

Future of PBS in a digital age

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Exploring Digital Public Content in Ireland

Ireland's broadcasting sector, both public and commercial, is at a point of departure. With new legislation, which consolidates 50 years of broadcasting legislation, finally in place and with a new regulator, the Broadcasting Authority of Ireland, emerging, one can expect significant changes in the coming five years. While the recession, which has hit media's commercial revenue hard, currently dominates the boardrooms all Irish broadcasting businesses the real seismic change for broadcasting is not the economic downturn but the shift online and the convergence of content in a multi-platform environment.

For public broadcasting the shift from traditional analogue broadcasting to both digital broadcasting and online content is particularly challenging since its remit and funding is not just nationally regulated but governed by European directives. As businesses public broadcasting companies in Europe are both required to innovate but equally not to undermine the market dynamic by using its position to provide services which the commercial sector could deliver without public funding. For some years now there has been a tension in the European regulatory debate between the so called 'old' PBS services of terrestrial radio and television and its flow into the 'new' services both in digital networks and more pointedly through the Internet.

In the UK the BBC's technology neutral strategy since the mid 1990s has ensured it has grown and developed as a prime content provider in all digital platforms including the Internet but its path online has been carefully negotiated and frequently challenged, via both the BBC Trust and the UK regulator OfCom, to test it is acting within both its legal remit and its commitment to the licence fee. While analogue PBS radio and TV stations moving to digital terrestrial has been seen as an extension of the old model the flow into the Internet has created more debate with some, particularly in the commercial sector, making the case that PBS models should not be allowed to use a public licence fee or public funds to create online content. The argument from PBS companies has been that since the audiences are shifting online that PBS companies need to be there to both serve them and fulfil their remit to ensure information is freely available as a public good.

The grey wall between traditional broadcasting and the Internet has shadowed the audio-visual discussion in Europe in recent years with the European Commission responding to commercial concerns that PBS ventures in online content were undermining free competition and stopping the growth of new media businesses by their use of their public funding and brand position. The sensitivity of the PBS position online led to the BBC Trust implementing a policy on podcasting which meant that BBC podcasts had to come from broadcast content and not content created solely for web distribution. A regional online news project was equally stopped by the Trust.

In a sense the debate over platforms is part of the legacy of PBS. If we were starting to create a public broadcasting, or more accurately a public content model, now we would not start from here. Our European traditional and culture of national PBS models is grown in history where stations like the BBC, RTE or any of the family of EBU (European Broadcasting Union) grew out of the technological development of radio and state radio broadcasting over 80 years ago. With the advent of television public broadcasting models, combining TV and radio, emerged and in Western Europe were defined in terms of democratic, social and cultural terms. With the growth and development of commercial radio and TV the PBS remit to deliver public good, information, through public funding was because broadcasting was seen as socially and politically influential and also because broadcasting spectrum was defined as both public and limited.

The political imperative for PBS models in Europe was underscored by the experiences of WW2 and the need to safeguard media plurality, freedom of information and public access to information. Since the 1990s the European Commission has, in various documents, worked to protect what exists, and the public interest in media, while attempting to balance the growing diversity of broadcasting in terms of content, suppliers and platforms. Digital platforms removed the issue of limited analogue spectrum while the Internet opened up global audiences.

The Commission's Amsterdam Protocol on Public Broadcasting defines PBS's key role as 'disseminating information', defines it within the 'democratic, social and cultural needs' of the members states and 'the need to preserve media plurality'<sup>1</sup>. That remains at the core of the PBS identity – to provide trustworthy information which safeguards a plural democracy. But PBS, largely through the influence of Lord Reith, has also come to mean cultural goods, arts, music, sports and entertainment which have ensured strong content brands across Europe from NRK in Norway to RAI in Italy, brands which are distinctly different in form and shape, but which are now seen as a core part of the society.

In Ireland, drawing on a tiny population, the public broadcaster was always dual funded dependant on both commercial advertising/sponsorship revenues as well as the TV licence fees. In mid 2002 before the licence fee was increased and index linked RTE was as much as 75% dependent on commercial revenue. After the increase and with index linking, by December 2002, RTE was 50:50 split between commercial and licence fee revenues. The stability in revenue followed a long review of the nature and purpose of public broadcasting in Ireland, including the Broadcasting Forum chaired by Prof John Horgan. Tied to the increase was a new layer of process and accountability. RTE was tasked to deliver commitments of programming, a new Public Charter was put in place by mid 2004, and the process began to shape a consolidating legislation which would shape the future of broadcasting in Ireland and carry it into the digital age.

