

[IE] Communications minister publishes Broadcasting Amendment Bill and announces reform of TV licence fee system

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On 2 August 2019, the Minister for Communications, Climate Action and Environment, Richard Bruton TD, published the Broadcasting (Amendment) Bill 2019 (hereinafter 'the Bill'). The purpose of the Bill is to make amendments to certain provisions of the Broadcasting Act 2009. The Bill comprises eleven sections and contains several key provisions.

The Bill makes three main amendments to section 33 of the Broadcasting Act 2009, which is the section that authorises the Broadcasting Authority of Ireland (BAI), the independent regulator for radio and television broadcasters, to impose a levy on broadcasters to meet its expenses. Under the current provisions, the levy imposed by the BAI can only be raised to meet 'expenses properly incurred', which in operational terms, leaves the BAI without adequate working capital at certain points of the levy cycle. Section 3 of the Bill aims to allow the BAI to impose the levy not only to meet expenses properly incurred, but to facilitate adequate working capital so that it can meet its day-to day operational requirements.

Section 5 of the Bill amends section 123 of the Broadcasting Act 2009, and makes provision enabling the BAI to be allocated public funding from television licence receipts, to be used towards meeting the expenses incurred by the BAI in conducting its regulatory functions. Section 5 of the Bill also seeks to cap this contribution by 50 per cent in order to ensure that industry continues to pay a contribution towards the BAI's expenses. Furthermore, taking into account the United Kingdom Referendum result to leave the European Union and the potential for broadcasters currently based in the UK to locate in Ireland, section 33 of the Broadcasting Act 2009 is being amended in section 3 of the Bill so as to apply to 'content provision contract holders', so that they can be included under the scope of the BAI levy where necessary. Further amendments to section 33 of the Broadcasting Act 2009 also provide for criteria on which levy exemptions or deferrals can be granted by the BAI to ensure that section 71 of the Broadcasting Act 2009, which establishes the right of new entrants seeking to establish and engage in television broadcasting in Ireland, continues to accommodate the type of audiovisual services for which it was originally designed (namely, new forms of audiovisual media that might have a smaller audience appeal).

Section 7 of the Bill also contains a new section to provide for the establishment of a new scheme under the 'Broadcasting Funding Scheme' administered by the BAI, which would allow for the provision of grants to journalists in local or community radio stations as a means of promoting the development of good journalistic practices and standards in local radio.

The Broadcasting (Amendment) Bill 2019, which has been approved by the Irish Government, will be presented before Dail Eireann, the lower house and principal chamber of the *Oireachtas* (Irish legislature), in the Autumn.

On 2 August 2019, the Minister for Communications, Richard Bruton, also made an announcement regarding proposed changes to the manner in which the television licence fee is to be collected in Ireland in the future. The minister noted that 'due to the nature of technological change and the movement towards digital devices' the design of the television licence fee must change. The minister stated that the Irish Government would accept the recommendations of the Working Group on the Future of Public Service Broadcasting, a cross-departmental working group established by the government in 2018, to examine options for the collection of the TV licence fee or its replacement. In April 2019, the Working Group, reporting to the minister, recommended that the collection of the TV licence fee be put out to public tender later in 2019. According to the Working Group, a five year contract for the service is required in order to make it feasible for the successful tender to invest in database and collection improvements.

Minister Bruton stated that the Irish Government also agreed that following the end of the five year contract period, the licence fee should be replaced by 'a device independent broadcasting charge which takes account of technological change and will enable the sustainable funding of public service content in the longer term.'

Finally, Minister Bruton also announced a review of the Broadcasting Act 2009 in order to evaluate the proportion of the television licence revenue which is allocated to the Sound and Vision Scheme which supports the independent sector and native Irish content and which is administered by the BAI. Under section 156 of the Broadcasting Act 2009, seven per cent of the net television licence receipts (approximately EUR 14.5 million) are allocated to the Broadcasting Fund, from which the Sound and Vision Scheme is funded. Increasing the seven per cent of licence fee funding would increase support to the independent broadcasting sector and incentivise the production of desirable public service content across the sector.

The review of the Broadcasting Act 2009 will also consider the minimum amount of funding that public service broadcaster RTÉ is obliged to spend on commissioning external content. In 2018, this amounted to EUR 39.7 million. Accordingly, increasing this amount would provide an important stimulus to the

independent production sector.

Broadcasting (Amendment) Bill 2019 [No. 64 of 2019] 31 July 2019

<https://data.oireachtas.ie/ie/oireachtas/bill/2019/64/eng/initiated/b6419d.pdf>

Broadcasting (Amendment) Bill 2019 [No. 64 of 2019] 31 July 2019 - Explanatory Memorandum

<https://data.oireachtas.ie/ie/oireachtas/bill/2019/64/eng/memo/b6419d-memo.pdf>

