



Independent Broadcasters of Ireland Pre-Budget and Policy Submission 2024

Supporting sustainable News and Current Affairs in Independent Radio

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Introduction:

Ireland's independent commercial radio stations deliver services which are vital for society through their strong connection with – and trust from – listeners, and their delivery of accurate, fair, and balanced News and Current Affairs coverage. The independent radio sector provides well over 1,000 hours per week of that Public Service Content, across the local, regional, multi-city and national stations. In addition to news and current affairs, these stations provide valuable cultural, local sport and information programming. The independent stations are responsible and regulated and are essential for an informed, cohesive and democratic society. Their specific statutory duties in the area of News and Current Affairs mean that they have unique requirements and grounds for State support. It is clear News and Current Affairs are currently facing a crisis in the sector, due to extreme difficulties in funding and resourcing and that an urgent response is needed from Government. Independent radio combined has 2.4 million listeners and 70 per cent share of radio listenership in Ireland.

The **Independent Broadcasters of Ireland** represents all of the independent radio stations in Ireland. This document constitutes its proposals for addressing the significant policies issues involved in keeping sustainable News and Current Affairs in our sector for the next year, based on **interim funding** to cover the period while policymakers put in place permanent funding for broadcasting in general and our sector in particular. It is a **Pre-Budget Proposal** and should also inform broadcasting policy into the future. It includes realistic and proportionate changes to broadcast funding with no negative effects.

The problem and opportunity:

News and Current Affairs in the Independent Radio sector is at imminent risk of significant erosion due to the extreme challenges around funding and resourcing of journalism. While our sector is a commercial and successful one overall, the news and current affairs area is the area that is under significant pressure and it needs to be sustainable. What we are proposing is for core news and current affairs as opposed to additional services. Due to delays in addressing this issue, we are at a tipping point. There is a real opportunity for Government to step in now and take action to sustain News and Current Affairs for the next year, while longer term arrangements are put in place, and then to make multi-year funding plans to return strength to this area. It is important to emphasise that the survival of broadcasting in Ireland concerns far more than RTÉ, and that action now has potential to preserve News and Current Affairs in Ireland's independent radio sector.

Key points:

- Independent radio sector's Public Service Content is highly-trusted and protects democracy.
- News and Current Affairs in Independent Radio is facing a crisis, and there is a real risk to sustainability.
- Now is the time to secure News and Current Affairs content on the independent stations which is at breaking point and where the situation is too urgent for any further delay. It is absolutely essential that our sector is not ignored or forgotten in the rush to address RTÉ's compliance, governance and funding difficulties.
- Our 34 stations combined provide far more Public Service Content than all of RTÉ's radio services.
- Currently there is **no State funding for core News and Current Affairs** content or resourcing in our sector. RTÉ provides Public Service Content which is heavily supported, but our sector also provides extensive Public Service Content, so fairness and equity would mean proportionate assistance. The proposals here are practical and realistic.
- We regret that current schemes recommended by the Future of Media Commission in 2022 cannot address the core issues facing our sector.
- It is clear that policy discussions are unlikely to result in any permanent scheme being implemented this year to fund local radio because of the RTÉ crisis. Therefore, because of the urgent risk of erosion of our sector's ability to provide News and Current Affairs, **interim crisis funding** is needed to bridge the time-span to longer term solutions being put in place.
- This submission proposes interim support to enable our Public Service Content to be sustained until November 2025, and then annually until a fair and proportionate longer term solution is put in place.
- Government and the Oireachtas have a major opportunity to provide essential support for the short term and then to make reasonable and proportionate plans to positively transform News and Current Affairs in independent radio from an era of decline and challenge to expansion and the regaining of strength.
- Our proposals do not constitute additional funding requests and there is no State Aid barrier. They rebalance and re-direct existing funding.

Summary of Independent Broadcasters of Ireland proposals

Budget 2024

1. **Set up a new ringfenced annual grant aid scheme for employment/salary support in News and Current Affairs and people development and similar programme production costs, commencing in November 2024**, specifically and only for Journalism/News and Current Affairs in our sector, to last until future long-term funding decisions are taken by Government. This would provide an essential ‘bridge’ between the current crisis and when sustainable funding is put in place. This would enable News and Current Affairs to be preserved and protected over the next year or until long term solutions are in place in independent radio. This interim grant scheme would amount to **€6.1 million or just 3.4% of current national broadcast funding (based on a very conservative estimate of overall broadcast funding – that percentage would be lower if higher overall funding for broadcasting was proposed)** and would keep News and Current Affairs sustained in independent radio while policy makers consider longer term solutions. This is a small fraction of current spending/licence funding and would be based on our sector’s statutory obligations in providing News and Current Affairs, and the need for equity in funding.

2. **Reform or alleviate the unfair burden of the broadcast Levy on the independent radio sector.** Currently independent stations pay a grossly disproportionate higher % of the Levy. Reform or other methods of redesigning the Levy to remove its heavy cost from the shoulders of the independent sector are needed to radically reduce costs to the sector via changes, or through a dedicated “open” Sound and Vision scheme to return this cost to our sector. We are happy to work on details.