That legislation finally took effect by July this year. The new regulator, the Broadcasting Authority of Ireland, now, for the first time, regulates both the commercial sector and public broadcasting (RTE and TG4). The challenges are enormous. The implementation of both DTT (digital terrestrial television) and Digital Radio. Analogue TV's switchover is still, on paper, meant to be December 2011. The lack of both commercial and state revenue to implement significant digital terrestrial

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<sup>1</sup> [http://www.dcenr.gov.ie/NR/rdonlyres/AEC22B86-DE99-4A48-8B1F-525D504CEDBA/0/1ProtocolonPublicServiceBroadcasting\\_Amsterdam\\_Protocol.pdf](http://www.dcenr.gov.ie/NR/rdonlyres/AEC22B86-DE99-4A48-8B1F-525D504CEDBA/0/1ProtocolonPublicServiceBroadcasting_Amsterdam_Protocol.pdf) (May 1999).

structural changes may mean the other digital platform, the Internet, becomes more significant not just to audiences and users but to broadcasters and content creators.

But despite the economic gloom this is, as I say, a departure point of discovery and reinvention for broadcasting in Ireland. The BAI is tasked not just to regulate the sector but to ensure the public interest is served in the quality and range of choices offered.

The focus of both the new legislation and the regulator has been to put the public centre-stage and to ensure that Ireland is compliant with European directives on public broadcasting. There is now a public right to reply for both commercial and public broadcasting. Both public and commercial broadcasting will be tasked to establish and maintain audience councils. New projects, channels or public offerings will need to be tested with the public. It seems obvious but nothing of what currently exists has had any form of public testing other than the audience figures once the channel/station is launched.

The BAI is equally tasked to review public funding and can recommend reductions in funding as much as increases. It is tasked to review public broadcasting output against the commitments made to ensure the public is getting value for money and will, for sure, bring greater accountability to public spending in broadcasting. A key element is also its requirement to do market and sector assessments of new offerings so new public broadcasting channels in both radio and TV will need to be independently assessed in terms of their impact on the market and their match to public needs and requirements. Impact statements and market/public consultation will become core parts of future decision-making. Proposed new digital offerings will also need to be tested with the market and public in impact statements.

The timing of the new initiative combines with several significant timelines. Last month the European Commission published its updated new 'Communication on the application of state aid for public service broadcasting', which confirms the need for public broadcasting to be 'technology neutral' and provide its public services in all platforms.<sup>2</sup> The Commission clearly states the need to provide the PBS model on the Internet and reflects that Europeans spend an average of 85 minutes a day online.

The other major report was the Digital Britain study in June which addresses the question of public broadcasting and digital. Analysis, it suggests, is more likely to succeed if it starts from the premise that 'the structures and the set of entities which have collectively created PBS are over'.<sup>3</sup> While it sees the BBC as a key driving force for Britain in digital it equally makes the case for public content diversity, with additional funding, or a slice of the licence fee, going to other sources based on defined gaps in public content.

Ironically the idea of slicing the licence fee and creating PBS content competition began in Ireland with the Broadcasting Fund in 2004 and the creation of the Sound & Vision Scheme which funds public content, based on a set of legal criteria, across all broadcasters. This idea of separating funding from institutions has been closely followed in PBS discussions internationally and certainly

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<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:257:FULL:EN:PDF> 'Communication for the case on the application of state aid rule to public service broadcasting'.

<sup>3</sup> <http://www.culture.gov.uk/images/publications/digitalbritain-finalreport-jun09.pdf> (Chapter 5, Public Broadcasting)

the success of Sound & Vision has been to grow the Irish radio independent sector (which was practically nonexistent before the fund) and ensure public content goods have got into non PBS broadcasters like Setanta and Tv3.

In 2004, in the Sprye annual lecture, Professor Graham Murdock benchmarked the PBS and digital debate by describing the Internet as an opportunity for PBS to both reinvent itself and discover a brave new world.<sup>4</sup> For Murdock the Internet offers the concept of public broadcasting the potential to be both accessible and interactive, pushing the definition of public service. He argued for public broadcasting competition and for the focus to content rather than institutions or linear channels.

'We have to stop thinking of public broadcasting as stand alone institutions' Murdock wrote and argued for a 'digital commons' where all those who have a vested interest in public content are part of that commons. In Ireland that stretches from bodies like the Arts Council, universities, libraries, as well as those engaged in direct content creation.

In December 2005, in a presentation to the Summit of the Future in Amsterdam I explored the future of public broadcasting in a digital age.<sup>5</sup> One of the points I was making, and still made, is that while the development of the PBS monoliths like the BBC, YLE, DR, RAI or RTE is historic the democratic imperative, the need for free flowing information which is not defined by either the state or corporate, is as essential as ever. The run up to the Iraq invasion, in both the US and UK, underscored the need for public content, for independent news, as a public good but it also showed the power of NGO media using the Internet as a distribution platform to get information out. In a sense what Murdock highlighted was the separation of public content from public broadcasters so that a creative pool of content can be formed from different sources. It doesn't negate the need for big trusted branded institutions like the BBC, or RTE but it reflects that public broadcasting is content and is not the remit of one institution solely. Its purpose is to create content as a social good and in a digital framework a looser, more collaborative model of public content will flourish.

