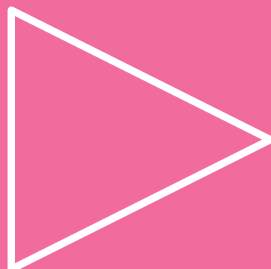
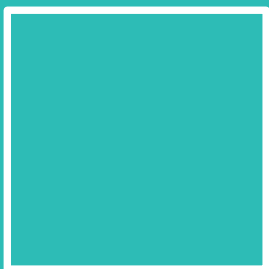


RTÉ

today, tomorrow

a new RTÉ for the connected age



2013-2017



We want to be the best Public Service Media organisation we can be

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NOTE: RTÉ HAS REDACTED/BLACKED OUT CERTAIN TEXT, FIGURES AND TABLES THAT ARE COMMERCIALY SENSITIVE.

Section 1:

Introduction and Executive Summary

Introduction from the Director General

Last June I initiated a top-to-bottom review of what we do and how we do it. This was the most rigorous strategic planning process RTÉ has ever undertaken. It involved people from all levels and divisions across the organisation. Informed by a detailed analysis of the market, our audiences, our responsibilities and changing technology, we examined every aspect of our business and the services we provide to the public. The brief was simple: to reshape RTÉ for the future, fit for the times we live in and the diverse audiences we serve.

It has been an invigorating exercise for the organisation because the future development and improvement of RTÉ is very personal for our staff. We want to be the best Public Service Media organisation we can be.

We developed this strategy very mindful of the society and economy within which RTÉ sits and the changing circumstances of our audiences. We know that the public space occupied by the media is critical and fundamental to our sense of ourselves. Daily, it shapes our understanding of the society and culture in which we live. Few organisations in Ireland are as influential, or require greater public trust, than RTÉ.

Much of the public debate that does or does not happen, the voices that are heard and the issues and topics that are given public space on our national services, all result from choices and decisions made by our editors, programme-makers and journalists. This is a responsibility of which all of us in RTÉ are acutely aware and work hard every day to get right. We know that the choices RTÉ makes are important. We also know that RTÉ can play a unique role in helping our country to re-build its confidence.

We also recognise that in a world of finite resources we must strive to be fit for purpose as an organisation, to deliver maximum value for money from our content and services and to direct as much of our financial resources as possible into serving our audiences.

RTÉ today is a much leaner and more efficient organisation than it was five years ago. Like many organisations in Ireland, we have a new financial reality. In direct response to the Irish and global recession and resulting decreases in commercial and public funding, RTÉ reduced its cost base by over €100m between 2008 and 2012. By the end of 2013, RTÉ will be operating with a cost base which is almost 30% lower than in 2008. We have implemented severe cutbacks across RTÉ including reductions in pay,

and a 20% cut in staff numbers. The scale of these adjustments has naturally been difficult, not just for RTÉ but also on the range of partners with whom RTÉ develops and produces content. We have done this while fully financing and successfully delivering national digital switchover. We have, to the greatest extent possible, protected the quality of the output that we provide to our audiences. However, the depth and range of our content has suffered and we have lost audience share, primarily to non-Irish niche broadcasters. This is not sustainable.

We are now focused on the next steps that are necessary to ensure that, amid profound technological, societal and economic change, RTÉ continues to be a public good, accessible to all, trusted, at the centre of Irish life and relevant to the everyday lives of Irish people.

Sustaining and reinvigorating RTÉ is important because we now live in a digital world where information is delivered on increasingly diverse platforms and from increasingly diverse sources. Forces of globalisation within media are diluting national and local culture like never before.

Some of the largest multinational media companies in the world are now operating, and growing in the Irish

market. As a small country, Ireland needs a media organisation that has the scale and resources to guarantee a strong and distinctive Irish voice and Irish perspective on the world; a voice that is accessible to all across different media, which articulates Irish stories, relays Irish experiences and allows for national public debate and conversation. We need a media organisation that addresses, as its priority, the challenges facing this society and this country. Above all, I believe we need a media service that does all of these things but is accountable, not to shareholders, individuals or the government of the day, but to the public. This is the ultimate promise of RTÉ. With all that

Ireland needs a media organisation that has the scale and resources to guarantee a strong and distinctive Irish voice and Irish perspective on the world.

is changing, delivering on this promise is essential to Ireland and is therefore at the core of our strategic plan.

RTÉ is very conscious of its place within Ireland's media sector. In September 2012, I outlined what the prize would be should we in Ireland successfully adapt to the challenges facing us all in a changing media landscape. It was a media ecosystem that:

- Celebrates the best of us and holds everyone to account
- Promotes a diverse viewpoint and focus
- Ensures room for commercial enterprise whilst retaining an

inclusive public space

- Supports and sustains Irish creativity, Irish voices and Irish creative talent
- Promotes high standards and retains the trust of the public

We are aware of the leadership role RTÉ must play in the creation and maintenance of the vitality of this ecosystem. We know as a public media company we should not crowd out our peers but rather seek to stimulate innovation and creativity, set standards, complement and, where possible, support other national and local players.

The detail of the strategic plan, as set out in this document, will help ensure that we operate within well-defined parameters so that others in the market may have greater certainty and transparency about the future direction and scope of RTÉ's services in the near to medium term. The development of a new Public Value Framework and a new forward-looking funding allocation system are both very significant changes. They will transform the way RTÉ plans, manages and reports on its business.

There is, I believe, an opportunity now available to regulators, government and broadcasters to re-shape the Irish media landscape. RTÉ is willing to play its part in this re-shaping. In this context, we are open to discussing the scope of our commercial activities but only if any changes can contribute meaningfully to supporting a healthy and diverse media sector without damaging our capacity and resources to deliver on our public service responsibilities.

The strategy outlined in this document is RTÉ's response to the opportunities, challenges

€105M

The income fall since 2008

and responsibilities as we see them today and as we expect them to evolve over the next five years. It covers every aspect of what we do: our audiences, our content and services, our organisation and infrastructure and our funding model. It is a five-year plan because it will take time and significant investment to implement many of the changes and improvements we are making. The details of the specific initiatives and commitments that underpin our strategy are what this document is all about.

This is an ambitious strategy because it has to be – reflecting the ambition that the country has to show if we are to emerge from our current economic circumstances. It sets out both what we can do and need to do should more resources become available. It details how we will:

- Enhance our programming, content and services to better match the needs and expectations of our audiences
- Become a truly multimedia organisation that embraces new technologies to provide new and better services and reach out to new audiences
- Develop into a much more open organisation that shares its resources and content, works with a broad range of partners, and is more transparent about its public value and utilisation of public funding
- Invest in our staff and technology to develop a highly creative, professional, multi-skilled, workforce with the right

tools to face any challenge in the future

- Make investments and commitments that broaden and deepen RTÉ's support for Ireland's creative and digital economies

We have set out as a financial base case what RTÉ can do if public funding is protected from inflationary pressure and its collection becomes more efficient and effective over the next five years. However, we are clear that, given the scale and scope of the readjustments RTÉ has already made since 2008 and the continued uncertainty around commercial revenue, the level of public funding within this base case is not sufficient given the investments RTÉ needs to make in programming and content, services and new technology.

From a firmer financial base, RTÉ would be able to develop much richer, more distinctive

content, share more of that content with other media, increase our commitment to the independent sector and make critical investments in technology – all of which would not only help secure RTÉ's future but would greatly support Ireland's creative digital economy. I very much believe that a strong, more open RTÉ can benefit everyone.

A strong more open RTÉ can benefit everyone

The past few years have been very tough for Ireland and its people. The effects of the economic downturn have made us review our expectations and adapt to new realities. While times are still uncertain, we are all collectively beginning

the process of re-imagining the future of our society. RTÉ will participate in that process by questioning, exploring and inspiring the public and challenging us all to become the nation we know we can be.

RTÉ has a deep and intimate relationship with the Irish public. Like any relationship, it gets tested and we are determined that those tests will serve to strengthen us. We will do this by continuing to listen to you and improve every single aspect of our services and content to reflect, celebrate and serve you to the best of our ability.

This strategy is a clear roadmap for that effort - its implementation is now our focus.

Noel Curran
Director General, RTÉ
January 2013

1.1 A New Vision for RTÉ

It is an extraordinary time of media market and broader economic upheaval. Media organisations everywhere are undergoing profound transformation caused by dramatic changes in the global economy, changes in audience behaviour, new technologies and increasingly complex competitive environments.

Within this context any new strategic plan must be guided by a very clear sense of direction and focus. Over the past 18 months the RTÉ Director General has set out, in a number of key public statements, a new vision for

RTÉ. In turn this has led to a refreshing of RTÉ's high-level Vision, Mission and Values statement.

Vision

RTÉ's vision is to enrich Irish life; to inform, entertain and challenge; to connect with the lives of all the people.

Mission

- Deliver the most trusted, independent, Irish news service, accurate and impartial, for the connected age
- Provide the broadest range of value-for-money, quality content and services for all ages,

interests and communities

- Reflect Ireland's cultural and regional diversity and enable access to major events
- Support and nurture Irish production and Irish creative talent

Values

- Understand our audiences and put them at the heart of everything we do
- Be creative, innovative and resourceful
- Be open, collaborative and flexible
- Be responsible, respectful, honest and accountable to one another and to our audiences

Delivering high-quality programming and content is RTÉ's primary public purpose and focus

RTÉ has a responsibility to
serve all audiences



1.2 Executive Summary

This is a comprehensive strategy that covers every aspect of RTÉ's business and services to the public and how RTÉ will change over the next five years. Its implementation will lead to a more open, efficient and responsive RTÉ, an RTÉ ready to play its part in Ireland's recovery and renewal.

Irish Media Environment 2013-2017

Any effective strategy for RTÉ must rely upon an understanding of the pace and scope of change taking place in the society, market and economy all around it. In preparing this strategy, RTÉ has carefully examined the trends in the media sector and developments in this economy to arrive at a set of working assumptions about what this environment might look like over the next 5 years. In summary, these insights are as follows:

- Irish audiences will have greater choice of content and media services than ever before
- Competition for audiences and advertising revenue is much increased with very significant new players, many of whom have global scale
- The population demographics are likely to look very different from how they do today, with larger categories of older and very young audiences, yet

public broadcasters must find a way to reach and connect with all people

- The outlook for the Irish media market in the short term is uncertain, influenced by a weak Irish economy within a European market which itself is under pressure. Economic indicators suggest that by the end of 2013 some growth should emerge. Department of Finance estimates for GDP are 2.5% for 2014 and 2.9% for 2015, downgraded from previous forecasts, with a predicted modest reduction in unemployment commencing second half 2013. Consumer spending estimates remain soft for 2013, with projected growth for 2014 onwards
- Audience expectations are changing from passive receiving to more active content discovery, and content service providers must adapt to this new dynamic
- A wealth of new devices suggests content will be available anytime, anywhere, yet research indicates audiences consume different types of content on certain devices and this varies with age cohort and with broadband availability
- Quality content lies at the heart of the media value chain, yet it is high cost and with a limited number of players in Ireland producing indigenous content
- The competition and regulatory frameworks are adapting at a slower pace than technology, with the potential risks of crowding-out of smaller local players and greater concentration of market power

Delivering high-quality programming and content is RTÉ's primary public purpose and focus

These insights create a backdrop against which RTÉ has developed its 5-Year Strategy. What follows is a summary of the key strategies that RTÉ will adopt within the financial resources currently projected to be available to it, as set out in a base case in Section 7. Where stated, RTÉ also indicates how it would invest additional resources.

More distinctive, targeted services to connect to the lives of our audiences

RTÉ has a responsibility to serve all audiences. To better match the changing needs and expectations of its audiences, RTÉ has committed to refining and refocusing its portfolio of core and complementary services over the next five years. The key focus across RTÉ's services will be as follows:

Table 1: RTÉ Services and Strategic Focus 2013-2017

| | Service | Strategic Focus 2013-2017 |
|------------------------|------------------------------------|--|
| Core Services | RTÉ One | <ul style="list-style-type: none">• To serve the wider population with high-impact programmes, landmark drama, documentary, factual and entertainment programming, news and current affairs and bring the country together for key national events |
| | RTÉ Two | <ul style="list-style-type: none">• With innovation as its hallmark, RTÉ Two will provide distinctive and relevant programming for Irish young people through factual, entertainment, comedy, sports, documentary and acquired drama |
| | RTÉ Radio 1 | <ul style="list-style-type: none">• To remain the national flagship radio station through a mixed-genre speech-and-music schedule for an adult audience |
| | RTÉ 2fm | <ul style="list-style-type: none">• To grow its audience of 20-44 year olds through innovative programming, excellent music scheduling and increased sport and comedy content |
| | RTÉ.ie | <ul style="list-style-type: none">• To deliver RTÉ content to both Irish and international audiences through a first-class user experience and multi-platform, multi-device availability |
| Complementary Services | RTÉ Player | <ul style="list-style-type: none">• To become the leading Irish on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose |
| | RTÉ News Now | <ul style="list-style-type: none">• To be Ireland's leading 24-hour news and current affairs |
| | RTÉ lyric fm | <ul style="list-style-type: none">• To provide a unique alternative listening choice for an audience of classical, world music and arts lovers |
| | RTÉ Raidió na Gaeltachta | <ul style="list-style-type: none">• To provide national Irish-language service that connects listeners to a personalised, authentic Gaeltacht and Irish-language world |
| | RTÉ Radio Player | <ul style="list-style-type: none">• To hold its place as Ireland's leading live and on-demand radio service, to provide wider choice, richer function and to become a pivotal element of future hybrid radio for our audiences |
| | RTÉjr | <ul style="list-style-type: none">• To offer young children a diverse schedule of original Irish content and acquired programming |
| | RTÉ Orchestras, Quartet and Choirs | <ul style="list-style-type: none">• To offer Irish music lovers <i>with</i> the highest-quality live music experiences and help new music lovers to find the RTÉ Orchestras and Choirs through great live and quality broadcast music |
| | RTÉ Digital Radio | <ul style="list-style-type: none">• To add to the diversity and choice of listening experiences available to Irish audiences and introduce them to the benefits of digital radio and DAB |
| | RTÉ Aertel | <ul style="list-style-type: none">• To develop the audience experience to enhance Ireland's leading information service |
| | RTÉ Archives | <ul style="list-style-type: none">• To develop and open up RTÉ Archives |

(For further detail see Section 3: Serving Audiences with Quality Services and Content)

In response to the opportunities offered by increasing national broadband speeds and adoption, and the significant increase in emigration, particularly of younger people - with additional resources - RTÉ would add the following new complementary services to its portfolio over the duration of the strategy:

Table 2: Proposals for Complementary Services

| Service | Proposal |
|---------------|---|
| RTÉ Ireland | <ul style="list-style-type: none">A new linear television service combining content from RTÉ One and RTÉ Two serving the UK-based Irish diaspora audience on satellite and cable. Globally the channel will be made available Online on RTÉ.ie |
| IPTV Services | <ul style="list-style-type: none">RTÉ plans to launch a number of new low-cost IPTV channels, in the areas of: arts and culture, comedy, sport, life and style, young adults, senior school and business. Some of these will be developed with appropriate partners |

(For further detail see Section 8: Securing RTÉ’s Future as a Digital Public Service Media organisation)

High-quality programming and content – the heart of RTÉ

Changes in digital technology have transformed how RTÉ makes its services accessible to the public

Delivering high-quality programming and content, spanning a range of genres, accessible across multiple platforms, is RTÉ’s primary public purpose and focus. RTÉ is by some distance the largest producer and commissioner of Irish programming and content for television, radio and online services. RTÉ produces and commissions a range and quality of programming that no other organisation does. While audiences will connect with and consume RTÉ’s content

in increasingly different ways over the next five years, what will remain unchanged is the demand for high-quality, diverse, distinctive, Irish content.

Informed by clearly stated areas of focus, public service obligations, and audience analysis, RTÉ will do the following to enhance the quality, range and depth of RTÉ content over the next five years:

- Build a new Arts and Culture hub on RTÉ.ie which will aggregate the very best arts and culture content from across RTÉ for Irish and international audiences
- Develop new integrated multimedia programming and content for children and young people across all platforms
- Grow science and technology output across RTÉ services through the development of innovative partnerships with the scientific institutions and organisations and the appointment of a new Science and Technology Correspondent within RTÉ News and Current Affairs
- Reinvent its approach to investigative journalism,

through the establishment of a new RTÉ Investigations Unit – delivering long-and short-form investigative programmes and reporting across television, radio and online

- Evolve Ireland’s only multimedia news service, RTÉ News Now, with significantly increased proportion of live content
- Continue to deliver the big national events that bring the country together. Whether big entertainment events, news and political events or big sporting occasions, RTÉ will deliver integrated coverage across its television, radio and online services
- Develop new factual and entertainment television programming aimed at younger people, creating a space where their lives can be reflected and their stories told - from their perspective.
- Reinvent its approach to comedy by supporting and developing new talent, new writing and increasing the volume and quality of comedy programming across RTÉ’s services
- Continue to deliver the best of Irish and international sport to Irish audiences free to air while

reducing overall expenditure on sports rights by 25%

- Drive higher quality in all our output: by better monitoring the range and diversity of programme contributors; by strengthening editorial processes to support challenging programming and reduce risk; by using a new public-value framework to evaluate all our output and services in terms of quality, audience impact and value for money

(For further detail see Section 3: Serving Audiences with Quality Services and Content)

Combined, these new initiatives, will enhance RTÉ’s programming and content within existing resources. However, given the scale of the cost reductions that RTÉ had to introduce since 2008, RTÉ needs to invest more in content to maintain essential audience share and better fulfil its Public Service objectives. With additional resources RTÉ would do that as follows:

- Building on the experience and success of RTÉ’s recent landmark Irish television dramas, such as the series; *Love/Hate* and *Raw*, the longer format *When Harvey Met Bob* and the refocused and highly popular Irish soap *Fair City*, RTÉ would increase its investment in landmark Irish television drama, with a focus on the export potential of this sector. With significant new investment both in specific new dramas and in the creative sector that supports the delivery of high-quality drama, RTÉ believes that Ireland can become an important centre of excellence for English-language television drama on the international stage.

- RTÉ would increase its investment in distinctive Irish children’s animation, as with drama, with a drive to build a scalable export industry
- RTÉ would add additional ambitious specialist factual programming to underpin its coverage of science, history, education and natural history across RTÉ One and RTÉ Radio 1. Additional investment would allow RTÉ to complement programming with tools and resources, with dedicated science and history ‘hubs’ and educational packs. A key thematic focus of this investment over the period would be to significantly enhance the breadth and impact of RTÉ’s planned coverage of the Decade of Centenaries.
- As RTÉ’s second core television and radio channels, both RTÉ Two and RTÉ 2fm need significant targeted investment to better meet the needs of 15-34-year-old audiences. The increased investment would be in the following genres: comedy, documentary, education and young people’s factual on RTÉ Two and targeted music and popular culture documentaries, comedy, a new teen *Liveline* programme, live music and increased presence at festivals and events on RTÉ 2fm.
- On RTÉ News Now, RTÉ would increase the frequency of live bulletins and breaking news, develop richer, more diverse feature and current affairs content and further develop its online and mobile applications. With these investments RTÉ believes the service could add real value to the RTÉ News and Current Affairs output across RTÉ’s other channels and a provide a unique and dedicated focus on the issues and challenges facing this country.

- With additional resources, RTÉ would increase the level of its investigative journalism and develop much richer online resources that increase transparency but also allow much more interactivity with the public. In addition RTÉ would develop much closer connections with third-level institutions to increase interest and help build skills in investigative journalism. Where possible, to increase the impact of investigations, RTÉ would also seek to partner with other media organisations.
- RTÉ would increase its investment in comedy with new television and radio programming, integrated across RTÉ One, RTÉ Two, RTÉ Radio 1 and RTÉ 2fm. This programming would be supported by cross-platform talent development, comedy writing initiatives and enhanced digital content

RTÉ is committed to ensuring that the independent production sector would benefit from any additional investment in content enabled by increasing public funding. In these circumstances over 50% of any additional investment would be produced fully or in partnership with the independent sector and other third parties. In this context RTÉ would agree to an appropriate increase to its statutory minimum spend on independent commissions, currently at circa €40 million per annum, to provide greater certainty to the sector.

(For further detail see Section 8: Securing RTÉ’s Future as a Digital Public-Service Media organisation)

Open RTÉ

RTÉ sits at the heart of Irish life and at the centre of an increasingly interdependent Irish media sector. How RTÉ reacts to its audience, operates commercially, works with others, reports and accounts for itself and how it chooses to share its content and resources, can greatly affect the Irish media sector as a whole. RTÉ is acutely aware of the responsibility that comes with public funding and becoming a more open organisation is a key priority for RTÉ over the next five years. To this end RTÉ will:

- Draw from best practice across Europe, embed a new Public Value Framework as a key management tool for driving quality, measuring impact and clearly capturing the value of its content and services
- Increase its financial transparency by introducing a new funding attribution model that shows prospectively how public funding will be utilised
- Share more of its content by providing free unbranded clean feeds of key events, press conferences, etc, to other Irish media providers. Such content-sharing arrangements will be aimed at supporting the broader Irish media sector, particularly the web services of Irish newspapers and other commercial competitors
- Increase the range and depth of its partnerships with different sectors, including; content producers, cultural bodies, academic institutions, broadcasters, technology companies, government agencies, businesses, civil society organisations, sporting bodies and others
- Embed new systems and

procedures for addressing complaints and criticism regarding RTÉ programming and content

(For further detail see Section 5: RTÉ: Open, Accountable and Collaborative)

With additional resources, RTÉ would:

- Open up its Donnybrook site to independent producers, technology start-ups, academic institutions and others interested in working closely and collaboratively with RTÉ to produce new content and services and develop media education and training services

RTÉ is acutely aware of the responsibility that comes with public funding

(For further detail see Section 8: Securing RTÉ's Future as a digital Public Service Media organisation)

New technology to enhance content and reach out to new audiences

Changes in digital technology over the past decade have transformed the ways in which RTÉ makes its services

accessible to the public. Building on these changes over the next five years RTÉ will:

- Deliver RTÉ One as a high-definition (HD) television service alongside RTÉ Two HD and provide more HD content on the RTÉ Player
- Continue to develop and enhance its on-demand services, RTÉ Player and RTÉ Radio Player, for mobile, desktop, including the development of premium subscription and transactional on-demand services aimed initially at international audiences
- Continue to invest in and develop SAORVIEW so that it keeps pace with other broadcast platforms, ensuring that everyone in Ireland has access to high-quality free-to-air Irish broadcast television channels and services
- Develop strategic and commercial partnerships with broadcast platforms to deliver all RTÉ channels and on-demand services to all Irish households
- Distribute more RTÉ content internationally through new digital distributors such as HULU, Netflix and others
- Continue to invest in access services to ensure that RTÉ maintains its commitment to providing comprehensive services for the hard of hearing, those who are partially sighted and the blind.

(For further details see Section 4: Ensuring Access for a Connected Audience)

RTÉ will need to change how it works, how it is structured, staffed and how it invests in key technologies

With additional resources RTÉ would:

- Create a full Digital Library for all RTÉ's content and archives. Moving to a full digital workflow will enable RTÉ to greatly simplify production processes and reduce costs by allowing content to be more easily and securely stored, catalogued, searched and re-used
- Build on its investment in the RTÉ Player and the Digital Library to develop an Open Archive service giving public access to RTÉ's Archive from RTÉ.ie and via digital applications. This initiative would also create new and exciting opportunities for partnerships with other creative and cultural organisations
- Capitalise on its investment in SAORVIEW and the potential of IPTV services to create a new hybrid service, SAORVIEW Anywhere, as an extension of the DTT service, allowing for the development of new low-cost IPTV channels and on-demand catch-up services, all accessed through an easy-to-use intuitive interface

(For further detail see Section 8: Securing RTÉ's Future as a Digital Public Service Media organisation)

A fit-for-purpose organisation

Over the past four years RTÉ has delivered extensive change and continues to manage business projects that generate significant benefits and improvements. This includes a significantly reduced cost base, by almost 30%, between 2013 and 2008, improved digital services and increased capability to address market challenges and opportunities. However, in light of the economic challenges facing the organisation and in response to increasingly dynamic audience demands, RTÉ must further evolve to become an even leaner, fit-for-purpose organisation, best described as transforming from a Public Service Broadcaster to a Public Service Media (PSM) organisation for the digital age. To deliver this strategy RTÉ will need to fundamentally change how it works, how it is structured, how it develops its staff and invests in key technologies. To this end RTÉ will:

- Make critical investments in technology and facilities that support the delivery of enhanced digital services and work-practice reform, and strengthen collaboration
- Make key changes to organisational structure that support the creation and delivery of high-quality multimedia content and services
- Increase the allocation of resources to training and development:
 - Invest in editorial, producer

and journalistic training with a focus on creating new third-level partnerships

◦ Create an RTÉ Academy to support a learning organisation that continually strives to improve and enhance output quality, collaboration, professionalism and creativity

◦ Invest in new online training and development systems necessary to support the transformation towards becoming a leading Public Service Media organisation

- Increase its use of wireless technology, cloud-based services and greater deployment of mobile and tablet devices to support flexible working and cost-effective mobile journalism and reporting

(For further detail see Section 6: Running a Fit-for-Purpose Efficient Organisation)

Funding RTÉ for the Future

RTÉ sets out very clearly in this strategy indicative financial projections of income and expenditure for 2013-2017.



Changes in digital technology have transformed how RTE makes its services accessible to the public



The Irish media landscape
is transforming into
a new media
ecosystem

Section 2:

Irish Media Environment 2013-2017

An effective strategy for a Public Service Media organisation relies upon an understanding of the pace and scope of change taking place in the market all around it. Here RTÉ examines trends in the media sector and developments in this economy to arrive at a set of working assumptions about what the environment might look like over the next 5 years. These insights create a backdrop against which RTÉ has developed its 5-Year Strategy.

The Irish media market is already showing signs of the broadcasting ecology and broadband-enabled technologies merging to create a more complex, much broader market for audience consumption. While this new ecosystem shows an expanded base of players, devices and a global menu of content, it does not suggest that traditional TV will disappear. However there will be continued pressure from new alternatives.

- Irish audiences will have greater choice of content and media services than ever before
- Competition for audiences and advertising revenue is now a multi-stakeholder race, many of whom have global scale
- The population demographics are likely to look very different from how they do today, with larger categories of older and very young audiences, yet public broadcasters must find a way to reach and connect with all people
- Audience expectations are changing from one of passive receivers to one of active content discovery and content service providers must adapt to this new dynamic
- A wealth of new devices suggests content will be available anytime, anywhere, yet research indicates audiences consume certain types of content over certain devices and this varies with age cohort and with broadband availability
- Content lies at the heart of this value chain, yet it is high cost and with a limited number of players in Ireland investing in indigenous content
- The competition and regulatory frameworks are adapting at a slower pace than technology, with potential risks of crowding out amongst smaller local players and greater concentration of market power

2.1 Convergence

The Irish media landscape is transforming into a new media ecosystem, with broadcast-and broadband-enabled technologies converging to create a broader market for audience consumption of audio-visual content. The impact will be significant, bringing both opportunities and risks for existing players and new entrants, but this change is inevitable. Convergence has been evolving for the last decade and all evidence suggests it will continue to alter the shape and form of this ecosystem.

The effects of this type of convergence can be summarised as follows:

Table 4: Impacts of Convergence

| Convergence Typology | Implication |
|--------------------------------|--|
| Direct Impact of Convergence | • Rapidly increasing numbers of devices capable of receiving linear television, catch-up television and new short forms of content |
| | • Unprecedented choice and range of content formats available for audiences. Evidence suggests an increase in consumption overall of audio-visual content and an increase in the number of content suppliers (both global and local) |
| | • Increasingly fragmented market |
| Indirect Impact of Convergence | • Consumer audiences becoming more in control of what they consume and how they consume content |
| | • Dramatic shift in the audience dynamic from one of passive reception to active discovery |
| | • The need for radical review of business and operating models for all parties, whether producers of content, aggregators or distributors |
| | • Existing regulatory frameworks need to adapt to facilitate these changes in the value chain |

These effects can be analysed through the set of market forces as depicted in Figure 1. The remainder of this chapter will discuss each element and its fundamental impact on RTÉ’s strategy.

Figure 1: Market Forces Impacting RTÉ

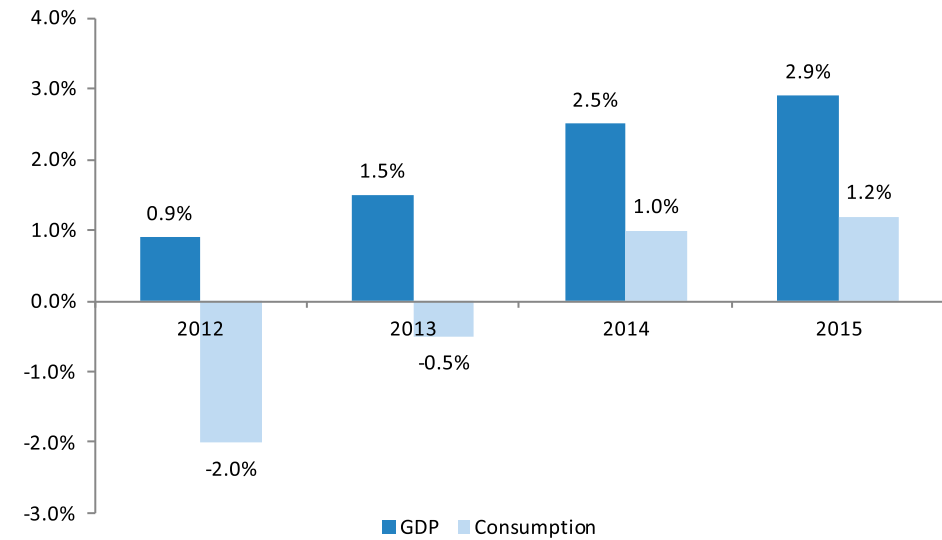


2.2 The Global and Local Economies

Ireland in Context

The significant global downturn over the past four years has impacted on Ireland in a deep and prolonged manner. The Irish economic growth forecast (GDP) for 2013 is expected to be approximately 1.5%, and 2.5% in 2014, as illustrated in Figure 2:

Figure 2: Economic Growth Forecast



Source: Department of Finance - Nov 2012

Forecasters predict that a return of growth in consumption will lag the recovery in GDP, as much of the GDP growth is fuelled by growth in exports. Consumption is expected to remain flat, at best, in 2013, before beginning to recover in 2014. It is worth noting, however, that there are variations in the forecasters’ predictions for Ireland’s economic growth. For example, the ESRI predicts growth of 2.5% in GDP for 2013, whereas IMF predicts 1.4% growth. However, all agencies agree that the economy will expand again in 2013, with negative domestic consumption offset by net export growth.

The Communications Sector

For all Irish media companies, the current economic climate will represent a continued challenge.

Despite the global downturn for most sectors, the communications sector appears to be one of the more resilient. Some recent trends indicate growth areas for some aspects of the communications market:

- The communications sector’s total global revenues in 2011 were €1.6bn, growing by 3.7% (incorporating the telecoms, television, postal and radio sectors)
- In the television and radio sectors, subscriptions generated the largest and fastest-growing proportion of total revenues in 2011. Television subscription revenues grew by 10.5% in 2011 to €163bn and at a compound annual rate of 9.0% between 2007 and 2011
- Radio advertising revenues grew by 12.5% in 2011 to €2.46bn and at an annual rate of 8.5% between 2007 and 2011
- Global advertising expenditure grew by 1.2% in 2011 to €368.8bn, the highest total spend since 2007

Source: Ofcom International Communications Market Report December 2012

FM is likely
to be the
primary
radio
platform
for the
foreseeable
future



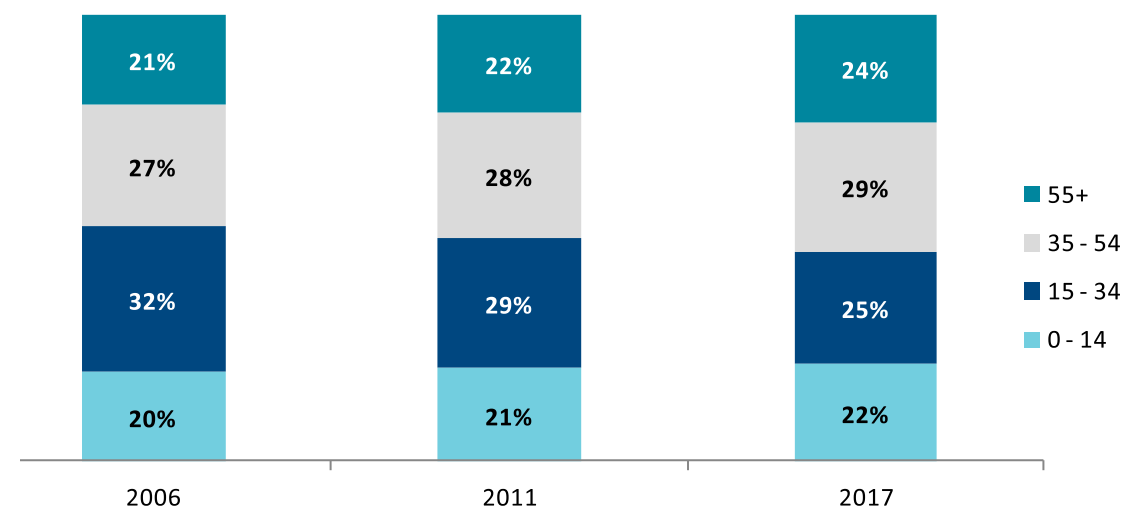
2.3 A Changing Irish Population Profile

Research indicates that Ireland will have increasingly larger categories of older (55+) and younger (0-14) audiences in the next 5 years. This will create larger variances in the way in which communications and content are consumed, with different cohorts demonstrating very different

preferences regarding the type of content and the means by which they access content. For example, younger categories are more inclined to consume using new devices, whilst older cohorts are more inclined to choose scheduled television in the first instance.

The chart in Figure 3 below summarises the key changes since 2006 and forecasts likely changes to the profile of the Irish population to 2017.

Figure 3: Ireland's Population Demographics: 2006, 2011, and 2017



Source: CSO Census 2011 / RTÉ Audience Research. Extrapolation to 2017 based on an adjusted version of the CSO population projection model M0F1 (See Appendix B)

A number of key facts should be highlighted in terms of specific relevance to the RTÉ strategy:

- While the 0-14 category is currently the least populous at 21%, it is a growing segment
- The 15-34 segment is currently the most populous but is expected to reduce by 4% points over the next 5 years
- The 35-54 segment of the population will become the largest by 2017, as the audience profile ages overall
- The 55+ category is expected

to continue to grow, increasing by 2% points over the next 5 years

In addition, there have been very significant demographic changes with dynamic population inflows and outflows:

- The number of people leaving Ireland between 2008 and 2012 totalled 149,700*
- 17% of those living in Ireland were born outside the State, an increase of 25% during the

period 2006 to 2011

- There are also currently estimated to be 80 million Irish diaspora around the world

80 million:
The Irish diaspora
around the world

*Source: CSO and Census 2011

A large proportion of the Irish population consume media content outside of traditional broadcast delivery



2.4 Evolving Audience Behaviours and Expectations

Already a large proportion of the Irish population is capable of consuming media content outside of traditional broadcast delivery and the television schedule, using personal video recorders, smart devices and online. These early adopters, thanks to broadband access, are increasingly able to exercise more control over their consumption, benefiting from the convenience that these new technologies offer and engaging with media through content discovery rather than passive consumption.

In a range of consumer surveys undertaken across the EU, audiences when asked will most likely say they want content 'Anytime, Anywhere'. In reality their behaviour indicates greater differentiation than that. It shows actual consumption is differentiated, i.e. audiences consume certain types of content over certain devices and this varies with age cohort and with broadband availability. To understand audience expectations further, RTÉ will now explore key audience trends across television and radio.

Audiences can control when, how and with what device they consume media content

2.4.1 Television Viewing Trends

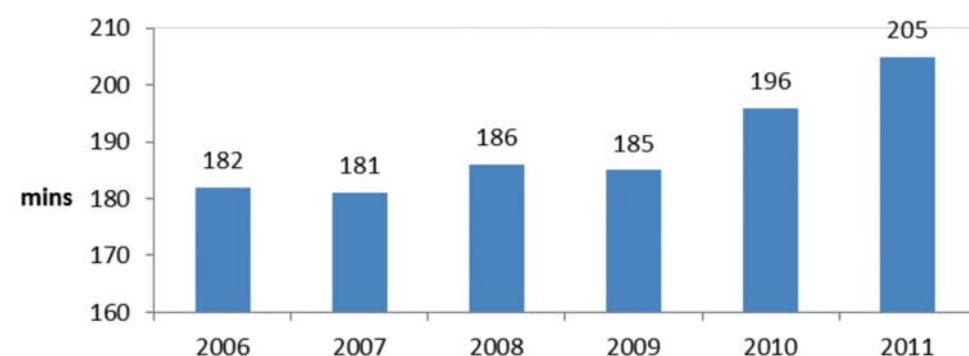
Television retains its place in the home as the primary screen. In Ireland, television viewing grows stronger and stronger year on year, as illustrated in Figure 4 below, with 205 minutes on average being spent per day per person in 2011. This trend also applies for other European countries,

including the UK where adults spent 242 minutes per day watching television in 2011. Similarly in the US, adults are spending 293 minutes watching television daily.¹

Despite the tremendous pace of change to the communications market in this digital era, broadcast television is not

changing as radically as other aspects of the market. Survey results from across the EU and in the US show linear television to be resilient. There are risks and challenges around market fragmentation and commercial return. However consumer audiences are still spending a significant amount of their media-consumption time on linear television and radio.

