves to the extent that it is necessary for securing the financing of their public service obligations.⁴¹ However the 2009 Communication states that this cap may be exceeded if the excess "is specifically earmarked in advance of and in a binding way for the purpose of a non-recurring, major expense necessary for the fulfilment of the public service mission".

We understand the excess was so earmarked and as such, this can be carried forward in RTÉ’s reserves. We also understand the expenditure of this excess will be monitored as part of future Annual Reviews. Based on this, we can conclude that there does not appear to be any issue of overcompensation as at 31 December 2017.

⁴¹ EC, [*Communication from the Commission on the application of State aid rules to public service broadcasting, 2009/C 257/01*](#), 27 October 2009

6 Adequacy of Funding

6.1 The current review and the Five-Year Review of Public Funding

‘Triangulation’ from the conclusions of the Five-Year Review

The Broadcasting Act specifies in §124(2) that annual reviews shall consider “the adequacy or otherwise of public funding to enable the corporation to meet its public service objects”. The Act, at §124(8), uses identical language in describing one of the requirements of the five-yearly review.

The Authority reached its conclusions for the most recent five-yearly review in April 2018. Prospectively, this review considered the broadcasters’ strategies for 2018-2022.

The underlying analysis was conducted largely in Q4 2017 and was based in part on historical evidence for 2013-2016. It was supported by detailed work by the broadcasters on market developments, their respective positions in the market, their strategies for the years ahead and forecasts for their financials under both ‘preferred’ and ‘flat cash’ scenarios.

Given the depth and recency of this previous analysis, our starting point for this analysis of the adequacy of public funding is the conclusions reached by the Authority in April 2018. Our focus is on whether there have been market developments, developments in public funding or developments within the PSBs which would suggest that these conclusions should be amended. We refer to this as a ‘triangulation’ approach, as opposed to a more detailed, bottom-up approach (such as that taken in the Five-Year Review).

Conclusions of the previous Five-Year Review

The Authority’s conclusions were published in October 2018, and were as follows:

“The BAI’s review concludes that both RTÉ and TG4 continue to deliver value for Irish audiences and submits that there is a strong justification to support increased levels of funding for each of the broadcasters which should assist them in meeting environmental, technological and financial challenges while also fulfilling audience expectations, both now and into the future ... [I]n the case of RTÉ, there has been no television licence fee increase in over ten years. Funding recommendations for TG4 have not been fully

realised either, despite an increasingly competitive environment for content – both linear and non-linear.

RTÉ

The BAI recommends, at a minimum, that RTÉ should receive an increase in its annual public funding of €30m per annum. Given the urgency of RTÉ's current funding position, the increased level of public funding recommended should be available to the broadcaster immediately.

As set out in the report, the BAI believes that there may well be a case for increased funding in excess of €30m per annum and remains open to receiving further detailed proposals from the broadcaster over the period of its 2018-2022 Strategic Plan, aligned with its statutory remit.

TG4

The BAI recommends an increase of €6m per annum in public funding for TG4. It is the view of the BAI that this increase should have full effect from 2018 and onwards over the period of TG4's strategy.

The BAI believes that both funding increases are justified, as, in its view, the funding currently available is not sufficient to ensure the broadcaster's sustainability."⁴²

These recommendations are the starting point to our analysis of the adequacy of public funding in the context of this annual review.

6.2 Recent market developments

Over the last year (since the previous market review), key changes have been as follows.

GDP growth has been ahead of expectations, by approximately two percentage points in 2017 and 2018 (forecast), and inflation has been slightly below. However, that benign macro-economic environment has not fed through to TV advertising. At the time of the Five-Year Review, this was expected to be flat in 2017. In actuality, it was down almost 8%, with a further 1% anticipated in 2018. (We discuss below how this has affected each of the PSB finances).

The broadcast market has continued to be increasingly competitive, with (for example) VOD players such as Netflix growing more

⁴² BAI, [Broadcasting Authority of Ireland Statement on Five-Year Review of Public Funding](#), 1 October 2018

important. Viewing of broadcast TV has continued to decline, but broadly in line with recent trends. Viewing share for the broadcasters has also been broadly stable.

Thus, in terms of the wider market, the key new development has been a sharp and somewhat unexpected downward step in advertising, to which Brexit has been a contributing factor.

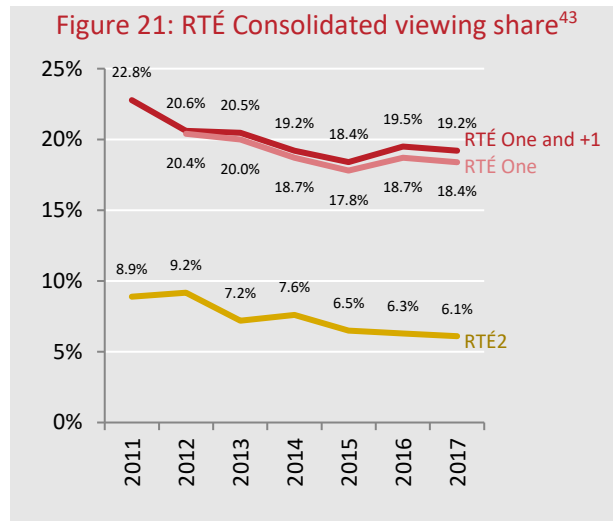
6.3 RTÉ’s funding

Recent developments at RTÉ

The starting point for the RTÉ five-year plan was the 2017 budget. We consider here how the actual figures for 2017 compared to this budget, as well as any other recent developments that will affect the broadcaster’s financials in the years ahead.

Audience performance

RTÉ lost viewing share in 2017, with RTÉ One (and its +1) falling from 19.5% to 19.2%, and RTÉ2 falling from 6.3% to 6.1%.⁴⁴ While RTÉ One and its +1 have had broadly stable share in recent years, this combination has benefited from the gradual roll-out across platforms of RTÉ One +1. (For instance, it launched on Sky at the end of 2015). The +1 channel now has 0.8% share and is available on all platforms, and so will not offset any further declines in the parent channel (unless its hours are extended – see below).



Radio too was down, with RTÉ stations dropping slightly from 31.9% to 31.7% share. Page views were up 3% to 150m/month and Player streams up 2% to 52m/year.

Commercial Revenues

Budgeted 2017 revenues were €[X]m, whereas the actual result was €338m. This [X] shortfall was entirely due to lower than expected commercial revenue, which was €[X]m below budget [X] at €152m. This reflects the highly challenging advertising market in 2017. [X] In 2018, RTÉ expects [X].

⁴³ TAM Ireland, Individuals 4+

⁴⁴ RTÉ, *Annual Report & Group Financial Statements*, 26 April 2018

While both TV and radio advertising were down in 2017 (6% and 2% respectively), the sharpest fall was in digital advertising (12%). RTÉ attributed the fall in digital to “steep falls in pricing and intense competition”.⁴⁵ RTÉ’s very moderate volume growth was not sufficient to offset these price drops.

While online is important as a means to reach audiences, the strength of pure digital players such as Facebook and Google mean it is not likely to be a major source of revenue growth for RTÉ.

One development anticipated in RTÉ’s plan was extended hours for RTÉ One +1 and the launch of RTÉ2+1. These changes may generate net revenue of [X] annually but are pending Ministerial approval.

Licence fee revenues

Licence fee income in 2017 was €[X]m ahead of budget. For 2018, RTÉ’s preferred scenario included [X]. In reality, the Government provided a €1.5m step for 2018 and €8.8m for 2019, a combined shortfall of €[X]m against RTÉ’s expectations.

RTÉ also planned, based on a further €[X]m over 2020-22, for a total increase of €[X]m by the end of the period, relative to 2017.

As we have noted, the Authority’s recommendation was for an increase of at least €30m (of which €8.8m has already been provided). Thus, relative to the Authority’s recommendation, €21.2m is yet to be granted.

Costs

For 2017, RTÉ’s actual operating costs (excluding depreciation) were €335m, below the broadcaster’s budget for the year of €[X]m by €[X]m. They were also below the 2016 total of €343m, though that year had more special events.

Costs were down in virtually every category. The key exceptions were commissioned and acquired programming (up €3m and €2m respectively). These increases were more than offset by an €11m reduction in in-house production costs.

At the time of the previous analysis, RTÉ was commencing a Voluntary Exit Programme (VEP) and restructuring, though this did not have material impact within 2017. Over time, it was anticipated to result in savings of [X]. As of June 2018, annualised savings of €[X]m had been achieved via the VEP[X], with content changes delivering a further €[X]m.

⁴⁵ RTÉ, *Annual Report & Group Financial Statements*, 26 April 2018

RTÉ believes that [X].

([X] While it may be possible to imagine an RTÉ that produced the same services at lower cost, the practical question is how quickly RTÉ can get there. Given the legacy of non-compulsory redundancies in the public sector / commercial semi-states, RTÉ does not feel it has been in a position to invoke mandatory exits. This inevitably reduces its ability to manage costs out (particularly given that costs have already been materially reduced over the past decade). Put another way, one might argue that RTÉ is 'efficient within the constraint of voluntary-redundancies-only').