With the new legislation increasing funding for Sound & Vision by 2% to 7% of the licence fee public content competition is growing in Ireland. In reality the pool of broadcasters remains small and the commercial pressures on the private sector have actually decreased their willingness to participate in public content funding. For example Newstalk 106 which has been a major beneficiary of Sound & Vision Radio funding declined to take part in the most recent round because the station no longer has someone to do the internal work relating to the content. But while commercial broadcasters may be standing back from the fund, because they often do not want public broadcasting genre content in primetime, the fund has significantly funded community radio and TV programming a sector which has grown dramatically in the last ten years.

For RTE as an institution the changes in process, regulation and indeed the sharing of the licence fee are all painful but the long term survival and health of public broadcasting content, both in a traditional and a digital environment is more secure in the BAI. The nature of public funding means accountability and transparency will grow. Indeed it is hard to see the physical idea of a TV licence fee continuing in the future when people will increasingly get content from their computer/laptop

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<sup>4</sup> The School of Communication website":[http://www.sfu.ca/communication/highlights/2004-fall/spry\\_murdock.html](http://www.sfu.ca/communication/highlights/2004-fall/spry_murdock.html)./ 'The Digital Commons: Public Broadcasting and the Internet' (Nov 2004)

<sup>5</sup> [www.athenamedia.ie/reports](http://www.athenamedia.ie/reports)

rather than a TV or radio and the costs of administrating and tracking a licence could be directly benefiting content creation. A direct universal content tax may be more palatable if we have an independent regulator although the concern there, which still remains across Europe, is a direct tax leaves the public broadcasters more vulnerable to state pressure and state backlashes.

For Irish public broadcasting both RTE and TG4, the opportunity which digital presents is the ability to fulfil its public remit; to 'disseminate information', to have an active two way flow with its public, to become digital content resources, digital libraries, linear and non linear communicators, yet the challenge is that the digital transition doesn't just shift power from the broadcasters to users it also shift power from the broadcasters to content creators who can and are creating online channels and using YouTube, Vimeo, Facebook and Twitter to distribute.

In a sense the mind shift on the future of public broadcasting is to go back to basics – to the content. A content focussed PBS model with internal competition (as in RTE, TG4 and community PBS models) is healthier but for Ireland the challenge remains that as a small country we need to maximise resources to ensure the best use of limited funds. The BAI will bring that level of coordination and given the challenges of implementing a terrestrial digital broadcasting strategy will at least ensure that both public and commercial sectors work together.

#### Future of Public Content:

Digital technologies and content convergence will grow non linear audiences based on the digital media content principle of 'what I want, when I want it, where I want it'. Public content, in order to fulfil its remit to educate, inform and entertain, will increasingly flow into social media and non linear forms like catch up services, podcasting etc.

Users will increasingly expect to have a participatory role in content, particularly public content. The new audience councils are expected to have a strong online life. Equally the new right of reply obligation will give the audience a potential voice other than in formal complaints and legal proceedings.

Ireland now has more than one public service provider and 7% of the public service licence fee can fund programming across all terrestrial broadcasters including commercial. This trend is likely to grow so that public funding supports content across community, local and national programming. The missing link is content for online and digital use only and the future is likely to see public service concepts and funding move online without necessarily having to have an output on air via the traditional networks. Increasingly public service content creators, including public broadcasters, will bid for funds based on performance.

One of the significant developments in the new legislation is that the regulator, the BAI, is now required to support and pursue research and development in broadcasting and to support and develop media literacy. This will empower the authority to play a stronger policy role both with the sector and with the public. One of the key findings in our recent digital radio in Ireland report was

the lack of knowledge not just among the public but amongst the sector itself. The emphasis on knowledge, innovation and research is key to the future of broadcasting and media.

While the establishment and integration of the BAI will take time the next phase in the coming 5-10 years will be the integration of the BAI with ComReg so that spectrum management happens in one place. Some years back when we were doing the Ox Report on Radio Licensing (June 2004) we looked at what other states were doing with their media regulators. While in the UK OfCom represents the combination of 5 bodies, and integrated spectrum management and licensing, in Australia a Media Authority was created which reflected that even the word 'broadcasting' no longer defines where we are. The concept of a Media Authority brought together broadcasting and online media. In Ireland that remains a gap in that while the BAI has integrated the code regulation of the two spheres of Irish broadcasting the platform of the future, the Internet and online content, is absent from its remit. It is a complex journey to combine the terrestrial and the online spheres but given that media is increasingly being consumed online, with audiences shifting time patterns based on new technologies, the future will involve a coming together of both the traditional broadcasting regulatory sphere and the currently unregulated (in terms of broadcasting codes and licensing) Internet one. As revenues, in terms of commercial revenue, shift online the need to bring the two worlds closer, under the same regulator, will be clear.