

Question 2. How should public service media be financed sustainably?

What is the best model for future funding of public service media in Ireland?

An Post has acted as 'Agent' to the minister for the collection of the TV Licence fee since it was introduced in 1962 and we have long cherished our TV licence business as an important facet of our public service role and as a key business for our post office network and postmasters.

During that period, An Post TV Licence Services have built up a high level of expertise in the end to end operation of TV Licence Operations across sales through a number of payment channels, administration, chase paths, TV Licence inspections, prosecutions and maintaining the integrity of the significantly out dated and restricted TV Licence Database.

However, in recent years there has been significant uncertainty in terms of the future of TV Licence and the associated collections model. The Department undertook a Request For Information in 2017, there have been Oireachtas Committee Reports on the matter which included a Broadcasting Charge and a possible move to Revenue Commissioners and in August 2019, the then Minister Richard Bruton announcing a reform of TV Licenses with a tender to issue to operate TV Licence operations for a 5 year term.

In advance of this announcement, An Post had presented the findings from an An Post commissioned Accenture review to the Department which outlined a strategic roadmap to enable step change in the reduction of evasion and delivery of cost efficiencies. A key requirement was a fit for purpose long term commercial contract to enable An Post make the necessary investment as An Post have been operating on a rolling annual contract which does not support An Post making the much needed investment.

An Post have always been committed to delivering an effective and efficient TV Licensing system for Ireland In 2019 An Post managed to achieve a compliance rate of 87.43% in a very challenging environment and this is testament to the TV Licence team who are engaged in collection and enforcement activity every day. We welcome the focus on the issue of TV licence and the future funding of public service broadcasting, and we will continue to work in partnership with the Department and RTE in driving a transformation agenda.

The general consensus now is that the current public service broadcasting funding model is not robust enough to generate the funds needed to support public service media as a whole. This is not a reflection of the performance of An Post but is a result of the changing landscape of media consumption and gaps in the broadcasting legislation that does not facilitate access to the data needed to improve the quality of the TV Licence Database.

The pool of 'licensable' premises has reduced significantly during the last few years due to an aging population who are entitled to a Lifetime licence when they reach 70, and the number of people moving away from using a traditional television set. It has become even

more challenging as the numbers in both these cohorts continue to grow therefore reducing the numbers that are liable to pay the TV Licence fee.

In the past, An Post have suggested changes to the legislation that would have helped in the collection of the TV Licence Fee. We have also sought approval from the Department for the introduction of an 'electronic' TV Licence for people who purchase their TV Licence online. This would be a more efficient delivery method for customers who want their transaction to be fully electronic.

One of the key inhibitors is the lack of access to name and address data from key sources. The current TV Licence Database has a significant amount of anonymous 'unlicensed' records in the name of 'The Occupier'. Enhancing the TV Licence database with the name of the current resident would be a game changer in terms of sales returns for the collection agent. It would allow for targeted mailshots to a named occupant which we know from experience converts to a high percentage of actual TV Licence sales and eliminated the need for inspection. Having a name would also give significant assistance to the TV Licence inspection team should a TV Licence not be purchased from the mailshot.

Based on its extensive experience, An Post is certain that database maintenance is key to maintaining the revenue stream needed to fund public service media. Under the current model the TV Licence database is continually updated with information received from a variety of sources principally licence sales and reports from inspectors' visits.

It is An Post's view that revenue can be optimised if and when a) legislation is in place to facilitate data sharing e.g. with government agencies, satellite and cable television service providers, the ESB and Revenue (subject to Data Protection Regulations), and b) a new database and associated CRM system is developed to facilitate data sharing and transfer between the key stakeholders.

Essential to any new funding model is to make the public service media fee device independent. In January 2020 the TV Audience Measurement (TAM) penetration rate, which is the most reliable guide for consumption of programmes output for general broadcast, was 88.44% which means that there are over 200k 'No TV Set' households with no liability to pay for a TV Licence. This figure of 'No TV Set' households is growing rapidly as more and more people choose to consume public service media on their phone, tablet or PC/laptop.

Almost all households and businesses consume some form of public service media e.g. by reading a newspaper, listening to their local radio, watching television, using newsfeeds on their phone, watching video on demand on their PC or laptop. Moving to a new collection model where there is a fee regardless of how you consume public service media will bring the 200k 'No TV set' households back as fee payers and ensure that funding can grow as the population/number of household's increase.

Having one standard fee for each premises is not a fair and equitable system. Some business, for example hotels and pubs, who provide their customers with access to public service media at their premises should pay a higher fee. There is also only a small percentage of businesses that are liable to pay the TV Licence Fee as they do not have a Television Set on their premises. The new funding model should introduce new variable fee so that businesses

pay a higher fee than an ordinary householder and by having fee not tied to a specific device it opens up a new revenue stream.

The Department of Social Protection (DSP) operate a scheme called the Household Benefits Package (HBP) and included in this package is an entitlement to a Lifetime Free TV Licence. There are different criteria to qualify for the HBP but the majority fall into the over 66 age group. Ireland has an aging population and this is reflected in the increase in the number of households qualifying for the HBP from 404,000 in 2012 to 472,000 in 2020. While the current model requires DSP to pay an agreed monthly fee for all their clients entitled to a Lifetime Free Licence, the continued growth of this group will need to be considered and factored into any new funding model.

Under current legislation the burden of proof for TV Licence evasion rests with An Post, as the TV Licence Fee Collection Agent. To successfully prosecute an evader, An Post must prove that there is a television set at the premises and must be able to identify who is liable to pay the licence fee. This results in a significant cost to the collection agent is ascertaining who is a resident and liable for the TV Licence.

Prosecuting a person who has not paid their TV Licence fee has always been a last resort for An Post yet on average 15k people are summonsed to court each year. Decoupling the fee from a specific device will mean that once you are a resident at a particular address you are required to pay a public service media charge for that address. The new funding model should look to remove the need to prosecute and introduce a mechanism to apply a surcharge when a person a person fails to pay by the due date.



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