(Full details are provided below)

Independent Broadcasters of Ireland: Detailed Proposals:

Proposal 1 - Interim Grant Aid Scheme	Detail	Cost
<p>Establish a dedicated grant scheme for employment support and running costs of News and Current Affairs, also including training and development in independent radio on an interim basis as a bridge to longer term solutions by policy makers:</p> <p>Government to establish a <u>€6.1 million interim grant scheme for Employment/Salary Support, running costs of News and Current Affairs, and People Development</u> for the independent radio sector to enable sustained services for the next 12 months, or until longer term funding is put in place – to be spent on resources in News and Current Affairs specifically. There is undoubtedly a crisis in recruitment and retention in the independent sector. This initiative would be aimed at direct, ring-fenced funding for stations to address the profound challenges in the sector through funding supports for salaries and for journalists and News and Current Affairs production staff, both new entrants and existing staff, as well as running costs, training and development/web. This would need to be operated in such a way as to ensure administrative obstacles were minimised and funding begins from November 2024 and annually until longer term funding is available. It only comprises 3.4% of current broadcast funding, based on conservative estimate.</p> <p>This funding to come from the Government Settlement for existing Broadcast Funding/TV licence/Exchequer through the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.</p>	<p><u>This would provide short term grant aid funding for 12 months of an average of €179,000 per independent station, commencing November 2024 and lasting until a longer term solution is in place from Government.</u> While this would not address long term needs, it would provide a bridge to ensure the sector could get to a situation where longer-term supports were put in place by policy makers. It would be divided equally among the 34 independent stations.</p> <p><i>It would be spent on ensuring sustainable salaries for journalists, producers, editors and presenters of News and Current Affairs. development of skills, and transmission or IT or web costs related to News and Current Affairs, as well as outside broadcast costs.</i></p> <p>Financial support under the grant scheme for wages of new entrants and experienced journalists/production staff would be audited and capped to ensure it supplements salaries up to 80% of average industrial earnings. This would enable News and Current Affairs in our sector to be sustained for the next year or until longer term measures were in place, while not a permanent solution. response to the crisis and would enable services to be sustained in short term.</p>	<p>The State and TV licence payers already invest in Public Service Content broadcasting – this would just make that spending fair and provide a bridge to let News and Current Affairs survive until longer term solution is in place for independent radio.</p> <p>Based on a conservative estimate of total funding of €180 million p.a. this would comprise just 3.4% of total broadcast funding, a fraction of RTÉ’s share or €6.1 million.</p>

Proposal 2 - Levy Reform	Detail	Cost
<p>Rebalance or compensate for the current Broadcast Levy: Address the deep inequities of the broadcast Levy in relation to its treatment of Independent Radio, as opposed to RTÉ and Social Media companies.</p> <p>Adjust the broadcast Levy which is currently regressive and weighs disproportionately on our sector. Reform or alleviate the unfair burden of the broadcast Levy on our sector. Currently independent stations pay a grossly unfair higher % of the Levy. Reform, design or other methods of redesigning the Levy or compensating our members directly are needed to return the costs to the sector. A dedicated and “open” Sound and Vision scheme could constitute very deliverable investment to address this. We are happy to work on details with Coimisiún na Meán but the current situation cannot continue. Change has been promised to the Levy on several occasions by policy makers.</p>	<p>This would be of significant assistance in addressing the issue of the regressive and costly nature of the current broadcast Levy which disproportionately impacts on smaller radio stations as their percentage payment is higher. The current system unfairly favours RTÉ and the social media giants.</p> <p>The independent sector has been paying more than RTÉ TV and radio combined, and the social media/tech companies have not paid any charge until 2024. This measure would ensure that Coimisiún na Meán has funding but that it was not coming from the smallest and most-endangered media sector.</p> <p>Addressing the levy could save many independent local stations tens of thousands of euro each on an annual basis.</p>	<p>This is a regulatory change. The cost would be very marginal in the context of broadcast funding.</p>

Conclusion: The *problem* and the *opportunity* which urgently needs to be addressed:

Our proposals are realistic and proportionate and include an **immediate interim grant scheme** to address the crisis in News and Current Affairs in our sector which threatens erosion and hollowing out of services. This funding would only be for costs related to News and Current Affairs. Our immediate proposals would enable services to continue to be sustained over the next year. Our immediate proposals also include measures to address the unfair broadcast Levy to relieve the heavy burden it places on our sector.

As there is already funding in place for broadcasting in general in Ireland, our proposals only constitute a small fraction of that existing spend, to support the independent sector.

The interim grant aid proposed would be from the **Department of Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media** and applied, administered through, and audited by **Coimisiún na Meán**.

The independent radio sector's Public Service Content is highly-trusted and is a vital service, in particular regionally. However, there is currently no state funding for News and Current Affairs core content and resourcing in the sector. During the next year, the State would also need to look at long-term funding and deep reform of existing schemes and structures, in order to ensure a bright future for News and Current Affairs and Public Service Content on independent radio.

It is important to emphasise that there is **no State Aid obstacle or barrier** to funding for Independent Radio's Public Service Content due to €15 million annual EU exemption already in place, and that investment proposed will not displace other media (RTE has been receiving extensive ongoing Exchequer spending, the Press Sector has already received a VAT reduction of 9% of turnover, and Social Media is current making c.€900m p.a. in advertising without any editorial obligations whatsoever, and so requires zero support).

This submission sets out clear and deliverable solutions to the crisis facing News and Current Affairs in the independent radio sector. As well as addressing the immediate issues through interim funding, the proposals here constitute an opportunity for the Government and Oireachtas, to have time to take longer-term actions

to enable a transformation in the area, and to ensure that News and Current Affairs is not put at risk in our sector during this breathing-space.

Independent Broadcasters of Ireland



Independent Broadcasters of Ireland

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