



Mr Pauric Travers

Chairperson

Broadcasting Authority of Ireland

2-5 Warrington Place

D02 XP29

19th March 2020

Re: 2018 Annual Review Public Service Broadcasters

Dear Pauric,

I am writing to you to acknowledge the report submitted by the BAI regarding the 2018 Annual Review of the Public Service Broadcasters as specified under Section 124(4) of the Broadcasting Act 2009.

I firstly wish to formally welcome the Review and thank the BAI and consultants, Mediatique, for bringing it forward. I appreciate the importance of assessing compliance by Public Service Broadcasters with their annual commitments and note the significant level of achievement in that regard. I welcome particularly the high degree of trust identified in the Review that the public put in our Public Service Broadcasters and the esteem to which they are held in terms of value to our society.

RTÉ and TG4 are both vital to the maintenance of our democracy, especially in a time where we have seen a significant rise in disinformation. They enhance diversity in our media and contribute to balanced debates on issues of key national importance and effective coverage of significant events. Vivaly, they also promote culturally relevant content and a platform for Irish news, current affairs, film, drama and sport. Their

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D'fhonn is go gcuirfead feidhmeanna na Roinne i gcrích, agus seirbhísí ar fáil, ceanglaíonn an Roinn Cumarsáide, Gníomhaidhe ar son na hAeráide agus Comhshaoil go soláthróidh custaiméirí sonraí pearsanta áirithe. Féadfaid do sonraí pearsanta a mhalartú le Ranna Rialtais eile agus le gníomhaireachtaí eile in imthosca áirithe de réir dlí. Tugtar sonraí iomlána sa bhFógra um

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importance, too, in the maintenance of the Irish language and its place in our society cannot be underestimated.

TG4

While I am satisfied to see that TG4 has put in a strong performance regarding the wider audience part of its twin pole strategy, I share the BAI's concern that only 14% of targets relating to its core audience were achieved. This appears to be a reverse of the situation in last year's review where TG4's core audience was deemed to be well served but reach limited in terms of the national audience. I realise however that this performance is in the context of TG4 setting itself very demanding targets for 2018. I note also that TG4 performed well regarding Irish language promotion and development and this is reflected in the overwhelming public perception that TG4 supports and promotes the Irish language.

The commitments and associated targets that TG4 had set for 2018 were extensive with 17 commitments and over 247 individual targets logged. I note that the report indicates that the PSBs should continue to simplify targets and focus on quantifiable metrics. I also concur with the recommendation that TG4 should weight their performance commitments or target priorities and introduce a tiered system to help them focus on its most urgent goals.

The application of audience yield as a measurement concerning TG4 has shown that they have managed to improve their score in this regard compared to last year's review indicating improved efficiency regarding how public funding is spent. This metric will be observed with interest in the years to come as a way to provide insight into value for money.

RTÉ

The report highlights the success RTÉ has had in simplifying and reducing their commitments and targets and that these were split across audience, content and sustainability. I am pleased at RTÉ's performance regarding their content related commitments and that audience targets were very close to being achieved. The reach of RTÉ jr amongst 4-7 year olds is of concern however as these are the viewers of the future.

Regarding sustainability, I would expect that the additional public funding provided to RTÉ since 2018 can improve performance against these commitments in future reviews.



I note the addition of metrics to assess the public perception of trustworthiness of RTÉ, an issue that was requested to be looked at following the 2017 review. While it is positive that 82% agree that RTÉ provides trusted news and current affairs content, it is concerning that this figure has been consistently dropping since 2014 from a high of 87% in that year. Additionally concerning is RTÉ's public perception score of 52% on being value for money, a low score that has fallen from 56% in the 2017 review. I would appreciate if this issue is reported on again in the context of the 2019 Review.

I concur with the reviews recommendation's that RTÉ should include metrics to measure online performance such as time spent and that Irish language commitments with TG4 should be codified.

In the 2017 review it was highlighted that a lot of RTÉ's key misses came in the comprehensive portfolio of media services category with online services of particular concern. I would like to acknowledge the improvements RTÉ have made in this regard with the targets for *growing RTÉ's average weekly reach via mobile and online, growing RTÉ's average monthly streams via mobile and maintaining public perception that RTÉ programmes and services are easily accessible on a range of devices* targets all being fully achieved. The importance of this area speaks for itself in terms of changing broadcasting trends and engagement with younger viewers. I note and concur with the recommendation cited in the report that online metrics such as "time spent" should be included by RTÉ in order to further ascertain progress in an area fundamental to its future growth.