Figure 4: Average Number of Minutes Viewed on a TV per Person per Day in Ireland, 2006-2011



Source: TAM Ireland, Nielsen TAM

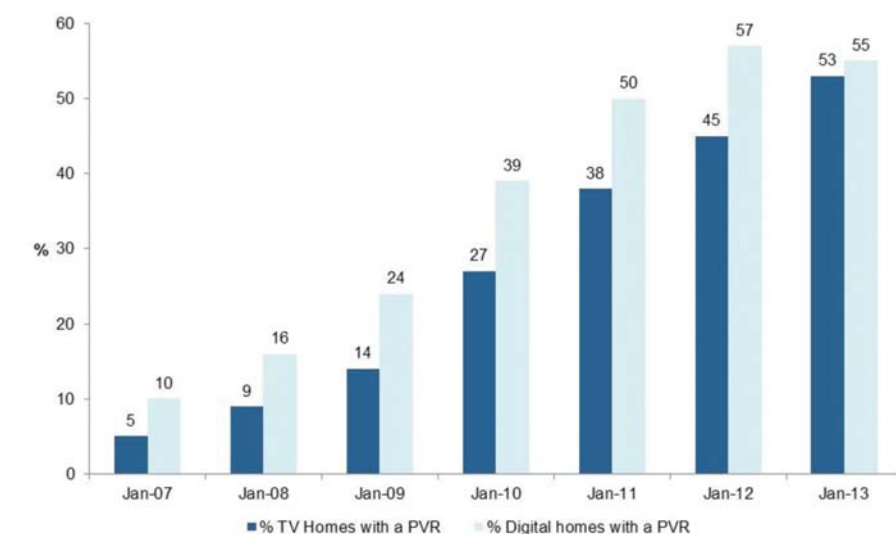
The television viewing patterns in Figure 4 are particularly impressive considering the increased availability of a broader range of audio-visual content through newer technologies. Live television viewing is expected to continue to be the predominant consumption method over the next five years. Time-shifted viewing (TSV²) will become an increasing phenomenon as the

growing proliferation of devices (e.g. Sky+, UPC+ etc) allows more people to defer their viewing. A growing majority of our audiences can control **when, how and with what device** they **consume media content**, availing of enhanced device functionality and greater choice.

In particular, Personal Video Recorder (PVR) ownership

has gone up dramatically in the last five years as shown in Figure 5 below. Currently, 53% of television homes and 55% of digital households own PVR technology.

Figure 5: Percentage Ownership of PVR Technology



Source: RTÉ Audience Research based on Nielsen Television Audience Measurement Establishment Survey Data, Jan 2013

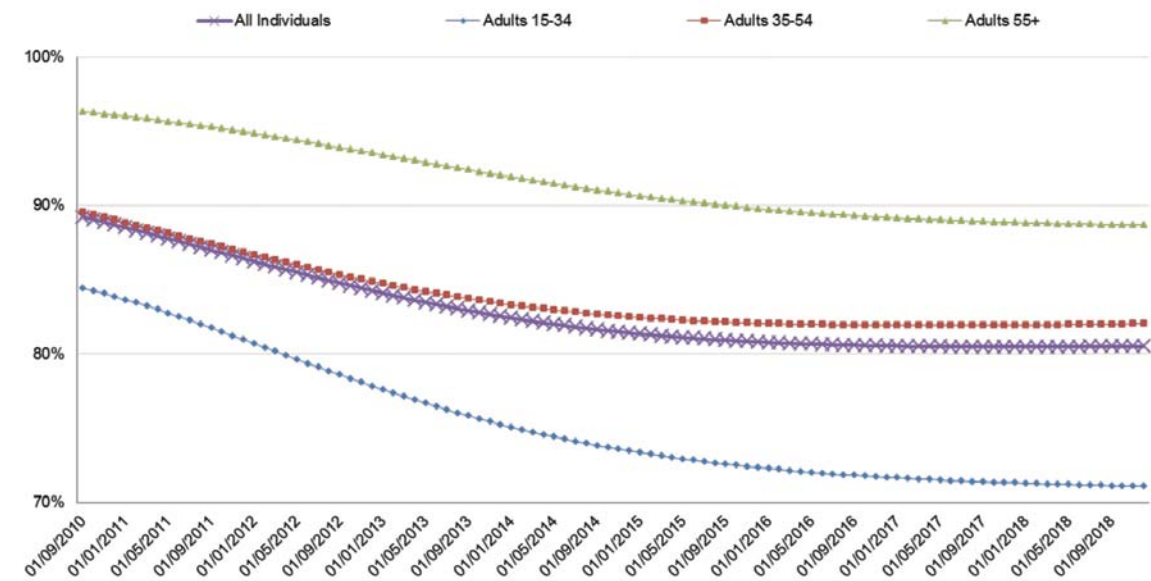
Figure 6 models the evolution of TSV (prepared by Nielsen for RTÉ). This model assumes that PVR technology will become ubiquitous within the medium term and predicts that live TV viewing, as a % of overall TV usage, will plateau,

although the level of plateau will vary by age group. In reality TSV will contribute to the growth in consumption of TV content over the next five years.

¹ Statista.

² Time-shifted viewing is defined by Nielsen as non-live (20 seconds or more from live stream) viewing at play only from agreed devices within the 7-day window (168 hours from broadcast) and allocated to channel as per the agreed rules.

Figure 6: Forecast: Live Television Viewing All Day as % of Total Television Usage per Age Cohort*

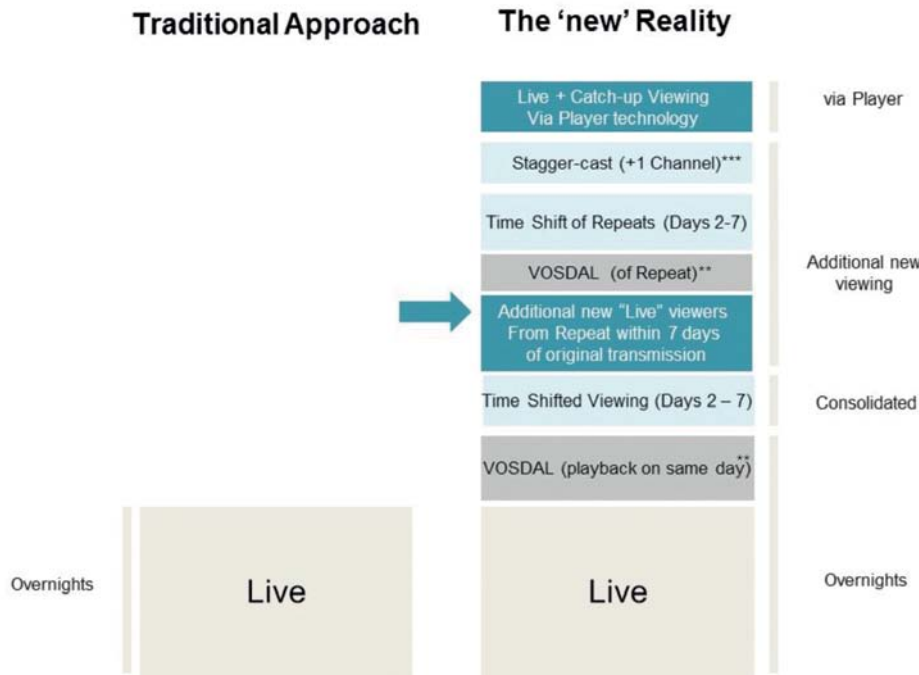


Source: Nielsen: Live Television within Total Television Usage - A Predictive Model (Autumn 2012). A bespoke analysis commissioned and conducted on behalf of RTÉ Audience Research.

Across Europe broadcasters and platform operators, reaction to the growing use of time shifting varies. While some view it as a threat to linear viewing, others see TSV as a way to create new opportunities to watch television, which can increase overall viewing. Increasingly the overall audience for a programme is more than just the audience for the first live transmission.

Some players have created strategies where

Figure 7: Lifecycle of a Programme

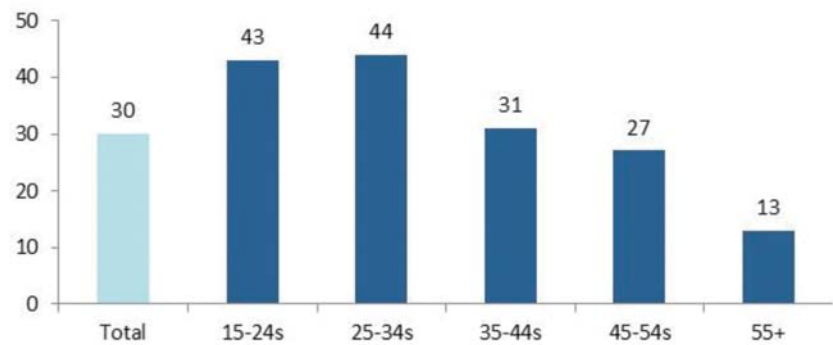


Source: RTÉ Audience Research
**VOSDAL is an acronym that stands for 'Viewing On Same Day As Live'.
*** 'Stagger-cast' channel broadcasts as an exact replica of an existing channel but delayed by 1 hour

Second screen is another important trend, with linear television content complemented by audiences engaging through the use of another

device, while watching television. The tendency to multitask varies considerably across the age cohorts as shown in Figure 8 below.

Figure 8: Media Multi-Tasking in Ireland: % who use Laptop / Tablet / Smartphone While Watching Television



Source: The UPC Report on Ireland's Digital Future: Driving Economic Recovery (For further insight on audience behaviours and expectations, please see Appendix C)

2.4.2 Radio Consumption Trends

Radio listenership in Ireland continues to be strong, with Adult 15+ audiences tuning in for an average of almost 4 hours per day between 7am to 12 midnight, although young audiences listen to less radio than older audiences.

The latest JNLR reach figures indicate that 85% of all adults listen to the radio daily, 58% tuning into their local or regional station and 47% listening to a national station. As Figure 9 below shows, audiences have generally

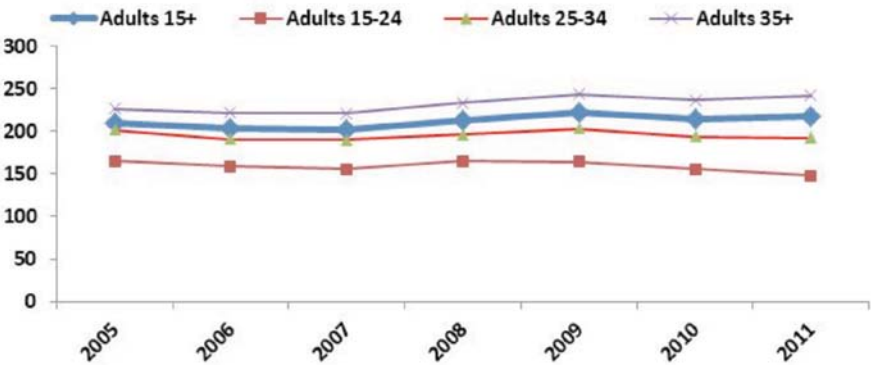
remained loyal to radio over recent years and it is not envisaged that there will be a drastic shift away from radio consumption in the near term.

Social media has been providing radio stations with a new means of interacting with their audiences. In Ireland, certain commercial radio stations popular among younger audiences are engaging their audience through social media sites such as Facebook and Twitter. This has enabled audiences to influence the content provided by these

radio stations in a more real and meaningful way than ever before. There has been a substantial increase in the number of radio stations that specifically target this younger, more commercially attractive audience (typically 15-34), which raises competitive challenges for national stations, including RTÉ.

FM is likely to be the primary radio platform for the foreseeable future. It is free to use, universally available and represents more than 95% of all listening to radio.

Figure 9: Average Time Spent Listening to Radio (in Minutes), per Person per Day, (Weekday 07:00 - 23:59), 2005 - 2011



Source: JNLR / Ipsos MRBI

85%
of all adults listen to the radio daily

While the 0-14 age category is currently the least populous at 21%, it is one of the fastest growing



2.5 Competition Across Delivery Platforms and Access Means

The future trends for television services in Ireland suggest that viewers will continue to be well catered for with three major digital platforms and several 'other' satellite suppliers (including FreeSat) and IP aggregators.

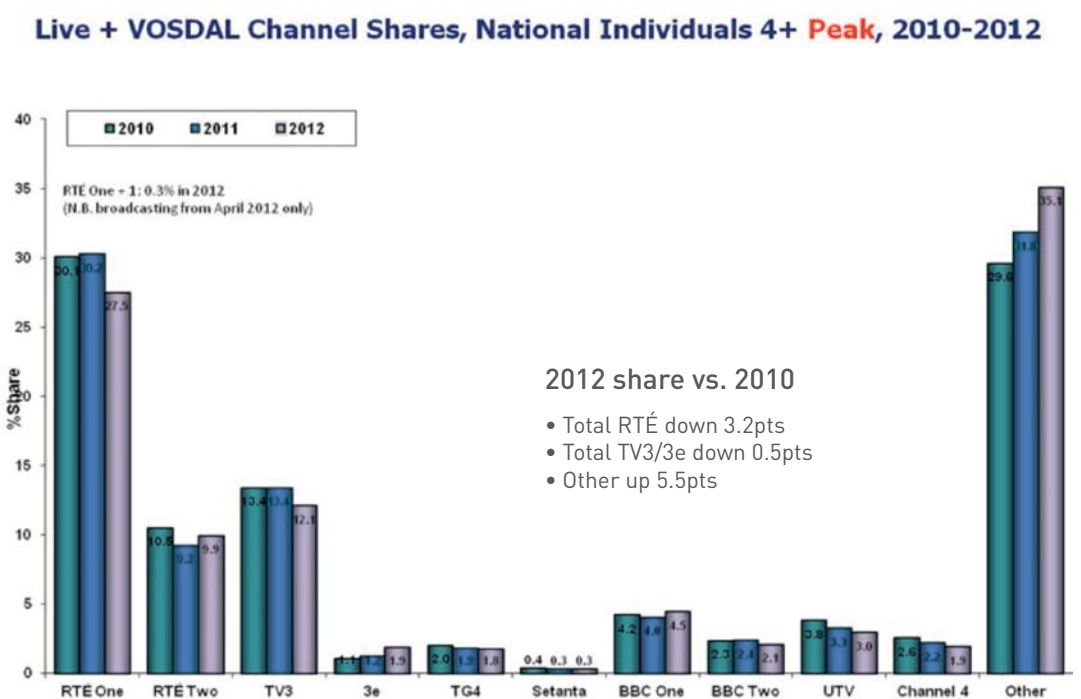
The key impact of a fully digital Irish transmission and distribution market lies ultimately in an increase in choice for audiences. For broadcasters it will lead to further fragmentation of the market for audiences

and consequently increased competition amongst broadcasters for revenue streams through advertising and subscription for pay television operators. As Figure 10 demonstrates, during 2012 in particular there has been a significant shift in audience share to other niche (non-Irish) channels, increasing by 5.5% points in two years.

While the new broadcasting ecosystem is seeing an ever-expanding number of market players, applications and content, it does not imply

that either linear broadcast television or radio will be replaced or disappear. New service providers and aggregators of content (such as Netflix) are adding to the value proposition but not necessarily displacing the role of national content creators and public service broadcasters. It is unlikely that there will be a single 'winning' platform or application; instead a diverse ecosystem is emerging which creates challenges for content providers to engage directly with audiences.

Figure 10: Live + VOSDAL Channel Shares, National Individuals 4+ Peak, 2010-2012



Source: TAM Ireland / Nielsen TAM

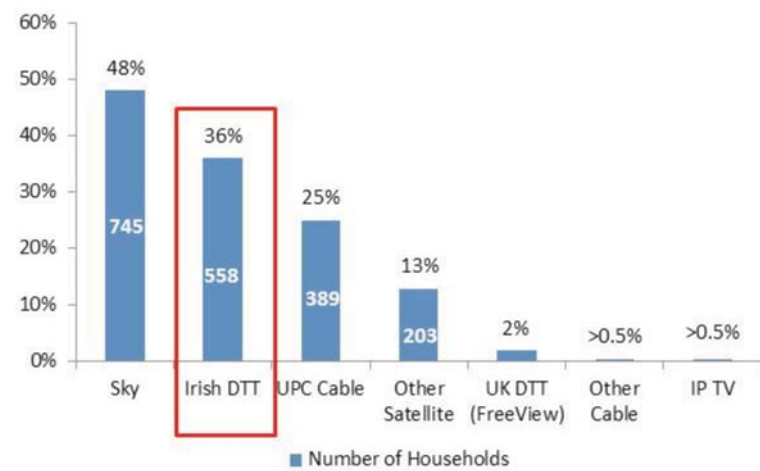
2.5.1 Access Platforms are Rapidly Evolving

Irish audiences have a wide range of platform choice. There are three well-supported digital television services available to the Irish audience: Sky, UPC and SAORVIEW. SAORVIEW serves as the first free digital service available to the entire Irish audience.

Since its launch, SAORVIEW, has captured a large share of the formerly analogue terrestrial homes and is positioned as a high-quality, low-cost offering. The reception penetration data post-Analogue Switch-Off (ASO) reveals that Irish DTT (SAORVIEW) has developed a position in the market behind Sky, but ahead

of UPC. It has been estimated by Nielsen TAM, that there are 103,000 households without a television, of which it is estimated that 50% will access television services online.

Figure 11: Television Percentage Reception Availability in Irish Households post-Analogue Switch-Off (not mutually exclusive)



Source: TAM Ireland December 2012

The two major PayTV platforms (Sky and UPC) are pursuing a multi-product, multi-platform strategy so that they may deepen and broaden their customer base. Improved functionality, connectivity and seamless customer experience are likely to be their main areas of investment.

The primary platform for radio for the foreseeable future is likely to be FM. As yet there is no national policy to move forward with DAB or

indeed the next generation DAB+ strategy. There has been little momentum to support DAB beyond RTÉ. A small number of operators, including RTÉ, deliver digital radio services. DAB radio is currently available to 52% of the population from five broadcast site locations. There are estimated to be 250,000 DAB devices in Ireland which JNLR has indicated are in 9% of homes. Awareness nationally of DAB is estimated to be 46%.⁴

Irish audiences have a wide range of platform choice

⁴GfK NOP Media. Online survey conducted on behalf of RTÉ Audience Research (November 2012).

2.5.2 Mobile/Broadband

The growth and take-up of media devices is heavily dependent on the price, quality of speed and availability of broadband. Ireland's broadband market has been underdeveloped by European standards, although the broadband infrastructure is expected to improve under the National Broadband Plan. The target by August 2014 is as follows:

| | |
|--------------------|---------------------------------|
| 70 Mb/s – 100 Mb/s | 50% of the population |
| 40 Mb/s + | 20% of the population |
| 30 Mb/s | remaining 30% of the population |

Such improvements to Ireland's broadband will enable content service providers to further develop digital online services as the broadband and broadcast markets continue to converge. The introduction and rollout of 4G in Ireland from 2013 and over the next few years will be a significant driver of new mobile services and applications.

The degree to which new entrants, such as IPTV aggregators, will impact significantly or disrupt the current distribution landscape will be highly dependent on broadband speeds, availability and new technical solutions to deliver content efficiently and at a level of quality viewers are used to on television. So far there has been no national IPTV proposition, but there have been developments in urban, connected areas. There are a number of IP aggregators providing IPTV services. Nielsen estimates that less than 0.5% of Irish households currently have IPTV services.

In terms of broadband speed,

Ireland is 15th in the world and 9th in Europe (source: Akami). Broadband penetration is increasing at a fairly steady pace. According to ComReg, at the end of Q3 2012 there were 1.6m broadband subscribers in Ireland. Household penetration of broadband stands at 65%⁵, compared with an EU average of 68%. The share of residential broadband users in Ireland with speeds of 10Mbps or more has tripled in the last 2 years to reach 23%.

Mobile broadband services are developing and it is anticipated that they will capitalise on short-form video content streams upon the launch of 4G from 2013. 4G is expected to have download speeds of up to 90Mb/s. The quality of experience will improve and more people will be able to access video via mobile, given the increased capacity that 4G offers. Mobile consumption of video via IP (Internet Protocol) platforms is increasing rapidly. Globally, 52% of all mobile data traffic by the end of

2011 was video, forecasted to grow to 62% by 2015. The explosive growth in consumer demand for communications, entertainment, commercial and social-networking activities over the internet enforces the message that consumers want ubiquitous coverage. This will require significant and continued investment in infrastructure upgrades by communications service providers. In line with consumer demand, RTÉ's portfolio of television, radio and online services are available for mobile consumers, subject to rights clearance.

See Table 5 for a summary of some of the key trends in the access environment.

50% of the population now experience download speeds of 70 Mb/s – 100 Mb/s

⁵.ComReg Q3, 2012

Table 5: Key Trends in the Access Environment

| Access Channel | Key Trends |
|----------------|---|
| Smartphones | <ul style="list-style-type: none">• Sales are overtaking the PC globally; forecasted to be more smart devices than televisions per household by 2017• 40%+ of all adults 15+ in Ireland own a smartphone, with almost 85% ownership expected to achieved by 2015• Increased broadband speeds will significantly shift content consumption patterns via smartphones• Over 7 in 10 smartphone-owners use their device for email and web-surfing and 2 in 3 for social media• 1 in 2 smartphone-users follow current affairs and news on their smartphones• Watching television on demand has increased (15% in November 2012 compared to 11% in June 2012)⁶ |
| PCs | <ul style="list-style-type: none">• Almost 60% of the Irish population is now using the internet daily• PC-ownership levels have decreased in recent years as smartphones and tablets have seen a huge increase in popularity |
| Tablets | <ul style="list-style-type: none">• Currently tablet ownership is at 15% among all adults 15+ in Ireland; set to increase dramatically in 2013• 2 in 10 internet users aged 15-45 own a tablet |
| Connected TVs | <ul style="list-style-type: none">• UK research indicates a 75% penetration rate for Connected TV by 2015 though actual usage of Connected TV may be lower than that• The Irish market is behind the UK in the short term, but will grow significantly in the medium term |

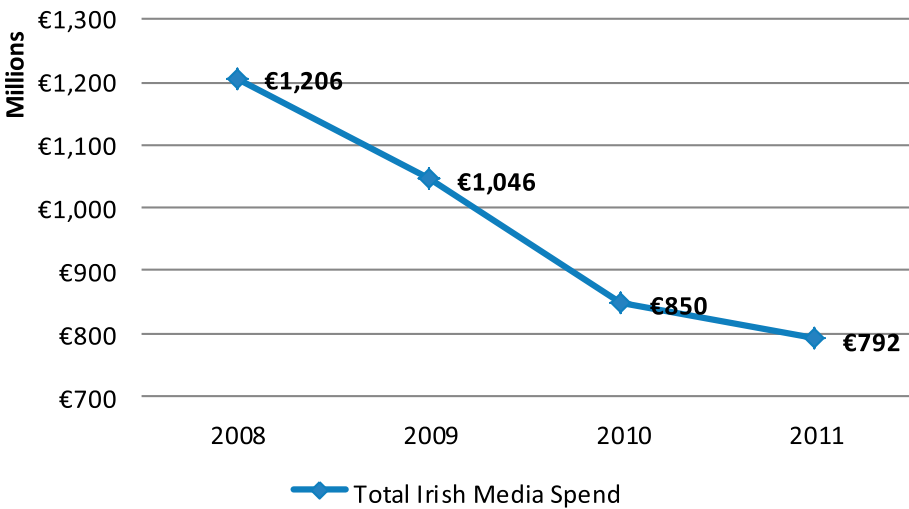
2.6 The Business Dynamics for Content

2.6.1 Competitive Market for Advertising

The number of UK channels selling TV advertising in the Irish market and their share of viewing has grown over the years. At the start of 2001, there were just 8 television channels selling advertising in the Irish marketplace, of which 4 were operated from outside Ireland. As of October 2012, there were 34 channels offering advertising in the Irish marketplace, of which 27 are operated from outside the Irish jurisdiction. [For further information please see Appendix C]

At a time of increased international competition in the Irish media ecosystem, there has also been a significant decline in the total amount of advertising revenue available to broadcast advertising. Overall, the Irish advertising market has shrunk by over 35% from 2008 to 2011 with RTÉ experiencing a similar impact to its level of commercial revenue derived from advertising. However, there is a consensus that 2013 could potentially see the bottoming-out of the market before any return to growth.

Figure 12: Decline in Irish Media Market Spend



Source: Accenture Research: Media Market Analysis (2011 - 2013e data) Worldwide media and marketing forecasts, This Year, Next Year, Winter 2012

⁶GfK NOP Media. Online survey conducted on behalf of RTÉ Audience Research (November 2012).

2.6.2 The Content Media Ecosystem

The choice and variety of content forms available to the Irish audience has never been greater. Content sources are increasingly global in nature and indigenous media players face their greatest challenges from international media companies with global scale.

Channel choice in Ireland will continue to be one of the broadest of any EU member state: approx 260 channels

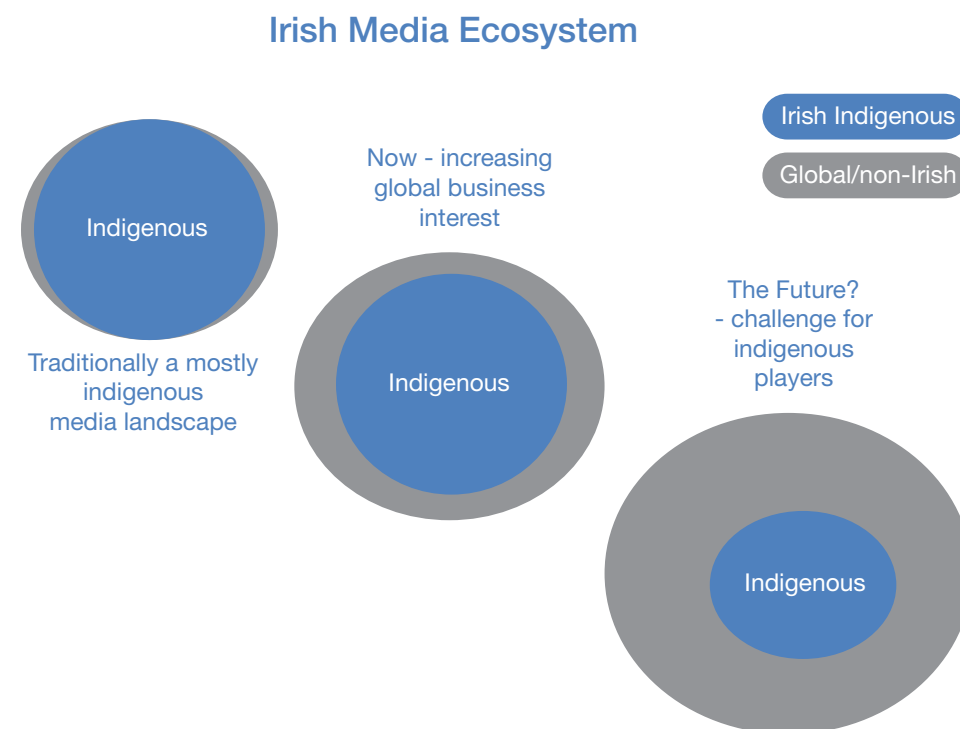
officially list Ireland as a geography they are already present in or will be in the future. The number and range of content providers is likely to grow further.

The Irish media ecosystem, which comprises print, indigenous content production sector, commercial and public broadcasters and local advertising agencies, will continue to experience the competitive pressure from global peers and new

entrants to the Irish market. A diminishing local content ecosystem brings the risk that Irish people will not be well served with quality content and information relevant to their own community and society.

Without investments in quality distinctive content, the business models for platform operators and content aggregators diminishes as visualised in Figure 13 below.

Figure 13: Visual Depiction of Irish Media Ecosystem



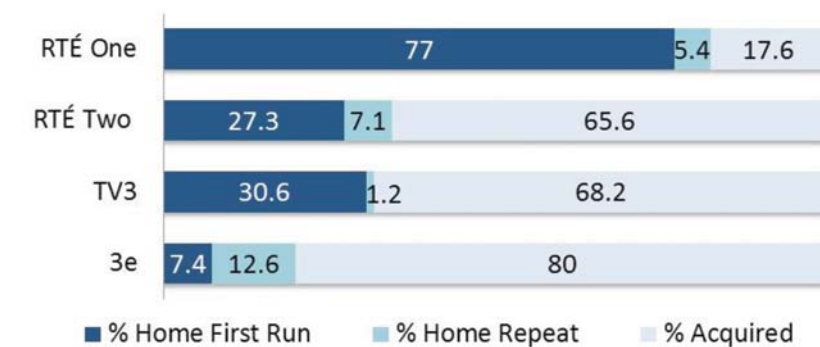
2.6.3 Investment in Irish-Originated Content

RTÉ remains by a long margin the largest investor in Irish-originated television content in Ireland. In 2011, RTÉ invested €180 million in indigenous programming and this was rewarded as RTÉ Television dominated the 'Top Programmes' list for

the year, with 47 of the 50 most-watched programmes of 2011 broadcast on RTÉ Television; 42 of these were home productions. Figures for 2012 confirm that 19 out of the top 20 TV programmes in Ireland were RTÉ indigenous programmes.

Reflecting this level of investment, Figure 14 demonstrates the % breakdown of Irish television content in a sample month, November 2012.

Figure 14: % Breakdown of Irish-Originated Television Content (Peak Time, Nov 2012)



Source: RTÉ Audience Research

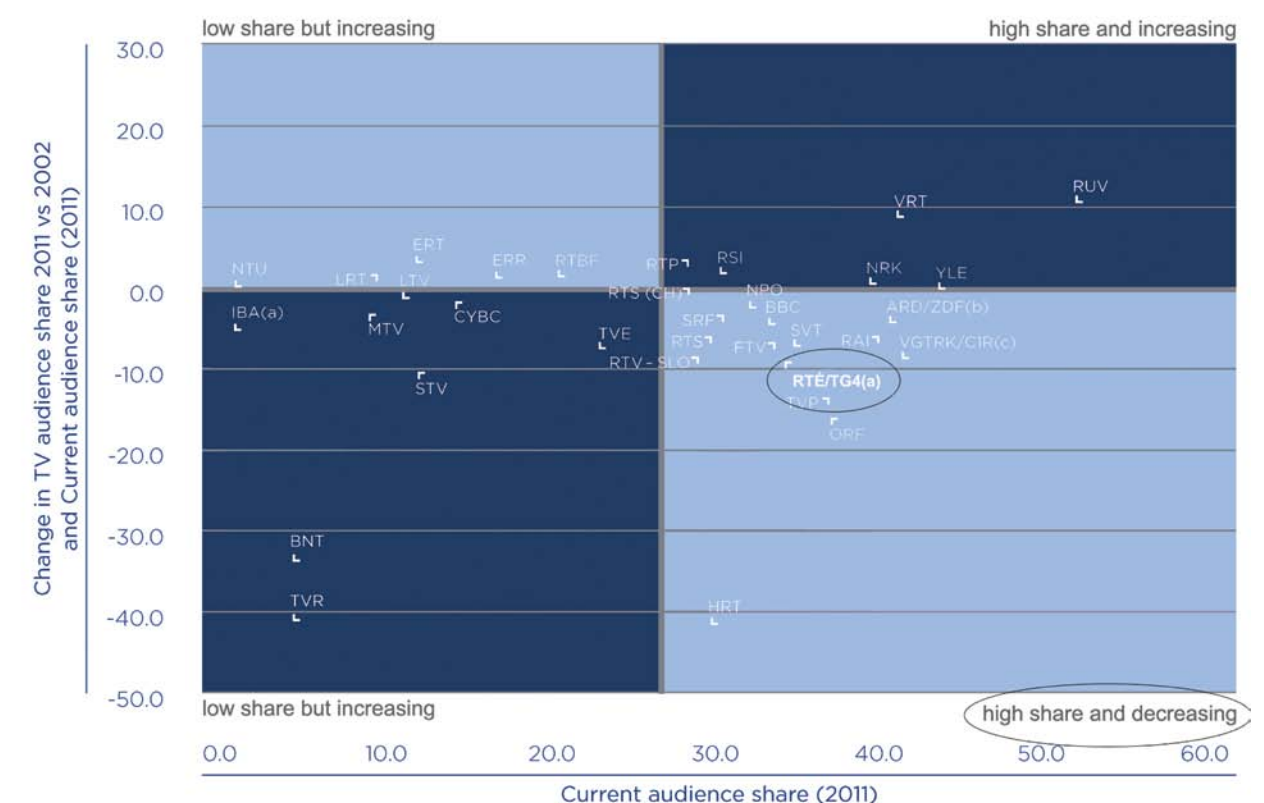
RTÉ's overall investment in Irish-originated content is not projected to decrease dramatically in the next five years, under the Base Case 5-Year RTÉ Financial Projections. However, any increase in the rate of expenditure by either the independent production sector or by broadcasters is unlikely

to be substantial, unless additional resources and/or funding are available.

While television viewing remains strong, RTÉ sees a trend common across PSMs (as shown in Figure 15 below) which are experiencing a declining market share. This is primarily as a result of

the commercial television sector becoming increasingly competitive during the period 2002-2012, the greater proliferation of commercial channels and continued audience fragmentation. RTÉ's reduced investment in indigenous content in recent years has also played a role in decreasing audience share.

Figure 15: Long-term PSM (As shown in Figure 15 below) Audience Share Trend for 2002-2011⁷



Source: EBU Annual Report 2012, based on EBU Members' data

⁷2011 data based on consolidated viewing (live and time-shifted) while 2010 and earlier is based on live only. Universes based on 4+ since 2007.

Indigenous
media players
face their
greatest
challenges
from
international
media
companies
with global
scale



2.7 Changing Regulatory Environment

Convergence of broadcast and broadband creates a complex ecosystem where a consumer can access a range of content services and applications through a single device, potentially from multiple jurisdictions.

The effects of convergence in a regulatory context create new dynamics, including:

- Increased choice, spanning national boundaries
- Potentially increased concentration of market power by the largest international players
- New challenges to protect minors from harmful content

(For further details on the regulatory approach to convergence, please see Appendix B)

Broadcasting has always carried substantial regulatory intervention for public-interest purposes, reflecting the pervasiveness of the medium and the significant influence of television and radio. In particular online poses a challenge to public policy.

The primary objectives behind content and broadcast regulation are that of:

1. Protecting audiences, particularly minors, from harmful content
 2. Stimulating investment in quality local content
 3. Ensuring diversity and plurality
- (For further details on priorities for Public Service Media in a regulatory context, please see Appendix B)

Public Service Broadcasters must operate under an expansive range of regulatory frameworks. These activities span the three major pillars of regulation: content, network and the internet.

While convergence provides opportunities to better meet consumption needs, it also raises complex regulatory challenges. These solutions will continue to evolve over the next 5 years at both European and national level as the ecosystem evolves and solidifies.

While convergence provides opportunities to better meet consumption needs, it also raises complex regulatory challenges

2.8 Implications of these Market Forces for RTÉ

Insights gained by the preceding market context review have informed the design of RTÉ's 5-Year costed strategy. The implication for delivery of RTÉ's public service remit is outlined in the tables below.

Table 6: Strategic Insights and Implications for RTÉ Television

| Insight | Strategic Implications |
|--|--|
| Audience expectations are changing rapidly and becoming more complex | <ul style="list-style-type: none">• Audiences want to consume content when and where they want, so content must be accessible on multiple platforms and device formats• Ireland has a growing audience of 1m under-18s with unique needs• There is a global trend of less viewing of the 'mother channel' which requires a complementary service strategy to core services• Audience research will continue to be a critical input into programming and schedule decisions |
| Content must be at the core of everything that RTÉ Television does | <ul style="list-style-type: none">• RTÉ is the largest creator of Irish content and must continue to create high-quality distinctive content that meets the needs of different Irish audiences• Co-production with domestic producers is essential to ensure efficient production of quality content which meets the needs of indigenous audiences• Digital is an integrated service rather than simply a way to deliver television content• Efficient content production requires agility and an integrated approach to all types of media |
| Cost challenges remain, but need to be balanced with high-quality output which the audience values | <ul style="list-style-type: none">• Value for money is a critical objective for RTÉ as quality content creation is a high-cost activity• Partnering between independent producers and RTÉ will bring their combined strengths to the needs of the audience• Producers need to do more with scarce resources by leveraging technology and collaborative work practices |
| There is intense competition for channel audiences and advertising income | <ul style="list-style-type: none">• Exploitation of public service is part of RTÉ's commercial statutory obligations and competition in the market will remain intense and highly regulated• Advertising income is falling, so new funding models and revenue streams must be developed to sustain services• RTÉ must compete to bring the best acquired programming to the audience, because some UK broadcasters are negotiating acquisition rights based on a combined UK & Ireland territory |



Irish audiences have a wide range of platform choice

Table 7: Strategic Insights and Implications for RTÉ Radio

| Insight | Strategic Implications |
|---|--|
| Distinctive high-quality content is needed to attract and keep audiences in a competitive market place | <ul style="list-style-type: none"> RTÉ should create 'unmissable' live radio on RTÉ Radio 1, RTÉ 2fm and RTÉ Raidió na Gaeltachta (for the Irish-language community) RTÉ should preserve the quality and distinctiveness of the RTÉ lyric fm service for a diverse audience |
| Radio listenership remains strong in Ireland, but audience research is showing challenges in key demographics | <ul style="list-style-type: none"> RTÉ Radio needs to broaden its appeal beyond its current listenership RTÉ Radio should increase emphasis on relevant content to attract listeners by adjusting the station tone and by a greater marketing presence on all radio channels Some re-allocation of resources in RTÉ Radio is required to reverse RTÉ 2fm's declining market share by increasing distinctive content which appeals to the 2fm audience |
| Radio compatibility and inter-operability with consumer devices will be a significant factor in coming years | <ul style="list-style-type: none"> RTÉ should rationalise and improve digital radio stations to drive uptake for Digital Terrestrial Radio, DTT, online and mobile audience For broadcasters to maintain relevance and presence in the digital space for audiences, it will be key to monitor service usage and feedback through social networks |

Table 8: Strategic Insights and Implications for RTÉ Digital

| Insight | Strategic Implications |
|---|--|
| Audience expectations are changing rapidly and becoming more complex | <ul style="list-style-type: none"> RTÉ must create distinctive high-quality content to maintain share in the face of increased media choice RTÉ must develop new connections to audiences accessing content with new devices and increasingly with mobile devices Audience interaction is now an expectation, driving engagement and a more collaborative experience, e.g. through social media Second-and third-screen initiatives will be key to driving engagement HD and VOD catch-up expected as standard and are not optional |
| Digital technology is an efficiency enabler and must be at the core of everything that RTÉ does | <ul style="list-style-type: none"> Digital is central to RTÉ's multi-platform strategy-making content available to the broadest possible audience and driving digital inclusion Efficiencies are achieved through the 'create-once, publish-many' production model Cost-effective entry to new markets, both domestic and international |
| Competition in digital is global, bringing new threats and opportunities | <ul style="list-style-type: none"> Television and radio advertising has declined, but digital and international platforms represent a real opportunity to grow commercial revenue Distinctive quality content for Irish audiences is required to counter competition from global giants such as Google and Microsoft Digital technology enables agility and innovation for RTÉ which is key to overcoming challenges of scale faced by a small PSM |

Details of how RTÉ plans to address these strategic implications will be addressed in subsequent chapters of this document.