RTÉ is also changing its orchestras provision in light of the Boaden/Mediatique review⁴⁶ and a subsequent Government decision. It anticipates this will result in savings of roughly [X]m from 2019 onwards.

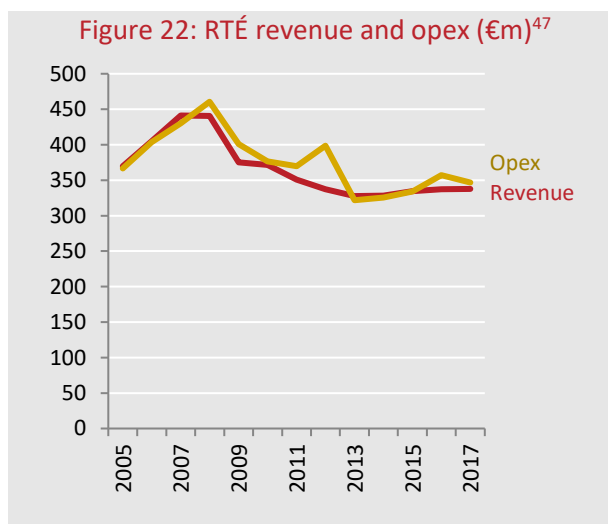
Looking ahead, RTÉ is seeing upward pressure in [X] costs. It has also received a pay claim from the RTÉ TUG.

Overall, while there are differences in the detail, RTÉ anticipates that its 2019 operating costs will be broadly in line with the €[X]m it anticipated in its 'preferred scenario' in the Five-Year Review. However, this scenario *also* included an increment of €[X]m in public funding (over 2017) as well as a small increase in commercial revenues. These may not be safe assumptions.

Net position

In 2017, RTÉ had EBITDA of €3.1m, in line with the budget. Depreciation and amortisation net of gain on disposal of assets was €7.3m, ahead of the budgeted €10m.

RTÉ also benefited from an exceptional item of €69.9m. This comprised €99.5m from the sale of 9 acres of the Donnybrook site (net of associated costs), less €29.6m in restructuring and other charges. The €29.6m covers – amongst other items – the payments made to individuals choosing to leave under the



⁴⁶ Helen Boaden & Mediatique, *RTÉ Orchestras – Ensuring a sustainable future*, April 2018

⁴⁷ RTÉ Annual Reports; opex includes depreciation

VEP. Under state aid guidelines, the net gains from this sale may not be used for current expenditure purposes.

Recommendations re RTÉ

RTÉ now operates in a more challenging advertising environment than expected. This *may* bounce back once Brexit is resolved, but there is no guarantee of this. It is also concerning that TV advertising has been under such pressure even while GDP growth has been strong. This is a downside development relative to expectations at the time of the Five-Year Review.

On costs, RTÉ has found other cost savings to compensate the poorer than expected performance of the VEP. However, it is concerning that RTÉ still sees its cost trajectory matching that of its preferred plan, which was based on significantly higher revenues. Simply looking at the €[X]m shortfall in licence fee income relative to RTÉ's expectations, this suggests a deficit of €[X]m in 2019.⁴⁸

Even this understates the challenge, since it would require an appreciable recovery in commercial revenue. Moreover, 2019 is a year with limited special events,⁴⁹ which can add €[X]m to costs in 'even' years. Thus on a smoothed basis (averaging special events costs and allowing for poorer than anticipated commercial revenues), RTÉ could face a deficit in the region of €[X]m for 2019. [X].

In conclusion, market and operational developments for RTÉ have been negative since the prior recommendation. Further, a pro-forma analysis suggests that the broadcaster will need the outstanding amount simply to avoid deficits. Put another way, without further funding, to break even RTÉ would need to materially reduce spend on content, which would likely further reduce audiences (and by extension, reduce commercial revenues).

We also noted at the time of the Five-Year Review that even with existing (deficit-generating) spend, RTÉ is losing share, creating a longer-term risk that share drops to a point such that the licence fee model is no longer sustainable. This trend has continued.

Thus, there does not appear to be a basis to reduce the recommended funding determined by the Authority (other than to net off the increment already granted).

⁴⁸ RTÉ forecast a €3m surplus for 2019. This figure did reflect a €10m 'additional investment'. Theoretically this could be foregone, but RTÉ will 'wither on the vine' if it does not continue to develop its offerings

⁴⁹ There will be some investment to cover the centenary of the War of Independence

6.4 TG4's funding

Recent developments at TG4

As with RTÉ, we begin by comparing recent developments at TG4 to expectations at the time of the Five-Year Review. This is a simpler exercise for TG4, in part because the organisation is smaller and less complex than RTÉ, but also because TG4 is significantly less exposed to volatile commercial revenue streams, which are just 8% of total income.

Audience performance

TG4 exceeded targets for viewing performance. Share rose to 1.87%, vs a target of 1.8%, and a 2016 figure of 1.78% in 2016. This increase was particularly notable since in 2016 TG4 benefited from additional funding and viewing associated with the 1916 Centenary. TG4's share has now recovered to a level last seen in 2012.

Online, TG4 saw growth, though in some areas not as much as expected in the plan. Player streams were 2.2m, vs a target of [X]m and a 2016 figure of 2.1m. Within this, streams in Ireland were [X]. (Total hours watched were ahead of both plan and 2016 however). Unique visitors were on target at 2m, up from 1.8m in 2016.

Revenue

TG4's net commercial income in 2017 was €3,086,000, ahead of both 2016 (€2,796,000) and the plan for 2017 (€[X]). In part this was due to the strong viewing performance.

However, the great majority of TG4's public funding is in the form of grants for current expenditure.⁵⁰ This was largely unchanged in 2017, at €32.8m (as anticipated in TG4's five-year plan) vs €32.5m in 2016.

Costs

Overall, TG4's net operating expenditure was in line with its plan.

Programme costs were €24.7m, down from €25.4m in 2016 but above the plan of €[X]m. This overspend was funded primarily by the increased net commercial income, and by lower than expected staff costs.

TG4's staff costs (pre-capitalisation) were up somewhat at €5.96m (vs €5.69m in 2016), primarily due to a one-off retirement benefit in 2016. However, even this increased figure was less than €[X]m

⁵⁰ TG4 also receives capital grants, which it amortises over time. In 2017 this represented a further €1.6m of state funding in TG4's Statement of Income and Expenditure

anticipated in the plan. TG4 attributes this to employees on career breaks returning to work later than expected.

The operating efficiency of TG4 is primarily a function of its programme expenditure, which represents 66% of its opex. However, this spend is primarily with Irish-language independent producers. TG4 has been concerned to sustain this critical supplier group. To this end, it has moved to multi-year contracts, for example. Thus while TG4 might be able to drive a harder bargain with these suppliers, this might be counterproductive if it affects their viability.

Staff costs, at 15% of expenditure, could theoretically be another source of efficiency. A challenge here is that TG4, as a commissioning-broadcaster, does not as readily benefit from technology driven efficiencies. The task of commissioning is not made simpler by (say) digital production workflows. Our engagement with TG4 has not suggested that its 78 FTE are underworked.

Recommendations re TG4

2017 was an encouraging year. Not only was TG4 able to grow its commercial income, it was able to grow its viewing share even though its programme expenditure dropped by about 3%. Its performance was positive against both 2016 and plan. Though online performance was somewhat more mixed, it was broadly on target.

All else being equal, this might suggest that TG4 is able to do more with (somewhat) less. However, we caution that these are relatively small variances relative to the plan, and do not necessarily suggest a reappraisal is appropriate. We further note that the cost benefit of staff career breaks will (in part) lapse, causing TG4's costs to rise somewhat going forward.

Thus, we do not believe there are market or TG4-specific reasons for the Authority to amend their view of appropriate funding for the broadcaster.

As we have seen, the Authority previously recommended a €6m increment to TG4's public funding, to apply each year throughout the five-year period. In July 2018, the Minister of State announced that the DCCA had allocated an additional €985,000 to TG4.⁵¹ However, this was a one-off grant only. Thus, for the future the Authority's previously recommended increase of €6m per annum remains unfulfilled. As with RTÉ, the recent developments are not significant enough to suggest a material move from this, though a case could be

⁵¹ TG4, [Nearly €1m in extra funding for TG4](#), 23 July 2018. This was an allocation from the capital account. However, since TG4 is now capitalising content costs, as a practical matter it expects to be able to use this sum for commissioning

made for a slight reduction, given TG4's recent strong performance on its existing budget.

7 Audience Yield

Alongside this year's annual review, we have piloted a complementary way of analysing the PSBs' performance, that we have labelled 'Audience Yield'. This section describes this approach, the motivation behind it and method, as well as the key findings of the pilot. The section concludes with some considerations about how this approach could be taken forward by the PSBs and the BAI in future reviews.

7.1 About the Audience Yield approach

Rationale

This review, and previous reports commissioned by the BAI, have identified twin challenges facing the PSBs: on the one hand, the decline in TV viewing (and, more gradually, radio listening) as younger audiences in particular take up online video, streaming services, social media and so on; and on the other, shortfalls in funding, with public income not rising in line with the BAI's recommendations, falling commercial revenue and upward pressure on some costs.