Younger Viewers

I am aware that TG4 has strived to improve its reach among younger viewers, a challenge facing all broadcasters and am pleased that they have exceeded their targets in non-linear programming for this demographic. The performance of "bloc" the Irish language short form video content hub, which exceeded its target by 237%, is particularly impressive and provides evidence that TG4 are adapting to fit the needs of a changing broadcasting environment. Their reach in traditional linear programming for younger viewers is still of concern however and attention should continue to be focussed in this area in order to improve these metrics.

RTÉ's performance amongst younger audiences is concerning with RTÉjr's reach target not met and continuing to decline, from 15% in 2016 to 13.2% in 2018. I recognise that younger audiences are shifting to new platforms, away from linear TV and tend to prove more difficult for broadcasters to attract. However, this is a key demographic for the future. I understand RTÉ has commissioned research to better understand how to reach children and young people and has committed to implement



any recommendations stemming from the research conclusions in 2019. I look forward to the BAI's examination of this process in the 2019 review.

Public Funding

While it is appreciated that the report is based on 2018 figures, substantial additional public funding has been secured for public service broadcasting over the past three years. Regarding TG4, in 2018, the broadcaster was allocated an additional €2m ongoing exchequer funding, comprising €1m current and €1m capital funding. It was also allocated a once off capital grant of €985,000 that year for its expenditure relating to Bliain na Gaeilge.

In 2019, TG4 was allocated €443,000 in new Exchequer funding and in the Revised Estimates for 2020; TG4 has been allocated an additional €1m capital funding. This brings its total Exchequer funding for 2020 to €37.233m, comprising current funding of €34.233m and capital funding of €3m. In view of the changed accounting practices that allow TG4 to allocate capital funding to programming and the ongoing nature of this funding, I am of the view that the additional capital funding that has been allocated to TG4 since the five year review should also be considered against the €6m funding recommendation made in that report.

In light of this, it should be noted that as we approach the mid-point of the five year strategy, TG4's public funding has risen by 10.5% since 2017, and that 58.7% of the additional €6m funding recommendation has been allocated on an ongoing basis. Significantly, over the past number of years, the Government has also entirely replaced the €9.245m that TG4 had received from the licence fee with exchequer funding, removing the risks posed by the peaks and troughs of TV Licence sales.

Over the same period, RTE has been allocated an additional €19.3m in public funding of the €30m recommended. In 2018 an increase in funding for Public Service Broadcasting was funded through a €1.64m increase in the Department of Employment Affairs and Social Protection contribution for free TV licences. An additional €8.6m was made available in Budget 2019 through a combination of an increase in exchequer funding for Public Service Broadcasting, which replaced TG4's TV Licence funding, and an increase in the amount paid by the Department of Employment Affairs and Social Protection for free TV Licences. In late 2019 an announcement was made by An Taoiseach that further funding would be made available in respect of free TV licences, which will amount to an additional €9.3m to RTE in 2020.



Additional Developments

A Commission on the Future of Irish Public Service Broadcasting has been established to make recommendations to Government on setting a new strategic direction for public service broadcasting. The Commission will examine what the Irish experience has been in delivering public service broadcasting and the challenges created by new global platforms and changing audience preferences in relation to how content is delivered. The Commission will also propose how public service aims should be delivered in Ireland over the next ten years and distinguish how this should contribute to supporting Ireland's cultural and creative sectors. President of Dublin City University Professor Brian MacCraith was announced as chair of the Commission in January 2020.

I share the Authority's concern regarding the ongoing deficits incurred by RTÉ. . A new reporting template has been introduced which will be the focus of monthly meetings between officials from my Department, RTÉ, and NewERA. As Minister, I will be kept updated on the outcome of these meetings.

I would like to take this opportunity to acknowledge work of the BAI and the consultants for their analysis and recommendations, I can confirm that, in accordance with the provisions of section 124 of the Broadcasting Act, a copy of the report, its recommendations and this letter of response will be laid before the Houses of the Oireachtas in due course.

Yours Sincerely,

Richard Bruton TD

Minister for Communications, Climate Action & Environment