Section 3:

Serving Audiences with Quality Services and Content

Introduction

At its heart, RTÉ is a creative organisation – making and commissioning a broad range of high-quality programming and content and delivering it to multiple audiences is RTÉ's primary public purpose and focus.

RTÉ has wide obligations to society as a whole. As a dual-funded Public Service Media organisation it must effectively and efficiently deliver a broad range of content and services for all audiences; content and services that aim to bring communities together, that engage with the public and make a positive contribution to the cultural life of the nation.

Clearly RTÉ cannot deliver a broad range of programming and content to everyone at the same time on one service. Therefore, RTÉ has developed an integrated portfolio of services and channels to effectively meet the multiple needs and expectations of multiple audiences. Audience needs and expectations are not static, but are dynamic - changing with the development of new technologies and constantly responding to the social, economic and political issues of the time.

Section 2 has clearly set out RTÉ's view of the media environment in Ireland over the next five years. It is an environment that demands that programming and content are delivered in multiple ways to meet increasingly sophisticated audience needs. It is one that is becoming increasingly competitive and demands that RTÉ produces content that is distinctive, diverse and of high quality. It includes a regulatory environment that demands that RTÉ's channels and services, as part of an integrated portfolio, each play a clear, complementary and essential role in fulfilling RTÉ's public service remit.

Fundamental to the development of this five-year strategy was a rigorous review of RTÉ's full portfolio of services and channels which built on earlier analysis that RTÉ completed in 2011 on its content.

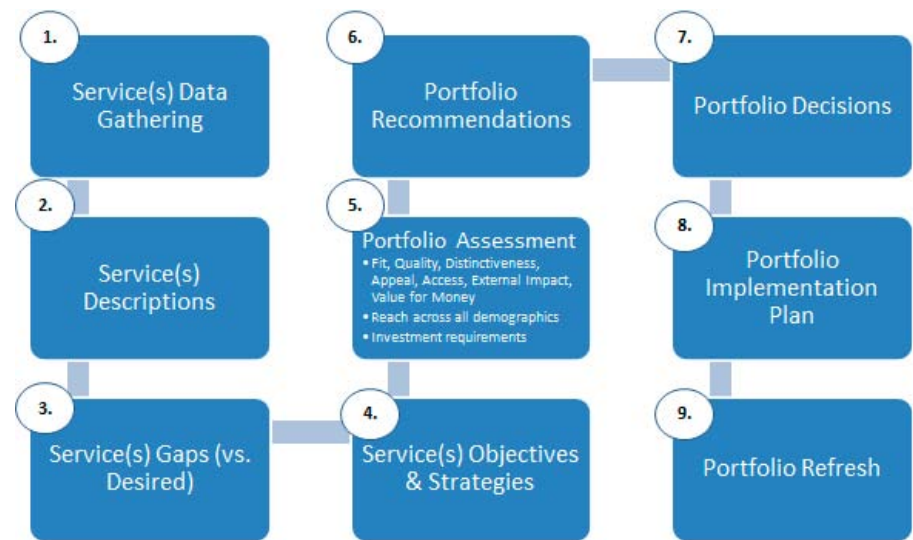
Fundamental to the development of the five-year strategy was a rigorous review of RTÉ's full portfolio of services and channels

3.1 RTÉ Portfolio and Content Review

Portfolio Review

In reviewing its portfolio, RTÉ considered three core dimensions: the quality and distinctiveness of content; audience reach and impact; and value for money. This process has evolved further into RTÉ's new Public Value Framework (see Section 6).

Figure 16: Service Assessment Process



The following table details the high level insights and implications that flowed from the portfolio review:

Table 9: RTÉ Portfolio Review Insights

| Insight | Strategic Implications |
|---|---|
| 1. Content must be at the core of everything that RTÉ does | <ul style="list-style-type: none">RTÉ is the largest creator of Irish media content, and must continue to generate high-quality content that meets the needs of the different audiences |
| 2. Audience expectations continue to rapidly change and are ever more demanding | <ul style="list-style-type: none">Audiences are demanding content anywhere and anytimeAudience research will continue to be a critical input into programming and schedule decisions, but we must also leverage social media as a vital source of audience feedback |
| 3. Portfolio approach required | <ul style="list-style-type: none">With so much competition in the market, audience fragmentation is an inescapable realityThere is a clear requirement for higher levels of integration across services |
| 4. Cost challenges remain, but need to be balanced with high-quality output | <ul style="list-style-type: none">While significant cost reductions have occurred already, value for money is an ongoing critical objective for RTÉ and synergies must be maximised across the full range of services |
| 5. RTÉ needs to maintain core audiences while broadening its reach to younger audiences | <ul style="list-style-type: none">2fm and RTÉ Two, which are already targeting younger audiences, will strengthen their propositions to these younger audiences, by ensuring that content delivered on these channels appeals to their interests and meets their needsRTÉ One and RTÉ Radio 1 must widen their appeal through changes to schedules, presenters and content |
| 6. RTÉ must continue to leverage opportunities in online and mobile technologies | <ul style="list-style-type: none">'Traditional' services must be complimented with associated online content |

Content Review
Clearly any review of RTÉ’s portfolio of services and channels must be informed by a clear understanding of

the breadth and depth of the content delivered to different audiences across the services. Similar to other media organisations, RTÉ operates

broad public service genre schedules; these are classified on the following basis:

Table 10: TV and Radio Indigenous Hours by Genre 2011

| Genre | Sub-Genres | TV Hours 2011 | Radio Hours 2011 |
|-------------------------|---|---------------|------------------|
| News & Current Affairs | News & Weather Current Affairs Investigative Journalism National Events | 1,314 | 6,511 |
| Factual | General Factual Arts & Culture Education Innovation (incl Science & Technology) Religion Irish Language Lifestyle | 1000 | 2,425 |
| Entertainment | Comedy Other Entertainment | 622 | 6,192 |
| Sport | Sport | 715 | 1,460 |
| Drama | Drama | 215 | 55 |
| Children & Young People | Children & Young People | 625 | 592 |
| Music | Music | 52 | 17,890 |

As a Public Service Media organisation, RTÉ seeks to serve the entire audience, with strong, appropriate content from the seven key public service genres. In order to test how well we are delivering on this commitment, a cross-platform genre-mapping study was undertaken by RTÉ Audience Research in 2011 to identify areas of strengths and opportunities across the primary genres for four distinct age groups. This

comprehensive study covered approximately 100 RTÉ Television programmes, 50 RTÉ Radio programmes and the primary sections of RTÉ.ie. The analysis was based on an assessment of the performance of individual programmes and/or programme series broadcast during **peak-listening** (0700-1900) and **peak-viewing** (1800-2329) times on RTÉ Radio and Television respectively, as well as usage of key RTÉ websites. The most relevant competitive

comparator sets per delivery platform were chosen for benchmarking and data was sourced from TAM Ireland Ltd / Nielsen TAM, JNLR/Ipsos MRBI and Com Score. Young People’s programming was not included in this analysis as the focus was on peak-time programming.

Significant insights were generated from this review; the most pertinent of these are detailed in the table below:

Table 11: Key Genre Insights

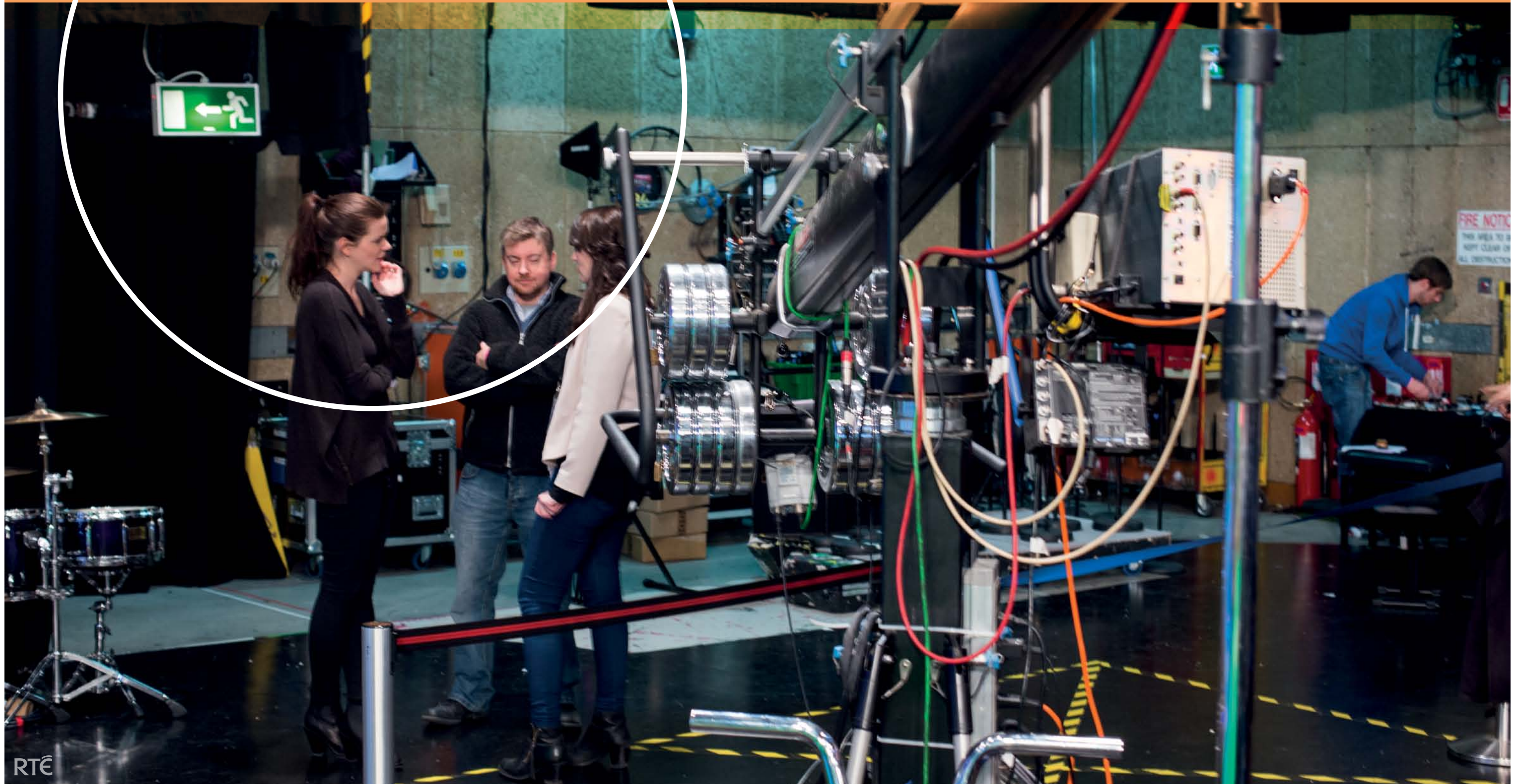
| Genre | Key Insights |
|--------------------------|---|
| News and Current Affairs | Strong appeal for adults 25+ across all delivery platforms, particularly Online for 35-54s and on Radio and TV among 55+s. There is limited appeal among 15-24s to TV output |
| Factual | RTÉ Television and Radio skews older, while TV underperforms among 15-34s |
| Entertainment | Has balanced appeal for all age groups across the range of programmes within the genre, with particularly strong appeal among 25-34s for online entertainment (RTÉ Ten) |
| Sport | Balanced appeal among 25+s to online output and among 15-24s to TV output. Particular appeal among 35-54s to radio output but less appeal among 35+s to TV sport (in peak time) |
| Drama | TV has a balanced appeal for all age groups across range of programmes within genre. |
| Music | On radio has a balanced appeal among 15-54s. Among 55+s strong niche appeal for RTÉ lyric fm and RTÉ Radio 1 |

As a public service media organisation, RTÉ is tasked with delivery of these genres to all audience segments as appropriate. This often means tailoring particular content to the needs of a specific

audience cohort. The genre and audience analysis confirms the significant strengths within the RTÉ genres but also identifies gaps and areas of opportunity. Gaps include the provision of news and factual programming

for 15-34s; while drama and entertainment are key genres of broad appeal, providing the opportunity to connect with audiences of all ages.

Audience needs
and expectations are
not static, but are dynamic



3.2 RTÉ Portfolio of Services

RTÉ is required to meet the needs of multiple audiences simultaneously every day. It also has very clear obligations specified in legislation, the most important being to reflect and connect with the lives of all the people. RTÉ meets these audience needs and its legislative obligations by offering a comprehensive portfolio of services. The RTÉ portfolio is the set of services that are necessary and sufficient to best meet its public service obligations by serving a broad range of interests and demographics. The structure of the portfolio is two-fold: core services and complementary services.

Core Services

Ongoing consumer research demonstrates the differing interests and behaviours of different audience groups. More mature audiences are served by RTÉ Radio 1 and RTÉ One, homes to RTÉ News and current affairs, factual, drama and entertainment programming. These are complemented by RTÉ Two and RTÉ 2fm which offer a different mix of content and a younger perspective and appeal. With their complementary content mixes and careful targeting, together these services appeal to audiences from young adults to senior citizens. RTÉ.ie is the other core service. It offers a mixture

of text, photo, video and audio content across all genres which extends RTÉ's public value online.

The Core Services have the greatest potential for commercial impact in line with RTÉ's Public Service Objects (please see Appendix C) to maximise commercial opportunity.

Complementary Services

Complementary services include two very different, but important types of services: (1) new and emerging services that bring core RTÉ content to our audience in new ways, e.g. RTÉ Player and RTÉ News Now; and (2) complementary services that typically have a narrower reach and are usually focused on a particular genre, audience, content type or are required to best fulfil particular public service objects. Both are crucial to the overall portfolio.

RTÉ Player allows RTÉ reach new audiences both in Ireland and internationally by offering a high-quality catch-up service online, on connected TVs and on mobile devices.

RTÉ News Now is Ireland's only dedicated multimedia news service with exciting plans to make Irish and international news available 18/24 hours a day on TV, online and on mobile in Ireland and internationally.

RTÉ lyric fm and Raidió na Gaeltachta both serve specific audience segments with comprehensive high-quality services impossible to deliver within the schedules of the core services. Complementing the core FM services, RTÉ's digital radio stations are very cost effective, offering enhanced radio content - Irish and international speech programming, children's programming and targeted specialist music services.

For the under sevens, RTÉjr (Television) is a commercial free, safe, fun, magical place where Irish children can watch, listen to and engage with original Irish content and acquired programming.

RTÉ's Orchestras, as the largest employer of classical musicians in the country, serve Irish music lovers with the highest-quality classical music experiences.

RTÉ Aertel plays a critical role in bridging the digital divide by providing important information services in those areas and with those audiences where use of the internet remains low.

Figure 17 depicts the positioning of each service within RTÉ's portfolio.

Figure 17: RTÉ Portfolio of Services

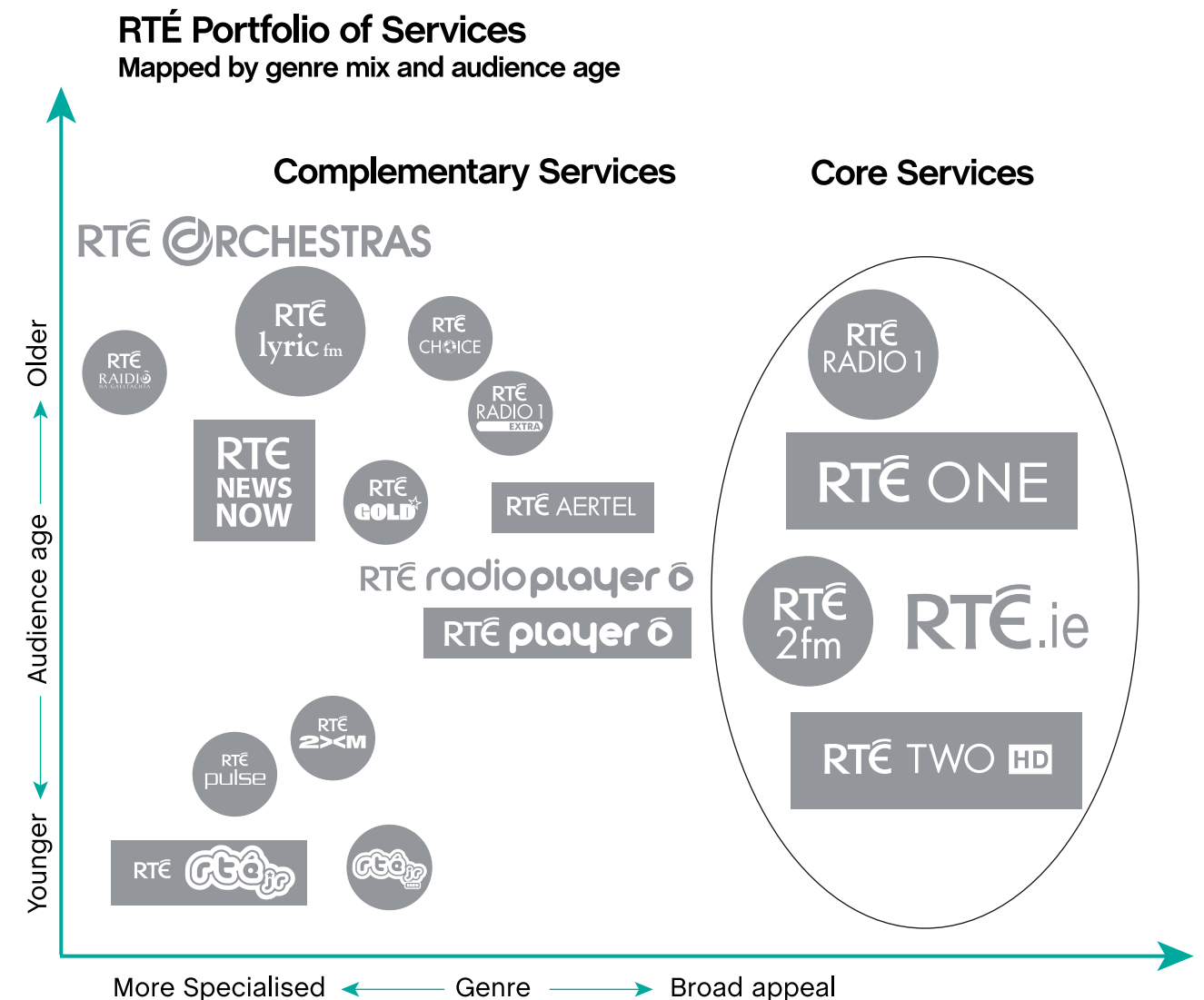


Figure 17 also shows how the Core Services are characterised by a broad appeal and mixed-genre approach and how together, the '1s' and the '2s' provide for the spectrum of listener and viewer age groups. The complementary services are smaller, with a more specialised approach, delivering content

to a very specific age cohort or community of interest (and sometimes both).

Audience needs and expectations are constantly changing. It follows therefore that RTÉ's portfolio of services and each service within it must also constantly adapt

and change if RTÉ is to remain relevant and connected to all its audiences. It is clear that some RTÉ services require more change than others. There are audience gaps to be addressed and, in some cases, the balance of different genres and content presented across the services should be adjusted.

Detailed Service Reviews and Planned Improvements 2013-2017

A fundamental element of the Portfolio of Services Review was a comprehensive analysis of each of RTÉ’s individual services. This involved extensive analysis of each service in terms of its fit with RTÉ’s public service objects, audience focus, appeal and accessibility, editorial ethos and content quality, genre balance, societal impact and costs and efficiencies for each service. During the course of the review, the core tenets underpinning public value (Quality, Audience and Efficiency) provided a framework for the work and thinking of the review team.

Another principle informing the review was that RTÉ’s portfolio must be founded on core and complementary channels, which together can reach across the spectrum of audience age groups and serve multiple needs. This is

common practice in other public service media organisations in Europe, where mixed-genre, broad-appeal channels provide a blend capable of attracting a wide audience and thematic or niche services fill any genre or audience gaps.

RTÉ’s linear services are anchored around pairs of channels: RTÉ One and Two, RTÉ Radio 1 and 2fm. This pairing allows complementary scheduling by providing an alternative to different audiences in terms of age, tone or interest.

Each service’s audience was assessed in volume terms and in comparison with the profile of the Irish population. This review work highlighted some key portfolio gaps in audience terms.

Television Core Service, Improvement Initiatives

RTÉ Television should provide a holistic service to its audience via the two primary television services. To maximise the complementary nature of the channels, the audience targets for RTÉ One and RTÉ Two were defined as follows:

- RTÉ One audience: RTÉ One serves adults during the daytime with a shift to a more family-focussed schedule in the early evening with entertainment, lifestyle, factual and documentaries. Post-9pm, the channel will focus on adults, with news and current affairs, factual and documentaries.
- RTÉ Two audience: Children and teens will be served on RTÉ Two from morning to early evening with a home-produced and acquired mix. The channel will target young adults (15-34s) post 7pm, with an emphasis on home-produced young factual, comedy, sport and entertainment post 9pm.

Radio Core Service, Improvement Initiatives

Overall, the profiles of RTÉ’s core radio services are aligned with the editorial focus:

Table 13: RTÉ Radio Core Service Improvement Initiatives

| RTÉ Radio: Service Improvement Initiatives | |
|--|--|
| RTÉ Radio 1 | <ul style="list-style-type: none">• Grow Radio 1 share among younger listeners• Place a renewed emphasis on Science & Technology, Comedy, Entertainment and Investigative Journalism• New voices and talent: develop our people so we have a younger and more diverse range of voices on air to reflect the changes in Irish society |
| RTÉ 2fm | <ul style="list-style-type: none">• Create more distinctive programmes and brands to attract new audiences• Develop new on-air talent and refresh the tone and feel of the station• Continue to develop our music policy and support new Irish music• Use sport and comedy to grow audience and build affinity with the station• Grow audience engagement using social media and technology |

What follows are detailed plans for each service. The strategic initiatives outlined for each have been incorporated in the RTÉ 5-Year Financial Base Case Projections (see Section 7) and are based on funding levels included in these projections.

The initiatives outlined are grouped by the three dimensions contained within the Public Value Framework (PVF): High Quality Content, Serving Irish Society and Value for Money. These dimensions and the planned evolution

of the PVF are described in detail in Section 6. As RTÉ’s new Public Value Framework evolves, so too will RTÉ’s capacity to improve and adapt its services and content.

Table 12: RTÉ Television Core Service Improvement Initiatives

| RTÉ Television Core Service Improvement Initiatives | |
|---|--|
| RTÉ One | <ul style="list-style-type: none">• Reinvigorate the RTÉ One brand to be more contemporary, modern and relevant• Refocus RTÉ One to build on its position as the family channel with content to appeal to all ages pre-watershed and skewing older post 9pm• Refresh the RTÉ One schedule review to give a more contemporary slate of programmes |
| RTÉ Two | <ul style="list-style-type: none">• Audience focus: Place young Irish adults at the centre of all commissioning, editorial, content and scheduling decisions• Research and innovation: Research audience needs in more sophisticated ways and innovate new formats and initiatives to engage younger audiences• Home production: Increase the hours of relevant home production• Rebalance: Move some sport from the peak-time schedule to provide tailored destinations and clarity for the audience• Costs: drive down the cost of acquired programmes and sports rights to enable more investment in home production |

3.3 RTÉ Core Services

3.3.1 RTÉ One

Strategic Intent:

To serve the wider population with high-impact programmes, landmark drama, documentary, factual and entertainment programming, news and current affairs and bring the country together for key national events.

Description of Service

RTÉ One has an overall mission to tell Ireland’s stories. The channel offers a comprehensive range of home-produced Irish

documentary, drama, arts, entertainment and lifestyle programming. RTÉ One is also the home of national events and of authoritative Irish and International television

Strategy 2013-2017

In striving to reflect the Ireland of today, and imagining the Ireland of tomorrow, we will continue to commission landmark dramas. We will bring viewers a range of thought-provoking, intelligent and incisive factual and documentary programmes and increase our commitment to science, technology and education programming. RTÉ One will build on its current strengths:

- Be a space for Irish arts,

history and culture, helping our heritage to remain relevant in an increasingly globalised world

- Be the destination for major events coverage
- Play a central role in bringing Irish people together to share in those moments that define our culture and our community, be they State visits, elections or national holidays
- Provide authoritative news and current affairs and factual programming that shines a light on the social and political issues in contemporary Ireland

news and current affairs. The values of the service are real, connecting and enriching with inclusive and inspiring story-telling.

RTÉ One is the broad-appeal channel, with content for people of all ages. The audience for RTÉ One is primarily over 35, with a reach of 70% and a national audience share over 21%. RTÉ One aims to remain the most popular channel amongst this age group.

RTÉ One will continue to cater for young and old, and for a wide range of interests. RTÉ One will remain the window into Ireland and represent the mass audience through a blend of programmes with broad and unique appeal. It will cultivate its unique ability to focus national attention on a single issue and be at the heart of major events of national significance.

The principle strategies for RTÉ One are summarised in Table 14.

Table 14: RTÉ One Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|---|--|
| Serving Irish Society | Refresh the schedule | Comprehensive schedule review to create a more contemporary schedule and slate of programmes |
| | Refocus the brand | Rejuvenate the brand to reflect a more modern and relevant Ireland Leverage audience insights to align content with audience needs |
| | Increase News and Current Affairs in the schedule | RTÉ One will refresh its current affairs and investigative journalism programming in peak time From 2013 there will be a new daily programme in the RTÉ One schedule In 2013 and beyond, RTÉ’s new investigative unit will deliver a number of full programmes and short reports into <i>Prime Time</i> The <i>Six One News</i> will become more investigative with the aim of becoming a major breaker of news stories |
| | Reflect and tell Irish stories for Irish people – informing and educating | We will continue to commission and produce relevant and high-quality documentary and factual programming that includes history, lifestyle, education, science and technology RTÉ One will mark the Decade of Centenaries with documentaries reflecting the First World War, the 1916 Rising and the Civil War RTÉ One will continue to make and broadcast Irish language programmes in peak-time |
| | Increase our National Event coverage | RTÉ One will be the primary outlet for all major events. These events will include: <ul style="list-style-type: none">• Events commemorating the ‘Decade of Anniversaries’• Annual coverage of GAA events• Coverage of the European Presidency in 2013• Coverage of political elections and budgets |
| Quality Content | Entertain the nation with chat, music and comedy | Grow younger audiences with contemporary, quality content Reinvigorate entertainment and lifestyle strands and refresh popular existing brands Enrich the schedule with new popular entertainment formats such as chat, lifestyle and talent shows |

RTÉ One
remains the most
popular channel of
choice among the Irish public



3.3.2 RTÉ Two

Strategic Intent:

With innovation as its hallmark, RTÉ Two will provide distinctive and relevant programming for young people through factual, entertainment, comedy, sports, documentary and acquired drama.

Description of Service

RTÉ Two is a mixed-genre channel catering to and reflecting the experience of Irish children and young Irish adults. It is the home of Irish sport, children’s programming and a broad range of programmes with wide appeal for younger audiences.

RTÉ Two’s mission is to unlock imaginations with bold, popular, original and innovative programmes. We are committed to connecting with Irish audiences with our entertainment programmes and telling the Irish story from the young person’s perspective, through relevant factual, culture and documentary programmes that would not be found on RTÉ One.

The dominant genres on RTÉ Two are Sport and Young People’s Programming. RTÉ Two offers mixed-genre programming blocks to three age cohorts in the Children and Young People’s category (under

- 18s) under three key brands:
- RTÉjr provides a commercial-free, safe and fun service for young children under 7 years old
 - TRTÉ is designed for children aged 7-11
 - TwoTube provides a strand of programming for 12-17 year olds

The schedule also offers news, distinctive comedy and entertainment with a younger point of view.

RTÉ Two remains the home of the best international drama acquisitions, particularly those aimed at the channel’s target audience, and will use new and proven acquisitions to support and drive audiences for home-produced content.

Overall, the channel’s audience profile is healthy.

Strategy 2013-2017

The vision for RTÉ Two is to provide a voice for young

people, giving a space where the lives of young Irish people can be reflected and their stories can be told. We will continue to develop new innovative programming with a fresh perspective, about topics of interest to them. We will provide a space for reflection and comment that is qualitatively different to the perspective of RTÉ One.

The need to be creative and take risks is vital to RTÉ Two – it is where we can try new concepts, develop new talent and deal with topics which provoke and are relevant to the target audience. The emphasis will be on strengthening the RTÉ Two brand through the alignment of targeted and relevant programming, innovation, and the creative use of the digital space to really engage our audiences. RTÉ Two is strong in key public service areas such as Young People’s Programming and Sports, and the recent focus on comedy for younger audiences has been successful and resonated strongly with that cohort. However, the channel has a limited amount of indigenous home production in other genres. This imbalance will be addressed over the coming five years.

Table 15: RTÉ Two Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|--|---|
| Serving Irish Society | Rebalance the schedule | RTÉ is committed to building on our strengths in Sport and Young People’s programming and increasing home-produced content hours in areas relevant to younger Irish audiences. Production of new factual programming aimed at the younger Irish adult will increase. We will increase our commitment to contemporary music programming and to Irish movies and film. RTÉ Two funding will increase to rebalance the schedule. New activities will include: <ul style="list-style-type: none">• Revamp of <i>News on Two</i> to increase relevance of news for the RTÉ Two audience• New drama shorts, <i>Storyland</i>, in 2013• An additional 12-14 hours of new factual documentaries for young people• Reduction in sports costs and hours of sport programming in peaktime |
| | Innovate in programming and production | Innovation will continue to be integral to RTÉ Two. Central to the channel’s remit are new formats, new talent and to encourage new ideas. Continue innovation with Irish-generated formats, new Irish comedy and new talent. Exploration of the use of new production models and user-generated content (UGC) on RTÉ Two. Development of comedy writing and performance, further develop <i>Comedy Night</i> and launch a new comedy strand in 2013. Cross-platform teams will drive an enhanced audience experience as well as creativity, integration and efficiencies. |
| | Reinvigorate the RTÉ Two brand | RTÉ Two’s role as the voice of Irish young people will be reinforced through strong branding and marketing and the alignment of the audience target with programme content. A single focussed brand identity will inform scheduling, commissioning, acquisitions and marketing decisions. Develop new talent and presenters who can re-invigorate programmes and RTÉ Sports coverage. |
| | Engage our audiences | Harness social media and deliver second screen experiences to increase audience engagement with and give linear content new expression online. To achieve this we will: <ul style="list-style-type: none">• Engage with younger audiences on their terms• Home-produced programmes will be commissioned with digital engagement and interaction in mind• Enrich the viewing experience through online hubs, social-media activity, mobile apps |
| Serving Irish | Maximise our National Event coverage | RTÉ Two will be the primary outlet for major sporting events including: <ul style="list-style-type: none">• World Cup soccer and rugby in 2014 and 2015• Olympics and European Cup Soccer in 2016 |

3.3.3 RTÉ Radio 1

Strategic Intent:

To remain the national flagship radio station through a mixed-genre speech-and-music schedule for an adult audience.

Description of Service

RTÉ Radio 1 is a core service within the wider RTÉ portfolio. Radio 1 is committed to delivering engaging and compelling public service content, which is at the heart of RTÉ’s public mission.

RTÉ Radio 1 offers Ireland’s most comprehensive, trusted, quality radio service, with award-winning, informative and entertaining home-production across all genres. It offers a mixed-genre schedule, with in-depth news and current affairs programming and entertainment programming in its 7-7 schedule. More specialist genres, such as drama, documentary, arts and specialist music programming, are represented in the off-peak schedule.

RTÉ Radio 1 reaches c.24% (c.879,000) of adults 15+, rising to 25% of adults aged 35-54.

The geographic profile of RTÉ Radio 1 listeners is similar to the overall adult 15+ population, although there is a Dublin bias.

The target audience is all adults with emphasis on 35-54s. As the most listened-to radio station in the country, our aim is to maintain that position.

Strategy 2013-2017

The priority for Radio 1 is to keep the station at the heart of Irish life, and to ensure that it remains the authentic voice of the nation - the place where the national conversation takes place. This will mean

maintaining and, if possible, growing the Radio 1 share. We want Radio 1 to engage its listeners better than any other Irish radio station. This means a sustained commitment to the delivery of a comprehensive, trusted, quality radio service.

Another key challenge for Radio 1 is to ensure the breadth of the service in the quality and fabric of the content with particular emphasis on News, Current Affairs, Sport, Factual and Arts programming.

RTÉ needs to be open to new ideas relating to multiculturalism if it wishes to increase its listeners within migrant communities. RTÉ Radio 1 needs to understand how it can best serve these communities and reflect the changing face of Ireland. This is part of an overall strategy to increase the amount of new voices on Radio 1 which will provide programming that will better reflect the demographics of the country.

Table 16: RTÉ Radio 1 Strategic Initiatives

| | Strategic Initiative | Actions & Milestones |
|-----------------------|---|---|
| Public Value | | |
| Quality Content | Strengthen the schedule and maintain the reputation as the station of record | RTÉ Radio 1 is committed to delivering and developing its news and current affairs offerings to ensure that the station remains the most trusted source of radio news coverage in the country. Be the home of our national sports and teams through live coverage of major national sporting events. Ensure coverage of all major National Events Produce a landmark series (with TV) looking at events in the Decade of Anniversaries and launch a series of programmes to track the decade through letters from the public from ancestors involved in relevant events. Innovate in documentary-making. Maintain our record in first-run new Irish writing in Drama. |
| | Develop new programming strands aligned with audience interests and RTÉ’s areas of focus | Renew emphasis on key areas identified by RTÉ such as Science & Technology, Investigative Journalism, minority communities and new voices and talent. Enhance current strands and add new, distinctive programming to increase audience appeal. Reassess the allocation of resources and re-prioritise where necessary, to back up the areas of focus. Develop Investigative Journalism with between 5 and 10 investigations featuring on Radio first by 2016 |
| Serving Irish Society | Increase 35-54 audience | To recruit younger listeners RTÉ Radio 1 will continue our comedy programming and refocus the music policy for the station. Continue with the introduction of younger voices on air, both presenters and contributors, with emphasis on a more diverse selection of voices which reflects our changing society. Widen the appeal of the station through content, presenters and contributors that are contemporary and innovative and continue the development and introduction of new on air talent. Broadcast a prime-time comedy slot for 33 weeks in 2013 and develop a cross-media strategy on comedy writing and performing. Showcase live performance of Irish music in the schedule and use music entertainment programmes to attract 35-54s. Continue the annual Big Music Week and launch a new music show with a strong brand and digital presence. |
| Value for Money | Drive creativity, efficiency and value for money | Invest in our people and technology to ensure efficiency in all that we do |

3.3.4 RTÉ 2fm

Strategic Intent:

To grow its audience of 20-44-year-olds through innovative programming, excellent music scheduling and increased sport and comedy content.

Description of Service

RTÉ 2fm is RTÉ’s second most listened to radio station. As part of RTÉ’s portfolio of services, 2fm has a key role in the public service ambition to create content for all members of Irish society, aimed in peak at the 20-44 age group and skewing younger (15-34) in the evenings and at night. 2fm delivers a high-quality service for younger audiences, combining the best new music with entertaining presenters. It also offers a platform for Irish music, live music, entertainment programming, news and community-building campaigns.

2fm features entertainment and music programming primarily, but has many sub genres within the music area, featuring specialist indie, dance, pop and other genre-specific music shows.

During peak time (07.00 – 19.00), RTÉ 2fm is aimed at the 20-44 age group and the schedule skews younger (15-35) later in the evenings and at night.