In our assessment for the Five-Year Review of public funding we found no evidence of systematic inefficiency at either PSB – we did not believe there was substantial cash that could be freed up by doing what they were doing in a lower cost manner. However, that left open the question as to whether the PSBs were doing the most efficient things. That is, are the PSBs providing the most efficient mix of services to capture audiences and deliver their objects?

We recommended that both broadcasters put in place a "transparent framework for prioritisation" to facilitate the reallocation of funding to content and services that address hard-to-reach (typically younger) audiences' needs, by reducing spend on output mainly used by well-served (typically older) audiences. This will require difficult choices, in budget allocation and commissioning, which can only be made effectively with robust data about audience performance and value for money, across platforms, services, audience subgroups and genres.

In light of this recommendation, the BAI asked us to work with the broadcasters to consider what such a prioritisation framework could look like, and also to assess the scope to integrate it with the annual review process, potentially including replacing some of the broadcasters' current performance commitments.

This year's study is a prototype, designed to pilot the Yield approach and allow the broadcasters and BAI to consider what role it might play in their respective areas of responsibility in future. 2017 data may not prove to be a good benchmark for trend analysis, as both broadcasters' strategies have evolved since the 2017 schedules were commissioned, and in both cases the analysis is somewhat limited by the historic data available. Therefore, our intention is not to provide a definitive analysis, but to illustrate the potential value of the Audience Yield approach, and to identify some questions it raises for the broadcasters and the BAI.

We note that RTÉ is developing its own audience yield approach, with similar objectives, though this did not address the entirety of 2017.

The Audience Yield concept

Conceptually, 'Audience Yield' describes the amount of consumption each broadcaster achieves for a given level of content spend, using metrics that can be tracked and compared broadly consistently across services, genres and audience subgroups. The metric we have adopted in this review is 'user hours per euro': that is, the number of hours of viewing, listening or online usage a given service or genre achieves for every €1 spent on content.⁵²

In 2017, we calculate that RTÉ delivered 749.3m hours of viewing of indigenous programmes, across its four main TV channels (RTÉ One, RTÉ One+1, RTÉ2, RTÉjr), including live and 7-day catch-up viewing on a TV set. The cost of those programmes was €151.2m. The Yield of indigenous TV programming was therefore 5.0 viewer hours per euro (749.3m divided by 151.2m). Similar Yields can be calculated for each channel and genre and broken down by audience subgroup. For example, of those 5.0 viewing hours generated by each euro spent on indigenous TV programming, children watched [X] hours, male adults [X] hours and female adults [X] hours.

The Yield approach helps the broadcasters and the BAI assess whether, taken as a whole, the PSBs' portfolios are serving all audiences, avoiding both underserving and super-serving. Although Yield metrics are *averages*, and do not predict what a marginal hour of content would deliver, they do represent an assessment of the overall efficiency of different kinds of output in reaching different audiences. Yield analysis can inform broadcasters' budget allocation decisions by identifying areas of relative over- and under-performance. Yield metrics encourage focus on specific at-risk

⁵² Cost per viewer hour is a similar metric, but based on our conversations with stakeholders, we believe 'hours per euro' is more intuitive, particularly when looking across audience segments of a particular offer

audiences and can also be easily aggregated across audiences, services and genres.

Perhaps most importantly, Yield brings together in a single framework three core drivers of PSB impact: content spend, audience response and commercial effectiveness. These variables can of course be assessed independently, and many of the key trends are familiar from previous annual and quinquennial reviews. However, by bringing them together Yield affords both broadcasters and the BAI a comprehensive, evidence-based picture of performance, that enables trade-offs between different objectives to be understood and strategic choices to be made with a rich understanding of likely impacts.

Other things being equal, PSBs with a universal mission should seek to address differentials in consumption by prioritising content that achieves relatively high Yields amongst under-served audiences. In some circumstances, particularly when budgets are static, this may come at the expense of output that achieves higher Yields amongst well-served audiences. Note that this may result in a drop in overall Yield (across the whole audience), even as a broadcaster serves hard-to-reach audiences better.

Limits to Yield

Yield analysis must be used cautiously as a guide to strategic decision-making, for several reasons:

The importance of other metrics

PSBs operate with multiple objectives and constraints, including remits and responsibilities set out in statute, industrial relations and stakeholder expectations, and consequently do not and should not optimise for Yield alone. In particular:

- Yield does not measure value to audiences, which is not only a function of consumption. In assessing success, most public service broadcasters track measures of appreciation, satisfaction, support, trust, or willingness to pay as complements to raw consumption measures;
- Yield does not measure PSBs' impact, with respect to the wider purposes of public service broadcasting and the broadcasters' statutory remits. For example, the 2009 Broadcasting Act requires the broadcasters variously to: "have special regard for the elements which distinguish [Irish] culture", and the Irish language in particular; reflect the cultural diversity of the whole island of Ireland; and

facilitate cultural expression. These objectives are unlikely to be met by a strategy that focuses only on maximising Yield.

Content or services with relatively low Yield may therefore be vital elements of a PSB's offer. Nonetheless, it would still be appropriate for PSBs to seek to improve the Yield of such output, if this can be done without unduly affecting its value or impact.

Cross-platform comparisons

Cost and consumption patterns differ across platforms; and as a result, comparisons between platforms may be inappropriate. For example, radio costs less to produce than TV, and audiences tend to listen to more than they watch. Audience Yield for radio is therefore typically higher than for TV. Of course, this does not mean that a rational PSB would move all of its funding out of TV and into radio.

Online Yield may need to be measured differently, as it is less clear for online services that duration of usage correlates with benefit to audiences. Many online news providers, for example, feel that audience loyalty is at least as important as time spent, and therefore track measures like frequency or recency of use.

Retrospective, not prescriptive

Yield is not a prescriptive tool. Even if the previously mentioned limitations could be addressed, it could not reveal what kind of programming PSBs should commission or predict the impact of schedule changes on audience metrics. Editorial judgement remains critical.

These issues are considered further in 'Developing the approach', below.

7.2 Methodology

Yield for broadcast services

Yield estimates for RTÉ and TG4 for 2017 were calculated as follows:

- Data on broadcast hours and cost of output was sourced from documents published or provided by the broadcasters (RTÉ's 2017 Annual Report and TG4's Review of 2017 Performance, provided to the DCCAE, respectively)
- Average audience data were sourced from industry-standard measurement systems (for TV, Nielsen TAM, provided by the broadcasters; for radio, JNLR, provided by the BAI)
- Where necessary, adjustments were made to output and audience data to ensure genres and service definitions were consistent (see Annex)

- Total 2017 user hours were calculated for each genre, service and audience subgroup, by multiplying average audience by annual hours of output
- Yield was calculated by dividing total user hours for each service and genre by its cost.

RTÉ provided TV viewing data for indigenous programmes (commissioned or produced by RTÉ) only, so in the following discussion references to TV Yield for RTÉ generally relate to this output; we have included top-level yield analysis for acquired programming at Figure 29.

Online data

Neither broadcaster provided data for audiences' time spent with online services, on a consistent basis for all their online services, for 2017. Neither did they have systematic data on usage by different demographic groups. In RTÉ's case, this was partly due to a change in analytics provider since 2017. We have not therefore been able to calculate Yield for online services in the same way we have for broadcast. However, as noted above, it may be argued that online Yield requires a different approach in any case. We discuss this further below.

Commercial effectiveness

Both RTÉ and TG4 have a mandate to fund their services from a combination of public funding and commercial income. Funding source is not differentiated in Yield, which is based on the gross cost of output and services – it is the amount of viewing and listening achieved for a certain amount spent on content. The ability to earn a commercial return should not be a factor in commissioning or strategic decision-making.

However, since the effect of commercial income is to reduce the amount of public funding needed to deliver the achieved volume of viewing and listening, the broadcasters' ability to earn commercial revenue against different genres and services is part of the assessment of their overall effectiveness. Equally, it is important for the BAI to understand how changes in editorial strategy may affect commercial income, and therefore the adequacy of public funding. We therefore calculated a 'yield on licence fee' metric, which is the hours of viewing or listening achieved per euro of *public* funding spent on content. This analysis is summarised under the 'Commercial effectiveness' headings for each broadcaster below.

A note on interpretation

Because of the way it is calculated, Yield is partly driven by the relative size of different groups in the population: programmes that appeal to over-55s will achieve a greater Yield than children's output, simply because there are more over-55s available to view. Similarly, programmes broadcast by RTÉ will tend to achieve higher Yield than those on TG4, because much of TG4's output is intended to appeal primarily to Irish speakers. Where we quote Yield figures, we provide the relevant universes.

Yield may be low amongst a particular group because that group generally consumes less of a particular type of content. For example, another reason that children's programmes tend to achieve relatively low Yield is that children watch less TV. However, that should be interpreted as evidence of a challenge to be addressed, not simply a justification for relatively weaker performance with that group.