RTÉ 2fm’s core audience is 20-44 years of age with its off-peak programming and sister digital radio stations (2xm and Pulse) aiming at 15-34 year old fans of alternative music and dance music respectively. 2fm is a broad-based mixed-genre station aiming at both genders and all social classes.

Vision and Ambition

The ambition is to build on recent successes after a period of decline and to increase distinctive programmes and raise the profile of the 2fm brand with key on-air talent. The station will continue to grow its audience connection and its support for the best

new Irish and international music, using existing and new programmes, social media and emerging technologies.

Over the period 2013-2017, 2fm will continue to aim at this broad 20-44 demographic but will use its music policy, presenter talent and on-air production values to reduce the average listener age by 2-3 years to help fill the gaps in RTÉ’s overall audience profile.

Strategy 2013-2017

2fm will also significantly grow its sport content by moving resources from Radio 1 and introducing live coverage of key sporting events on the station’s evening schedule. 2fm will also introduce additional original comedy into peak-time programming.

The station will continue to partner with external charitable organisations to engage a wider public and will also carve out its own community building campaigns through social media, online and on its primary broadcast platform.

Table 17: RTÉ 2fm Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|--------------------------------|---|
| Serving Irish Society | Grow Audience | Grow the audience by creating relevant content for listeners (particularly 20-44s) and developing our on-air and editorial talent. Increase position of sport within 2fm. |
| | Strengthen the Schedule | Revitalise the station’s music policy. Feature more music from Irish artists and commit to a guaranteed level of Irish music on peak-time playlist. Increase distinctive programming – both peak-time and late night. Increase sports coverage by moving resources from Radio 1. Leverage existing RTÉ Sports rights to provide appropriate content. Increase commitment to comedy: Explore partnerships with Television and commercial partners to fund new comedy inserts in breakfast and explore comedy possibilities off peak. |
| | Talent Development | Identify and develop new contributors, voices and comedy talent. |
| | Digital Integration | Online and DAB activity will continue to evolve using the latest multimedia tools to put audio at the centre of the user’s experience with content indexing, streaming and podcasts. 2fm will continue to use social media outlets and the website to build audience connections and increase programme impact in addition to increasing synergies between it and two of RTÉ radio’s DAB stations, RTÉ 2xm and RTÉ Pulse. |
| | Efficiencies and Effectiveness | Increase the range and diversity of programming in peak and off peak. Increase revenue and grow station share, particularly among the target demographic. Increase percentage of Irish music on peak time. |
| Value for Money | | |

High-impact programmes,
landmark drama, more news
and current affairs



3.3.5 RTÉ.ie

Strategic Intent:

To deliver RTÉ content to both Irish and international audiences through a first-class user-experience and multi-platform, multi-device availability.

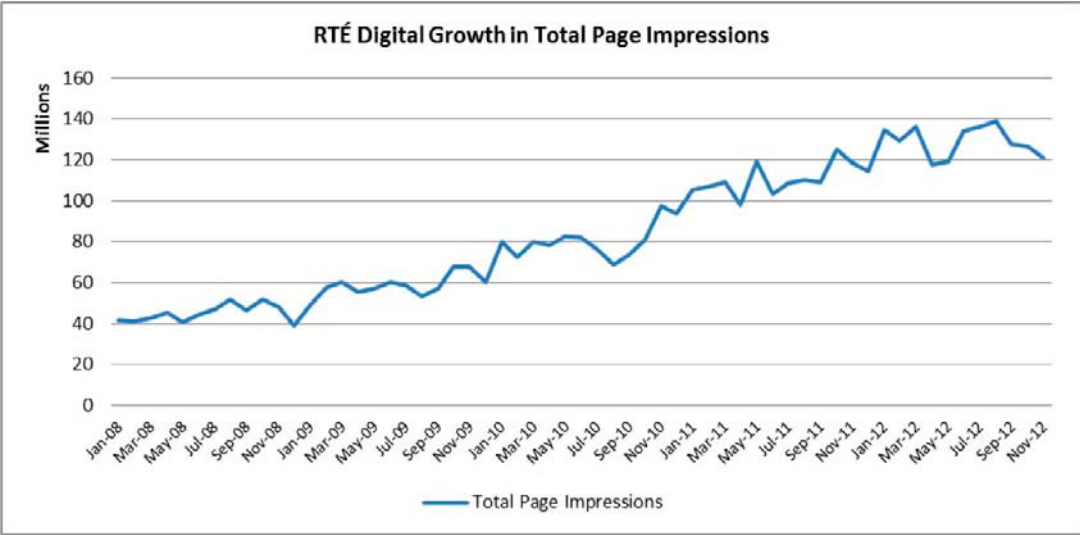
RTÉ.ie provides unrivalled coverage of Irish news and key national events to local and global audiences, delivering up-to-the-minute developments as they occur. It is one of the leading websites in Ireland and is the engine of many of our digital services. Building on a

successful ‘create-once, publish-many’ production model, RTÉ has been able to cost-effectively enter new markets and meet the evolving needs of our audiences. RTÉ.ie is available to users via desktop and mobile devices

and is the online home to RTÉ’s public service offerings including Television, Radio, Orchestras and RTÉ Player. RTÉ.ie also provides content hubs around specific interest areas of news and business, sport, entertainment, life and style, and drama.

RTÉ.ie is an important connection and access point for international audiences to discover and engage with Irish content, with 40% of unique users accessing from overseas. There has been strong growth in overall audiences for RTÉ.ie, as illustrated below:

Figure 24: RTÉ.ie Growth in Total Page Impressions



Source: comScore

RTÉ.ie allows users the choice of how, when and where to consume RTÉ content. Already 4.5 million unique browsers access RTÉ content online each month. 57% of that content is accessed via mobile, an emerging behaviour

pattern higher than most western countries. RTÉ will continually innovate in how it creates packages and distributes content to meet the ever-changing needs of the audience. RTÉ has identified opportunities to

enrich the audience experience and connect with younger audiences.

These are captured in a set of strategic initiatives for RTÉ.ie as follows:

Table 18: RTÉ.ie Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|------------------------------------|---|
| Quality Content | Meet Audience Needs | Provide distinctive, high-quality content that meets online users' needs, both at home and internationally. |
| | New Hub for Arts and Culture | Aggregate arts and culture content on new online platform and evolve production models to allow greater access to RTÉ's cultural content. |
| Quality Content | New Application for RTÉjr | Integrate RTÉ's three RTÉjr outputs (Television, Radio and online) through applications, content sharing and other means of enriching young audiences experience of Irish children's content. |
| | Create a Better User Experience | Increase and simplify the sharing and discovery of RTÉ content through the creative integration of social-media tools with RTÉ's content-creation. |
| Serving Irish Society | Drive Innovation | Deploy personalisation and customisation tools, and innovate in our production models and processes to improve the audience experience. |
| Serving Irish Society | Strategic Partnerships | Foster an open approach to partnerships and collaborations across the digital landscape, and prioritise projects which reflect the lives and concerns of all social strata in Ireland. |
| Serving Irish Society | Meet the Needs of the Irish Abroad | Develop a strategy for more in-depth and focused engagement of the diaspora, ensuring that RTÉ.ie is a valued link to home for the millions of Irish abroad. |

The revolution in mobile, online and social media has begun a new era in content sharing and interactivity. Through RTÉ.ie and other digital services, RTÉ has positioned itself as a leading multimedia content creator and distributor. RTÉ

will continually innovate in how it creates packages and distributes content to meet the ever-changing needs of the audience.

3.4 Complementary Services

Complementary services includes two very different, but important types of services: (1) new and emerging digital services that bring core RTÉ content to our audience in new ways, e.g. RTÉ Player and RTÉ News Now; and (2) complementary services that typically have a narrower reach and are usually focused on a particular genre, audience, content type or are required to best fulfil particular public service objects. Both are crucial to the overall portfolio.

3.4.1 RTÉ Player

Strategic Intent:
To become the leading Irish on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose.

RTÉ Player is RTÉ’s on-demand television offering, providing a catch-up service as well as live and on-demand archive programming. It is available to domestic and international audiences.

The growth in the usage of RTÉ Player has been fuelled through targeted content and a multi-platform strategy: the service is now available on desktop, on all iOS platforms, on PlayStation, on Samsung Connected TVs and on UPC’s on-demand service.

The roll-out of RTÉ Player on to more platforms, more devices and more services will continue in the future. The development of the service will focus, in particular, on improving the user experience, growing revenue and diversifying the content strategy.

RTÉ envisages over the period of the next 5 years that the RTÉ Player will feature as a core service, reaching new audiences and serving our less traditional audiences in new ways.

Table 19: RTÉ Player Strategic Initiatives

| | Strategic Initiative | Actions & Milestones |
|-----------------------|--|---|
| Public Value | | |
| Serving Irish Society | Improve the user experience | Launch HD video streaming; introduce social and personalisation tools; implement improved video playback features |
| Quality Content | Diversify content strategy from catch-up to full on-demand service | Introduce full series; launch archive collections; develop content offerings for international markets |
| Serving Irish Society | Extend the platform roadmap | Continue to roll-out RTÉ Player on relevant platforms and devices |
| Value for Money | Grow revenue | Grow video-on-demand advertising revenue; launch premium content offering |

3.4.2 RTÉ News Now

Strategic Intent:
To be Ireland’s leading 24-hour News and Current Affairs service available on online, on mobile and on television.

Description of Service
RTÉ News Now is Ireland’s only dedicated television news channel, available on SAORVIEW, on UPC, on mobile, and as a mobile application on Android, iOS and Windows. The channel has approximately 20-30% live content with 70-80% looped content.

However, this profile only represents TV viewers and must be seen in the context of the high levels of usage of the mobile and online versions of the service (this profile information is not available). With audiences becoming increasingly mobile, the RTÉ News Now application is now a mainstream platform for the consumption of RTÉ’s extensive range of content. Since its launch in 2010, the application has been downloaded almost 700,000 times and the volume of page impressions it delivers now equals that of www.rte.ie.

RTÉ plans to grow the channel over the course of the next three to five years. The key content areas on RTÉ News Now are: News, Sport, Business and Entertainment.

The RTÉ News Now application delivers c.60 million page impressions per month. Growth has been strong and steady, and reflects the trends towards mobile consumption of content. The iPhone and iPod touch version accounts for 66% of RTÉ News Now’s page impressions; 27% is delivered via the Android version; 7% on the iPad version.

Strategy 2013-2017
The vision is for RTÉ News Now to become the driver of the 24-hour news cycle. This will mean a significantly enhanced schedule with a move to live and bespoke content and a corresponding decrease in repeats. Technological advances in terms of news delivery and transmission are crucial to the delivery of this vision.

Table 20: RTÉ News Now Strategic Initiatives

| | Strategic Initiative | Actions & Milestones |
|-----------------|--|--|
| Public Value | | |
| Quality Content | Overhaul of Panels & Tickers | Create a more up-to-date integrated news service which will cater for breaking and latest news updates, embedded video and twitter/social media feeds to be live in 2013. |
| Quality Content | More Live Bulletins | The goal for the channel is to have live news bulletins at the top of the hour, every hour between 7am and 12am. However, this is finance dependent. Currently headlines are carried at 9,10,11,12 and 1 as well as bulletins at 6 and 9 and three new evening bulletins will be live in 2013. |
| Serving Society | Enhance the News Now Application (App) | Build on the aggregation of content from News, Business, Sport, and Entertainment from RTÉ, and supplement stories with rich multimedia content. Social media and community-building will be integral to the redeveloped application which will be delivered in 2013. |

3.4.3 RTÉ lyric fm

Strategic Intent:

To provide a unique alternative listening choice for an audience of classical, world music and arts lovers.

RTÉ lyric fm delivers a high-quality largely classical music schedule, with some additional arts content and music for all tastes. This is a cost-effective service which meets the needs of a small but demanding older audience of music-lovers who appreciate the tone and texture of the lyric fm schedule as much as its actual content.

The station is a key contributor to RTÉ's delivery of its Public Service obligations through its distinctive schedule of classical music and the breadth of other musical output from world

music to jazz, traditional to contemporary classical. It is part of RTÉ lyric fm's richness as a service that creates space for these sub-sets of musical tastes which would not be catered for by a commercial station.

RTÉ lyric fm brings music from across the world to share with its audience at home or on the move. The service aims to appeal to listeners of any age seeking to expand their cultural horizons through engagement with the world of music and the arts.

Strategy 2013-2017

The Portfolio of Services review clearly showed that **RTÉ lyric fm needs to attract a wider, more diverse audience by reaching out to new listeners.**

Reach and share will be optimised through improved marketing and awareness, cross-promotion from other stations, enhanced audience engagement, improved digital offering and fresh and unexpected content. However, the central proposition will be protected by not diluting the service offering or the quality of programmes.

Table 21: RTÉ lyric fm Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|---|---|
| Serving Irish Society | Achieve a wider, more diverse listenership | Reach out to potential listeners under 50s through improved awareness; working with sister stations and enhanced audience engagement with improved digital offerings; without diluting the core proposition. Publish CDs to promote Irish music. |
| | Establish and maintain collaborative and creative partnerships | RTÉ lyric fm will partner with arts agencies and venues to bring major festivals to a wider audience. Commission work from Irish composers: Extend our Education and Outreach programme to public events and educational institutions. |
| Quality Content | Build on our commitment to quality content | Broadcast of feature programmes which will examine music and music-makers in all their creative and collaborative contexts. |

3.4.4 RTÉ Raidió na Gaeltachta

Strategic Intent:

Provide a national Irish-language service that connects listeners to a personalised, authentic Gaeltacht and Irish-language world.

RTÉ Raidió na Gaeltachta's mandate is to provide a national Irish-language radio service as part of RTÉ's public service objectives. It has a cultural and linguistic impact that sets it apart from any other Irish radio station.

The service has a mixed-genre schedule of speech and music in the Irish language, targeted at Irish speakers in the Gaeltacht

and beyond, both at home and overseas, with a strong regional focus, something which is central to the identity of RnaG. It delivers comprehensive international, national and local news and current affairs, as well as strong entertainment, sports, features, arts and music content.

Its distinctiveness is not only from a language perspective:

the station is a leading broadcaster of traditional Irish music and is a central focus in the continuation of Irish aural traditions, holding one of the largest archives of traditional music worldwide.

Strategy 2013-2017

The Portfolio of Services Review and the station's own three-year strategy are in strong agreement about the requirement for RTÉ Raidió na Gaeltachta to increase its remit and listenership by reaching out to all Irish-language speakers and attract new listeners from outside of the Gaeltachtaí and abroad.

Table 22: Raidió na Gaeltachta Strategic Initiatives

| Public Value | Strategic Initiative | Actions & Milestones |
|-----------------------|---------------------------------------|--|
| Serving Irish Society | Increase listenership | Reach out to audiences outside of the Gaeltachtaí and abroad. Strengthen online offering to engage diaspora – create a mobile application. Develop the Irish-language learning offering for home and overseas audiences. |
| | Re-focus the schedule | Create content to appeal to younger listeners. Develop new talent. |
| Quality Content | | Strengthen on-air schedule. |
| Serving Irish Society | Develop strategic partnerships | Build on and establish partnerships that allow for additional content provision, promotional opportunities and repurposing of content. Create a publically accessible archive. |
| Serving Irish Society | Modernise the brand | Make the brand more relevant in a changing Irish society and a changing Irish-language demographic. Explore renaming the brand. |

3.4.5 RTÉ Radio Player

Strategic Intent:

To hold its place as Ireland’s leading live and on-demand radio service, to provide wider choice, richer function and to become a pivotal element of future hybrid radio for our audiences.

The Radio Player will be the principal vehicle for delivering a new hybrid radio service. Radio’s future involves a layered offer: from the basic free-to-air, universal audio experience to a much richer, often visual experience on a device connected to the web. RTÉ’s hybrid radio service will combine the efficiency, ubiquity

and free-to-air character of broadcast radio with the richness and connectivity of the web. Thus, as well as the development of the digital terrestrial ‘backbone’ for broadcast radio, RTÉ Radio is developing its online delivery, both live and on demand, to all devices through a hybrid radio service.

An obvious but material feature of FM in the context of new media and digital devices is that all licensed Irish stations are available through one platform. This cohesion has public, social, economic and sovereign value. RTÉ would like to work with the domestic commercial and community radio sector in exploring the concept of a common IP radio player. Such a player is already available in the UK and carries nearly all national and local services, both commercial and public.

Table 23: RTÉ Radio Player Strategic Initiatives

| Public Value | Strategic Initiative | Actions |
|-----------------------|-----------------------------|--|
| Quality Content | Improve the user experience | Introduce additional rich media elements; radio as a visual experience (slideshows, cameras etc); improved sharing capabilities; personalisation; scheduled recordings; etc. |
| Serving Irish Society | Progress hybrid radio | Progress, in co-operation with European partners, technologies to provide broadcast radio and internet connectivity in one device via a single app. |
| Serving Irish Society | Pursue All-Ireland player | Work with sector to explore common IP platform for Irish Radio |

3.4.6 RTÉjr (Television)

Strategic Intent:

To offer young children a diverse schedule of original Irish content and acquired programming.

For the under 6s, RTÉjr is a commercial free, safe, fun, magical place where they can watch, listen to and engage with content which introduces them to the myriad aspects of sensory experience.

RTÉjr offers young children a diverse schedule of original Irish content and acquired programming. The channel aims to explore and reflect the world in which youngsters in Ireland are growing up. The young target audience will be served through a mix of programmes designed for each sub-demographic: 0-3s, 3-5s,

5-7s, as well as programmes which will also entertain their (slightly) older relatives and friends. The RTÉjr schedule will provide a breadth of stories and ideas for youngsters and their co-viewing partners.

The station will have complementary content online and on digital radio, and with more new technologies coming on stream, RTÉjr will be able to offer a rich cost-effective range of connected content to the younger Irish population.

Strategy 2013-2017

RTÉjr will deliver entertainment, music programmes, documentaries, animated drama series, arts activities, dancing, animals and pets, comedy programmes.

In 2012 a new online application will be launched and the service will be available on all broadcast platforms for the first time.

A new strand, building on elements of contemporary and traditional culture, will feature in the schedule and fresh collaborations with relevant stakeholder groups will ensure maximum impact.

A personalised,
authentic Gaeltacht and
Irish-language world

3.4.7 RTÉ Orchestras, Quartet and Choirs

Strategic Intent:

To offer Irish music-lovers the highest-quality live music experiences and help new music-lovers to find the RTÉ Orchestras and Choirs through great live and quality broadcast music.

RTÉ is the single largest supporter and promoter of orchestral music in Ireland, including the presentation of live performances and the commissioning/performance of new music. There are over 330 performers in RTÉ's music

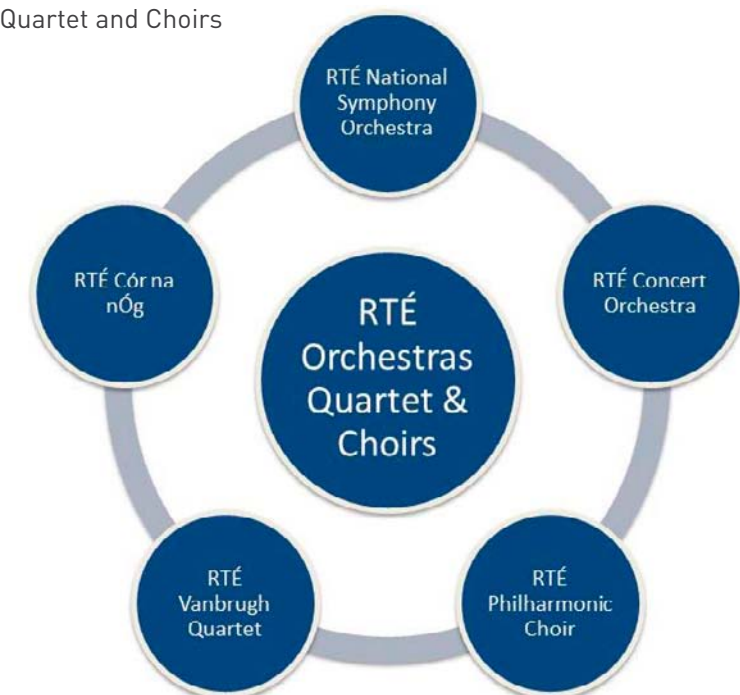
ensembles, of whom over one-third are full time professional musicians.

The RTÉ Orchestras, Quartet & Choirs present over 180 concerts annually throughout the island of Ireland to live

audiences in the region of 170,000. The majority of the concerts are made available for broadcast on RTÉ Radio and all are designed to serve the music-loving public through co-ordinated concert seasons, contemporary music, opera and ballet, film music, jazz, contemporary popular music, family concerts, and education and outreach activities.

The RTÉ Orchestras is comprised of five ensembles, as shown below.

Figure 26: RTÉ Orchestras, Quartet and Choirs



RTÉ's Two Orchestras

The cultures of both RTÉ Orchestras are different and defined by their size, the music they perform and the artists (local and international) with whom they work. Both RTÉ orchestras work simultaneously and concurrently throughout the year.

The RTÉ National Symphony Orchestra (RTÉ NSO)

The character of the RTÉ National Symphony Orchestra has remained firmly within the Western classical tradition of large-scale symphonic activity. It is seen as 'Ireland's National Symphony Orchestra'. Its Friday night season of approx.

30 concerts at the National Concert Hall (Sept–May) is a central fixture in the Irish music calendar. Of late, and due to necessary cost reductions, the RTÉ NSO has performed less frequently out of Dublin, but it is hoped that that situation will be improved by the roll-out of more concerts outside the capital, delivered by a less expensive touring model.

The RTÉ Concert Orchestra (RTÉ CO)

RTÉ CO is an orchestra which has reinvented itself most notably from being a studio-based 'radio' orchestra to a concert orchestra and is the main provider of popular/entertainment orchestral music in Ireland. The RTÉ CO is seen as a point for entry for concert-goers; for many going to RTÉ CO will be their first ever orchestral experience. Now multimedia events with the RTÉ CO are given regularly; it collaborates with national and international front-line artists, leading choral societies, opera companies and festivals; and presents film, musical, jazz, contemporary popular and family concerts, as well as

popular classical music live to audiences of exceptionally wide and diverse musical interests and tastes.

The core strength of the RTÉ Concert Orchestra is 45, but given the range of music it performs it must be frequently augmented with freelance specialists from across a wide spectrum of genres.

RTÉ Vanbrugh Quartet

The quartet performs an average of 18 full concerts annually, the majority of them regional performances because of its suitability to smaller venues. The quartet has consistently championed the work of Irish composers in concerts and broadcasts in Ireland and abroad and also

presents informal concerts in unconventional public spaces in the style of a flash quartet.

RTÉ Philharmonic Choir

This is the leading symphonic voluntary chorus in the State. The choir's performing membership ranges from 140 to 160 singers. It performs 4-6 times annually, usually as part of the RTÉ NSO season in addition to occasional 'a cappella' recordings for RTÉ lyric fm.

RTÉ Cór na nÓg

This is one of the leading children's choirs in the country with 65 voluntary members. The choir performs concerts in Dublin and on RTÉ Radio and Television.

Table 24: RTÉ Orchestras and Choirs Strategic Initiatives

| Public Value | Strategic Initiative | Actions and Milestones |
|-----------------------|---|---|
| Serving Irish Society | Grow audience, and widen audience base | Be more responsive to audience needs, e.g. timina of concerts. new formats, more cost-effective touring, visits to workplaces. |
| | Develop closer relationship with audience | Improved website technologies, develop Outreach, new strategic partnerships, extend the close relationship with RTÉ broadcast services. |
| | Support Irish Artists | Solo platforms for Irish artists, engage Irish performers as soloists and conductors. |
| Quality Content | Invest in New Music | Creation and presentation of new music in Ireland. |
| Value for Money | Create Commercial Recordings | CDs with Irish artists. Film Music for Irish Productions. Popular classics with acclaimed Irish soloists. Commemorative recordings marking significant events. |

3.4.8 RTÉ Digital Radio

Strategic Intent:

To add to the diversity and choice of listening experiences available to Irish audiences and introduce them to the benefits of digital radio and DAB.

There are presently six RTÉ Digital Radio Services available on DAB, online, SAORVIEW, UPC and streamed on the RTÉ Radio Player. These are low-cost services, but provide a valuable service

to sub-segments of listeners. RTÉ Digital Radio stations provide high-quality content for audiences with unique needs that are under-served in Ireland.

The RTÉ Digital Radio stations are already aligned with core radio stations within the portfolio of services and it is proposed to align them further through continued provision of complementary services with core stations.

In a reassessment of the portfolio, one of these stations (RTÉ Choice) will be merged with RTÉ Radio 1 Extra and further evaluation of RTÉ Gold and RTÉ Pulse will be carried out in 2013. A brief overview of each station is as follows:

Table 25: Digital Radio Services Overview

| Service | Description |
|-------------------|--|
| RTÉ Radio 1 Extra | An extension of the Radio 1 brand featuring re-scheduled Radio 1 content combined with 'split' wavelength content and similarly styled acquisitions. |
| RTÉ Choice | The best talk radio from the English-speaking radio world. |
| RTÉ Gold | Pop-music radio station programmed with music from 60s, 70s & 80s. |
| RTÉjr | Radio station aimed at the under 8s, aligned with the television and online brand. |
| RTÉ 2xm | Alternative music for an alternative audience with the best indie anthems and sessions from RTÉ 2fm for 15-34 year olds. |
| RTÉ Pulse | Electronic dance music station. |

RTÉ Digital Radio serves approximately 1½ million streams every month to fixed and mobile devices and provides access to all of RTÉ's Radio services: live and on-demand.

This equates to roughly 1.5 % of total minutes listened to FM per month. 2013 will see further promotion of the RTÉ Radio Player both on-air and online.

3.4.9 RTÉ Aertel

Strategic Intent:

Develop the audience experience to enhance Ireland’s leading information service.

RTÉ Aertel is a leading provider of information services to the Irish public, with a weekly audience of 1.2 million users (Source TGI, 2011) and close to 5 million monthly page impressions generated via online and mobile platforms.

The current RTÉ Aertel Digital service is a fast, user-friendly service and is accessible on multiple platforms. Aertel has a firm focus on providing relevant public information. Research suggests that the strengths of RTÉ Aertel are that it is

convenient, quick, easy and consistent with familiar page numbers for rapid navigation to the information required with wide-ranging content spanning news, sport, business, entertainment, weather, stocks and shares, exchange rates, TV and cinema listings, flight times, holidays, public information and county councils and subtitles.

3.4.10 RTÉ Archive

Strategic Intent:

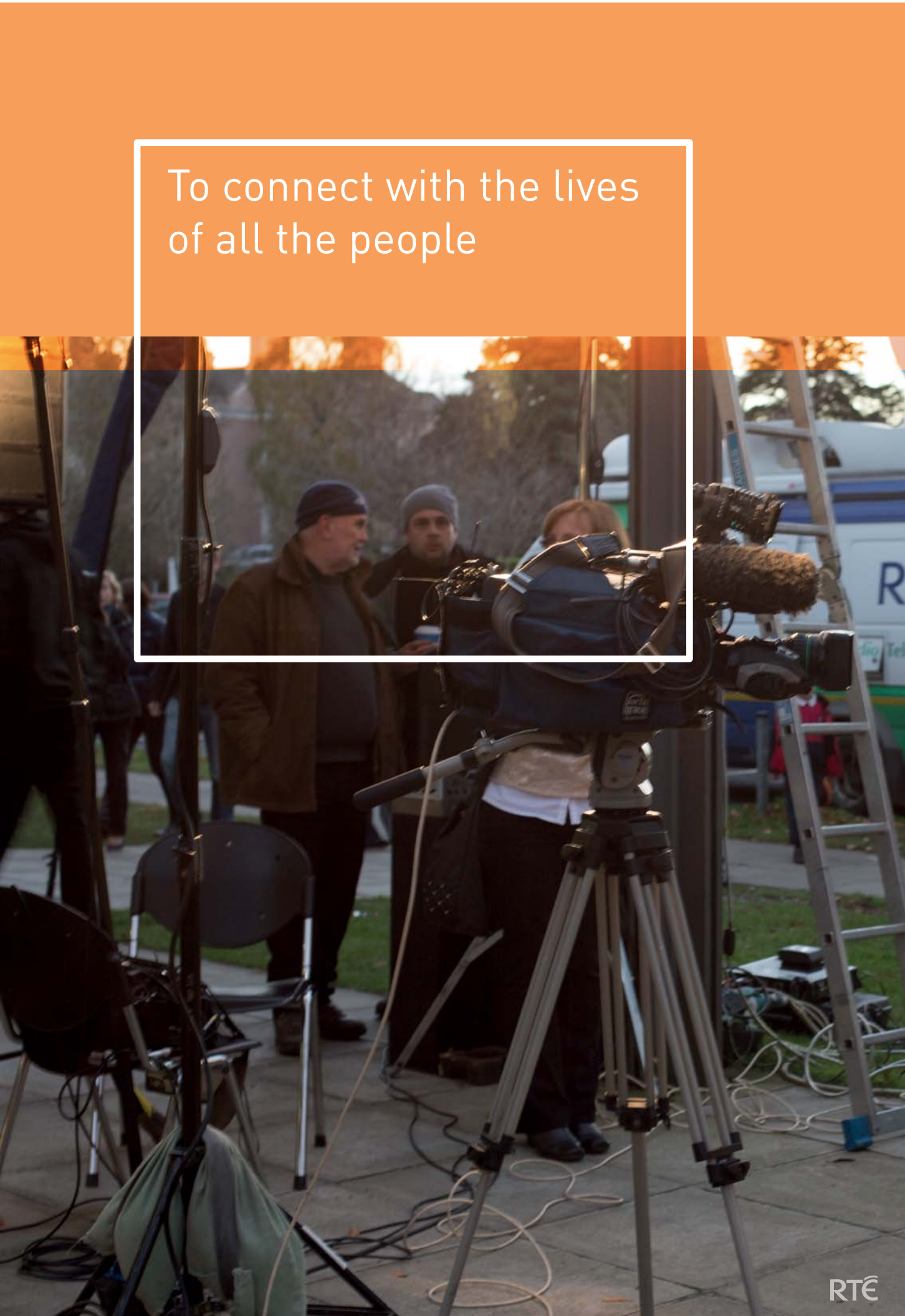
To develop and open up RTÉ Archives.

RTÉ Archive is the largest national audio-visual archive in Ireland, comprising hundreds of thousands of hours of moving image and sound recordings from today’s broadcasts as far back as the earliest decades of the 20th Century. Along with significant collections of

photographs and documents relating to RTÉ Public Service history, they provide a unique record of Irish social, political, economic and cultural life in the 20th and 21st centuries.

The RTÉ Archive also represents an important

business asset and is commercially managed for sale and licence under the terms of the Broadcasting Act 2009 for licence of this material for commercial and educational re-use. RTÉ is required by law to establish and maintain its archives and has in place managed services to acquire, conserve, preserve and document these collections which are augmented on a daily basis.



3.5 Prioritised Areas of Focus

In 2011 RTÉ completed an examination of potential output priorities in order to provide clarity on what differentiates RTÉ output and also to provide clearer focus for the organisation. The conclusion of this review was publicly outlined at DCU by RTÉ's Director General as part of a public lecture on The Future of Public Service Media in Ireland in October 2011. The following content areas/services approved as priorities:

1. Arts and Culture
2. Children and Young People
3. Innovation (including Science & Technology)
4. Investigative Journalism
5. 24-Hour News
6. National Events

Each of these aligns with the specific values, principles and strategic objectives contained in both the RTÉ Statement of Strategy and RTÉ Public Service Statement. These areas of focus are given prominence in the relevant genres to enrich and enhance RTÉ's

public service remit through a collaborative multi-media focus. They will be revisited regularly and it is expected over the life of the plan that other areas will be identified, renewed and reinvigorated to ensure RTÉ's audience needs are met.

An Output Leads Group comprised of senior editorial and communications leads from across the output areas has been established to monitor progress for each of the areas of focus. This group meets monthly.

3.5.1 Arts and Culture

The Arts in Ireland reflect and promote an important aspect of civic life as a national community. This genre encompasses all arts and culture related content, including literature, visual arts, applied arts, dance, arts celebrity interviews, arts related discussion and debate, arts investigation and analysis, as well as new writing. The genre lends significant support to the broad arts community, providing a promotional platform, a showcase for the contemporary arts and a secondary source of employment to its practitioners. It is also a key component in the fulfilment of our public service remit to entertain and to educate our audiences.

Arts programming features prominently on radio and television, RTÉ lyric fm offers arts news, performance, interpretation of arts and cultural matters in Ireland, while on RTÉ Raidió na Gaeltachta, cultural expression through Irish is central to the station's Arts coverage. RTÉ

Radio 1 has delivered a number of successful programmes during 2012. On RTÉ Television, arts activity in 2012 has increased audiences for the arts while maintaining the quality and creativity that are a hallmark of RTÉ Television arts output.

Arts and Culture will continue to be one of the six areas of focus for RTÉ, and the objective is to drive bigger, more ambitious and more inclusive arts and culture content. The plan includes the following:

- An Arts and Culture hub on RTÉ.ie which will aggregate the very best Arts and Culture content from across RTÉ. The hub will support television and radio programmes as well as RTÉ Orchestra events, and will be Irish-focused, varied and accessible. It will cover books, drama, dance, film, music, poetry, history and the visual arts and will grow over the next several years to provide an online home for the best of Irish arts content.
- RTÉ will maintain and

develop core arts output at current levels, and augment with a short-run arts series

- On-going coverage of arts-related subjects in daytime radio programmes
- Work with the independent sector to expand range of arts coverage by region and community on all platforms
- Deliver more landmark arts series, e.g. *Ireland's Favourite Poem*, potential to become events in their own right and also repeatable, archival arts series
- Continue to develop and encourage Irish writing. RTÉ Radio runs two important competitions each year, providing opportunity to two different genres of writing - The P.J. O'Connor Awards for new dramatic writing and The Francis McManus short story writing competition
- Continue to maintain and establish partnerships with arts organisations, for example the Dublin International Piano Competition

3.5.2 Children and Young People

RTÉ is mandated to provide quality content for everyone in society, and has a particular responsibility towards our children and young people. RTÉ's output for children and young people is an area where RTÉ can be distinctive, serve a clear public interest and make a real impact. Some 27% of the population of Ireland is currently under 18 years of age, and the 4-14-year-old age group is one of the demographic subgroups which is set to increase over the coming years. RTÉ invests more than any other Irish broadcaster in young people's programming.

RTÉ aims to get closer to its younger audiences over the next five years and children and young people will feature in RTÉ's thinking at every level. RTÉ will continue to provide young people living in Ireland with a unique range of services.

As a cross-divisional genre, RTÉ will develop a broad range of content which will have application across television, radio and online. RTÉ offers mixed-genre programming blocks to 3 age cohorts in the children and young people category on RTÉ Two as follows:

- RTÉjr provides a commercial-free, safe and fun service for young children under 7 years old
- TRTÉ is designed for children aged 7-11
- Two Tube provides a strand of programming for 12-17-year-olds

Each programming block is comprised of a mix of original and acquired strands, which together explore and reflect the world in which youngsters are growing up. The TV services

are complemented by a range of regularly updated content online. With technology and communications key elements in the lives of young people today, RTÉ as the leading Irish media provider is positioned to provide a broad range of both content and outreach services for this audience. This will continue to be achieved through:

- Development of RTÉjr as a stand-alone TV channel, broadcasting 365 days a year, 12 hours daily
- Development of RTÉjr Radio and a mobile application to complement RTÉjr TV
- Consolidation of TRTÉ on television, online and developments for radio
- Maintaining relevant content for teenagers on Two Tube and online

3.5.3 Innovation (including Science and Technology)

RTÉ seeks to deliver innovation, science and technology programmes that are accessible and engaging, and, where relevant present them from a human interest perspective.

A new position in News; Science and Technology Correspondent, has been created and this will drive an explicit focus on this sub-genre and ensure an

increased coverage on RTÉ News across TV, radio and digital. In addition, the strategy for the next 5 years aims to:

- Increase coverage of science and technology events – e.g. Web Summit and Science Week Ireland
- Commit to science and technology-based commissions using popular formats
- Develop education, science

or technology projects that are suitable for content-sharing across radio and online platforms

- Increase coverage on RTÉ News across TV, radio and online
- Explore the potential to produce a regular technology show for RTÉ News Now

3.5.4 Investigative Journalism

Investigative journalism is one of the main contributions of news media to society and is a key output priority for RTÉ. Recent controversies will not diminish RTÉ's commitment to challenging investigative programming. To better position RTÉ for the future, RTÉ is reinventing its approach to investigative journalism through the establishment of a new multimedia RTÉ Investigations Unit. This requires significant commitment of resources and is potentially a fraught area for all journalists. Nevertheless, RTÉ's

unique values, independence and funding model enables continued commitment to this vital area of Irish journalism. The aim of the new unit is to become a centre of excellence for investigative journalism in Ireland and to provide quality investigative output for existing news and current affairs programmes on television and radio. This output will be supported by an online resource that will provide a window on RTÉ's investigations. Where possible, this resource will showcase RTÉ's investigative

journalism with additional information, methodology, research, sourcing and long form interviews. In time, the Investigations Unit will seek to develop strong links and appropriate partnerships with relevant third-level institutions and courses and with Irish and international publications and other media organisations engaged in serious investigative journalism. Some details of the plan are as follows:

Table 26: Key Plans for News and Current Affairs

| Sub-Genre | Key Plans |
|--------------------|---|
| TV Current Affairs | <ul style="list-style-type: none">In year one the investigative unit will deliver a number of full programme documentaries and short reports to <i>Prime Time</i>. These will be revelatory and agenda-setting and will help restore the reputation of RTÉ's investigative journalism.In years two and three the investigative unit's capacity will grow beyond this output and it will be capable of delivering more regular reports to <i>Prime Time</i> and of following investigative stories over time through several reports. |
| TV News | <ul style="list-style-type: none">The <i>Six One News</i> will become a more investigative offering over the next five years with the aim of becoming a major breaker of news stories. This initiative is starting in 2013.<i>Six One</i> will feature occasional investigative reports of five minute duration which will be expanded upon on <i>Prime Time</i> and on radio programmes.In years three, four and five, the investigative unit will have the capacity to deliver training in investigative journalism to TV News reporters and the research back-up to ensure that investigative stories become a regular feature of TV News bulletins and <i>The Week In Politics</i>. |
| Radio | <ul style="list-style-type: none">The investigative unit will build a close relationship with RTÉ Radio. A central aim will be to ensure that investigative stories are broken first on Radio 1 on programmes such as <i>Morning Ireland</i>, <i>This Week</i>, <i>Today with Pat Kenny</i> and <i>Drivetime</i>. |
| Online | <ul style="list-style-type: none">Extra concentration will be placed on the capacity to break stories on RTÉ.ie or on RTÉ News Now so that RTÉ will be seen by the public as the key source of new online revelations in public affairs. |

3.5.5 24-Hour News

RTÉ News Now is Ireland's only dedicated television news channel, available on SAORVIEW, on UPC, on mobile, and as a mobile application on Android, iOS and Windows. The channel has approximately 20-30% live content with 70-80% looped content.

RTÉ plans to grow the channel rapidly over the course of the next three years initially to reverse these percentages, and ultimately to have a fully functioning 18/24-hour news cycle generated by the RTÉ newsroom.

The key content areas on RTÉ News Now are: news, sport, business and entertainment. Further detail on developments to this service can be found in the RTÉ News Now section 3.4.2 on page 79.

3.5.6 National Events

RTÉ is at its most cohesive when it draws together the country to celebrate or mark a national event. The quality of our coverage is used as a hallmark for our public service remit and we are judged on how well we deliver our coverage of big events of national importance.

RTÉ should be Ireland's primary outlet for all major national events and also reflect our national identity on major days of celebration. Central to this policy is identifying what the major events will be and to plan appropriately for the coverage. Whether it is an election, budget coverage or commemorating historical events, a multi-platform approach is vital.

Decade of Anniversaries

The Decade of Anniversaries is one of the most significant events in recent years and will be the basis of a major cross-platform project, spanning the decade and exploring innovative and flexible ways of presenting content from TV, radio and archives within the digital space. The project will involve a series of partnerships with national and international institutions. Events involved in the Decade of Anniversaries will be represented in our output across all genres.

2013 sees the centenary of The Lock Out and the Volunteer movements, North and South. There are a number of commissions in both television and radio to mark these

events. There is also archive programming available which could be accessed through the RTÉ Archives website to support the commemoration.

The radio component of this project will develop over the decade and will include current affairs, literary, arts and drama programmes, including a 13-part series on *'The Lockout'*.

Television will be marking the key turning points of 1913 and 1914 in documentary programming, with the ambition, alongside radio, of providing archive and research materials online in a dedicated 'Decade of Anniversaries' digital hub. Television is currently in development for major drama and documentary projects to mark the 1916 anniversary.

3.6 Other Key RTÉ Genres

3.6.1 Factual Programming

Great story telling is at the heart of factual programming on television and radio. Documentaries are a cornerstone of factual programming, but the genre also encompasses arts, history, education, science & technology and includes programming with a regional perspective. The RTÉ focus is always on intelligent, accessible story-telling that both speaks to and engages an Irish audience. Factual is a core genre of public service content, through which RTÉ informs audiences and creates a space for debate and analysis of Irish and global society. Factual programmes aim to commission and make intelligent, provocative content and a range of approaches, including landmark, observational documentaries and authored documentaries which take us on a journey of significance. Factual programmes occupy key slots in the schedule and remain a core part of our Public Service output.

A commitment to regional programming continues to be a priority for RTÉ defined by editorial content that either derives in part from outside of Dublin or is produced by independent producers located outside of Dublin. The rationale is that much of RTÉ's core audience is regionally located and, as a guiding principle, RTÉ has a duty to reflect that audience and involve it directly. This is also supported by production from Cork.

Building on previous successes will require the execution of a detailed strategic plan based

on the following priorities that can be achieved within RTÉ's 5-Year Financial Projections:

Documentaries and Factual Series on Television

- RTÉ will continue to make and commission authoritative bold and innovative documentaries, singles and series
- Themes and Events: RTÉ will build on the success of themed weeks by delivering content that can play across all platforms and genres
- Produce reactive documentaries and build on the ability to react to major events
- Commission authored documentary – charismatic and knowledgeable personalities willing to journey through areas of Irish life, culture and contemporary experience

Lifestyle

- RTÉ Lifestyle will focus on 'making a difference' to people's lives beyond the television screen – communities energised through campaigns, through business advice or through self-help and health information and inspiration for the individual.

Factual on Radio

Factual programming is spread across the full portfolio of radio services and the content is integral to the daily schedules. Much of the richness and variety of the Radio 1 schedule comes from its weekly features and factual programming.

The centrepiece is the acclaimed *Documentary on One*,

which addresses itself to the fabric of contemporary Irish life from the level of the parish upwards. This lends the genre a widespread appeal and takes its programmes into corners and homes that are quite frequently difficult to access.

On RTÉ RnaG, factual programming explores the history, culture and traditions of the Irish language, and engages with subjects of relevance to people living in the Gaeltacht and peripheral regions along the western seaboard.

Continuing to build on this, a number of priorities within RTÉ's 5-Year Financial Projections have been identified for factual programming on RTÉ Radio, including:

- Enhance the reputation of RTÉ documentary-making with key investments in time and resources to bring innovation to the area of factual programme-making
- Maintain the current level of short run factual series
- Work with the independent sector to develop a range and diversity of factual content on RTÉ Radio 1
- Work with the Editorial Leads Group to ensure a coherent cross-platform approach to designated editorial priorities
- Continue to develop national and international partnerships for the development of factual content

On all platforms RTÉ will continue to drive a focus on education over the next 5 years, with particular emphasis on:

- New formats on radio for science, technology and education to provide richer content with greater impact
- Continued commissioning for pre and post-watershed slots with focused, relevant content

to maximise audiences

- Cross-pollination of aspects of the education brief with elements of the diversity and multi-culture genres for pre-watershed slots
- Developing campaign vehicles across all platforms for education: the immediate priorities are children in state care, racism and sex awareness

in Irish schools, diversity and disability

- RTÉ will work in partnership with the third-level institutions and science and technology companies
- Continued outreach by RTÉ lyric fm, introducing the participants to classical music

3.6.2 Entertainment

Many of Ireland's most watched and listened to programmes come from the entertainment genre, bringing families and the country together and lightening the national mood. It drives a hugely diverse range of output from; *The Late Late Show* to *Mooney*, *The Eurovision Song Contest* to *The Rose of Tralee*. The development of new comedy and music talent is an important part of the entertainment genre. These areas will be outlined in detail later.

Entertainment on Radio

Entertainment shows offer a counterpoint in the schedule to current affairs and news, offering content that will amuse, provoke, engage with Irish people and offer them a choice in their radio listening. RTÉ Radio 1 continues to consistently deliver top-class entertainment shows and broadcasts, on average forty-five hours of music entertainment a week.

This high-quality output will continue as part of the 5-Year plan for Radio 1, with a focus on retaining the current programmes with the necessary budgets and top-quality resources allocated to the daily entertainment shows. There is also an intention to open up a weekend slot for a new

entertainment show within the 7am to 7pm schedule.

In terms of RTÉ 2fm, the focus is on a younger audience, primarily 20-44, and offers a real alternative to news and current affairs content elsewhere on the radio dial. Big-name-presenters like Ryan Tubridy and Hector O'hEochagáin bring their personalities to innovative and constantly evolving programmes that reflect their audiences' interests in an entertaining and relevant way. This strategy will continue as part of the 5-Year plan, in addition, an increased comedy output on 2fm will be inserted in relevant programmes across the schedule. For RTÉ RnaG, attractive entertainment programming with a wide appeal is a core part of the afternoon schedule.

Entertainment on Television

RTÉ Entertainment provides the opportunity to unite the nation with shared family experiences. It is a cornerstone of such national events and shared experiences and will seek to create more 'event TV' over the next five years. Looking ahead, a set of priorities have been agreed to continue to maximise entertainment on television over the next five years:

- To replenish younger audiences with contemporary, quality content
- To revamp pre-watershed Saturday and Sunday night entertainment creating family orientated 'appointment to view' television
- To develop comedy and presenter talent
- To support Irish music, comedy writers and performers with radio, online development followed by TV
- To develop and nurture home-grown Irish formats for domestic and international market

Home production in RTÉ Two's peak-time schedule is all about factual entertainment formatted programmes, and popular documentaries that reflect and enhance the experience. Life and concerns of 15-34 year olds. RTÉ has a responsibility to this audience. In order to reach them RTÉ must create content and programmes that combine elements of innovation, escapism, or cultural excitement, with an authenticity and connection that mark them out as distinctively Irish.

3.6.3 Drama

Drama has the capacity, beyond other genres, to explore events and their impact, be they emotional, societal, political or historical. Through its activities, RTÉ engages more writers, actors and directors than anyone else in the country. Our overarching drama strategy is to develop new Irish talent in all of these areas using, all of our outlets. Drama can challenge orthodoxy, celebrate diversity and delve deep into the heart of the culture through good storytelling and compelling characters. At its best good drama connects families and communities; it provokes discourse and debate and contributes to the national conversation. RTÉ aims to produce drama that has real impact in Ireland and can be a shop window for the Irish creative sector abroad.

Drama on TV

A television drama series can grow the relationship with the audience from year to year as the appeal of the drama develops. RTÉ is young in terms of drama traditions, but it is growing the skills of writers, directors and producers. The technical creatives come through film, but in terms of storytelling, television is a very different craft. 2012 represents a stellar year for drama on RTÉ TV; all the drama strands during the period have done something very different:

- *Love/Hate*: Reflects dark and corrosive aspects of society and the impact on individual lives.
- *RAW*: Joyfully reflects a time of struggle and recession.
- *Fair City*: Adds to the gaiety of the nation and reflects an intrinsic sense of Irish community, which is where its audience appeal lies.

In terms of the next five years, the current mix of drama types can be sustained. However RTÉ's 5-Year Financial Projections cannot accommodate historical event drama and new returning series. In addition, the capacity to grow existing series is limited.

Drama on RTÉ Radio

Drama on RTÉ Radio tends to be single plays of varying durations/genres or short-run drama series. Radio drama is an important outlet for new Irish dramatic writing and a significant employer of Irish actors and writers, providing a core support to the national community of theatre practitioners. The radio drama department has consistently delivered a steady stream of new Irish works, from both established and first-time writers, to the public. Radio drama is a key component in RTÉ's Public Service Remit to provide entertainment for audiences. Radio drama features in excess of 30 new radio plays a year and is a

major player in relation to the development and sustenance of Irish dramatic writing. Some recent highlights include:

- *After Life*, written and directed by John Boorman, featuring Brendan Gleeson, Stephen Rea, Saoirse Ronan, Nick Dunning, Oliver Callan and others
- *The Bacon Slicer*, written by Andrew Fox; produced and broadcast live with a studio audience (winner of the 2012 P.J. O'Connor Awards)
- *Baile an Droichid* was the most recent RTÉ RnaG drama commission, broadcast to mark the 40th anniversary of the station

A detailed strategy for drama on radio has been completed based on existing budget levels. These include shortened duration of long-form plays (60'00 > 45'00) and maintains current output level (approx. 30 new plays per annum). The output will also include short-form play genre (15'00) and short-run seasons. In terms of content, there is an emphasis on increasing topicality through the discovery and development of new Irish writers. These initiatives will all be supported through content made available to audiences on the online drama hub.

3.7 Multi-Service Genres

RTÉ is moving towards becoming a tri-media organisation with genre-based structures which have full digital integration. This will be underpinned by:

- A programming and content strategy that covers TV, radio and digital
- Collaborative working across the services

- Drive for cost efficiency and effectiveness through the removal of duplication
- Sharing and dissemination of content in an efficient way
- Building multi-service teams with flexible resourcing across TV, radio and digital
- Physical co-location of teams

In addition to the existing areas of focus, RTÉ operates on a cross platform basis in a number of core content areas: sport, news and current affairs and religion. Over the duration of this strategy RTÉ plans to develop a more integrated cross-platform approach in two new genres: comedy and music.

Existing Multi-Service Genres

3.7.1 Sport

RTÉ Sport provide access to programming that showcases the very best national and international sport on multiple platforms, and a sports news, analysis and results service across all of the RTÉ services. In an extremely competitive market, the availability of sports rights 'free to air' for the Irish audience is a key objective. National teams and national games are at the core, providing a true public service not available on any other broadcast platform, which includes the GAA Championship, Six Nations, World Cup soccer qualifiers and major national Horse Racing Festivals as well as the national

leagues and/or major events of many indigenous sporting bodies. Also, major events that involve Irish teams and individuals feature as part of the output.

In addition to the direct benefit from sports rights fees, sporting bodies also achieve considerable benefits from the promotion of their sports on RTÉ platforms. The benefit of this has been proven to give increased attendances at events, impacting positively on ticket sales and generating a greater overall interest in the games. In general, a high percentage of the funds that Irish sports organisations receive, by way

of the rights fees paid by RTÉ Sport, is spent on supporting elite athletes and grassroots development throughout the country.

The value and importance of sport to Irish audiences can be demonstrated by the consistent appearance of sports programmes in the 'most watched' audience data on an annual basis. In addition, RTÉ Sport broadcast all 20 of the Top 20 most watched sports programmes of 2011. RTÉ competes well where there are simulcasts of sporting events as demonstrated in Table 27.

Table 27: RTÉ Audience Share of Major Sporting Events

| Event | Date | Viewers 000s | | | | % Share | | | |
|------------------------------------|-----------|--------------|---------|-----|--------------|---------|---------|-----|--------------|
| | | RTÉ Two | BBC One | UTV | Sky Sports 1 | RTÉ Two | BBC One | UTV | Sky Sports 1 |
| Rugby World Cup Final | Oct 2011 | 386 | | 16 | | 59.4 | | 2.4 | |
| Rugby World Cup – Ireland vs Wales | Oct 2011 | 465 | | 17 | | 80.3 | | 3.0 | |
| UEFA Champions League Final | May 2012 | 440 | | 44 | 43 | 31.2 | | 3.2 | 3.4 |
| Euro 2012 Ireland vs. Croatia | June 2012 | 1181 | | 64 | | 68.7 | | 3.8 | |
| Euro 2012 Spain vs. Ireland | June 2012 | 1098 | | 48 | | 63.3 | | 2.8 | |
| Euro 2012 Final - Spain vs. Italy | July 2012 | 738 | 118 | 23 | | 47.9 | 7.7 | 1.5 | |

Source: TAM Ireland Ltd/Nielsen TAM, National Individuals 4+, Live Data

RTÉ’s audience figures are up to a multiple of 30 times that of competitors. This is achieved through a unique perspective on Irish and international sport. RTÉ Sport differentiates itself through integrity of opinion and honesty. Audiences clearly prefer an Irish perspective on sporting events.

RTÉ Sport is clear in terms of the objectives that must be achieved over the next five years:

- Reduce sports rights costs by 25% by 2015.
- Continue to provide programming and services that have national teams and national games.
- Continue to reduce costs and drive efficiencies.
- Continue to develop strategic relationships with indigenous associations (GAA, FAI, IRFU, etc).
- Develop new services for digital platforms (RTÉ News Now, web, mobile, etc).
- Continue to develop multi-skilled and flexible workforce and develop new talent. Sport will be used as a key driver of audience and audience connection on RTÉ 2fm with some radio resources moving from Radio 1 to RTÉ 2fm to fund focused sports content for the 20-44 audience on RTÉ 2fm.

3.7.2 News and Current Affairs

RTÉ News and Current Affairs is Ireland’s most-trusted, authoritative and engaging provider of news and current affairs across all platforms. As global news providers increasingly move into Ireland’s media market, RTÉ will be a strong and modern Irish source of domestic and global News and Current Affairs on behalf of Irish audiences. It is critical that RTÉ News and Current Affairs remains a trusted Irish provider of coverage whilst it embraces new technology in its news gathering, production and the distribution of news. RTÉ will continue to provide Irish news coverage that is relevant to all in both the English and Irish languages. RTÉ will continue to build a multimedia newsroom where our journalists can deliver content across all platforms.

RTÉ’s Current Affairs remains uniquely available in peak schedules on television and radio and available on demand on the RTÉ Player. RTÉ Current Affairs will remain the home of debates, discussion, analysis, in-depth interviews, longer reports on topical issues and investigative journalism.

Radio

The News and Current Affairs output of RTÉ Radio 1 offers the audience a comprehensive news service coupled with a current affairs schedule designed to engage the listener across seven days. The service is based on quality and trust, providing the audience with a credible schedule which presents an accurate and impartial report on national and international events. RTÉ 2fm and RTÉ lyric fm also carry station-specific news bulletins throughout the day, while a comprehensive range of News and Current

Affairs programmes is delivered across the RTÉ RnaG peak-time schedule. Daily news services in Irish are provided on RTÉ Radio 1.

In the next five years, within RTÉ’s 5-Year Financial Projections, Radio 1 will continue to provide a comprehensive national and international news and current affairs service. The service will always reflect the needs and views of the audience and in the longer term, will look towards seminal local, national and European elections.

For RTÉ Raidió na Gaeltachta, News and Current Affairs is core to its output. The station delivers a comprehensive, regional news service along with regionally sourced news magazine programming with both a regional and national focus.

From early 2013, RTÉ *Nuacht* will be providing national and international news bulletins for Raidió na Gaeltachta. A new initiative is the provision of a comprehensive online *as Gaeilge Nuacht* service.

Television

The output of TV Current Affairs will take a more prominent place in the TV schedule. The hour-long audience programme will move to a more prominent, earlier slot while the merger of *The Frontline* with *Prime Time* will allow for greater variety and flexibility in our approach. The new programme will strive to reflect the most important developments and trends in Irish society and pose searching questions about the underlying causes of news developments nationally and internationally. A particular emphasis is

being placed on finding new contributors, especially female, and the programme is committed to fully reflecting the diversity of Irish life. The programme will be housed in a dedicated revamped studio and production values are being enhanced for 2013. All staff undergo ongoing training regarding RTÉ’s new *Journalism Guidelines 2012* to reach the highest ethical standards in journalism.

The next phase of development will see a revamp of the main RTÉ Television bulletins by enhancing use of the studio and modernising production techniques, including greater use of lives and graphics. RTÉ News will build on its regional correspondents around Ireland by using new technology (including wireless and mobile networks) to deliver faster and better content from around the country. RTÉ News remains committed to covering major international stories on location wherever possible.

RTÉ News will maintain its Specialist Correspondents to cover core stories with authority. The creation of a new Science and Technology Correspondent will enhance our coverage of this important area. Similarly, the new role of the GAA Correspondent will also enhance our sports news coverage.

RTÉ news will offer a refreshed series of evening bulletins on RTÉ Two to fit in with the channel’s audience remit, with some of this delivered through continued newsroom re-organisation.

Online

RTÉ will build on the success of its news website with a

refresh of the site in 2013 and enhanced use of video and stills. The RTÉ News Now application for tablets and mobiles has seen strong and rapid growth and

will also be refreshed in 2013. RTÉ News has established a successful Twitter account with over 100,000 followers at the start of 2013. RTÉ News will

continue to build on its use. RTÉ will continue to explore and develop the appropriate use of social media for coverage and to engage audiences.

3.7.3 Religion

On television, radio and online, RTÉ religious programmes use the tools and technology of modern media to reflect, interrogate, celebrate through masses and services and explain the religious beliefs and practices of the people of Ireland, in all their diversity. This is not only part of RTÉ's mandate, but a vital contribution to the national conversation at a time of seismic shifts in the religious

and cultural landscape. In the 2011 census, over 93% still voluntarily identified with a religious faith community. However, religious identity is becoming increasingly complex, as old certainties are questioned and moral authorities are challenged.

Over the next five years, our multi-platform strategy is to lead audiences and users to different elements of our rich

and diverse content. Having, sold a number of programmes abroad in the last two years, sold a number of programmes abroad and collaborated with ABC (Australia), PBS, APT, EWTN and Salt & Light, RTÉ will continue to develop funding and production partnerships with other broadcasters and organisations, including the BAI, in order to produce even more ambitious religious factual and worship content.

Planned New Multi-Service Genres

3.7.4 Comedy

Comedy production is one of the most pure forms of creativity. It requires bigger risks, in terms of taste and decency, finance, and talent management. RTÉ's approach is to develop talent and concepts on radio and online, before moving into the more expensive area of television.

When these risks pay off, they can generate the biggest wins for RTÉ. Comedy can become channel-defining content (e.g. *Podge & Rodge*, *Mrs Brown's Boys*), a new way of reaching audiences online (e.g. *Republic of Telly*), a strong youthful public service statement or generate additional commercial revenue.

Since 2010, RTÉ Radio 1 has been developing new comedy formats to bring to air and in twenty months a total of 25 hours of comedy has been produced from a start of zero. RTÉ Radio 1 has also been providing regular satirical commentary with its two new comedy shows: *Green Tea* and *Irish Pictorial Weekly*.

There has been a very positive public reaction to new comedy strands on RTÉ Radio 1 and RTÉ Television. This is backed up by recent research which shows a phenomenal interest from the public in high-quality entertainment content. A 2011 RTÉ Audience Reaction Panel survey showed entertainment as second only to news with

regards to the type of content found to be 'very interesting'. 77% cited comedy as the type of entertainment they are most interested in.

The five-year plans include a set of activities that will continue to build on the momentum across television and radio:

- Actively look for more co-production opportunities such as *Mrs Brown's Boys*
- Further pilot formats/shows/presenters
- Continue to develop 'Comedy Night' on RTÉ Two
- RTÉ 2fm to examine the commercial funding of comedy inserts across the schedule

3.7.5 Music

Music on RTÉ covers the range of content on all platforms that includes music as a significant part of their editorial output. RTÉ music programming reflects the interest of the audience and supports a vital indigenous culture and industry.

RTÉ Radio provides the listener access to the best acts 'live', in session or through recordings of their concerts. It brings new and emerging talent to air and online, and engages with every musical taste across its FM and digital platforms. RTÉ Television provides high-profile platforms within its most watched television shows for new and established artists as well as detailing their stories in long-form documentaries and highlighting a variety of special interest music in programming across the year. RTÉ's websites not only carry

all this music output, they also review and interview a broad range of Irish artists in print and in multimedia platforms. RTÉ is the biggest employer of musicians in the country, housing as we do both the RTÉ Concert and National Symphony Orchestras. RTÉ lyric fm extends beyond just music and arts radio. It features the lyric concerts series of live events, it has its own music label (the only recording label for classical music in Ireland), a role in national and local music and arts events, and a role in commissioning new contemporary music. All four radio stations hold significant music archives to which they continue to add on a daily basis. RTÉ Raidió na Gaeltachta and Radio 1 work closely with the Irish Traditional Music Archive to ensure the preservation of this important cultural content.

RTÉ Big Music Week is in its third year and is a week-long celebration of music and its central place in RTÉ and in Irish musical life. All of radio, television, performing groups and online output areas contribute to this week to highlight the importance of Irish music each year.

Looking ahead for the period 2013 to 2017, RTÉ will continue to seek out and champion great music of all genres. RTÉ will endeavour to deliver all types of music to its audience via existing and emerging technologies and will do so for the benefit of both musicians and audience. RTÉ will continue to support Irish music in radio, television and online content and will reinforce its commitments, to a minimum percentage of new Irish music on its daytime schedule.

3.7.6 Irish Language

As Ireland's Public Service Media organisation, RTÉ strives to create high-quality, distinctively Irish content. Central to achieving this is a commitment to the provision of Irish-language programming and services. As RTÉ continues

to develop the output and respond to the needs of its audiences, RTÉ is developing a new Irish-language policy. This will include a review of how we provide services through the Irish language and how we reflect the language

in our programming. A public consultation will allow for the perspectives of the audience to feed into the review process. RTÉ will publish its new Irish-language policy in 2013.

Conclusion

RTÉ has a strong portfolio of services and channels that delivers a rich mix of programming and content to its audiences. Its portfolio is structured to meet the needs and expectations of its audiences, fulfil its broad public service obligations and maximise its capacity to generate the commercial review required to do both.

In successfully competing with some the best funded commercial and Public Service Media organisations in the world, RTÉ believes that Irish audiences get excellent value in return for their licence fee. The diversity, quality and multi-platform nature of RTÉ’s total offering truly does aim to serve all its audiences every day.

Of course, RTÉ must continuously seek to improve and drive the quality of all it produces. Some of its programming and services could and should be better. It can never stand still. As outlined in Section 3, over the next five years RTÉ will continue to enhance its programming, content and services – fit for the times we live in and the diverse audiences it serves.

Section 4:

Ensuring Access for a Connected Audience

Providing content and services that are accessible to everyone has always been a key requirement of Public Service Broadcasting (PSB). It is rooted in the principle of equality and a strong sense that if society as a whole is to benefit from publicly owned media then everyone who contributes to funding those media services through a licence fee must be able to access them.

In recent years, as audience consumption patterns have changed, so too has the range of RTÉ's services and the

availability of RTÉ content across different platforms. Digital technology has transformed the ways in which RTÉ can make its services and content available to the public, enhance the quality and diversity of its content, and connect with new and younger audiences in both Ireland and internationally.

RTÉ's distribution strategy aims to meet the changing needs of its audiences and, as far as possible, be available wherever and whenever they

require, giving added value, greater choice and more control. This is not a choice, it is simply *essential* if RTÉ is to remain connected to the daily lives of its audiences; lives that are increasingly intertwined with new digital technologies and services.

Underpinning this strategy are the following key principles and factors.

4.1 Key Principles/Factors Underpinning RTÉ's Distribution Strategy

4.1.1 Digital Inclusion

RTÉ is focused on digital inclusion; leveraging technology and connectivity to facilitate distribution across many platforms to enable RTÉ content to reach the widest possible audience, in whatever way the audience wishes to access it. In the complex ecosystem of content choices, RTÉ will help the audience navigate across platforms by responding to changes in the marketplace.

The need for common standards and open platforms, whilst paramount, has not been achieved in all cases. This creates technical and cost challenges in distribution and a need for choices and creative solutions, including partnerships. The challenges of distributing content across multiple devices with different technical standards are significant. Within this context, there are times when RTÉ will have to make difficult choices about how and where it makes its content available.

RTÉ will have to prioritise platforms, devices and industry manufacturers based on audience, revenue, rights and content protection.

Free to access remains core for RTÉ

4.1.2 New Broadcast Formats

High-Definition (HD) television is the accepted standard for video with the vast majority of television sets sold today being HD-capable and with HD services from SAORVIEW, Sky and UPC. Mobile devices are HD and more and more broadcasters are providing HD content on their broadband players.

RTÉ already offers content in HD via the RTÉ Player and on RTÉ Two HD. The amount of content that will be offered in HD will increase during 2013 as a result of a new digital-content server being deployed within the organisation and with the planned launch of a HD version of RTÉ One by the end of 2013.

Beyond HD, there is 3D TV which is already offered as a commercial service on some platforms worldwide, and Ultra High Definition Television (UHDTV) of which there are two types: 4K and 8K. The first 4K terrestrial channel is due to launch in Asia in 2013 using the second generation DTT transmission standard DVB-T2 and broadcast tests of 8K have already been carried out in Japan.

Over the next few years, the format options for broadcasters will increase from standard definition and HD to 3D TV and UHDTV. Any migration or adoption of new standards will depend on the level of public demand and commercial viability. Demand for 3D TV in a broadcast environment is

very low, but RTÉ will monitor industry deployment of UHDTV with interest.

Digitising terrestrial radio enables more stations and content choices to be provided within the available spectrum. DAB+ is the second generation of the Digital Audio Broadcasting (DAB) technology which is more spectrum efficient than first-generation DAB. A number of European countries are setting out the strategies for DAB and for DAB+ and thinking about the roadmap from Analogue Radio to Digital Radio. RTÉ will work with relevant stakeholders on a roadmap for establishing a digital terrestrial radio platform in Ireland.

4.1.3 Grow Revenue

Digital platforms present exciting opportunities to extend the reach of content, broaden its value and make it more accessible, whilst at the same time offering more choice to the public. New ways of disseminating content and new distribution channels present an opportunity in new digitally driven markets for additional revenue growth for producers and media organisations. These new distribution channels are changing the traditional parameters by which content rights are acquired and programmes are made available to viewers.

As the window for making content available on non-linear platforms in different territories is narrowing, the distribution options are expanding. RTÉ has devised a windowing strategy to ensure that it can derive maximum value from content and develop new revenue streams for the organisation and producers alike. RTÉ will drive new revenue from these digital sources through innovative, new commercial models. RTÉ will also experiment with new models to deliver enhanced premium audience experiences in these new markets as well as new platforms. Growth in digital revenue is an assumption within RTÉ's 5-year projections.

Digital platforms present exciting opportunities to extend the reach of content

4.1.4 Partnerships with Distribution Platforms

RTÉ will work with key distribution partners and leverage the distribution opportunities of partner technologies to bring services to audiences. RTÉ will collaborate with organisations that have an interest in the provision of quality services to audiences, particularly where distribution efficiencies can be achieved. The objective is to bring quality services to audiences in the most cost-effective way.

Partnerships with the creative and technical industry will be important in the development of new product development such as online payments solutions and digitisation of content. Many global technology companies have such a large presence in Ireland. This has been a significant advantage to RTÉ in building relationships with organisations that can support us in extending our already meaningful presence online and in building our international business.

RTÉ will leverage the distribution opportunities of partner technologies

4.1.5 International Distribution

The market for distribution of RTÉ content and services is not just Ireland. There is an important international dimension with significant Irish and Irish-interest audiences worldwide. There are estimated to be 80 million people of Irish descent, of which RTÉ has 2 million unique users of online services every month. Whether it's listening to RTÉ Radio Player live online or the many podcasts, watching RTÉ News Now, using RTÉ.ie or watching the RTÉ Player, RTÉ has an engaged international audience.

One of RTÉ's objectives is to bring Ireland to the world and bring the world to Ireland.

A key feature of this is developing an understanding of different cultures and knowing how to adapt our products and services to fit with the specific interests and demographics of audiences in different markets. Social media is an essential tool to understanding diverse audience needs and changing consumption patterns.

RTÉ is not in a position financially to create content specifically for the international market, but the use of technology provides a cost-effective means for international audiences to access content and services.

The growth in broadband penetration has opened new market opportunities that would have been cost-prohibitive a few years ago. Costs are coming down, and technology is getting better.

The aim is to enable greater international access to quality Irish programmes. RTÉ will explore opportunities in new international markets for both linear and non-linear services with direct-to-consumer offerings (such as RTÉ Ireland) as well as build on partnerships with third-party content aggregators, all subject to available funding and the development of proven business cases.

Digital
platforms
present
exciting
opportunities
to extend
the reach of
content



4.2 How the Distribution Strategy Informs Platform Choice

4.2.1 SAORVIEW

SAORVIEW is the digital terrestrial television (DTT) platform that is run and operated by RTÉ and has population coverage of 98%. At analogue switch-off, SAORVIEW was available in 558,000 homes (reported by TAM Ireland, December 2012).

The SAORVIEW service offering consists of channels and services from RTÉ, TV3 and TG4, and all of these services are accommodated in a single DTT multiplex which is operated by RTÉ NL. Additional services are expected to be made available on SAORVIEW within the next year, which will require the second DTT multiplex to be made operational. RTÉ intends to make RTÉ One HD available

on SAORVIEW by the end of 2013.

Brand awareness of SAORVIEW stands at over 90%. After only 18 months in the market, SAORVIEW has established significant market penetration. With SAORVIEW integrated in to most digital television sets sold in Ireland, SAORVIEW penetration will increase over time and more consumers will have the opportunity to use the SAORVIEW offering.

A SAORVIEW personal video recorder (PVR) is already available in retail and further SAORVIEW PVR products will be made available as the market develops.

With the growth of broadband there is an opportunity to

extend the SAORVIEW proposition beyond being a DTT-only platform. There is an opportunity to create greater value for audiences and to develop partnerships with the industry by creating a DTT- and-broadband hybrid service offering that extends the reach of 'free-to-access' content by providing the service across a wider range of devices.

Following the completion of analogue switch-off across the island of Ireland in October 2012, RTÉ One, RTÉ Two and RTÉ Raidió na Gaeltachta are now available on Freeview in Northern Ireland along with TG4 (available to 78% of the Northern Ireland population). RTÉ pays full cost for its services on Freeview, while the UK government funds the TG4 service.

4.2.2 SAORSAT

During 2012, RTÉ launched SAORSAT which is a free-to-air satellite platform for the Republic of Ireland providing services from RTÉ and TG4. SAORSAT provides a

solution to audiences that cannot receive SAORVIEW. RTÉ would welcome other broadcasters to also make their services available via SAORSAT.

4.2.3 Radio

RTÉ's four national stations are available on FM across Ireland and that network and coverage for RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm and RTÉ Raidió na Gaeltachta will be maintained.

Since 2009 RTÉ has been licensed to operate a Digital Terrestrial Radio (DTR) Multiplex which provides coverage to about 52% of the population from 5 transmitter sites using the DAB (Digital Audio Broadcast) standard. In addition to the four FM radio stations being available on the multiplex, our digital radio stations are also provided.

In Ireland, it is estimated that there are some 250,000 radios with DAB reception in the market, spurred by UK wholesale availability. According to JNLR, 9% of respondents are in a household with a DAB radio receiver.

There are a number of conditions that need to be met in order to make a DTR platform a success:

- National regulatory framework in place
- Public and commercial broadcast partnerships established
- Good geographical and population coverage achieved
- Compelling service proposition offered
- Reasonably priced devices available in places where radio is targeted, including cars
- Integrated marketing plan to drive digital radio adoption

In Ireland, limited progress has been made so far in respect of these conditions. RTÉ will continue to operate its DTR service and to keep abreast of developments in Europe.

Over the period of this strategic plan, RTÉ will liaise with stakeholders in the radio industry: commercial radio, advertisers, manufacturers, retailers, ComReg, BAI and DCENR to improve their interest in and engagement with digital radio, to increase the appeal of the technology to investors, broadcasters and audiences, and to determine

how the conditions can be met to plan and realise the benefits of digital radio for the audience.

RTÉ Radio is also developing its online delivery, both live and on demand, to all devices. RTÉ Radio serves approximately 1½ million streams every month to IP devices and more than 0.75m podcasts. This equates to roughly 1.5 % of total minutes listened to on FM per month.

The principal vehicle and brand for this is the RTÉ Radio Player. The next five years will see further development of the RTÉ Player in terms of its content and function, as well as a move to integration with broadcast radio into a new hybrid, connected offering to audiences.

RTÉ NEWS NOW

| TODAY | TOMORROW |
|-------------|-------------|
| 4 to 8C | 3 to 9C |

MCILROY BACKS MCGINLEY FOR RYDER CUP CAPTAINCY

RTÉ.ie Rory McIlroy has given his backing to Pa

★TRANSVISION

| meacht | | | |
|--|---|---|---|
| DART | | COMMUTER | |
| Howth 10:39 Plat 7 Ag Freestall Ar / Calling At Clontarf Road Kilbarrack Harmonstown Raheny Kilbarrack Howth Jet Bayside Sutton Expected: 10:49 | Bray 10:40 Plat 6 Ag Freestall Ar / Calling At Sandycove Glanageary Dalkey Kiliney Shankill Expected: 10:49 | Drogheda 10:35 Plat 7 Ag Freestall Ar / Calling At Malahide Donabate Rush & Lusk Skerries Belbriggan Gormanston Laytown Expected: On Time | Maynooth 10:45 Plat 7 Ag Freestall Ar / Calling At Dunobry Fishtown J Navan Road Parkway Castletown Coolmine Donabate Leixlip Confey Leixlip Louise Br Expected: On Time |



Traenacha / Trains



RTÉ will leverage the
distribution opportunities
of partner technologies

4.2.4 Sky and UPC

RTÉ's core television and radio services are available on Sky Ireland and UPC. UPC currently carries a broader range of RTÉ services, including RTÉ News Now, RTÉjr, RTÉ One +1, Aertel, RTÉ Player and the digital radio stations. In February 2013, RTÉjr will launch on Sky. RTÉ is in discussion with

both UPC and Sky about the carriage of other services from RTÉ. Carriage of additional services will be subject to the conclusion of commercial carriage agreements.

4.2.5 Broadband

Over the next few years, broadband will be everywhere. RTÉ's digital offerings have become significantly popular in Ireland:

- RTÉ.ie has the most unique visitors of any Irish website in Ireland. In October, comScore reported that RTÉ.ie had 1,236,000 unique visitors, 56% more than the next best performing Irish website
- RTÉ Player is the most popular Video-on-Demand service in Ireland. 42% of Irish adults who are online have used the service¹
- RTÉ News Now app has been downloaded over 700,000 times to date. Growing levels of usage are being experienced with 57 million page impressions on the service in November 2012

On-demand media is on the rise and technologies such as HTML5 and adaptive streaming will improve the interoperability of media on the internet.