7.3 RTÉ

In this section we consider the type of analysis enabled by the Yield approach. We first consider delivery to audiences, overall and with a particular focus on differences by age. We then consider Yield by platform, service and genre, before looking into RTÉ's commercial effectiveness and its impact on Yield.

Because RTÉ2 and RTÉjr share a significant proportion of their children's output, we have combined their cost and viewing data, and considered them as if they were a single channel ("RTÉ2/jr").

Delivery for all audiences

RTÉ reached 95% of all Irish adults weekly, on average, in 2017. Average weekly reach was above 90% for all demographics analysed for this report, although was somewhat lower than average amongst 18-34s, at 91% (Figure 23). All audience subgroups used multiple services – at least [3], in a typical week. 'Unique reach' – the proportion of an audience which use one platform and no other – was consequently low. It was highest amongst over 55s, [3] of whom watched TV and used no other service in an average week in 2017.

Around half the population used RTÉ online services weekly in 2017, rising to 58% of 15-34 year olds. Very few people *only* came to RTÉ online, suggesting that online services do not yet substitute for TV and radio services, at least for the vast majority.

Figure 23: RTÉ cross-platform reach and consumption⁵³

[X]

The oft-repeated claim that younger audiences have forsaken broadcasting in favour of the Internet is not entirely accurate. Both RTÉ TV and radio achieved greater weekly reach with 15-34 year olds than did the broadcaster's online services in 2017. However, high overall reach figures mask considerable differences in the volume of consumption by different groups, with younger RTÉ viewers watching significantly less TV and listening to less radio than older groups.

Looking at consumption in more detail shows further differences by age (Figure 24). On average, Irish adults consumed [X] hours per week of indigenous TV output and 6.8 hours of radio (acquired TV programmes are not included in this analysis).⁵⁵ An average 15-34 year old watched for [X] hours and listened for 3.0 hours.

Older viewers, conversely, got substantially more value from RTÉ. Over-55s consumed almost [X] hours of RTÉ content per week, excluding acquired TV, roughly equally divided between TV and radio.

Comparable data for children were not available. However, we do know that under-15s accounted for only 6% of all hours of viewing of RTÉ indigenous TV output, despite forming 17% of the Irish

Figure 24: Hours of RTÉ consumption by age⁵⁴

[X]

⁵³ RTÉ Annual Report 2017, RTÉ confidential data return, JNLR, RTÉ Brand Health & Reputation Tracker. Excludes viewing of acquired programmes on RTÉjr

⁵⁴ RTÉ Annual Report 2017, RTÉ confidential data return, JNLR. Viewing data relate to indigenous programmes only

⁵⁵ These figures differ from those in the previous chart, which shows average hours of TV viewing per RTÉ TV viewer and radio listener. These data are averages for all adults. Hours of TV viewing analysis is based on a confidential analysis of indigenous TV viewing provided by RTÉ, which is redacted. Hours of radio listening analysis is based on publicly available JNLR data

population. Overall, they watch more RTÉ One than RTÉ2 or RTÉjr; while those channels broadcast a substantial volume of dedicated children’s programming, this is primarily aimed at 4-7 year olds.

Audience Yield

On average, every euro RTÉ spent on TV programming (indigenous and acquired) in 2017 delivered [X] hours of viewing. Every euro spent on indigenous programming delivered just under [X] hours of viewing (Figure 25). (We also estimated additional viewing via RTÉ Player on mobile and desktop, which increased total Yield to a little over [X]). RTÉ One delivered greater Yield than RTÉ2/jr (combined).

Yield was much lower amongst younger audiences, with each euro of indigenous spend only buying [X] hours of 4-14s viewing compared to over [X] hours – almost ten times as much – amongst those aged 55+.

Across virtually every demographic, RTÉ One had a higher yield than RTE2, the key exceptions being 4-14s and (narrowly) 15-34s. Although RTÉ2 skews more male than RTÉ One, RTÉ One nonetheless achieves a significantly higher yield amongst men, because its overall yield is so much higher.

Figure 25: RTÉ Audience Yield: TV⁵⁶

[X]

Of TV genres, Entertainment delivered greatest Yield across the RTÉ portfolio as a whole, achieving [X] hours of viewing/euro (Figure 26). News, Music and Factual programmes also delivered above-average audiences for their cost. Drama (especially on RTÉ One) and Sport had the lowest Yield, reflecting their high production costs.

⁵⁶ RTÉ Annual Report 2017, RTÉ confidential data return. ‘All’ audiences data includes viewing to RTÉ Player on mobile and desktop; this is not available by demographic

Figure 26: RTÉ - Audience Yield by TV Genre⁵⁷

[X]

For younger adults (15-34s), Music and Entertainment were the most cost-effective genres, achieving [X] and [X] hours of viewing/euro. Amongst children, Young People's content is highly cost-effective, achieving [X] hours of viewing/euro.

Differences in social grade were broadly similar across genres, but Drama achieved particularly low Yield amongst ABC1s. By gender, most genres delivered more female viewing than male, with the exception of Sport. Nonetheless, Sport is not particularly cost-effective as a means of reaching men, because of its cost; every other genre achieved a higher yield amongst men, except Drama and Young People's content. We understand that Sport's yield is also shaped by its mix of high-value, widely watched output, as well as some events that attract lower audiences – albeit they may have particular cultural resonance for some parts of the audience.

Looking by channel, the skew of RTÉ One viewing to older audiences was evident across all genres, but particularly marked in News, Factual and Entertainment (Figure 27). Taken together, over-55s' viewing of these three genres accounted for more than half of all RTÉ One viewing of indigenous programmes in 2017.

Figure 27: Hours of RTÉ One viewing by age⁵⁸

[X]

⁵⁷ RTÉ Annual Report 2017, RTÉ confidential data return

⁵⁸ RTÉ confidential data return, values redacted

Sport delivered by far the biggest audiences to RTÉ2/jr in 2017, although the Yield analysis shows this came at a high cost. The viewing of these channels was more balanced by age than RTÉ One's, partly because of the predominance of children's programming in their schedules, but also in Sport, Factual and Entertainment output (Figure 28).

Figure 28: Hours of RTÉ2 viewing by age⁵⁹
[Redacted]

Although detailed analysis of acquired programming was not possible for this review, we were able to compare the overall Yield of indigenous and acquired programming (Figure 29). Overall, acquired programming, which tends to be lower cost than original programmes, delivered almost two-and-a-half times as much viewing as indigenous programming, per euro. The difference is even more stark for RTÉ One, which has much less acquired content in its schedule than RTÉ2; but what there is had a Yield of [Redacted] viewer hours/euro.

Figure 29: RTÉ TV Yield, indigenous & acquired⁶⁰
[Redacted]

Radio Yield is typically much higher than TV's, reflecting higher volumes of listening and lower production costs. Unlike on TV, the two main radio networks achieved roughly similar Yields in 2017 (27.5 hours of listening/euro for Radio 1 and 26.0 hours/euro for 2fm), with lyric fm not far behind (20.2 hours/euro). Raidió na Gaeltachta (RnaG)'s Yield is much lower (2.9 hours/euro), reflecting its highly targeted audience.

Differences by age are also marked. RTÉ 2fm achieved nearly 12 hours of listening amongst 15-34 year olds for every euro spent; it

⁵⁹ RTÉ Annual Report 2017, RTÉ confidential data return, JNLR, values redacted

⁶⁰ RTÉ Annual Report 2017, JNLR, values redacted

delivered more consumption amongst this age group than any other RTÉ service (Figure 30).

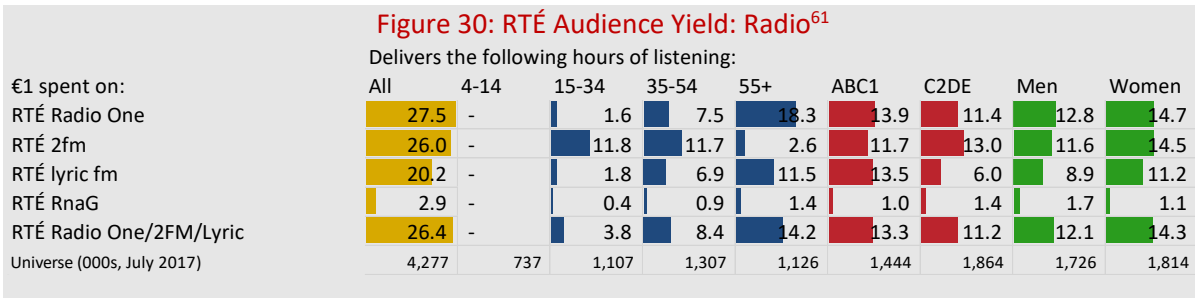
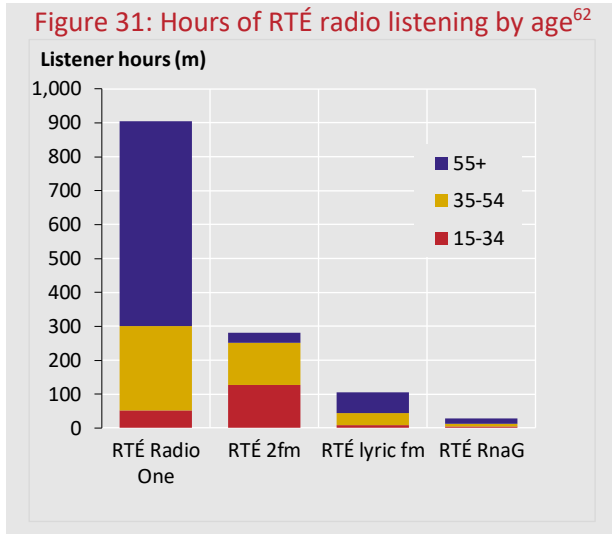


Figure 31 provides more detail on radio listening by age. Over-55s account for well over half of all Radio 1 and lyric FM listening, but only 10% of 2fm listening.

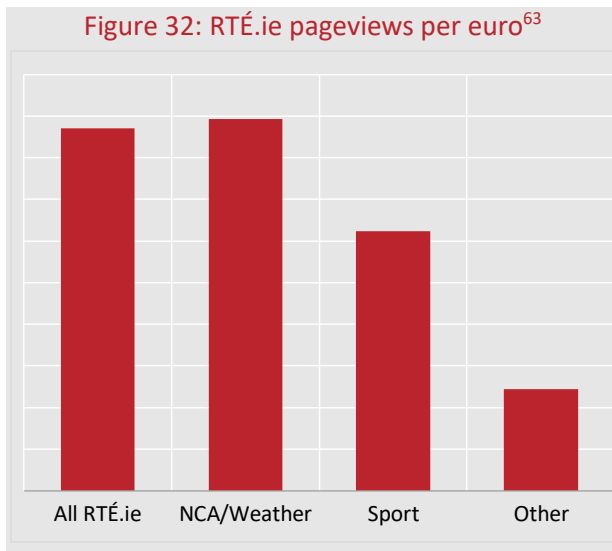
Online analysis

As highlighted earlier, only limited online analysis has been possible for this review. RTÉ changed analytics provider in the period covered by this review and consequently had only limited access to data for 2017.



Consumption data show predictable differences in usage of different services. News accounted for the majority of page views on RTÉ.ie, while the most frequent genres watched on RTÉ Player were Drama and Entertainment.

Although directly comparable Yield analysis has not been possible for online, we have used page views per euro as an equivalent metric for RTÉ.ie. News and Weather delivers most consumption, at just under [€] page views per euro (Figure 32). Sport is somewhat less cost-effective, while ‘Other’ content – mainly Entertainment and Lifestyle – delivered around [€] page views per euro.



Note that these online metrics should be treated with caution. RTÉ’s accounting practice is to allocate the bulk of shared costs against first

⁶¹ RTÉ Annual Report 2017, JNLR

⁶² RTÉ Annual Report 2017, JNLR

⁶³ RTÉ confidential data return, values redacted

transmission – so Newsgathering costs tend to be allocated to broadcast services rather than online, somewhat flattering the cost-effectiveness of online News. This may change as the broadcaster increasingly adopts an ‘Online-first’ strategy for News.

Commercial effectiveness

The preceding analysis identified that RTÉ delivered [38] viewer hours for every euro spent on indigenous TV programmes, and 26 listener hours per euro spent on radio output. But the broadcaster earned commercial income that recouped some of that cost, in effect reducing the net cost to licence fee payers of their consumption.

As a result, the yield achieved per euro of *licence fee* spent is considerably higher than the yield on total content spend: for TV, [38] hours/euro; for radio, 53.4 hours/euro. In other words, [38] of RTÉ TV viewing was funded through commercial income, and 35% of RTÉ radio listening.

Looking in more detail at TV spend, commercial income did not particularly affect the relative cost-effectiveness of different services or genres in 2017. Entertainment received the biggest benefit of commercial recoupment, almost doubling its Yield once commercial funding is taken into account. Drama, conversely, only recouped about a fifth of its cost.

Questions arising

Audience Yield analysis highlights issues of audience performance that may inform RTÉ’s strategy development and target-setting. For instance, it emphasises the extent to which over-55s are relatively super-served across a number of services and genres. Given that every service bar 2fm achieved greater Yield with older than younger audiences in 2017, should RTÉ accept some diminution in overall audience performance in the interest of improving its performance with younger audiences? And given the challenges of reaching under-35s and children, what are RTÉ’s best options for improving impact with these groups?

Yield analysis also raises related questions of prioritisation, and in particular the movement of funding between genres and services. For example, what is the right strategy for RTÉ2 and RTÉjr, given that they achieved a combined Yield which was less than two-thirds that of RTÉ One? The Yield of Young People’s indigenous content was high, but that was largely because it was so low cost; Young People’s programming represented less than 10% of indigenous viewing hours of the combined channels. There are significant distribution costs

(not included in Yield) associated with running what are effectively two parallel children’s channels during the day.

The analysis also highlights questions regarding genre spend. For instance, Sport was the mainstay of RTÉ2’s viewing of indigenous output in 2017. But its substantial cost means it delivered a lower Yield than any other genre bar News. Similarly, indigenous Drama on RTÉ One has a lower Yield than any other genre, as a result of its high cost.

We appreciate that there are questions of value and impact that this analysis does not address. Some content with relatively low Yield – such as sport and drama – has disproportionate impact on audiences. Such content may be considered an essential element of any universal PSB’s portfolio, and critical in particular to delivering RTÉ’s remit to reflect Irish culture and diversity. Looking ahead, it would be worth considering ways of correlating Yield with other measures of value and impact, to assess the extent to which these may support or contradict the strategic considerations discussed here (see Considerations for the BAI, below).

7.4 TG4

A transition year

2017 was a transition year for TG4. The twin pole strategy was introduced, but much of the broadcast programming was commissioned in 2016. For this reason, 2017 cannot reasonably be seen as ‘ground zero’ for the twin pole strategy.

Nonetheless, we have adopted the twin pole approach in our analysis, in order to demonstrate the concept and allow TG4 and the BAI to assess whether it provides a helpful way of analysing the channel’s performance looking forward. In this approach, programmes are divided into ‘Core Irish Audience Programmes’ and ‘National Audience Programmes’ to reflect their primary target audience. Of course, Irish speakers consume National Audience programmes as well as those programmes targeted specifically at them; indeed, TAM data suggest that National programmes appeal almost as

Figure 33: TG4 - weekly reach and consumption⁶⁴
[X]

⁶⁴ TG4 confidential data return

much to frequent Irish speakers as to the TG4 audience as a whole, representing 82% of their viewing of the channel.⁶⁵

TG4 also operates a panel of Irish language speakers, Fios Físe, which provides insight on consumption amongst this demographic (although not to the same level of detail as Nielsen TAM). It was not possible to generate analysis, including to subgroup level, in the time available for this review, but this should be more feasible in future.

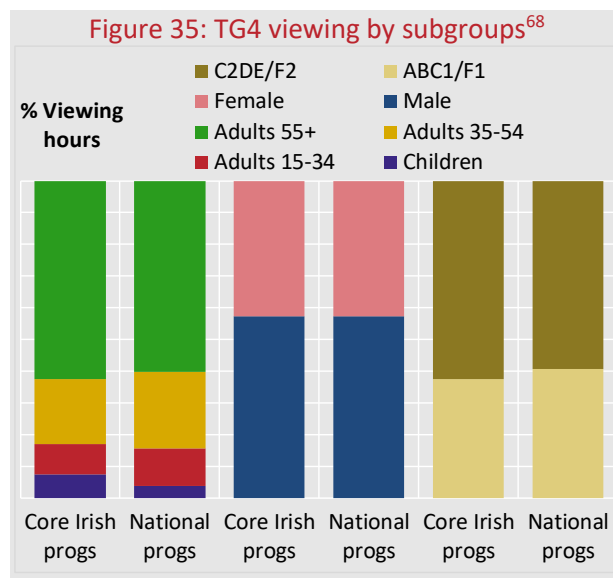
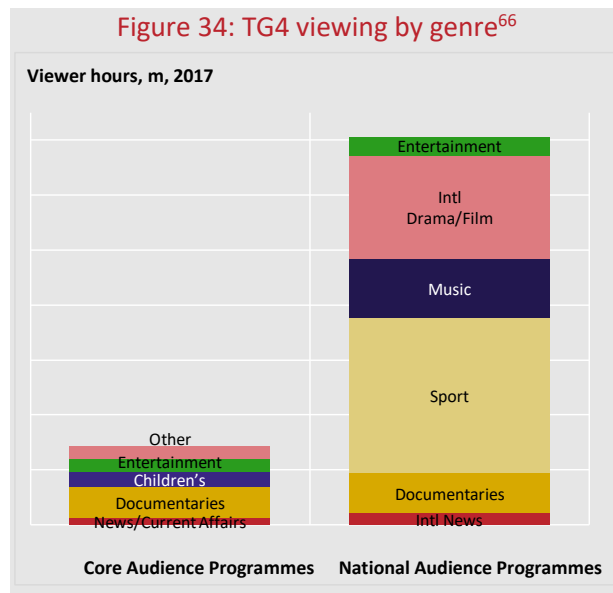
Consumption

TG4 reached a third of the Irish 4+ population on average, each week of 2017 (Figure 33).⁶⁷ Reach was as high as 57% for over-55s, but as low as 13% for children. According to the Fios Físe panel of Irish speakers, weekly reach amongst this group was 90% on average in 2017; their most-watched genres were News ([redacted]) and Drama/Soap ([redacted]).