Whilst access to fixed-and mobile-broadband services is growing, broadband speeds in Ireland are increasing. Eircom currently offers 3-15Mbps, UPC's minimum offering is 25Mbps, and 4G will potentially offer up to 90Mbps. Ireland's National Digital Strategy will incorporate enabling broadband speeds of 30Mbps by 2015.

Under this context, the ability to access and stream high-quality video to multiple connected devices – computers, game machines, connected TVs, tablets and smart phones are becoming more attractive to the Irish public. Consumption of linear and on-demand video on

broadband is growing, and will continue to grow. In the future, consumption of linear and on-demand video over IP may well account for a significant share of overall television consumption. There are a number of Over-The-Top (OTT) and IPTV service providers in the market, increasing consumer choice and access to video content, some of which already carry RTÉ services.

4.2.6 International Programme Sales

RTÉ proactively sells RTÉ programmes in international markets for distribution on cable and satellite services by other broadcasters. There is a dual strategy to maximise revenue opportunities from programme sales globally whereby some programmes are sold directly by the RTÉ Programme Sales

Team and/or independent producers. Other programmes are licensed by producers to international distributors such as Love/Hate which is licensed to ITV Global.

The digital distribution landscape will evolve significantly in the coming

years and new business models are continuing to emerge in digitally distributed content. RTÉ plans to continue engagement with VOD content aggregators such as Netflix and Hulu to deliver RTÉ content in international markets, and RTÉ will leverage segmentation of output for distribution in specific territories.

4.3 Access Services for RTÉ Television

Ensuring access to RTÉ Television services for those with sensory disabilities has for many years been a priority for RTÉ. In 2012 RTÉ spent over €1.6 million on access services. Over the next five years RTÉ will continue to demonstrate leadership in access services by exceeding minimum standards and providing new/innovative services, where possible, to facilitate access to television for those with sensory disabilities.

Subtitling

RTÉ will deliver subtitling with continued commitment to cover all peak-time programmes and all news and current affairs, including special national and international events and more subtitles on children's programmes, by providing 8,500 subtitling hours per annum on RTÉ Television.

RTÉ is the third highest provider of subtitles in Europe and continues to be the market leader in the provision of subtitles in Ireland. New contracts for the provision of live subtitling on all news, current affairs, entertainment, lifestyle and sports programming (all GAA coverage) were put in place in 2012 for the next five years. RTÉ will fulfil targets set by the BAI Access Rules for 2013 and will continue to remain within the target ranges up to 2017, (RTÉ 2011 Annual Report).

Audio Description

To further progress access services provided, RTÉ will introduce audio description in 2013. 'audio description' is designed to provide acoustic description of visual events for the blind and visually impaired thereby providing access to the world of audio-visual media. Audio description enables the enjoyment and understanding of drama and fictional type programming on television.

Compared with the provision of subtitles, the production of audio description is considerably more expensive, complex and inflexible. However, as a public-service broadcaster RTÉ regards audio description as an essential service which will provide visually impaired viewers access to its dramatic and fictional content. RTÉ has been working on the commencement of this service since the design stages of digital television and

¹Behaviour & Attitudes company research, 2011

will launch audio-described programming, including for some home-produced programmes, in 2013.

In advance of this RTÉ intends to do the following:

- An audio-description pilot test on four episodes of *Fair City* using RTÉ scripting and voice-over talent, December 2012
- A tender process will commence to find a technical solution for the installation of the infrastructure, 1st quarter 2013
- Training with an international expert on the scripting, delivery and timing of audio-description preparation will take place early 2013

- RTÉ will conduct a test with the Centre for Inclusive Technology on SAORVIEW with blind and visually impaired viewers to receive their views on voice, scripting, nuance and delivery of audio description on home-produced programming
- In the first phase audio description will commence on *Fair City*, *Eastenders*, and other Irish drama series: *RAW*, *Love/Hate*, *Single Handed*
- Future plans are to add more home-produced drama and fictional programmes with audio description as well as acquiring this service from the US, Australia and UK suppliers

Irish Sign-Language Provision

RTÉ will continue to be the only Irish broadcaster to provide this service. A daily news service and weekly weather forecast are broadcast in Irish Sign Language as well as 10.5 hours of programming produced and presented by the deaf communities in Ireland.



RTÉ is acutely aware of the responsibility that comes with public funding

Section 5: RTÉ: Open, Accountable and Collaborative

RTÉ sits at the heart of Irish life and at the centre of an increasingly interdependent Irish media sector. How RTÉ reacts to its audience, operates commercially, works with others, reports and accounts for itself and how it chooses to share its content

and resources, can greatly affect the Irish media sector as a whole. RTÉ is acutely aware of the responsibility that comes with public funding and becoming a more open organisation is a key priority for RTÉ over the next five years.

5.1 Delivering Public Value in the Digital Age

RTÉ both receives public funding and is required to generate commercial income in order to fulfill a broad range of Public Service objects as set down in legislation. Most recently affirmed in the Broadcasting Act 2009, these objects have evolved over fifty years and they are a clear statement of public policy.

Measuring and determining RTÉ's performance in relation to its objects is complex. There are simple measures that provide very clear benchmarks of performance, such as audience ratings, costs per hour, genre output hours, staff numbers, etc. However, many of RTÉ's statutory responsibilities are rightly more concerned with the delivery of broader societal benefits, or public goods, which by their nature are as qualitative and subjective as they are quantitative. RTÉ's

performance in relation to these over any given period of time is much harder to assess.

As described in Section 2, the context in which RTÉ is now operating is now more complex and competitive than it has ever been before. The number and diversity of competitors in the Irish media market has significantly increased. Previously complementary media players in the print sector are now direct online competitors. Changing technology is driving increasingly complex audience-consumption patterns, which vary considerably across different demographics and just like what has happened in other sectors, are fundamentally challenging long-established business models.

In response to these shifts, European and national regulation is increasingly trying to mediate these complex and

fast-changing relationships in the public interest. Inevitably this has led to increased regulation and new reporting requirements for public service broadcasters.

RTÉ has historically reported on its performance by means of its Annual Report and statutory annual review against specific commitments. In recent years RTÉ's reporting has evolved in response to the regulatory infrastructure under which it now operates.

However it is clear, given the changing context in which RTÉ is now operating, that there is now a need for a new more comprehensive, more transparent and more integrated method of assessing RTÉ's performance and value. Such an assessment is an essential component to determining the public value of RTÉ's services and activities, the adequacy or otherwise

of RTÉ’s total funding to deliver its Public Service responsibilities and the scope of its activities in the market.

Since 2003 public service broadcasters across Europe have been developing mechanisms for assessing public value. The EBU in its 2012 paper *Empowering Society, A Declaration on the Core Values of Public Service Media* has identified six core values to realise public value. These values drive the public value criteria under development by PSMs, which

are then aligned to internal business management systems and external reporting metrics.

- Universality
- Independence
- Excellence
- Diversity
- Accountability
- Innovation

Appendix A details the varying approaches across different European PSMs to creating a system for measuring their public value.

5.1.1 Proposed RTÉ Public Value Framework

RTÉ proposes to establish a Public Value Framework (PVF) that is more closely aligned with its business management system than the current Annual Statement of Performance Commitments (ASPC) process.

The PVF will holistically assess performance and quantify the creation of public value. This

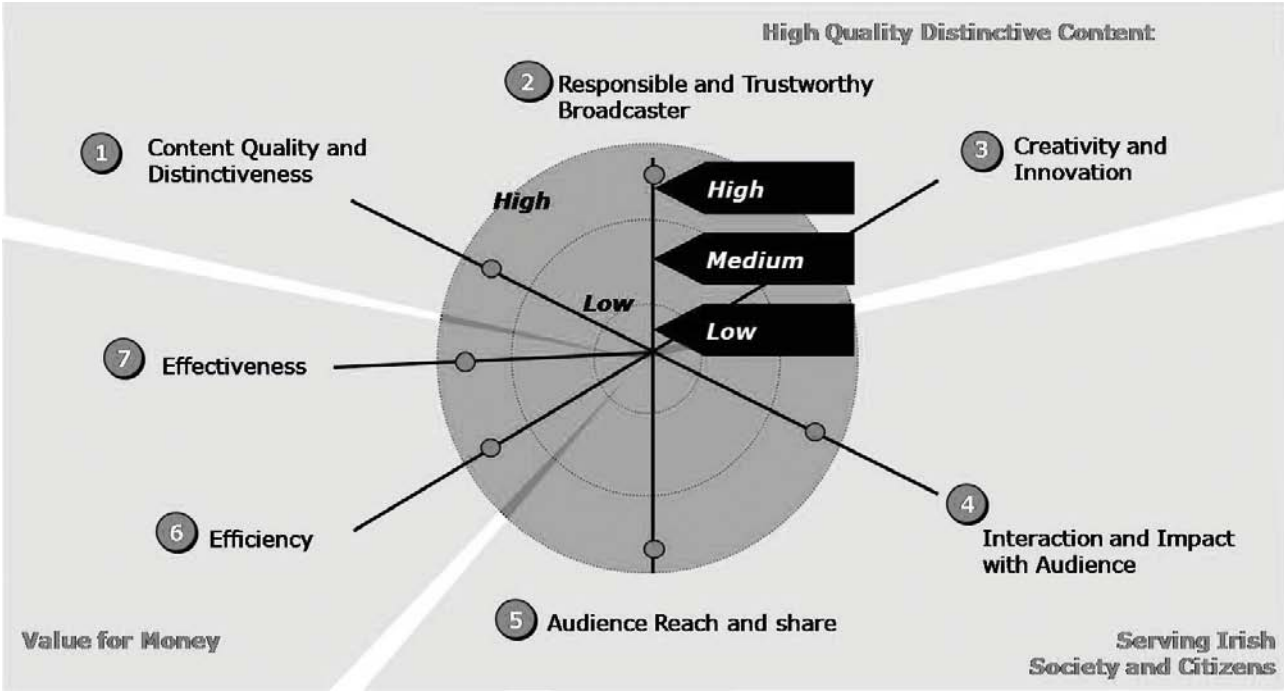
framework will be integrated into everyday operations and management decision-making. This framework has been informed by extensive research and adapted to meet the specific nature and obligations of RTÉ.

Table 28: Public Value Assessment Criteria
There are three main dimensions to the Framework, set out as follows:

| Dimension of Public Value | Criteria for Assessment | Sample Metrics |
|------------------------------------|---|--|
| High-quality, Distinctive Content | <ul style="list-style-type: none">• Production of high-quality, original, accurate and distinctive content• Measures of trustworthiness and a responsible approach• Output should be assessed on its impartiality, lack of bias and independence• RTÉ should be assessed on its innovation and creativity across all aspects of the organisation | e.g. Appreciation Index, % of audience that relies on RTÉ for news / events, balance of political party representation |
| Serving Irish Society and Citizens | <ul style="list-style-type: none">• Success in enriching the lives of individual citizens of Ireland• Provision of universal access which serves the Television and Radio needs of all members of society• Promotes balanced political debate• Participation, facilitation and success as a connector of digital ‘public spaces’ in Ireland and elsewhere• Ease of access and use of archive material | e.g. Number of Top-20 Television and Radio programmes in Ireland which were RTÉ programmes. Whether RTÉ impacts positively on people’s lives, choice to suit all, etc. |
| Value for Money | <ul style="list-style-type: none">• Achievement of efficiency and effectiveness• Contribution to the wider creative and digital economy of Ireland• Accountability and transparency in the allocation and use of public funds | e.g. Cost per broadcast hour, perceived as good value, audience satisfaction with RTÉ services, etc. |

Figure 27 below illustrates how the framework will provide an assessment of the public-value performance of RTÉ over the coming years as it delivers against its strategic objectives.

Figure 27: Dimensions of the Public-Value Framework Under Development by RTÉ

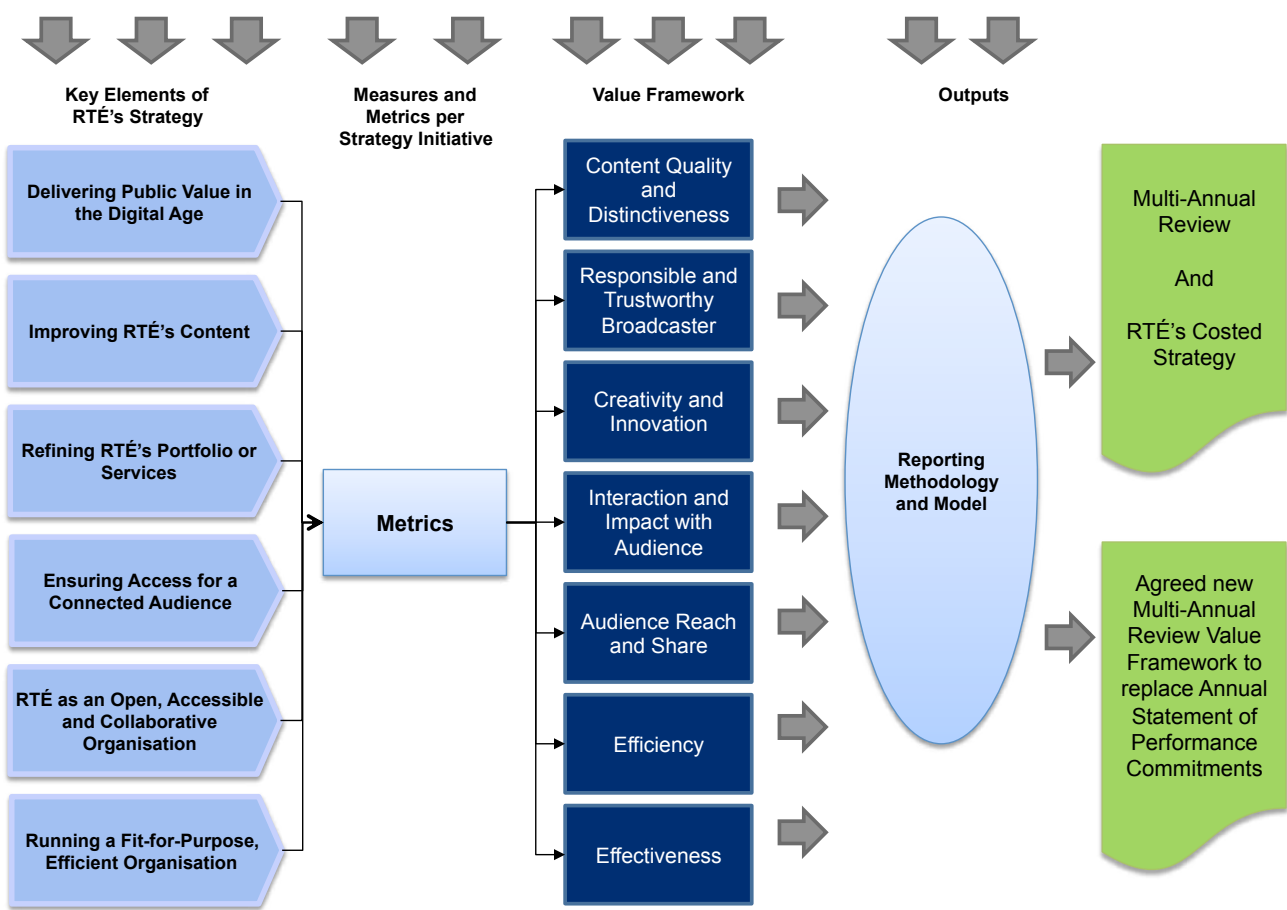


(See Appendix A for insight into how other PSMs are using Public Value Frameworks)

5.1.2 Public Value Framework Implementation in RTÉ

The Public Value Framework is a metric driven approach which will be used to ensure that audience needs are met. While new to the organisation, design and alignment with RTÉ's management systems is already underway. There will be a transition period during 2013 to move from the Annual Statement of Performance Commitments (ASPC) process to the Public Value Framework.

Figure 28: How the Costed Strategy, Public-Value Framework and Multi-Annual Review Processes Link



Initial work has already objectively assessed the public value of each service, individually and as a portfolio. Developing the Public Value Framework creates a mechanism to identify and plan future service improvements to meet audience needs. It identifies gaps in the portfolio but it also points to some potential solutions to meet the needs of the range of audiences. While there is much still to do, when fully implemented the Public Value Framework will be a key management tool for driving quality, measuring impact and clearly capturing the overall value of RTÉ's content and services. The Public Value Framework will also be a key part of RTÉ's future annual and multi-annual review processes with the BAI.

5.2 Providing Greater Financial Transparency

In addition to the Public Value Framework, as part of RTÉ's 5-Year Financial Projections and costed strategy and to further enhance transparency and accountability, RTÉ has provided estimates of the cost of each of its services

and how it proposes to use public funding prospectively over the period 2013 to 2017 across all of its services. This is a very significant change to RTÉ's financial planning and reporting.

RTÉ will continue to report on how public funds were spent on an actual basis as it currently does through the segmental reporting in the RTÉ Annual Report.

5.3 Sharing RTÉ News & Current Affairs

As a publicly funded broadcaster, RTÉ is increasingly conscious of its obligation to wider society. It is also conscious of the importance of having a vibrant Irish media sector. The digital space offers both opportunity and challenge to that sector and to RTÉ. While RTÉ will continue to compete in the media space, it is prepared to share its publicly funded resources with other Irish media companies. RTÉ has already offered free branded news footage but realises that some media outlets are reluctant to carry branded content. RTÉ is open to discussing how it might share much more of its News and Current Affairs output and not just to those operating online.

RTÉ will share unbranded major national events coverage, unbranded significant news conference coverage, interview footage of many significant interviews and a range of other material. This would involve a major change in RTÉ News and Current Affairs practice and workflows. It would however, share the benefits of a properly funded national public broadcaster with the wider Irish media sector. Since footage would be unbranded and in some cases unedited, it would support media diversity and pluralism in Ireland.

The service could allow newspapers and other media outlets access to vital (and expensive) video footage for

their online operations. It could potentially be of value to the commercial radio sector. It would also not exclude separate content-sharing partnerships that RTÉ is increasingly open to within the sector.

This service will require additional investment in terms of distribution, technical staff and satellite and broadband technology.

5.4 Building Trust

Building trust for a PSM is critical to maintaining public confidence in the impartiality and objectivity in key output such as News & Current Affairs and Investigative

Journalism. Trustworthiness is a key measure for RTÉ and it is encouraging that RTÉ performs in line with other PSMs as Table 29 indicates:

Table 29: RTÉ Positive Score for Trust Relative to Other PSMs (2011)

| RTÉ | 73% |
|-----|------------------|
| BBC | 67% ¹ |
| NPO | 74% |
| DR | 68% |

Source: BBC, NPO and DR Audience Research Departments

RTÉ has ambitious plans to drive the trust score upwards through a set of strategic initiatives to truly create an open organisation. A key element of building trustworthiness is an effective audience communications strategy which provides the opportunity for the audience to engage with the broadcaster. RTÉ's audience communication strategy is guided by the core principles of informing as

wide an audience as possible, listening to them and enabling the audience to critically comment on content and services. RTÉ's extensive social media and online presences allow it to engage in dialogue with audiences directly. RTÉ also remains committed to active research of audience opinion, consumption trends and preferences, as well as monitoring audience perception of the organisation in order

to stay aligned with the mood of the nation and maintain relevance of PSM.

¹ BBC's score relates to the financial year 04/04/2011–03/04/2012, rather than the calendar year.



RTÉ will share unbranded
major national events
coverage

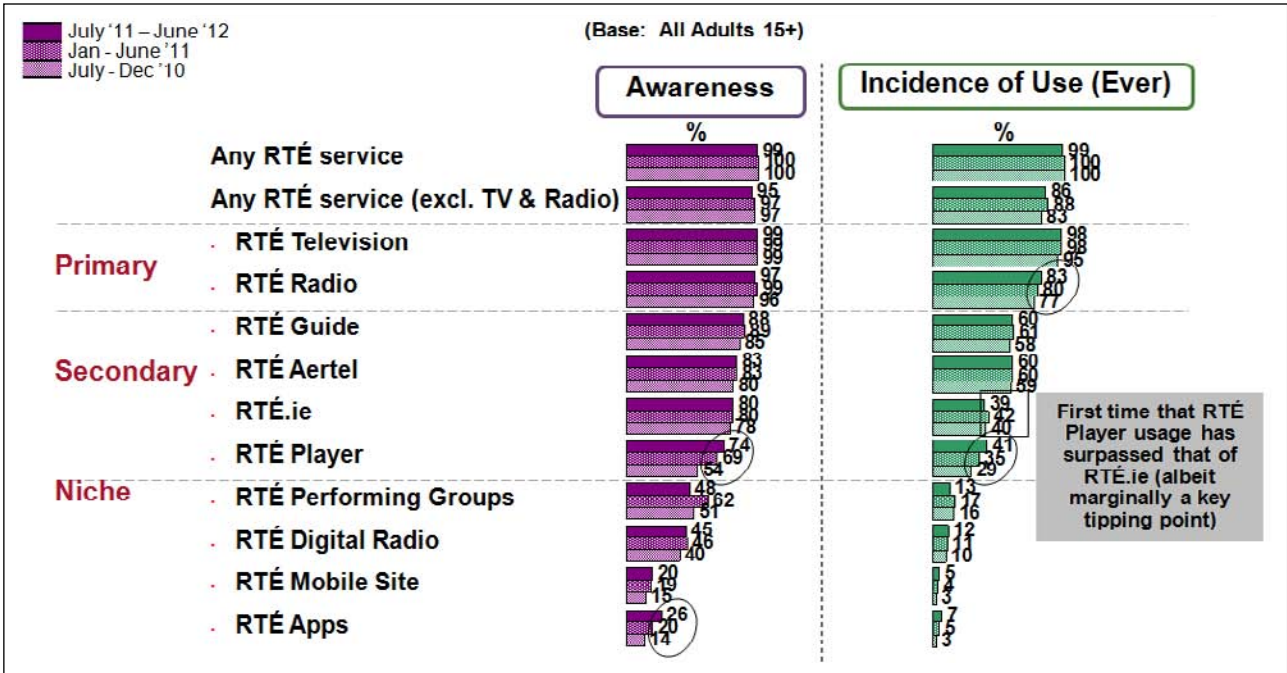
5.5 Open to Our Audience

Awareness levels of the breadth of RTÉ's offering is virtually ubiquitous among Irish audiences.

Access to these services continues to be very strong, usage levels being high with newer services gaining traction as shown in Figure 29. Usage is not confined to high-profile services as the newer digital

services are attracting large and increasing numbers of users. The trend of increased awareness and usage of RTÉ Player continues while there has been noticeable growth in the awareness of RTÉ Apps.

Figure 29: RTÉ Reach – Awareness & Incidence of Using RTÉ Services



Source: Amárach Research/RTÉ Corporate Brand Tracker Report (September 2012). Fieldwork July 2011–June 2012.

The frequency of usage of RTÉ's television and radio services is very high on a daily, weekly and monthly basis as shown in Table 30. This demonstrates the central role of RTÉ in the lives of Irish audiences.

Table 30: % Usage of RTÉ's Core Services

| | Any RTÉ Service | Any RTÉ (Excl. Television & Radio) | RTÉ Television | RTÉ Radio | RTÉ Aertel | RTÉ.ie | RTÉ Player |
|------------------------|-----------------|------------------------------------|----------------|-----------|------------|--------|------------|
| Daily | 85% | 26% | 73% | 52% | 15% | 8% | 1% |
| Weekly (incl. Daily) | 97% | 58% | 93% | 64% | 36% | 20% | 17% |
| Monthly (incl. Weekly) | 98% | 69% | 96% | 69% | 47% | 27% | 28% |

Source: Amárach Research/RTÉ Corporate Brand Tracker Report (September 2012). Fieldwork July 2011–June 2012.

It is imperative that RTÉ understands the needs and wishes of its audiences. For many years RTÉ has been party to joint-industry qualitative and quantitative research initiatives, which provide clear and independent measurement of viewing and listening levels and serve as indispensable

tools for determining general audience preferences. In turn RTÉ is actively listening to the views of these audiences. The views of more than 1,000 Irish adults are received each day by RTÉ from its fully owned internet-based Audience Reaction Panel, recruited and managed by a

leading international research company. This helps RTÉ programme-makers to engage directly with the needs of Irish audiences and develop programming that not only meets their needs but also appropriately challenges them.



Put simply, RTÉ needs to mirror the people of Ireland

5.6 On-Air Diversity

To ensure that RTÉ is fully connected to its audiences, it is critical that staff, presenters and contributors represent the diversity of culture, demographics and opinion of the audience.

Put simply, RTÉ needs to mirror the people of Ireland. In addition, RTÉ must

demonstrate independence and impartiality of its contributors and commentators.

Achieving this is challenging, but it is imperative that RTÉ sets standards for the industry. Tracking and substantiating progress requires a process whereby targets are set and measures provide balance, innovation and a supply of new

voices to increase audience perception of the 'openness' of the organisation. This will also allow RTÉ to address any potential negative perception of under-representation and to identify continued improvements. Table 31 captures the detailed initiatives that will underpin this.

Table 31: Diversity Related Initiatives

| Activity | Detail |
|----------------------|--|
| Contributor Tracking | <ul style="list-style-type: none"> RTÉ programmes should reflect the makeup of the country and broaden the range of contributors Criteria include age, gender, region, 'new' Irish and new contributors which will be tracked Programme teams and output heads need to be able to track who is appearing in order to change the mix over time, as appropriate Contributor Tracking System to be developed |
| New Voices | <ul style="list-style-type: none"> Crucial that RTÉ identifies emerging opinion and thought leaders and is committed to bring new voices to the audience which question and challenge the status quo Initiating a callout/assessment for interested parties plus research to unearth new contributors A database will identify a broad range of opinion leaders and will be regularly updated |
| Interns | <ul style="list-style-type: none"> Interns will be brought into the organisation for both technical and editorial short-term posts Additional benefit will be the goodwill generated through a positive direct experience of the organisation's culture and values |

5.7 Delivering for a Broad Range of Stakeholders and Building New Partnerships

RTÉ has a uniquely complex patchwork of stakeholders with whom it communicates on an ongoing basis. Over the course of the next five years RTÉ will significantly increase its engagement with a broad range of public groups, including political and regulatory organisations, cultural groups, business stakeholders and media industry commentators. On an ongoing basis, external perspectives as to how RTÉ is performing and serving its broad range of audiences can be provided. Such feedback and continuous engagement is essential for RTÉ.

RTÉ senior management has committed to a process to standardise external stakeholder engagement in a consistent manner across all levels of the organisation. An exercise has been undertaken to identify key external stakeholder groups in society, define an engagement process and assign dedicated relationship owners to track how these relationships are developing. This will enable key issues to be highlighted and then addressed as needed.

Over many years RTÉ has developed deep and longstanding partnerships with a broad range of organisations, sectors and events. Obvious examples include the independent production sector,

the arts and culture sector, through the RTÉ Supporting the Arts scheme the annual BT Young Scientist & Technology Exhibition, the National Ploughing Championships and other sponsorships. To date RTÉ's partnerships have typically grown organically; some are intrinsic to the nation's cultural heritage and are formally structured and managed. Others may have grown through personal relationships and provide significant benefits to RTÉ as a whole, but are informal in their nature. There are also some important existing relationships that could be greatly enhanced to become more mutually beneficial partnerships.

Collaboration and the development of new strategic partnerships will be central to delivering RTÉ's new strategy. During 2012 RTÉ completed a comprehensive mapping exercise of potential partnership opportunities. It has identified opportunities which are strategic in nature; either fulfilling a commercial objective or underpinning an output or service strategy of the organisation. RTÉ is very aware that it needs partners to continue to innovate in terms of programming, content and technology but also to develop its capabilities and work practices.

Specific opportunities from the following categories have been prioritised:

- New Media and Innovation
- Academic Institutions/ Foundations
- Broadcast Platforms (Linear and Non-Linear)
- Television and Radio Content Producers
- Media Institutions/ Representative Bodies
- Arts and Cultural Bodies
- Government Agencies
- Sporting Organisations
- Broadcasters/Commercial Media
- Business/Commercial
- Corporate Responsibility

RTÉ has also developed clear processes and systems for correctly identifying and managing partnerships for mutual benefit.

5.8 Driving Positive Economic Impact for Ireland

5.8.1 Creative Digital Economy

RTÉ plays an important role in the Irish economy. In addition to being a major employer with 1,800 staff, it also is a significant contributor to the private sector.

RTÉ's business and economic broadcasts are critical in the debate about the direction of the nation. This is widely recognised at home and abroad. The station invests in economic documentaries, early-morning business bulletins on the radio, daily television slots and a business website which receives two million page impressions a month.

RTÉ also plays a valuable role as a platform for the advertising industry. It supports employment in advertising agencies, media-buying companies and firms involved in production of commercials for radio, television and the internet. Much of the output involves the use of cutting-edge

technologies by highly skilled individuals. This plays to Ireland's strength as a creative, knowledge-based economy.

In the PwC report, *Making an Impact: RTÉ Economic Analysis* (August 2011), it was estimated that in 2010:

- RTÉ's contribution to the Irish economy on a conservative basis was €380m before any consideration of the tax contribution to the Irish Exchequer. RTÉ paid €78m in direct and indirect taxes this year, equivalent to 43% of RTÉ's proportion of licence fee income.
- RTÉ's spend on indigenous television and radio content was €249m.
- Approximately 3,600 full-time jobs were supported by RTÉ across the Irish economy.
- Employment was provided to approximately 400 Television and Radio actors

- €48.9m was spent by RTÉ on independent commissioning activity (as defined for the purposes of the Independent Productions Annual Report published by RTÉ under the requirements of the Broadcasting Act 2009).
- €31m of work was purchased from indigenous broadcasting support service companies/contractors,
- €67m of goods and services were purchased from other indigenous suppliers (exclusive of commissioning activity above).

In 2011 RTÉ's spend in the independent television and radio production sector was €47.2m, supporting thousands of jobs in the sector.

RTÉ is also the largest employer of actors in the state, as shown in Table 32 below.

Table 32: RTÉ Sustained Actors in 2011

| Staff | In-house Production or Independent Production Company | Number of Actors |
|------------------------|---|-------------------------|
| Television-Key Dramas | | |
| Fair City | In-house RTÉ production | 78 Adults + 12 Children |
| Love/Hate (Series 2) | Independent Production Company | 52 named parts |
| Raw (Series 3) | Independent Production Company | 33 named parts |
| Hardy Bucks (Series 2) | Independent Production Company | 19 primary / 36 minor |

Source: RTÉ Television Management Information 2011

RTÉ is the biggest individual employer of musicians and music-writers in the country. RTÉ pays for the use of music on radio and television programmes, records live concerts, and delivers huge quantities of music programming to our European Broadcasting Union colleagues via the EBU Programme Exchange Scheme, all of which is recorded, mixed and transmitted to the highest international standard. As well as providing audiences with a wide range of music genres across the portfolio of services, RTÉ's Orchestras

and Choirs undertake a range of public service education and community-partnership activities.

The technology sector has tremendous opportunities to grow employment in Ireland, to meet the needs of domestic and international markets. In order to promote interest in science and technology in Ireland, RTÉ spent circa €1m on science and technology television programmes in the last year. RTÉ's aim is to make science and technology programmes which are accessible and engaging.

RTÉ News will increase its coverage of science and technology across its news bulletins on television and radio, on the RTÉ News website, and also on RTÉ News Now. Effective January 2013, RTÉ regional operations are implementing new partnerships with a range of third-level institutions. This development places RTÉ at the centre of technological and educational innovation and creates links to a future generation of media-industry leaders.

5.8.2 Impact on the Voluntary Sector

As a recipient of significant public support, RTÉ is increasingly conscious of its role to support other public bodies, where appropriate and possible, in the delivery of their responsibilities. RTÉ also recognises its role in building and fostering community as well as empowering voluntary and charity involvement.

Just two examples of this are seen in two recent annual national campaigns organised by RTÉ 2fm, the 'Dress Up For Barnardos' Halloween campaign and the RTÉ 2fm

Toy Appeal for St Vincent de Paul every Christmas. In both cases 2fm used its audience reach and editorial strengths to empower national campaigns involving fundraising, donation and community effort for youth-focused charities. The Toy Appeal, now in its third year, collected over 60,000 toys for deprived children over Christmas 2012 and is estimated to have raised over €1,000,000 in donations for the St Vincent de Paul. These national 2fm campaigns were supported by RTÉ Television and Radio and significant social media and editorial support. Similarly, RTÉ Local Heroes,

a cross-media campaign led by RTÉ Television to support job creation in local communities, was another example of RTÉ's commitment to give critical national support to important voluntary efforts.

RTÉ's new approach to developing partnerships, as outlined in Section 5, will lead, where possible and appropriate, to further RTÉ involvement and support for important voluntary national campaigns and initiatives.



A Public Media Service organisation for the digital age

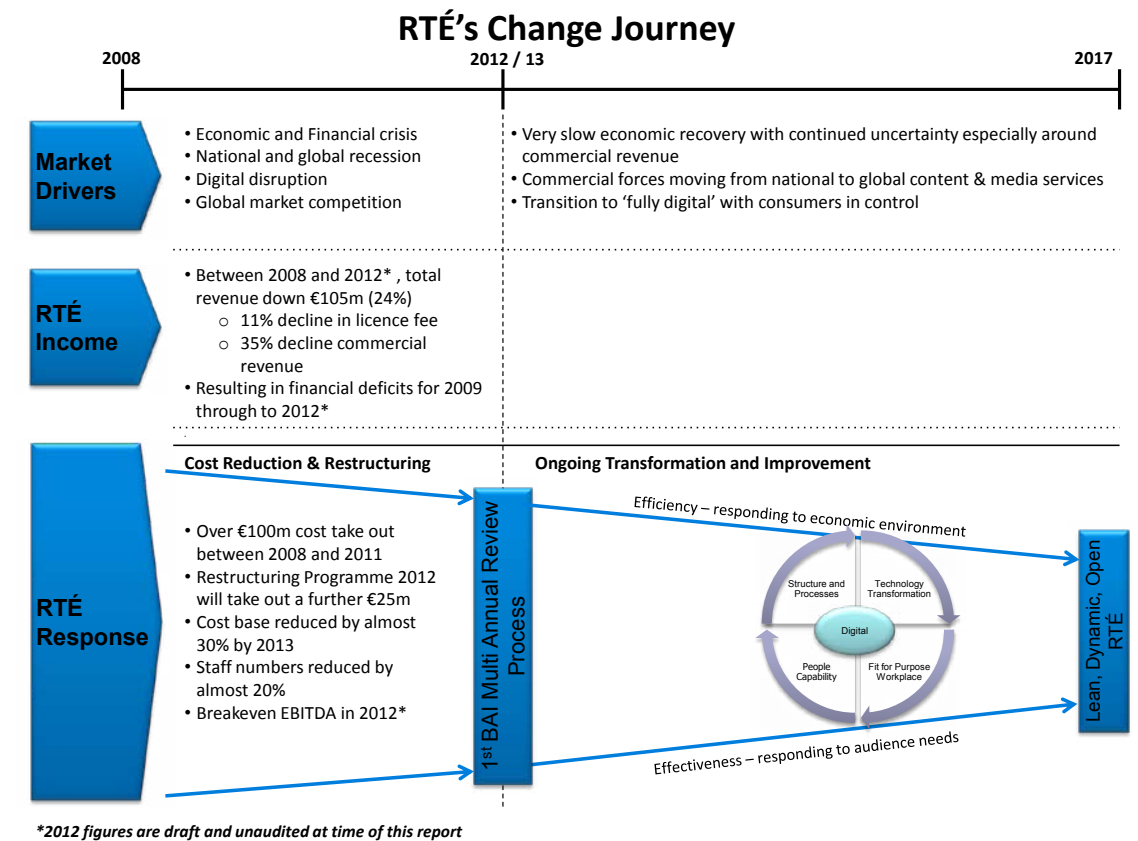
Section 6: Running a Fit-For-Purpose, Efficient Organisation

In direct response to the Irish and global recession and resulting decreases in commercial and public funding, RTÉ has already reduced its cost base by over €100m between 2008 and 2012 and by the end of 2013 will be operating with a cost base which is almost 30% lower and with 20% less staff than in 2008. RTÉ today is a leaner and more efficient organisation than it was 5 years ago.

In light of persistent economic challenges facing the organisation and in response to the changing audience demands, RTÉ must evolve to become an even leaner, more fit-for-purpose organisation; best described as transforming from a Public Service Broadcaster to a Public Service Media organisation for the digital age. This shift is crucial to ensure that RTÉ is bringing its audiences valuable content in an efficient manner. The

Director General has signalled RTÉ's intent to redesign the organisation into one which is 'fit for purpose' and ready to tackle the dramatically changed medium-term outlook facing the organisation. Much of this work is already underway. Figure 30 illustrates the journey that RTÉ has undertaken since 2008 in response to the challenging economic environment, and moving towards 2017.