Amongst those who watched, the average amount of viewing was [redacted] hours per week, of which [redacted] hours was to National Audience programmes and [redacted] to Core Irish Audience programmes. Viewing of Core programmes was broadly similar across all demographic groups, so National programming was the main driver of variation between them.

National Audience programmes achieved just over [redacted] viewer hours in 2017, compared to just under [redacted] hours for Core Irish Audience programmes (Figure 34). Sport and International Drama/Film were the biggest genres – Sport accounted for [redacted] of all TG4 viewing in 2017 ([redacted] hours), and Drama/ Film [redacted] ([redacted] hours).

There were relatively few differences between the programming poles by audience subgroup (Figure 35). Over-55s accounted for three-fifths of all TG4’s



⁶⁶ TG4 confidential data return, 2017 Performance Statement, values redacted

⁶⁸ TG4 confidential data return, 2017 Performance Statement, values redacted

viewing; under-35s, including children, represented less than one-fifth. Viewing skewed slightly male and C2DE.

Audience Yield

Taken as a whole, TG4 delivered on average [X] viewer hours for every euro it spent on programming. Note that this figure incorporates the viewing of the programming provided to TG4 by RTÉ, but not any associated cost. National programming delivered a substantially better Yield than Core output – [X] hours of viewing/euro (Figure 36), compared to [X] hours for Core programming.

RTÉ reports the costs of its contribution to TG4 by genre, with News by far the largest share, although no detail is provided on what the costs comprise. If we incorporate these costs, based on the figures RTÉ reports, TG4’s overall Yield falls to [X] hours of viewing/ euro, and that for Core Audience output falls by almost half, to [X] hours/euro.

National output achieves greater Yield with all audience sub-groups. The gap was narrowest amongst children, but even here, National programming delivers more viewing per euro spent than Core output.

Figure 36: TG4 Audience Yield⁶⁹

[X]

National Entertainment appears by far the most effective genre in terms of Yield (Figure 37), but this represents a very small amount of spend ([X]) on a (relatively) large number of hours of licensed content ([X]), which were watched by a (relatively) small number of people (TVR [X]) compared to an average for National programming [X]). Of the National genres, Sport delivered the lowest Yield.

Of the Core Audience genres, taking into account only TG4’s own spend, News appears to deliver greatest Yield ([X] hours/euro). But this is misleading, since the vast majority of the cost of TG4’s News is met by RTÉ. Once this is taken into account, News appears to deliver

⁶⁷ Based on the TAM Ireland definition of reach as 1 minute of viewing per week

⁶⁸ TG4 confidential data return, 2017 Performance Statement, values redacted

⁶⁹ TG4 confidential data return, 2017 Performance Statement, RTÉ Annual Report 2017

the *least* Yield of the Core Audience genres ([€] hours/euro, Figure 38).

Figure 37: TG4 Audience Yield by genre (TG4 costs only)⁷⁰

[€]

Figure 38: TG4 Audience Yield by genre (including RTÉ costs)⁷¹

[€]

Commercial effectiveness

Commercial income is far less significant for TG4 than for RTÉ, representing just 11% of TG4's programme spend and 9% of the total cost of TG4 programming including RTÉ's contribution. It delivers a small premium to Yield, primarily to National Audience output; we calculate the Yield per euro of public funding for these programmes to be [€], a 15% boost.

Questions arising

Yield analysis illuminates the contrast between the audience performance of Core and National Audience programming. It is perhaps not surprising that National Audience programming should perform better, given it targets a wider audience. But given that this output is also popular with Irish speakers, the core question for TG4's new strategy is how best to focus Core Audience programme spend to maximise impact and deliver substantial, distinctive value that cannot be easily provided by National fare.

This analysis also allows consideration of the relative cost-effectiveness of different genres, especially taking into account RTÉ's reported costs. Yields for both News and Irish Language Drama/Soap were low in 2017, and they were particularly cost-ineffective for under-35s. Given the priority TG4 understandably attaches to growing impact with younger audiences, this analysis highlights complex questions about the appropriate genre mix within its Core Irish Audience programming, considering that Documentaries and

⁷⁰ TG4 confidential data return, 2017 Performance Statement

⁷¹ TG4 confidential data return, 2017 Performance Statement, RTÉ Annual Report 2017

Irish Entertainment attracted bigger Yields than News and Drama, both overall and amongst under-35s.

7.5 Considerations for the BAI

Relevance

So far, we have primarily considered Yield analysis from the perspective of the broadcasters. But it is also relevant for the regulator.

In a number of areas, the BAI must advise the Minister or the broadcasters themselves regarding PSBs' plans or commitments. These include, for example, the PSBs' public service statements,⁷² their annual statements of performance commitments (ASPCs),⁷³ proposals to vary the number of television or radio networks they operate,⁷⁴ determination of advertising minutage,⁷⁵ and a number of other areas less directly related to editorial activity. Yield analysis can assist the BAI in fulfilment of these duties, by providing greater insight into the impacts of proposals and a systematic, consistent framework for their evaluation.

Furthermore, the BAI has a specific statutory duty to review the adequacy of public funding for the PSBs, both in the annual reviews of which this is one,⁷⁶ and in quinquennial reviews.⁷⁷ These must assess the extent to which the PSBs have fulfilled their commitments in respect of their public service objects, and the adequacy of public funding to enable them to meet those objects. The quinquennial reviews must also take account of the level of commercial funding available to the broadcasters and their current public service statements.

It seems logical, and certainly consistent with the approach taken by the BAI in the most recent review, that any review of the 'adequacy' of public funding requires understanding of the trade-offs faced by the broadcasters in making strategic and editorial decisions, and in determining how best to achieve their public service objects. Yield analysis can add to this understanding, even though it does not provide measures of delivery against all the broadcasters' objects. It provides a detailed picture of the challenges the broadcasters face, and how audience and financial performance may be affected by

⁷² Broadcasting Act 2009, s101(3)

⁷³ *Ibid* s102(3)

⁷⁴ *Ibid.* s103(4)

⁷⁵ *Ibid.* s106(3)

⁷⁶ *Ibid.* s124(2)

⁷⁷ *Ibid.* s124(8)

alternative options under consideration – including, for example, choices that may reduce consumption by some audiences while increasing others’, or that trade off popular programming for programming that may deliver smaller audiences but deliver greater public service value. However, it should not be seen as the sole driver of decision-making or a tool for forecasting audience performance, for reasons discussed above.

Annual Statements of Performance Commitments

It is beyond the scope of this report to consider how Yield could support all the regulatory duties and tasks mentioned above, but it may be helpful to consider how it could contribute to the annual commitments and review process of which this report is part. We make four observations.

First, the Yield framework will clearly not replace all or even most of the broadcasters’ current commitments. Both TG4 and RTÉ have a range of commitments not directly related to consumption (for example, regarding content spend and commissioning strategy, partnerships, public perceptions, audience satisfaction, efficiency and so on) which we expect to persist.

Secondly, however, the broadcasters and the BAI may wish to consider whether metrics related to Yield could provide a consistent approach to measuring performance against those commitments that do relate to consumption. Both broadcasters use a range of consumption metrics at present, including share and reach, but these have limitations, as we have highlighted in this report: headline share and reach can conceal very different consumption patterns amongst different audiences, and TV share in particular is of questionable value as a measure of success at a time when overall TV watching is declining. Time spent might provide a more insightful alternative.

Third, Yield may support a clearer focus on specific audiences and areas of relatively weaker performance. We acknowledge that RTÉ and TG4 already have targets for reach amongst younger audiences, and both broadcasters set targets for digital performance which are likely to require greater under-35s’ consumption. But neither broadcaster currently tracks and targets amount or frequency of consumption by younger audiences. As we have noted in this report, this may be a gap, given the vital need for stronger relationships with younger audiences in an intensely competitive media environment.

Finally, care will need to be taken in the ASPCs not to lock the broadcasters into an inflexible framework, tied to specific metrics that may lose relevance over time. The BAI may wish to take a multi-

year approach, identifying high-level metrics to track over time via the ASPCs (e.g. overall time spent by different age groups) while leaving the broadcasters flexibility to decide how best to make progress on those metrics year-to-year. This might involve the broadcasters setting more specific internal targets by service or genres, but it may not be appropriate or necessary for these to be reported to the regulator.

7.6 Developing the approach

Cross-platform performance

If the broadcasters and the BAI wish to develop this approach further, integration of online data will be a priority. We understand that RTÉ will be able to generate richer online data for subsequent years, via its new analytics provider. TG4 also has data on time spent with its online services, although not broken down by demographics.