Figure 30: RTÉ's Change Journey



RTÉ has delivered extensive change and continues to manage business projects that generate significant

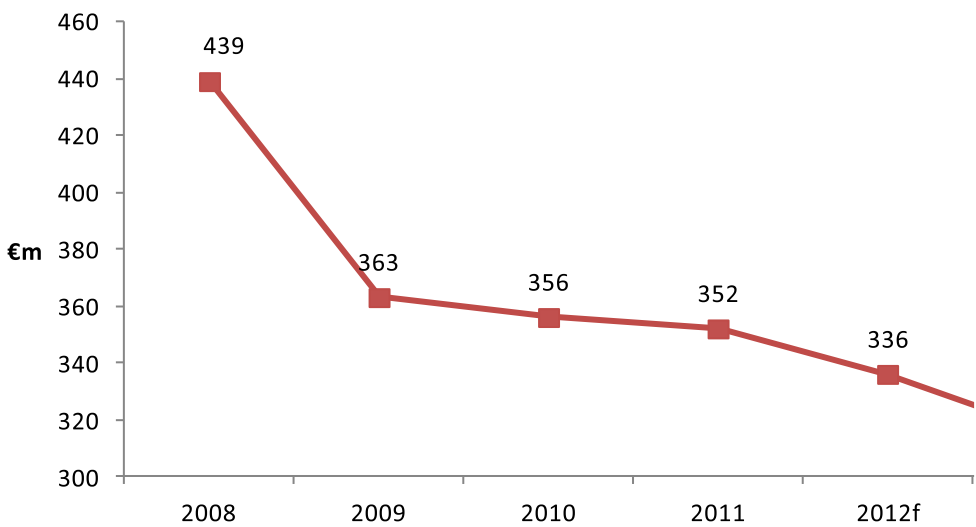
benefits and improvements. These include reduced costs, improved digital services and increased capability to address

the market challenges and opportunities.

6.1 RTÉ's Progress to Date in its Transformation

Between 2008 and 2012, RTÉ's public funding fell by €21 million (-11%) and commercial revenue dropped by €84 million (-35%)*. In response to this €105 million decline in funding, RTÉ implemented large-scale cost reduction programmes and organisational restructuring, resulting in a 28% reduction in operating costs. This demonstrates RTÉ's significant progress to becoming a leaner, more efficient organisation.

*2012 Draft unaudited figures
Figure 31: Operating Costs 2008–2013f



Source: RTÉ Management Accounts and RTÉ 2013 Budget

The cost reductions achieved between 2008 and 2012 in excess of €100m were the combined effect of cuts across a wide range of areas including: staff costs, commissioned programmes (though RTÉ continues to exceed its statutory commissioned programming spend), general third-party goods and services, contractors and reduction in top 10 talent fees.

Table 33: Cost Reductions, 2008–2012

| Cost | Cost Reductions 2008-2012 * |
|--|--|
| Staff costs | <ul style="list-style-type: none">• Introduction of Early Retirement & Redundancy Facility (ERRF) and Voluntary Severance Facility (VSF) programmes resulted in the departure of 350 people from RTÉ in 2011 and 2012• In June 2009, all RTÉ staff agreed to a pay cut ranging from 2.3% to 12.5%• Since mid-2009, no staff / management bonuses |
| Commissioned programmes | <ul style="list-style-type: none">• Reduced spend but still exceeded statutory minimum |
| General 3rd-party goods & services | <ul style="list-style-type: none">• More competitive procurement allied with reduced volumes and lower levels of activity |
| Reduction in contractors | <ul style="list-style-type: none">• Reduction in rates and usage of both on and off air contractors |
| Top 10 talent fees | <ul style="list-style-type: none">• Included in reduction of contractors; will deliver promised 30%+ reduction by end of 2013 |
| Lower levels of capital investment (non DTT) | <ul style="list-style-type: none">• Reduced level of equipment-related charges including maintenance savings |
| Other | <ul style="list-style-type: none">• Marketing & Communications• Travel & subsistence costs• Premises costs• Costs of computing• Outside Broadcast costs |

* 2012 Draft unaudited figures

6.1.1 RTÉ Restructuring Programme

As RTÉ revenues continued to decline in early 2012, RTÉ recognised the need to implement a Restructuring Programme to target a further €25m in ongoing cost reductions, in addition to those which had been introduced during the 2008–2012 period, as outlined previously. A key element of this restructuring programme was the 2011 and 2012 Early Retirement and Redundancy

Facility (ERRF) and Voluntary Severance Facility (VSF) under which 350 people voluntarily left RTÉ. Table 34 provides details of the main initiatives under the Restructuring Programme.

Table 34: RTÉ Restructuring Initiatives 2012

| Cost | RTÉ Restructuring Initiatives 2012 |
|-----------------------------|---|
| Programming | |
| Television Operations | <ul style="list-style-type: none">Targeted work practices & greater flexibility |
| Radio Services | <ul style="list-style-type: none">Rationalising the schedule of RTÉ Radio 1Repositioning of RTÉ 2fmReorganisation of schedule on RTÉ lyric fm |
| Acquired Programmes | <ul style="list-style-type: none">Renegotiation at lower rates and reduction in volume purchased with target reduced spend of 10% |
| Sports Rights | <ul style="list-style-type: none">Renegotiation at lower rates – target 25% reductions |
| News and Nuacht Services | <ul style="list-style-type: none">Compression of core teams including editors & journalists |
| Current Affairs programmes | <ul style="list-style-type: none">Cost efficiencies |
| Sites & Infrastructure | |
| Regions and Foreign | <ul style="list-style-type: none">Closure of costly and under-utilised physical infrastructure based on technological advancesRestructuring of resources and support structuresNew partnerships with Third Level Regional Institutes |
| Other Services | |
| RTÉ Orchestras | <ul style="list-style-type: none">Reorganisation of RTÉ Orchestras |
| RTÉ Guide | <ul style="list-style-type: none">Cost reductions |
| Other | |
| Corporate & Shared Services | <ul style="list-style-type: none">Compression of services |
| Distribution | <ul style="list-style-type: none">Non recurrence of DTT marketing |
| Other cost reduction | <ul style="list-style-type: none">Staff reductions and cost reductions across a range of overhead and non direct content areas including scheduling, traffic, marketing & communications, promotions, sales, finance, HR and a wide variety of contract reductions across RTÉ |

6.1.2 Further Efficiencies for 2013 - 2017

A key priority for RTÉ over the coming five years will be to maintain the savings which have been made to date through cost-reduction initiatives and restructuring and these have been assumed within the RTÉ 5-Year Financial Projections as outlined in Section 7.

This will be a challenge in itself, but its achievement is a vital objective for RTÉ. The projections also assume an ongoing drive for efficiency savings for RTÉ.

The main cost-efficiency drives included in these targets above over the coming years are:

- 1. **Acquisitions** – to deliver a 10% reduction in spend on acquired programmes (compared to 2012 levels) while retaining key properties within the schedule. The strategy to achieve this includes a reduction in the amounts paid to studios and independent distributors and also through improved use of inventory.
- 2. **Sports Rights** – to reduce the overall cost of sports rights by 25% by 2015 which will be achieved over the coming 4 years as contracts come up for renewal.
- 3. **Top Talent Fees** – to reduce the level of fee payments made to top 10

- talent by in excess of 30% over the coming years.
- 4. **Work Practice Reform** – the organisation will continue to implement new flexibility arrangements negotiated in partnership with the trade unions to ensure that we optimise technology and efficiencies into the future. This is to ensure that the organisation can deliver on the labour efficiency targets.
- 5. **Other Efficiencies** – to seek efficiencies in other cost areas as yet unidentified.

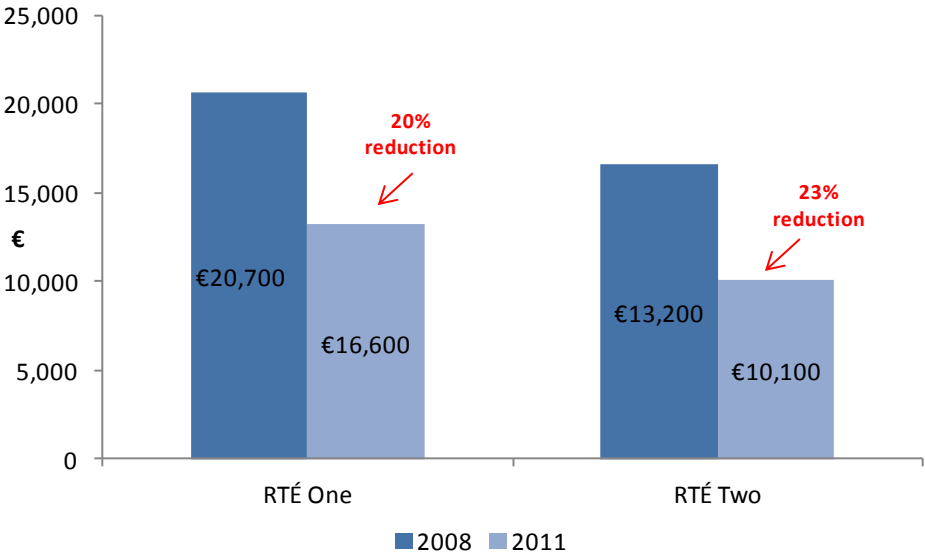
6.1.3 Maintaining RTÉ Efficiencies in Light of Cost Reductions (2008-2011)

A key objective for RTÉ in introducing its cost savings initiatives has been to ensure that the ability of the organisation to deliver its public service remit has not been impacted, and that it continues to produce quality content for the audience.

Cost per transmitted hour is an objective quantifiable measure that enables a clear relationship to be drawn between costs and outputs. As demonstrated in Figure 32 below, both RTÉ One and RTÉ Two significantly reduced their costs per transmitted hour.

- RTÉ One achieved a 20% reduction from €21k in 2008 to €17k in 2011
- RTÉ Two reduced its cost per transmitted hour of programming from €13k in 2008 to €10k in 2011, i.e. by 23%

Figure 32: RTÉ Television: Cost per transmitted hour 2008, 2011

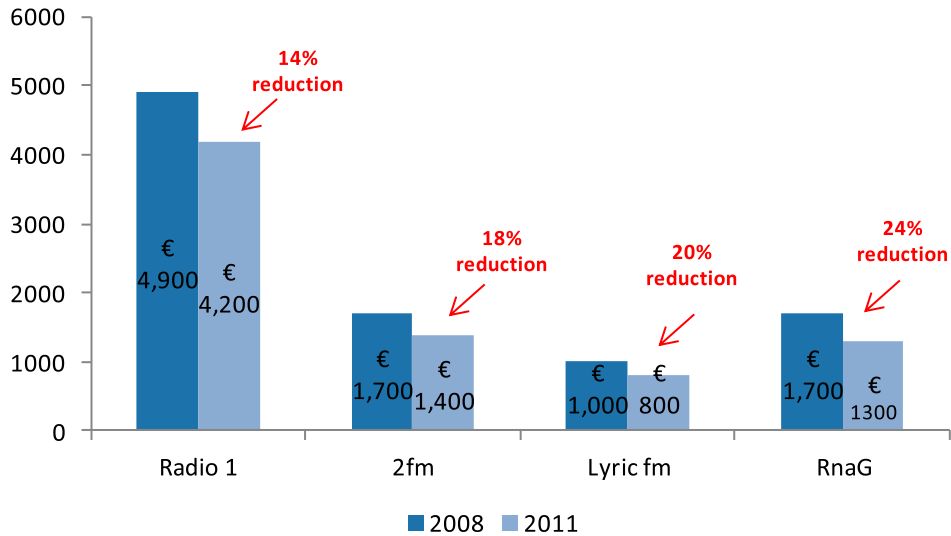


Source: RTÉ Annual Reports

Figure 33 on the following page also shows that RTÉ Radio has significantly decreased its cost per transmitted hour; RTÉ Radio 1 has seen a 14%

reduction, RTÉ 2fm – 18% reduction, RTÉ lyric fm – 20% reduction and RTÉ Raidió na Gaeltachta – 24% reduction.

Figure 33: RTÉ Radio: Cost per Transmitted Hour 2008-2011 (€)



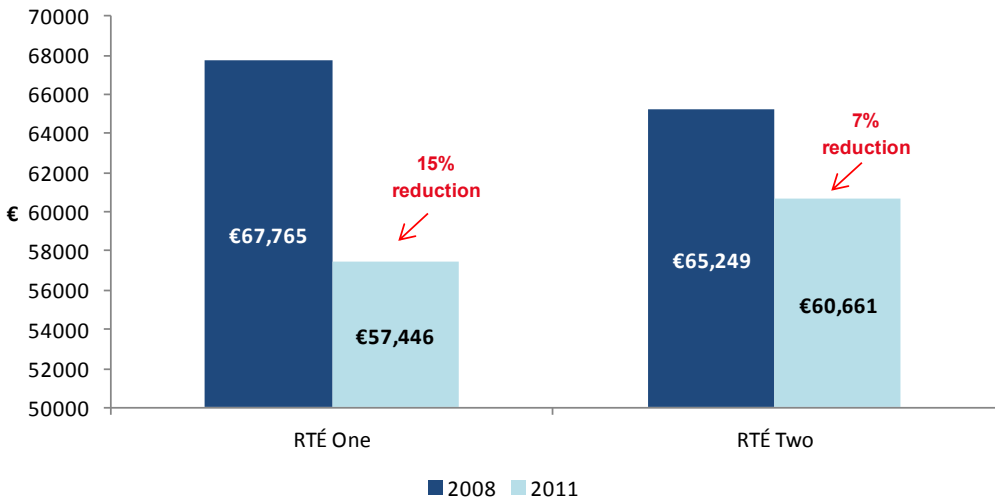
Source: RTÉ Annual Reports

6.1.4 Comparison of Cost per Hour of First-Run Indigenous Content

Figures 34 and 35 both show the cost efficiency of RTÉ Television and RTÉ Radio first-run indigenous programming.

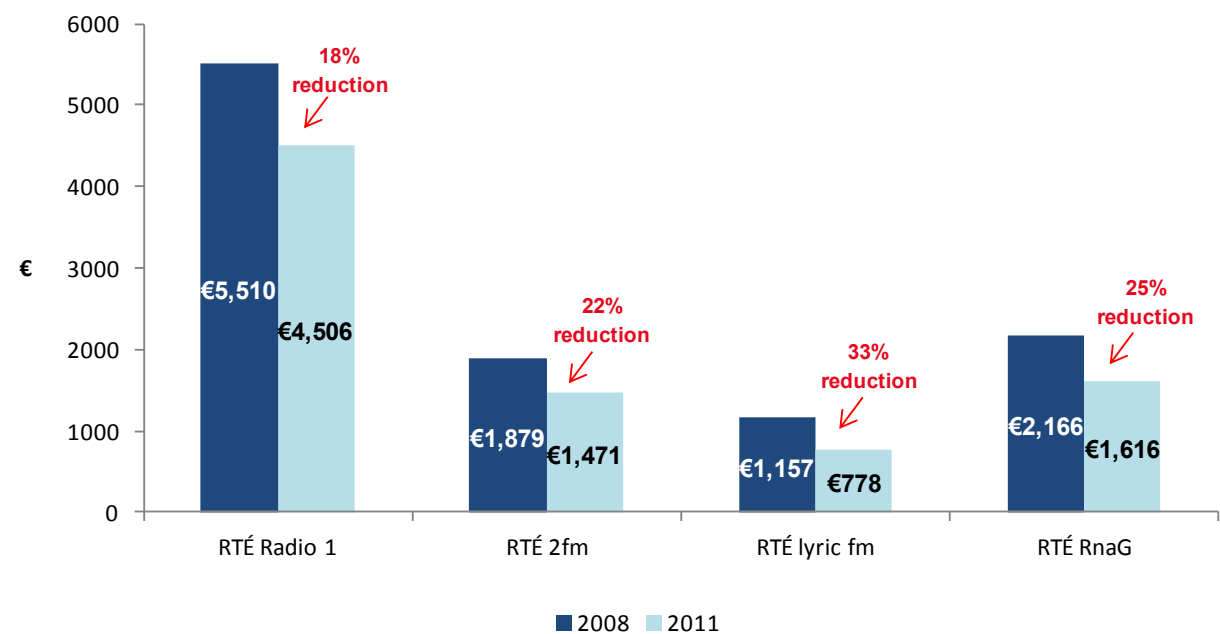
In terms of first-run indigenous programming, RTÉ One and RTÉ Two have reduced their costs by 15% and 7% respectively. Similarly, RTÉ Radio channels have managed to cut their first-run costs (RTÉ Radio 1 – 18%, RTÉ 2fm – 22% reduction, RTÉ lyric fm – 33% reduction and RTÉ Raidió na Gaeltachta – 25% reduction).

Figure 34: Television Cost per First-Run Indigenous Hour (€)



Source: RTÉ Accounting & transmission records

Figure 35: Radio Cost per First Run Indigenous Hour (€)



Source: RTÉ Accounting & Transmission Records

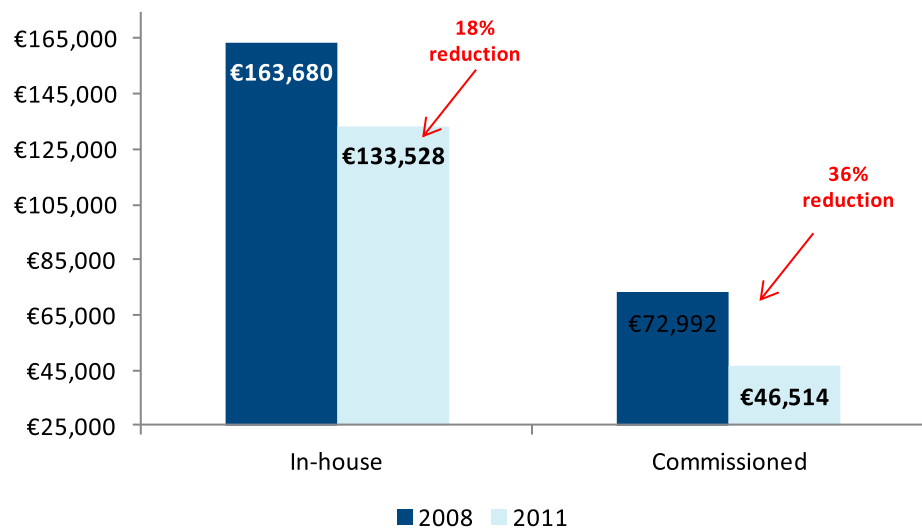
6.1.5 In-house and Commissioned Programming Expenditure

In response to the reduced revenues, RTÉ had to reduce its spend on both in-house produced and commissioned television programmes as illustrated in Figure 36 below.

This was achieved while protecting the core output valued by audiences and still exceeding commissioned programme-spend obligations under the Broadcasting Act 2009. This reduction in commissioned spend has to

be viewed in the context that during the period 2003 to 2007, when RTÉ revenues increased, RTÉ commissioned spend increased by over 70% while in-house spend increased by under 40% during the same period.

Figure 36: RTÉ Television In-house and Commissioned Spend 2008, 2011



Source: RTÉ Management Accounts

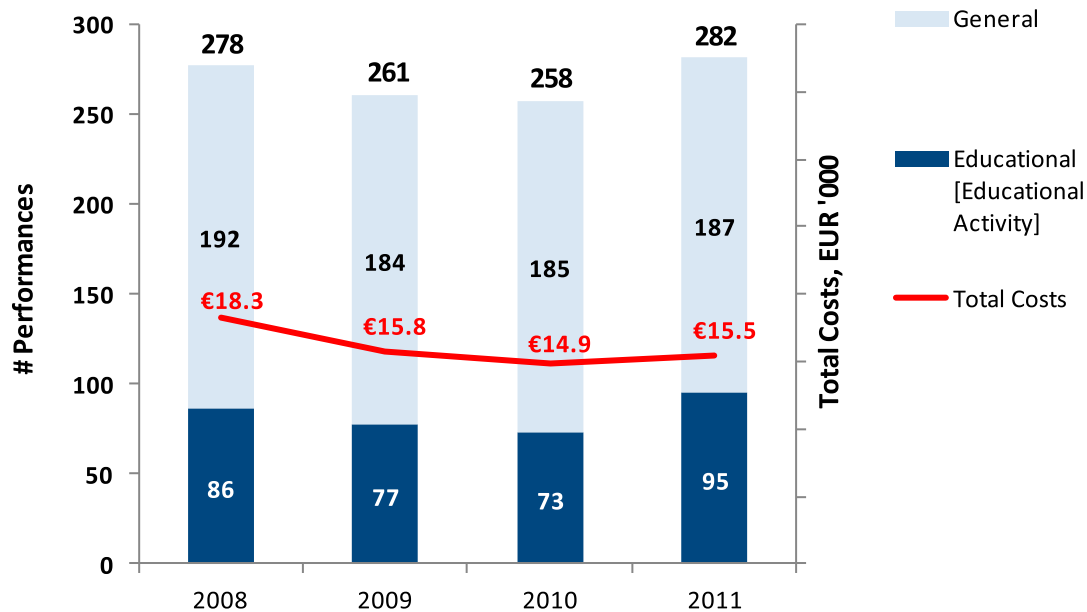
6.1.6 RTÉ Orchestras' Efficiency

Another example whereby RTÉ has successfully managed to reduce costs but grow output for audiences is the RTÉ Orchestras.

Between 2008 and 2011, the number of performances has increased to 282 while simultaneously costs have fallen by 15% (to €15.5m) as captured in Figure 37 below.

These efficiencies clearly demonstrate how the cost reductions at RTÉ have not been made at the expense of delivery of output.

Figure 37: RTÉ Orchestras' Efficiency Analysis, 2008-2011



Source: RTÉ Annual Reports

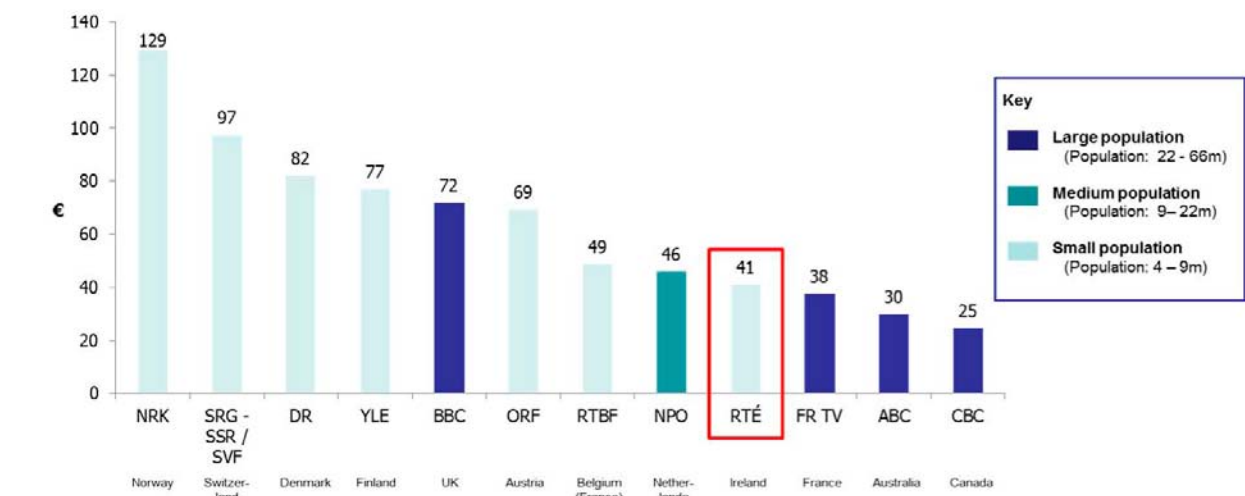
6.1.7 Benchmarking RTÉ's Performance in 2011 Against Other Public Service Broadcasters

To assess RTÉ's efficiency, this section analyses the organisation's public funding and its expenditure by cost type in 2011 compared against

European and international benchmarks. In terms of public funding, RTÉ received €41 per capita, considerably lower than that of other Public Service

Broadcasters, as illustrated in Figure 38, and particularly compared with other small nations.

Figure 38: Total Public Funding per Capita, 2011



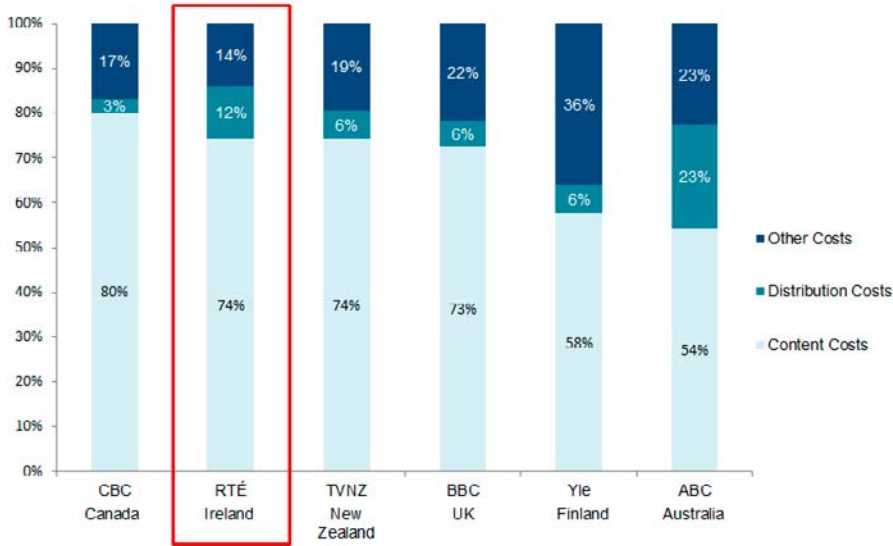
Source: Company annual reports, European AVO Yearbook. Population data sourced from Worldbank

Despite RTÉ's relatively low levels of public funding, looking at 2011 expenditure on content, distribution and other costs as a proportion of total costs, in

comparison with international benchmarks, RTÉ performs very well. With 74% of all expenditure being invested in content, it has one of the

highest proportions of all Public Service Broadcasters in the sample shown, see Figure 39.

Figure 39: Total Costs by Type by Broadcaster 2011¹



Source: Company Annual Reports

Furthermore, the Irish public also recognise the changes at RTÉ. 62% of the Irish public viewed RTÉ as being good value for money between July 2011 and June 2012. This represented an upward trend

towards the later part of the period, as 59% rated RTÉ as providing value for money between November 2009 and July 2012². These figures compare very favourably against the BBC, with 56%

of the UK public rating the broadcaster as providing value for money in 2011³. For further information on definition of cost type by broadcaster, see Appendix D.

¹ Note: RTÉ's portion for its distribution costs is higher than the other PSBs in this sample because its transmission services also earn revenue
² RTÉ Brand Tracker
³ BBC 2012 Annual Report

RTÉ is committed to bringing
a broad range of services to
its audience



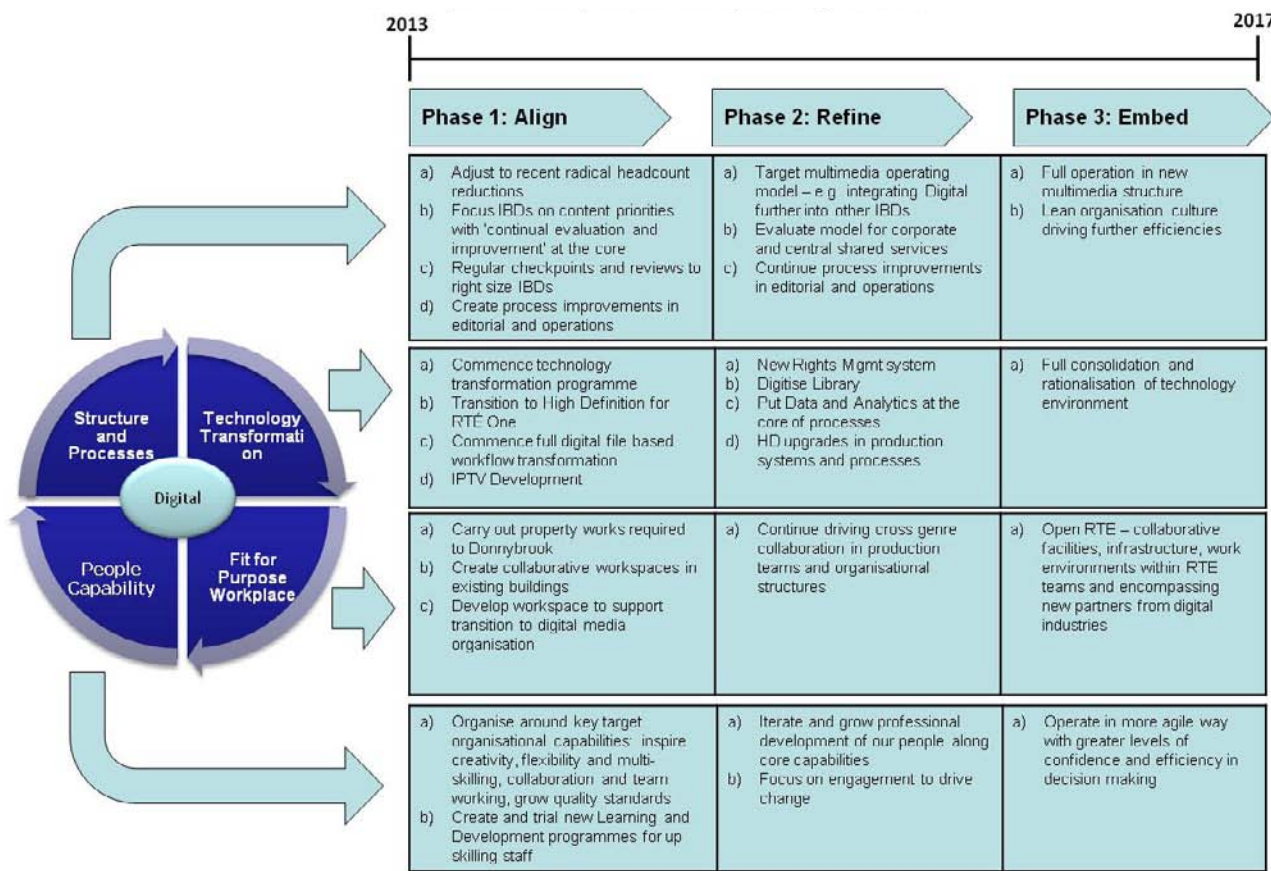
6.2 Transformation Into a Leaner & More Dynamic Organisation

RTÉ's journey towards becoming a fit-for-purpose organisation is not based on cost-cutting measures alone. This transformation involves becoming an organisation

with digital multi-media at its core, realising efficiencies and maintaining continuous improvement of key performance measures.

The illustration below depicts the key components that underpin the journey that RTÉ is undertaking to address the need for change.

Figure 40: Roadmap to Achieving a Fit-for-Purpose Organisation



As illustrated above, the key pillars of the lean and efficient organisation are as follows:

- Structure and processes
- People capability
- Technology transformation
- Fit for purpose workplace

These four pillars, with digital at the core, are driven by the challenging economic environment RTÉ faces and also the evolving audience needs. Each of these key elements will be discussed in turn.

6.2.1 Structure and Processes

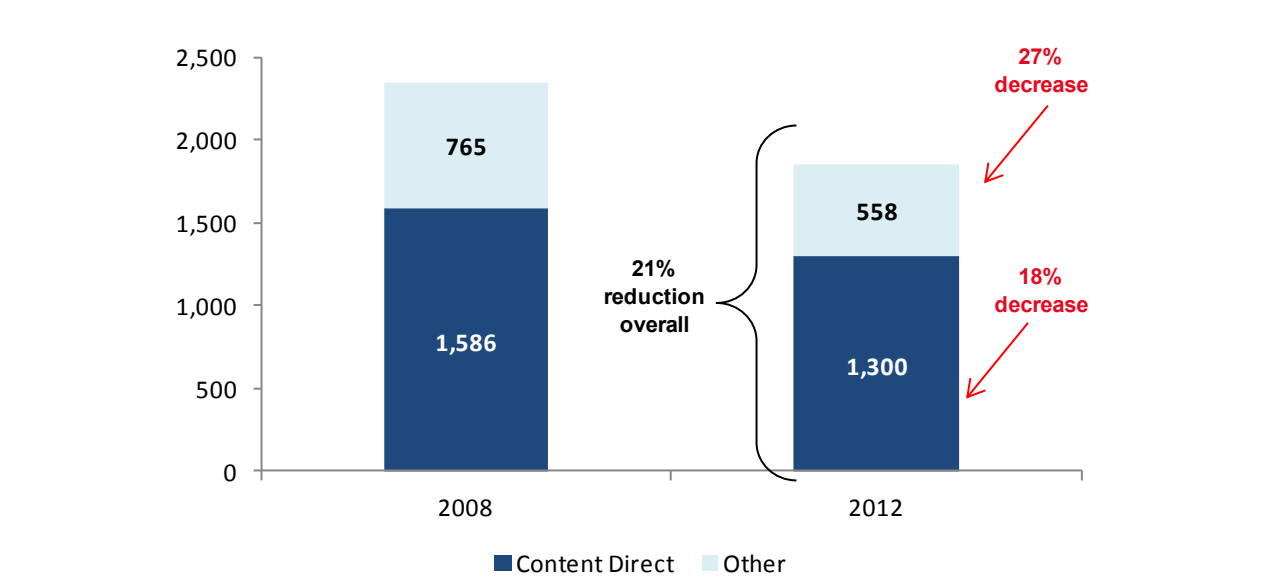
For RTÉ to meet its public service remit efficiently and effectively, it is essential that the organisation is structured appropriately. RTÉ's key priority is delivery of distinctive, quality output; RTÉ is committed to bringing a broad and deep range of services to its audiences. To meet this objective RTÉ has commenced a structured evolution, in terms of moving from being organised around a Business Divisional Structure (IBD) to a Hybrid Structure that marries the cost control advantages of a divisional structure while optimising the commercial opportunity with a new focus on genre-based structures that work collaboratively across the organisation and Digital Integration in Divisions to allow

audience to access the content anytime, anywhere. RTÉ has benchmarked its structures in comparison with other PSBs and, in line with the BBC, has adopted an Evolutionary Strategy having regard to the continuing dominance of core television and radio channels and is moving towards a tri-media organisational structure.

In the past four years, RTÉ has reduced headcount by 21%, from 2,351 as at 31 December 2008 to 1,858* as at 31 December 2012. Significant measures have been taken to date to ensure that RTÉ has become as lean as possible, including offering early retirement and voluntary exit programmes (ERRF and VSF) to staff,

under which 350 people left the organisation in 2011 and 2012. The reductions in headcount have had major implication in reducing the labour costs for RTÉ. While output has been reduced in some areas as a result of this downsizing, RTÉ has worked very hard to preserve the overall depth and quality of its output. The analysis provided in Figure 41 looks at the movements in content direct headcount (personnel wholly engaged in content generation on all media) and other personnel (those engaged in transmission, broadcast, scheduling, libraries, commercial exploitation, promotion, corporate governance and support activities which are not exclusively related to content).

Figure 41: Movement in Content-Direct and Other Headcount 2008–2012



Source: RTÉ Analysis

*Figures are draft and unaudited at time of report

There are five key factors which influence, and to a large extent determine, the ‘right size of the RTÉ organisation’ as follows:

- **Location:** this impacts the availability of independent media companies and facilities
- **Legal mandate/remit:** this impacts the core and additional services like distribution or orchestras and choirs
- **Broadcast services:** this impacts the number and range of services, and the total hours broadcast
- **Languages provided:** RTÉ’s dual language obligation results in a duplication of resources which increases costs and resources significantly in contrast to a single-language provider
- **Proximity to a larger country with the same main language:** this impacts the competitiveness of the local market, and the expectations of audiences

In the case of RTÉ’s these five factors all add to the numbers of people directly employed, and places RTÉ at a major part of the Irish media infrastructure. Looking within the RTÉ organisation, two core aspects have been examined in comparison to other small European Public Service Broadcasters (mainly VRT in Belgium, DR in Denmark, YLE in Finland, NRK in Norway and NPO in Netherlands), and these are: the deployment of staff across services, and then within services. Looking at across-service deployment of staff, RTÉ has a very similar profile with 55-60% deployed to television, and 18-20% to radio. These ratios are broadly the same even in the larger PSBs like ABC in Australia, BBC in the UK, and CBC in Canada. Over the last four years (2008-2012), RTÉ has reduced its

employee numbers by 21%, whilst maintaining output quality and distinctiveness, and also meeting the rising expectations for the range of service provided. This has been in line with other small European PSMs, but RTÉ has reduced staff to a greater extent than most others (based on all other publicly available information and drawn from the European Broadcast Union and the RTÉ Benchmarking Project of 2011).

Table 37: EU PSB Staffing Levels - Headcount (FTE) 2009-2011

| PSB | 2009 | 2010 | 2011 | % Reduction |
|---------|-------|-------|-------|-------------|
| ORF | 3,465 | 3,229 | 3,161 | -9% |
| VRT | 2,557 | 2,439 | 2,316 | -9% |
| RTBF | 2,177 | 2,158 | 2,118 | -3% |
| DR | 2,325 | 2,309 | 2,149 | -8% |
| YLE | 3,307 | 3,180 | 3,092 | -7% |
| NRK | n/a | n/a | 3,500 | n/a |
| SRG-SSR | 5,655 | 5,614 | 5,550 | -2% |
| RTP | n/a | 2,255 | n/a | n/a |

RTÉ’s headcount as at 31 December 2012 was 1,858 (Full FTE 1,720), which has been reduced by 21% since December 2008, when

headcount was 2,351. As can be seen from Table 37 above, RTÉ’s headcount levels compare very favourably with other European PSMs.