However, whether it would be meaningful to calculate a single cross-platform Yield measure is unclear. We noted above the flaws in comparisons between TV and radio resulting from their time spent and cost differentials, and the disadvantages of using time spent as an online consumption metric.

Developing a cross-platform view may require new research, or a different approach to existing research. The ideal scenario, perhaps, would be for the broadcasters to maintain diary-based surveys of their audiences to generate robust cross-platform consumption data, to supplement existing platform-specific tools such as Nielsen TAM and JNLR. However, this would be expensive. We note that both RTÉ and TG4 commission brand and reputation surveys which provide some cross-platform insight, which we have drawn on for this report.

Correlation with other indicators

Both broadcasters track performance against measures of value (e.g. satisfaction, appreciation and trust ratings) and impact (e.g. about contribution to national debate, being an important part of Irish life, reflecting Irish cultures and so on).

The broadcasters may be able to assess the extent to which these indicators correlate with volume of consumption, via the brand and reputation surveys mentioned above. This would help illuminate whether increasing time spent and Yield would equate to fulfilment of the wider purposes of public service broadcasting – or whether to some extent these cut against each other, and must be traded off.

RTÉ tracks audience perceptions of the licence fee in various ways. We understand that attitudes towards the licence fee may be driven by factors outside RTÉ's control, or, indeed, that are not really to do with the licence fee at all. Nonetheless, the extent to which the licence fee is seen as a 'fair bargain', as opposed to simply another tax, seems a particularly significant indicator of support for the PSB – especially if consumption declines as competition continues to intensify. If, as seems likely, the amount of time audiences consume RTÉ correlates with support for the licence fee, this makes the challenge of protecting and, where possible, growing impact with younger audiences all the more urgent.

Broadcaster ownership

This prototype study has been, in effect, co-produced by the broadcasters and ourselves as the BAI's consultants. Much of the underlying data was provided by the PSBs while we provided the analysis.

Looking ahead, the BAI may wish to consider the right division of labour between the stakeholders in this process. RTÉ is already moving to develop its own framework to support decision-making on future content and service investments, which may support much of the analysis provided in this prototype. We recommend, in light of the preceding discussion about further development and application of the yield approach, that the broadcasters should take the primary role in carrying out and enhancing the analysis, using it to inform their strategy statements and commitments. Assuming the BAI finds the audience yield approach valuable, the broadcasters should provide their analysis to the BAI (in a format to be agreed). The BAI could then interpret and verify the outputs.

Additional data

As well as the integration of online data, we would recommend that any similar exercises in future also incorporate data on viewing of RTÉ's acquired programmes; and consider the scope for further integration of Fios Físe insight for TG4 and RnaG.

We note RTÉ is introducing additional accounting protocols that will help it, if desired, to allocate indirect content-related costs (such as channel and commissioning management, production support and so on) and non-content costs (such as overheads and distribution) to programming.

7.7 Conclusions

We believe this prototype, although limited in its scope and in some respects by data, shows the value of Yield as a means of understanding the PSBs' performance and strategic tradeoffs. In creating a consistent framework that allows comparison between services, audiences and genres, it provides the PSBs with means of assessing the cost-effectiveness of different activities; identifying audiences that are being super-served, and areas of relative weakness; and informing difficult decisions about the allocation of scarce resources.

For the BAI, Yield provides insight into the challenges and strategic trade-offs faced by the broadcasters, that should further enhance its ability to respond to broadcasters' proposals and to advise the Minister and support it in fulfilling its statutory responsibilities.

Yield should not, in our view, give rise to additional performance targets or highly detailed regulated objectives. But in incorporating both measures of time spent with the broadcasters and financial considerations, we believe it provides an overarching approach to assessment that complements, and possibly provides alternatives to, metrics like share and reach.

8 Conclusions & Recommendations

8.1 Conclusions re TG4

In its 2016 review, Indecon concluded re TG4:

“TG4 met or substantially met the commitments set out for 2016. However, a number of the detailed targets were not achieved. TG4 had a positive year increasing commercial revenue, supporting the independent production sector, and reversing the decline in its audience share. There are, however, major challenges facing TG4 and, in particular, the fact that the targets set for engagement with children and youth audiences in terms of broadcast reach were not achieved.”

Our conclusions for 2017 are virtually identical. If anything, the challenge with younger audiences has become more acute. We also note the decline in national player streams.

8.2 Recommendations re TG4

Our recommendations are as follows:

Performance commitments

TG4 could significantly simplify its performance commitments, and we understand that it is doing just this for its 2019 ASPC. In a resource-constrained and challenging environment, focus is vital. A very long list of commitments and targets can obscure what is most critical and creates an unnecessary administrative burden.

Nature of targets

TG4 sets a target for national share. TG4 may wish to consider whether this is the right ‘star to navigate by’. The bulk of TV watching is by older audiences, and hence the easiest way to meet a national share target is to provide programmes that appeal to this age group. However, like other PSBs, TG4 is already super-serving this group, while losing contact with other audiences. Further, share is a slippery metric when overall viewing is falling. A broadcaster could have steady share, but nonetheless be gradually losing its connection with audiences.

Replacing overall share with a target for (say) TVR or hours of viewing of those aged 15-54 may be better for TG4’s long term future, even if it somewhat reduces satisfaction amongst older audiences.

Reach should be defined in terms of a meaningful volume of weekly consumption, in preference to TAM's standard definition of one minute per week. Another approach would be to define a metric for 'loyalty' – based on, for example, data on the number of times audiences come to the channel or online services each week, or the proportion of the audience that watches more than a certain amount each week – and seek to rebalance the 'loyal' audience to include more younger people.

RTÉ relationship

The arrangement by which RTÉ provides certain content to TG4 is, to say the least, awkward. RTÉ has little incentive to spend on these hours; TG4 has only limited control of the content it receives; and more generally it limits TG4's flexibility with resource allocation. This substantial in-kind contribution also obscures TG4's performance, since there is not a clean link between its spend and its consumption. Finally, by being anchored in 'programme material,' the requirement locks in a focus on TV.

We recognise that this arrangement is established by the Broadcasting Act. However, the BAI in conjunction with the broadcasters may wish to explore whether it could usefully be streamlined.

Audience yield

While the twin pole strategy was not in place at the time much of TG4's 2017 schedule was commissioned, the yield analysis highlights the core challenge the new strategy faces: how to optimise Core Irish Audience programming to deliver substantial distinctive value, given that National output is more cost-effective and accounts for most viewing, even amongst Irish speakers? Yields for Irish language news and drama are low, taking RTÉ's costs into account – and yet these must lie at the heart of any Irish language PSB strategy.

As the new strategy beds down TG4 should anticipate improvements in the yield of these genres, and amongst younger audiences, preferably without unduly sacrificing overall reach and consumption.

Because of the limitations of TAM as a way of analysing viewing amongst relatively niche audiences, we suggest that yield analysis should be complemented by analysis of viewing amongst the regular Irish speaking audience, as provided by the Fios Físe panel.

Funding

We do not consider that there have been changes material enough to warrant the Authority revising its opinion from the Five-Year

Review on the appropriate level of funding for TG4. The Authority recommended an increment of €6m, which continues to be ‘outstanding’.

8.3 Conclusions re RTÉ

While RTÉ arguably performed better against its targets than did TG4, in part this was because it began with less demanding targets. In practice, many of the same issues applied, with RTÉ seeing drops in consumption by younger audiences and a decline in Player streams.

Also concerning is RTÉ’s financial position. Setting aside exceptional items, RTÉ ran at an operating loss again in 2017, and budgeted for an even greater loss in 2018. Its operating costs reflect those in its ‘preferred’ plan for the Five-Year Review. RTÉ is effectively operating as if its requested funding had been received, though of course it has received only a small part of its request and has no certainty of more.

8.4 Recommendations re RTÉ

Performance commitments

RTÉ’s move to simpler performance commitments with cross-media targets for 2018 is welcome. Also welcome is that it has set itself a relatively more challenging target for those aged 18-34: a cross-media reach of [3<]%. However, this target does not go to depth of relationship, and RTÉ may wish to consider an additional ‘time spent’ or loyalty target focused on this age group, to ensure it doesn’t have a wide but shallow engagement with them.

Nature of targets

As with TG4, RTÉ may wish to consider whether overall share targets (for both TV and radio) are appropriate, or whether they risk creating incentives to super-serve the audiences they find easiest to attract, at the expense of harder-to-reach groups.

Funding

There have not been material changes that would argue for the Authority reducing its funding recommendation for RTÉ (if anything, the reverse). Of this recommendation, €21.4m is outstanding.

Ongoing deficits

RTÉ has a long history of running deficits, which continued in 2017 and in the targets for 2018. Other than its funding requests being met in full, it does not appear to have a plan for returning to surplus. Clearly RTÉ faces a challenging situation, with a pressing need to

adapt to a changing media environment while also facing funding challenges. However, a situation where RTÉ continues to run deficits (with the implicit backing of the Government behind them), carries risk, both for RTÉ and the BAI. Ultimately, policy makers must fund RTÉ to meet its current needs or accept (and indeed require) that it cut its spend to meet its current funding.

Audience yield

Yield analysis emphasises the extent to which RTÉ risks super-serving older audiences: every broadcast service bar RTÉ2fm achieved greater yield amongst over 55s than under 35s in 2017. Given limited budgets, action to improve yield amongst younger audiences is highly likely to reduce consumption amongst older audiences, as RTÉ has implicitly recognised in setting targets for 2018.

Sport is a mainstay of RTÉ2 viewing, but its high cost, and lower levels of interest in some events, mean it was not particularly efficient, even as a way of bringing in younger and male viewers, in 2017. The same is true of Indigenous Drama on RTÉ One. Both these genres are at the core of RTÉ's public service contribution and important reflections of Ireland's cultural identity, but they do not deliver big audiences relative to their cost.

Looking ahead, the integration of online data and the development of cross-platform metrics should be a priority for any further development of yield analysis.

8.5 Conclusions re the Annual Review process

Financial reviews

The Broadcasting Act requires that the Annual Review assess “the adequacy or otherwise of public funding to enable the corporation[s] to meet [their] public service objects”.

However, we believe that the ‘weight’ of such an assessment need not be the same each year. For the Five Year Review, we undertook a full review based on detailed analysis of the PSBs’ accounts; their proposed strategy; and their forecast financials. This was a substantial exercise, not least for the PSBs.

As we have set out, we did not believe it was appropriate to repeat such an exercise so soon, and instead took a triangulation approach for this review. However, this leaves open the question of how heavy future reviews should be (prior to the next Five Year Review).

Every review can and should take a retrospective view, looking at the latest PSB accounts, considering whether the PSBs are operating

efficiently (in a cost sense) and whether funding appears to have been adequate. Such a retrospective view puts a relatively low burden on the PSBs.

However, we suggest that a prospective view, based on forecasts created by the PSBs, may not be necessary every year. One possibility would be to add a prospective element only in the third year of the cycle (with years one, two and four after the Five Year Review based on triangulation). Alternatively, the default for annual reviews could be 'retrospective only', but with both the BAI and the PSBs able to specify a full review including forecasts if they felt market or other developments warranted it.

Audience yield

Yield analysis originated in the recommendation, in the most recent five-year review of public funding for public service broadcasting, that the broadcasters develop a 'strategic prioritisation' framework to help them set priorities and reallocate budgets in an increasingly competitive and dynamic media environment. The review also suggested that such a framework could help the BAI assess the efficiency of the broadcasters' content choices and ensure that any additional funding is well spent.

We suggest that the prototype prepared for this review demonstrates that a framework based on audience yield can achieve both these goals. From the broadcasters' perspective, yield illuminates trade-offs between alternative uses of content budgets. Indeed RTÉ is already developing its own, similar approach. And it helps the BAI verify that the broadcasters are prioritising services that efficiently convert content spend into viewing (particularly by less well served audiences); and also that they are making the most of commercial opportunities. Looking ahead, yield complements the move to fewer performance commitments, reducing the regulatory burden and promoting focus on the key priorities.

However, yield is only one part of the performance picture. Other objectives, including statutory requirements to provide certain types of programming and service, may require the broadcasters to make decisions that do not maximise yield. Indeed overall yield may decline as broadcasters reduce spend on services that super-serve older audiences in the interests of strengthening their offer for hard-to-reach younger demographics.

For this reason, we do not recommend that the broadcasters set targets for overall yield. We recommend they use:

- **volume of consumption** targets (e.g. TVR or viewing time), particularly for younger audiences or priority services or genres; these should replace share as a performance measure
- **‘meaningful reach’** or **loyalty** targets (i.e. substantially more than one minute’s consumption per week, or frequent consumption).

These will tend to increase yield of priority services and amongst priority audiences, but may not increase overall yield.

Further development of yield analysis should be considered by the broadcasters and the BAI, including:

- Correlation with other measures of public value, including (for example), overall satisfaction with the broadcasters, trust, appreciation and/or support for the licence fee; and measures of impact, such as contribution to national debate, being an important part of Irish life, reflecting Irish cultures and so on
- Benchmarking performance against this year’s review, anticipating improvements in yield amongst priority audiences (note that improvements may develop gradually, given the long lead times between changes in service strategy, commissioning, and audience behaviours and attitudes.)
- Integration of online data, including consideration of time spent with, and frequency of use of, online services as relevant consumption measures

We recommend that the broadcasters take the lead in taking the yield analysis further (as RTÉ already is), since its primary application should be to support their own reprioritisation decisions. However, further development should be done in consultation with the BAI, including agreeing an approach to reporting it as part of the annual review process, to ensure it can help the BAI fulfil its own statutory duty to assess the adequacy of public funding by ensuring that funding is being used efficiently.

Annex. Audience Yield method

A.1 RTÉ

TV

Data were gathered on RTÉ One, RTÉ One+1, RTÉ2 and RTÉjr.

Broadcast hours data (by genre, indigenous and acquired, peak and all-day) were provided by RTÉ.

Programme cost data were taken from RTÉ's 2017 Annual Report (p126). RTÉ confirmed to us that programmes are expensed at the point of broadcast, not commissioning, and that there is no amortisation for repeats for indigenous programming.

RTÉ (and TG4) benefit from programmes which are part-funded by Sound & Vision; this funding does not show up in RTÉ's published accounts and is not included in our analysis. Consequently, some programming appears cheaper, and therefore achieves a higher Yield, than it would do if the total cost of production were taken into account. Commercial surplus (which is not broken down below service level in RTÉ's accounts), was allocated to genres in proportion to hours of viewing of each genre. The cost of programmes provided to TG4 are excluded from this analysis.

For viewing data, RTÉ provided average audiences for indigenous programmes by genre, and all-year share and average audience for each of its channels as a whole. These data include live and 7-day catch-up viewing on TV sets, sourced from Nielsen TAM.⁷⁸ Average weekly hours of viewing per capita for each channel were calculated as total viewing hours divided by the total viewing population as reported by TAM.

It has therefore been possible to calculate Yield by genre for indigenous programmes, but not for acquired programmes. We have been able to calculate the overall Yield for acquired programmes, for the total audience and for different age groups.

Cost and viewing data for RTÉ2 and RTÉjr were combined, to reflect the significant overlap in their programming for children. Most of the charts in Section 6 show the combined channels, but we have

⁷⁸ We note that viewing hours as measured by TAM may not exactly match to broadcast hours data published by RTÉ; but after discussion with RTÉ understand that the differences are relatively small and that this is an appropriate basis for the Yield calculations

identified relevant differences between them in the accompanying text.

We also reviewed satisfaction and trust ratings data provided by RTÉ from its Brand and Reputation Tracker survey, as context for the Yield analysis.

Radio

Broadcast hours for each network were provided by RTÉ.

Total programme cost and commercial surplus by network were taken from RTÉ's 2017 Annual Report (p126).

Total hours of listening, by network and demographic, were sourced from JNLR. Average weekly hours of listening per capita were calculated as total listening hours divided by the total listening population as reported by JNLR.

Online

Online costs are also provided in RTÉ's Annual Report. We excluded 'non-broadcast output costs' from our analysis, based on advice from RTÉ that these primarily comprise costs of product development, promotion and delivery. We allocated acquired content costs (which are less than 10% of online content costs) to genres in the same proportion as indigenous content costs.

As emphasised in our report, access to historic 2017 online consumption data was limited by a change in RTÉ's analytics supplier. RTÉ provided data on average weekly unique browsers for RTÉ.ie and RNN; average weekly pageviews for RTÉ.ie; and average weekly number and duration of RTÉ Player streams, by genre and by device.

This data allowed us to calculate pageviews per euro for RTÉ.ie, and we were also able to allocate RTÉ Player viewing to broadcast viewing hours to derive total yield for TV content.

A.2 TG4

Broadcast hours and spend by genre were sourced by Communications Chambers from TG4's 2017 Performance Statement. Viewing data was sourced by TG4 from Nielsen TAM. We developed a consistent set of genres and where necessary combined genres and allocated some programming between genres in order to apply these genre categories across all data sources.

Unlike RTÉ, TG4 programme costs are expensed at the point of commissioning. Its Performance Statement therefore includes costs of the programmes *paid for* in 2017, not those *broadcast* in 2017.

TG4 have confirmed that these numbers do not differ significantly by genre, and it is introducing systems that will enable it to report on spend on broadcast programmes, starting during the course of 2018.

In addition to using Nielsen TAM for viewing data, TG4 also operates a panel of Irish language speakers, Fios Físe, which provides insight on consumption amongst this demographic. We have included some headlines from this study; it was not possible to generate analysis at subgroup level in the time available for this review, but this should be possible in future.

Nielsen TAM does not provide genre-based analysis for TG4. Therefore, genre analysis had to be generated manually by TG4. The analysis in this report is based on a sample of 12 weeks' output. It would be impractical to do this for a whole year's worth of programming. However, note that these weeks may not be fully representative of the broadcast schedule for the entire year.