6.2.2 People Capability

Effective delivery of the strategic objectives outlined in earlier sections of this document is dependent on the continued enhancement of the capabilities of RTÉ’s workforce. RTÉ’s people strategy is an intrinsic part of its overall organisational strategy and

development of its people is crucial to ensure that it is providing the audience with quality content. As mentioned in section 6.1, the ERRF and VSF programmes resulted in 350 people leaving RTÉ since 2011. A large number of these staff were

highly skilled, experienced individuals. Despite the current financial constraints, RTÉ is committed to an increase in its investment in learning and development for its workforce to ensure staff are appropriately trained and skilled to serve the needs of its audiences.

6.2.2.1 Organisational Capabilities

RTÉ has a high-quality, skilled workforce, and continuous improvement is part of the organisational culture.

To ensure the organisation is fit for purpose moving forward, four capabilities which lie at the core of the people strategy

have been identified and are illustrated below:

Figure 42: RTÉ Organisational Capabilities



- **Inspire creativity:** RTÉ wants to inspire creativity across all areas of the business to drive new content, product and service development and to encourage new ways of working
- **Flexibility and multi-skilling:** developing greater flexibility and multi-skilling across the organisation will help a smaller and leaner RTÉ work efficiently and effectively, and build skills and develop staff by ensuring

fresh thinking and renewed energy is delivered to every level of the organisation

- **Collaboration and team working:** widening RTÉ’s collaborative efforts across the business will create and realise opportunities to support the organisation in working together towards common goals. When RTÉ works together, it delivers the best outcomes for audiences

- **Grow quality standards:** RTÉ wants to grow its quality standards in everything it does, right across the organisation

There are two key enablers to facilitate these four organisational capabilities to evolve: engagement and agility.

- **Engagement:** RTÉ's vision is to evolve into a more open organisation, with greater collaboration to reflect the need to make content for online access and the growing importance of genre structures. Culturally greater focus will be placed on intra-team collaboration and engagement.

- **Agility:** RTÉ will become more organisationally agile by breaking down the silos and barriers that exist in a divisional structure and will actively promote staff rotation between divisions and programme teams. In addition, cross-media training initiatives will underpin this new initiative. RTÉ will continue to reduce management and administrative layers in order to ensure decision-making is effective and efficient and in

line with RTÉ's high standards and competence which will be supported through increased staff training and empowerment.

6.2.2.2 Investing in People

RTÉ's planned investment in 2013 will be targeted on developing the capabilities outlined in section 6.2.2.1 and also on the production and technical skills required of its workforce to deliver high-quality, distinctive content for its audiences. This investment in Learning and Development will also focus on further engaging with the community through internships and outreach programmes.

RTÉ's Learning and Development programmes will be aligned to the implementation of the overall strategic objectives of the organisation and will focus on:

- i. An investment in Editorial, Producer and Journalistic Training with a focus on creating new third-level partnerships to optimise training and development in a symbiotic and cost efficient manner.
- ii. An investment in New Technology and Multi-Media Training
- iii. New Management Development Initiatives to support the focus on teamwork, collaboration, knowledge-sharing and continuous improvement
- iv. Cross-Skilling interventions to maximise operational efficiencies
- v. The creation of the RTÉ Academy to create a knowledge organisation that continually strives to improve and enhance output quality, professionalism and creativity.
- vi. An investment in new Online Training and Development systems to support the Cultural Transformation towards becoming a leading Public Service Media organisation.

The workshops and courses will build on capabilities in creative, management, editorial and business functions, with emphasis at first on core skills and editorial requirements for traditional and digital platforms, moving onto emphasising skills enhancement, and then a shift to reinforcing skills required and cross-skilling and up-skilling in creativity.

6.2.3 Technology Transformation

RTÉ has an extensive technology environment covering broadcast and IT. Some of RTÉ's technology capability lags behind that of other competitors and other PSBs. Some of the technology infrastructure and systems are nearing the end of their supported life cycle and are not appropriate for supporting a 'fit-for-purpose' digital organisation.

The continuing deep economic recession in Ireland has significantly impacted on RTÉ's revenue and is restricting RTÉ's ability to invest in its technology environment, which supports the organisation's operations and activities. Technology is fundamental to transforming the organisation into a flexible, agile and efficient digital business. RTÉ cannot afford not to invest in its technology environment.

During 2012 an analysis of RTÉ's current technology capabilities was conducted. Based on that analysis, on developments in the market and on organisational business strategies, a number of technology strategy priorities were identified. Further details on the initiatives are included in Section 8.

The key priorities are:

1. Transition to High Definition

RTÉ has a number of production studios and an extensive post-production environment. Most of those facilities are standard definition in nature, and some specific equipment and facilities are beyond their supported life cycle. RTÉ has already partially upgraded one of its production

studios to HD, and this is expected to be completed within the next 12 months. RTÉ is in the process of implementing a new digital content server which will handle acquisition and independent production content in HD. RTÉ Two is already broadcast as a HD channel on broadcast platforms and, with the implementation of the digital content server, the amount of HD content on RTÉ Two HD will increase. The costs of upgrading play-out for RTÉ One to HD, and the HD upgrade of the post-production and graphics environment, have been included as part of the capital expenditure plans for 2013 and 2014 respectively. By the end of 2013, it is the intention that RTÉ One will also be broadcast as a HD channel. The ambition is to upgrade some of the television production studios to HD.

2. Implement full digital file-based workflow

Moving to a full digital workflow will simplify the production process, reduce costs on a like-for-like basis, and provide additional capacity and capability to do more. In a file-based environment, content can be more easily stored, catalogued, searched and re-used in other parts of the organisation. RTÉ is currently implementing a digital content server called FAST (File Acquisition and Server Technology), and this will become operational from spring 2013. FAST will enable RTÉ to acquire content as digital files, prepare those digital files for play-out, and then store those assets digitally, reducing manual intervention, time and complexity in the handling and preparation of content. FAST will deliver

operational cost savings and efficiencies and will also support the development of additional services. The next stage of development is to expand FAST into a full digital content management system – the Digital Library. This will be the heart of RTÉ's content management operations. All content and metadata will be managed through the content value chain, from capture, production, play-out and archive. The Digital Library will incorporate extra storage capability for all broadcast and archive material, and provide additional functionality for workflow management, cataloguing, browse and search, beyond the limits of its design and purpose. The Digital Library will be a digital repository for all video content and will deliver a number of benefits in respect of cost savings and cost efficiencies, and to support the launch of new services. The proposal to establish a Digital Library is set out in Section 8 and will require additional funding over and above those provided in the RTÉ 5-Year Financial Projections contained in Section 7. To support the full digital workflow, RTÉ will need to upgrade and enhance its systems for schedule management, rights management and metadata management.

3. Support new ways of working

The impact of the consumerisation of IT is forcing businesses to re-think the way they manage IT equipment and services. IT products and services have become easier to use and cloud-based services are meeting a number of business needs. The adoption of such technology, where



Reduced level of equipment-related charges, including maintenance savings

appropriate, will enable RTÉ to be more agile and flexible, and work more effectively and efficiently. Over the next period, and budgeted for within the capital expenditure budget, RTÉ will be further increasing its use of wireless technology in the business and production environments, the use of cloud-based services for collaboration, production, conferencing and document management, and will roll out a greater deployment of mobile and tablet devices to support flexible working and improve access to business systems. RTÉ has already used smart phones for the capture and contribution of broadcast quality audio for radio, and have been shooting and editing news packages on smart phones using mobile journalism kits. RTÉ will be increasing the deployment of such equipment across the organisation and ensuring that staff are trained to use the new equipment.

4. Data mining and analytics
Currently a number of RTÉ's business systems are not fully

integrated. As a result, the data is maintained in silos, sometimes making it difficult to extract information to support decision-making. RTÉ has a number of projects that have already been deployed to open up data access and interrogation, but there is more that can be done. To that end, RTÉ has started investigating data warehousing and business intelligence solutions which will be able to link different systems which are not currently integrated. This will allow us to improve our ability to gain greater insights into the needs of its audiences and better inform our decisions so we are addressing those needs.

5. Rationalisation of the technology environment
RTÉ has an extensive technology environment covering its broadcast, online, IT and business operations. To minimise capital investment costs, provide scalability, and provide greater access across the business, some of the existing technology services and infrastructure need to be rationalised as and when it

is appropriate to do so (at the point of technology refresh) and where it delivers efficiency benefits. Most of the costs of the technology transformation have been accounted for in the capital expenditure element of the RTÉ 5-Year Financial Projections. However, the overall investment required is greater and additional funding will be required. A number of projects are set out in Section 8 which would require additional funding.

6.2.4 Fit-For-Purpose Workplace

Prior to the economic downturn, RTÉ set out plans (Project 2025) to develop the site at Donnybrook with facilities and workspaces to support the transition to a digital media organisation which would serve as a creative hub for the wider media community at Donnybrook.

Given current financial challenges and the decision to defer Project 2025, the investment in the Donnybrook campus has been slowed over recent years. For some elements of the property, this cannot be sustained.

RTÉ will continue to occupy the existing ageing buildings and facilities on the Donnybrook campus although certain areas require upgrading and investment. An external

study on the state of the buildings and the business critical infrastructure was commissioned over summer 2012 and determined the works and associated capital investment necessary to protect RTÉ from site failure, address statutory and regulatory obligations and deal with essential maintenance.

The study has been reviewed internally, and it has been determined – given the financial challenges – that not all the recommendations of the study need to be addressed over the next five years, but there are some critical requirements in respect of electrical works, mechanical works and building works that need to be addressed. In addition to the work on addressing critical infrastructure requirements, it is proposed that the Donnybrook campus is made

into a digital hub by reforming internal workspaces in existing buildings to be all open-plan. This will make more efficient use of floor space and create collaborative working areas for staff to work together. This will facilitate cross-genre collaborative teams and bring production teams closer together. It is estimated that an additional 150 people could be accommodated within the buildings with improvements in space-planning, and this extra capacity can be used to provide accommodation for the independent production sector and digital media companies. This will enable cost benefits and productivity enhancement through co-location with RTÉ staff. The related costs are not currently included in the RTÉ 5-Year Financial Projections base case.



RTÉ has a high-quality
skilled workforce



RTÉ has made significant cuts in terms of staff

Section 7: Funding RTÉ for the Future

RTÉ is a dual-funded broadcaster, which means it delivers its public service remit through a balance of public funds and commercial income derived from the exploitation of its public service objects as mandated

in the Broadcasting Act 2009. Due to the economic crisis, RTÉ will have seen commercial income decline by 35% in the period 2008 to 2012. Coupled with a decline in licence fee collected in Ireland and the*

*redistribution of the licence fee, this has resulted in a reduction of 11%, i.e. €21m in licence fee income for RTÉ. Total RTÉ income will have declined by over €105m in the period from 2008 to 2012.**

7.1 Licence Fee Levels and Other Household Costs

In Jan 2008 a licence fee increase of €2 was awarded for 2006, which brought the licence fee to its current rate of €160. There has been no increase since. The chart below shows the level of

historic increases to licence fee levels and the static level of fee effective since the year 2006.

RTÉ delivers its public service through a balance of public funds and commercial income

Table 38: Television Licence Fee History 2001 to 2012

| TELEVISION LICENCE FEE HISTORY 2001-2012 | | | | | | | | | | | | |
|--|--------|------|------|------|------|------|-------|------|------|------|------|------|
| Television Licence Fee - Increase Applicable for | Actual | | | | | | | | | | | |
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Up to 31 Aug 2001 (IR£ 70) | | | | | | | | | | | | 89 |
| From 1 Sep 2001 (IR£ 84.50) - 16 months | | | | | | | | | | | 107 | 107 |
| From 1 Jan 2003 – 12 months | | | | | | | | | | 150 | | |
| From 1 Jan 2004 – 15 months | | | | | | | | | 152 | | | |
| From 1 Apr 2005 – 18 months | | | | | | | | 155 | | | | |
| From 1 Oct 2006 – 15 months | | | | | | 158 | 158 | | | | | |
| From 1 Jan 2008 - 5 years to date | 160 | 160 | 160 | 160 | 160 | | | | | | | |
| % Increase | n/a | n/a | n/a | n/a | 1.3% | n/a | 1.90% | 2% | 1.3% | 40% | n/a | 21% |

* Draft 2012 figures.

This level of increase in licence fee lags considerably behind other household costs as shown in the table below for the period 2006 to 2012.

Table 39: Change in Selected Household Costs, 2006 to 2012

| Cost Index, 2006 = 100 | 2006 | 2012 |
|-----------------------------|------|------|
| RTÉ licence fee | 100 | 101 |
| National stamp | 100 | 115 |
| Irish Times weekday edition | 100 | 133 |
| Sunday Independent | 100 | 123 |
| Dublin bus fares | 100 | 141 |
| Hospital A&E charge | 100 | 167 |
| VHI Plan B option | 100 | 218 |

Source: Company Accounts / PwC Analysis

This same point applies, but at a much broader level, when a range of 20 goods and services within the overall CSO basket used for inflation / CPI calculation are reviewed for the five-year period 2006 to 2012.

Table 40: Household Utilities % price changes 2006-2012

| Cost Index (Dec 2006 = 100) | 2006 | 2012 |
|----------------------------------|------|------|
| RTÉ licence fee | 100 | 101 |
| Food and non-alcoholic beverages | 100 | 103 |
| Electricity | 100 | 140 |
| Gas | 100 | 109 |
| Liquid fuels (home heating oil) | 100 | 167 |
| Petrol | 100 | 157 |
| Out-patient services | 100 | 116 |
| Doctors' fees | 100 | 113 |
| Dental services | 100 | 121 |
| Transport | 100 | 114 |
| Motor tax | 100 | 127 |
| Passenger transport by railway | 100 | 122 |
| Passenger transport by road | 100 | 128 |
| Bus fares | 100 | 152 |
| Taxi fares | 100 | 108 |
| Postal services | 100 | 113 |
| Television services | 100 | 120 |
| Newspapers and periodicals | 100 | 113 |
| Insurance | 100 | 158 |
| Motor insurance | 100 | 110 |
| Travel insurance | 100 | 105 |

7.2 Inflation – Historic & Prospective

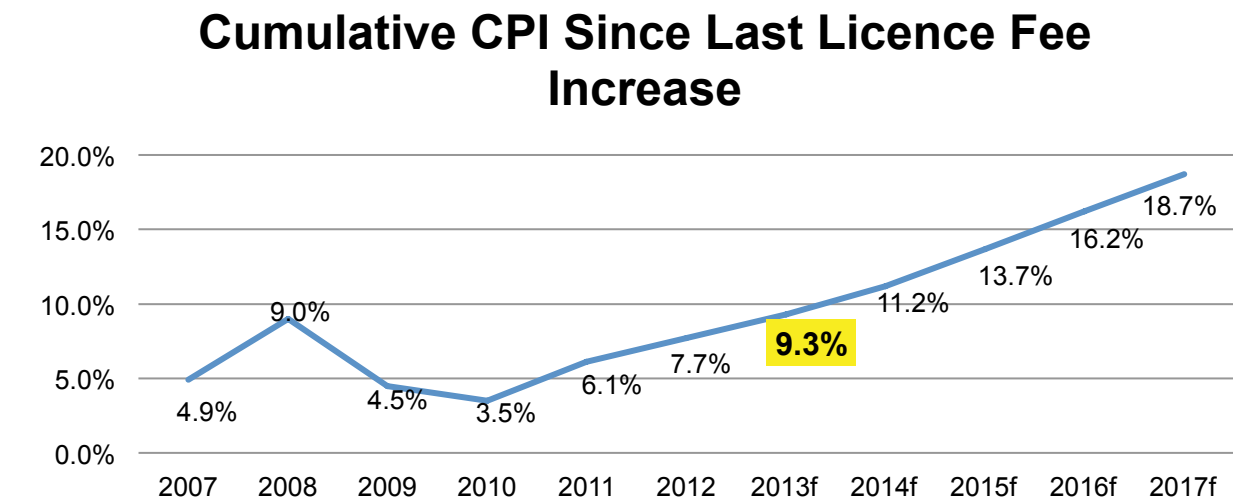
Based on Department of Finance predicted CPI for 2012 and 2013 of 1.6% per year, this results in a cumulative CPI increase of 9.3% between 2007 and 2013. CPI is projected to increase further in 2014 and 2015 and, as can be seen in Figure 43 below, there will be continuing upward pressure in operating costs for service delivery, principally as a result of CPI.

As a result of a sharp fall in income, RTÉ has made significant cuts, particularly in terms of staff numbers and the level of investment in indigenous production and are targeting a breakeven financial result for 2013. However, a continued deterioration in RTÉ funding, including no increase in licence fee for inflationary factors, would have associated risks for services and service levels. These have been maintained throughout, albeit

share has declined due to de-investment and other factors. These scenarios of reduced funding levels are considered later in this section.

At the very least, it is necessary that the licence fee be increased for CPI, having regard to the fact that no CPI adjustment has happened effectively since 2007, to keep pace with future inflationary pressure.

Figure 43: Cumulative CPI Trend 2007-2015



Source: Department of Finance

7.3 Public Funding Model

RTÉ's hybrid funding model is somewhat unique as per Figure 44 because of the extent of reliance on commercial income. RTÉ's 2013 budgeted funding mix is 53% licence fee, 47% commercial revenue, primarily advertising and sponsorship revenues; with some additional commercial revenues, including RTÉ Networks Limited (RTNL) related income.

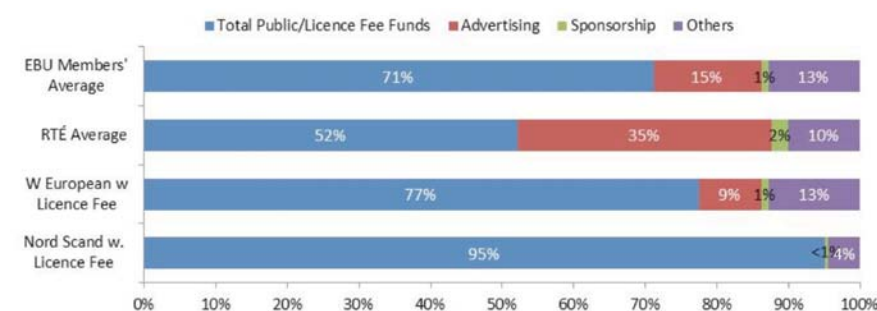
In contrast, in 2011, 71% of EBU members' income was from public funding. The remaining 29% comprised commercial income, just over half of which was from advertising.

The proportion of RTÉ's income derived specifically from advertising is more than double that of EBU members, average, and almost four times that of Western European markets that also operate a licence fee

system. Therefore, RTÉ's heavy reliance on commercial income differentiates it significantly from other comparable PSMs.

PSB Funding Models – Proportion of Commercial & Licence fee Income

Figure 44: 2011 EBU Funding Table



Licence fee Comparisons

Ireland is classified within the EBU as a medium-sized market and had an estimated 4.5 million people in 1.6 million households during 2011. In 2011, RTÉ received €184 million in licence fee income (2012 forecast, €180 million).

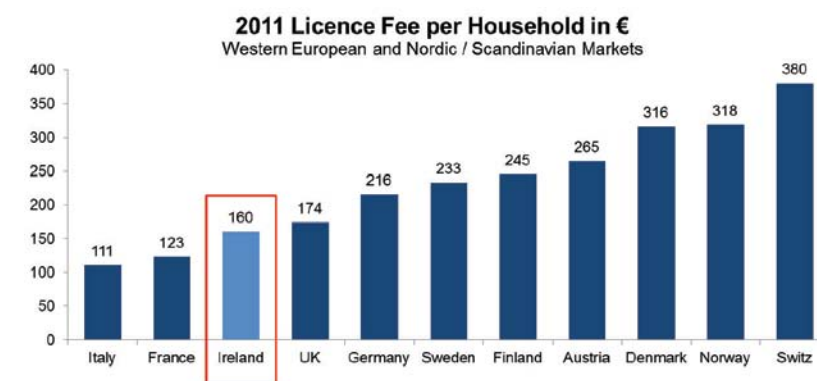
The average licence fee across the 12 Western European and Nordic / Scandinavian markets that operate a licence fee system was €231. Ireland's television licence fee has been set at €160 since 2007 and is significantly below average. Classification of licence fees differ across markets: some apply to television only, others encompass television and radio,

and others have moved to device-neutral fees. The defined purpose of the fee is not part of this analysis, and fee amounts refer to television, television and radio, or other licence types as applicable.

A relatively small population base, such as Ireland's, naturally limits the gross amount that can reasonably be collected from a predominantly household-based system. However, Ireland's lower-than-average licence fee compounds this demographic trait resulting in very low licence fee receipts when compared to other Western European or Nordic / Scandinavian markets.

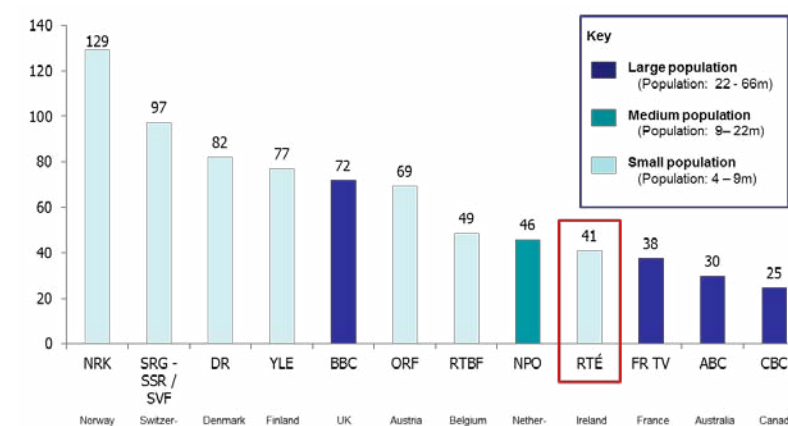
The Nordic / Scandinavian countries of Denmark, Finland and Norway are comparable in market scale to Ireland, with population levels ranging from 4.7-5.5 million people and 2-2.5 million households, but with significantly higher total licence fee funding levels than Ireland, as can be seen from Figure 45. In the larger Western European markets of Italy, France, UK and Germany, where licence fee amounts vary considerably, the value of licence fee received by the relevant PSM organisations ranges from €1-5 billion. For example, BBC's licence fee charge is similar to the Irish fee but it received close to €4 billion in licence fee income compared to €184 million for RTÉ in 2011.

Figure 45: 2011 EBU Funding



As well as Ireland's relatively low licence fee amount, when normalised per capita and compared with other PSBs, it is seen that Ireland's/RTÉ's funding per capita is relatively low.

Figure 46: Level of public funding per capita is relatively low in Ireland



Source: Company annual reports, European AVO Yearbook. Population data sourced from Worldbank.

Where the Licence Fee Goes

RTÉ is heavily reliant on the licence fee to deliver its public service remit, but in recent years the amount of licence fee which the station receives has declined as a result of a number of deductions made on the available pool of funding. These include the BAI Sound and Vision Fund and TG4 part-funding directly from licence fee. RTÉ is also dependent on a 3rd-party collection agent, i.e. An Post, to collect the licence fee, which incurs an annual cost of approximately €13m per annum. By way of illustration,

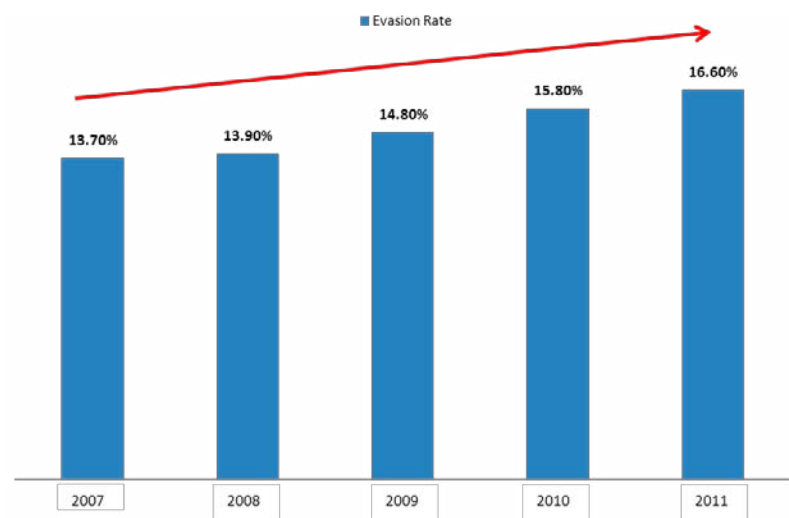
of the €220m collected in licence fees in 2011, RTÉ received €184m, i.e. 84%.

A cap has also been imposed on the amount of licence fee which RTÉ receives from the Department of Social and Family Affairs and Department of Social Protection (DSFA / DSP) for licences to those who qualify, e.g. the elderly.

RTÉ's share of a diminishing pool of income has been reduced by 5.9% between 2007 and 2011. RTÉ has also noted an increasing trend in recent years of licence fee evasion which

diminishes the pool of income available to the broadcaster as per Figure 47. RTÉ does not directly engage in Licence Fee collection, under the Broadcasting Act 2009, and An Post is designated as the Licence Fee collection agent. RTÉ supports the process through marketing support on its own services and through investment in advertising on other media. For actual collection efficiency, RTÉ is completely reliant on An Post and its collection processes and procedures.

Figure 47: Television Licence Evasion Rate



Source: RTÉ Year End Management Accounts

Licence Fee Summary and Conclusion

The main points regarding licence fee are:

- The licence fee of €160 is significantly below the EBU average
- It is set at €160 with no increase applied since that awarded for 2006
- A comparatively low licence fee and a small population create a very high dependency on commercial income in order for RTÉ to fulfil its public service objectives
- Evasion in Ireland compares very unfavourably to other markets
- With no change to the licence fee amount, RTÉ's public funding has effectively decreased in recent years and will continue to erode due to inflation
- Licence fee income granted to RTÉ has reduced in real terms by €21m between 2008 and 2012 due to top-slicing and increased evasion
- As media consumption habits move towards newer devices such as laptop and mobile, TV as a device on which public funding is collected may no longer be appropriate for all consumers

The Irish television licence fee is low when compared to other markets and the effect of this disproportion is compounded by a small population size that limits the total gross of collection receipts. Evasion, top-slicing and the capping of pensioner 'lifetime licences' diminish the ultimate amount RTÉ can receive in licence fee funding. These factors create a very high dependency on commercial income. With licence fee income far below average and a small Irish population, RTÉ faces unique challenges as a PSM.

7.4 Commercial Income

Why and How RTÉ Must Derive Commercial Income

RTÉ's success is dependent on commercial revenues more than other EBU PSBs. RTÉ's public to commercial funding is approximately 50:50 in terms of RTÉ's total funding (budget 2013 is 53:47) differing from many of its European peers where commercial funding is generally no more than 30%. This cyclical nature of the economy results in greater volatility in RTÉ's total income compared to other PSMs due to an approximate 50:50 split between public and commercial.

Commercial Codes of Compliance

RTÉ has an obligation to deliver public value through its public services. In order to

make efficient use of public funds, it also has an obligation in law to exploit commercial opportunities arising from the provision of these services. The Broadcasting Act 2009 obliges the organisation to maximise its commercial revenue within the parameters agreed with the DCENR.

PSMs seek to set up a virtuous cycle for the audience through its portfolio of services and output. The unique character of content and services drives audience share, which in turn enhances the commercial attractiveness of the PSB to advertisers. The net resultant increase in revenue is then re-invested into maintaining and improving services and output to re-enforce and enhance audience experience. RTÉ seeks through its strategies

to reinforce the virtuous cycle between audience share, commercial revenue and its continued investment in high-quality, distinctive content.

Continued investment in high-quality, distinctive content

Figure 49: Quality PSM Output Drives the Virtuous Cycle for Audience Share and Income Generation



However, commercial activity must be in harmony with all relevant PSB regulation, Competition Law and Corporate law.

RTÉ operates in compliance with the provisions of both statutory and voluntary codes and guidelines. These include the codes of the Broadcasting Authority of Ireland, the voluntary codes of The Advertising Standards Authority for Ireland, the code relating to Alcohol Advertising and Marketing agreed with The Department of Health and Children and the On-Demand Services Code. Further codes, such as those of The Central Bank, ComReg and National Consumer Agency, also regulate commercial activity

on broadcast media in specific categories.

To ensure advertising standards compliance RTÉ has to maintain formal clearance procedures for all commercial copy appearing on its services. This involves management across radio, television and corporate compliance signoff to ensure that every commercial message it broadcasts is legal, decent, honest and truthful and does not mislead its audience. It is of the view that the public, who ultimately own the services, have a right and an expectation that commercial content would operate to the same high standards as editorial output, and that they are fully protected. That operation is not without cost

to RTÉ, is at the disposal of the advertising industry and is regarded as the official Irish clearance system. It is not uncommon for other broadcasters to rely on RTÉ clearance for their compliance and protection and this applies to both other Irish-based broadcasters and UK opt-out channels. The UK television clearance company Clearcast refers those looking for clearance in Ireland to the RTÉ ad-clearance network.

In response to market challenges and the need to ensure that RTÉ is efficiently managing commercial activity, RTÉ is established as a centralised commercial function whose key strategic objectives are listed.

Table 43: Commercial Strategic Initiatives

| Commercial Objective | |
|----------------------|--|
| 1 | Maximise commercial revenue as mandated in Broadcasting Act 2009 |
| 2 | Stem the decline in commercial revenue resulting from weak domestic economy |
| 3 | Leverage digital Innovation to drive new revenue streams |
| 4 | Implement best practice in sales operations |
| 5 | Seek regulatory approval for flexibility in television and radio-advertising minutes |
| 6 | Grow sponsorship revenues across all platforms |

The sales teams compare favourably in terms of scale and efficiency with other operators in the marketplace. All staff and other costs incurred in pursuit of commercial exploitation are fully costed and charged against commercial revenue earned.

7.4.1 Regulation and Self-Regulation Practiced by RTÉ

Developing and applying self-regulation is seen as necessary to demonstrate trust with the audience.

RTÉ’s strategy is to continue to set the standards-bar and to follow all relevant legislative and regulatory

obligations as summarised in Table 44:

Table 44: Legislative and Regulatory Considerations

| Category | Current Practice | Implications for RTÉ |
|---------------------------|--|---|
| Regulation | <ul style="list-style-type: none">Commercial Operators are allowed 12 advertising minutes per hourPSB is allowed 6 advertising minutes per hour | <ul style="list-style-type: none">More impacts from increased opt-outs (advertising sold by broadcasters not based in the jurisdiction with local advertising content) and the increased allowable commercial minutage have depressed pricing in an already depressed market |
| Competition Law | <ul style="list-style-type: none">Share-based sales policy was considered by the Competition Authority to cause market distortion | <ul style="list-style-type: none">RTÉ has voluntarily changed its sales model to remove any perception of unfairness |
| Self-Regulation | <ul style="list-style-type: none">Published Benchmark Ad PricingAdvertising standards set and practiced by RTÉ are used by the market place is the standard to be met and applied | <ul style="list-style-type: none">To facilitate advertising campaign budgets, RTÉ publishes a fixed-price television ad system based on forecast supply and demandOther broadcasters and agencies discount against these benchmark ratesRTÉ operates a code of practice to ensure appropriate ad content broadcast on television, Radio and Online (i.e. Products, Audience and content sensitive)Many agencies can leverage RTÉ’s ad code to ensure consumer ad compliance, but have not agreed to pay for ad vetting |
| International Competition | <ul style="list-style-type: none">Many international broadcasters and online companies are regulated outside Ireland and outside EU | <ul style="list-style-type: none">Differing standards e.g. UK Regulation in connection with children’s advertising |

Table 45: Television Commercial Plan Assumptions

| Television Market Assumptions | |
|-------------------------------|---|
| Market Growth | <ul style="list-style-type: none">Forecast further reductions in television advertising revenue of 1-2% per annum between 2012 and 2017 |
| Market Competition | <ul style="list-style-type: none">Increase in opt-out stations |



Continued investment in
high-quality distinctive
content

7.8 How RTÉ Spends Public Money

7.8.1 Challenges with Perceptions of the Current Attribution System

In 2003 RTÉ introduced Segment Reports in its Annual Financial Statements. The reports were introduced against the background of:

- Increased demands for visibility in the use of licence fee
- An understanding that powers conferred on the Minister to require special accounts would be exercised if RTÉ did not provide certain types of information

- Complaints in relation to state aid then before the EU Commission

In addition to a segment report in line with RTÉ's organisation structure an additional report was provided by channel and service. In the absence of legislative or other guidance RTÉ attributed licence fee in these reports based on an approach which took account of the gross cost of each public service activity and reduced it by the commercial revenue

relating specifically to that public service.

Amendments were made to the presentation of the segment report to more clearly distinguish between costs and revenues related to the public service objects and those related to the pursuit of commercial opportunities.

7.8.2 Proposed Attribution of Public Funding 2013 – 2017

Background

Commencing in 2003, in response to increasing requirements for transparency and accountability, RTÉ included segment reports in its annual financial statements. The statements showed the costs of each RTÉ service, the surpluses generated from commercial activities and the amount of licence fee funding attributed to each of the services. The requirement to show how the licence fee income is spent and to clearly separate between public service activities and commercial activities became a legal requirement under the Broadcasting Act 2009.

RTÉ considers that its reports comply with the relevant provisions in the Broadcasting Act 2009 as follows:

- Section 109 (9) The segmental report contained within the Annual report of RTÉ indicates the use of monies in pursuance of its public service objects and the total revenue and costs received or expended on activities in pursuance of its public service objects and in pursuance of the exploitation of its commercial opportunities object.
- Section 109 (10)The notes forming part of the group financial statements contained within the annual report of RTÉ detail the accounting principles and methods for assigning costs and revenues to activities in pursuance of its public service objects and in pursuance of the

exploitation of its commercial opportunities object.

Compliance with the above provisions is reviewed as part of the external audit process conducted by RTÉ's external auditors. RTÉ is now changing its process for attributing public funding to services to ensure that the use of licence fee is explicitly differentiated and attributed prospectively.

Proposed Process

1. Costing and cost-allocation processes will continue to be done under the full cost absorption basis and in compliance with applicable accounting standards.
2. Surpluses on commercial activities such as broadcast advertising that arise directly from the provision of a particular service will be used to reduce the net public service costs of the service.
3. Surpluses on commercial activities not directly linked to channels (e.g. RTÉ NL and RTÉ Guide) will be totalled and attributed to those public service activities which have significant revenue-generating potential (RTÉ One, RTÉ Two, RTÉ Radio 1, RTÉ 2fm, Online) in proportion to the gross public cost of the services. These amounts will further reduce the net public service cost of those channels.
4. Licence fee funding will be distributed as follows:
 - Services with no or limited potential to generate commercial income will have their net cost fully funded from the licence fee. These will include: RTÉ Raidió na Gaeltachta, provision of programming to TG4, Orchestras, RTÉ lyric fm, supplementary DTT and DAB channels, Corporate HQ and financing costs.
 - The remaining licence fee will be distributed between services with significant commercial revenue potential in proportion to the net cost of the public services. Research undertaken by RTÉ indicates that net cost of public service is a common basis for attribution of public funding used by EBU members. These services will include: RTÉ One, RTÉ Two, RTÉ Radio 1, RTÉ 2fm and Online.

Table 59: Capacity of Services to Deliver Commercial Revenue

| Category | No Potential to Generate Commercial Income | Limited Potential to Generate Commercial Income | Significant Potential to Generate Commercial Income |
|----------------------|--|---|--|
| Services/ Activities | <ul style="list-style-type: none">• RTÉ Raidió na Gaeltachta• TG4 Programming• Supplementary DTT and DAB Channels• Corporate HQ• Financing Costs | <ul style="list-style-type: none">• RTÉ lyric fm• RTÉ Orchestras | <ul style="list-style-type: none">• RTÉ One• RTE Two• RTÉ Radio 1• RTÉ 2fm• Online |
| Rationale | PSM Activity which has no commercial potential | PSM Service with limited commercial opportunity | PSM Service with significant commercial potential. |
| Public Funding | Fully funded | Full funding of net cost of public service | Available public funding attributed in proportion to net cost of public service |

Assumptions

The projected use of licence fee per service is the product of a cost allocation process and multi-year forecasts of costs and revenues. Because of the diversity of RTÉ’s operations, the interdependencies between them and the extent of reliance on shared services for reasons of efficiency, the cost allocation process is, of necessity, complex. The licence fee attributions generated by the model and included in this document are therefore best estimates that are dependent on a number of assumptions remaining valid over the period 2013 to 2017. These assumptions include:

- Composition of commercial revenue at channel or service level
- Impact of payroll inflation, general inflation and prices for key inputs at detailed programme and cost centre level
- Programme and activity plans
- Trends in consumption patterns for internally provided services and in statistics such as headcount at detailed cost centre level used as analogues for consumption of such services
- Impact at detailed level of targeted efficiencies.

While RTÉ has sought to ensure that these assumptions are logical and reasonable it is inevitable that it is not possible to predict them all accurately over a five-year period.

Taking account of the assumptions for the Base Case Scenario as set out previously and service-specific output plans, RTÉ has prepared indicative projected costings by service and by genre, together with the proposed utilisation of public funding. 2013 Indicative Projections are attached and 2014 to 2017 projections are included in Appendix F.

Thresholds

RTÉ intends to propose a range of upper and lower thresholds calculated by allowing for movements from the expected attributions which would take account of:

- Commercial revenue risk
- Operating cost risk
- Unscheduled special events, such as General Election
- Broadcast risk
- Movement in actuarial valuation of defined-benefit pension schemes.

Some of these risk factors, particularly commercial revenue risks, increase in the later years of the period as the uncertainty surrounding commercial expectations becomes greater. Consequently, the spread of lower and higher thresholds would become larger in later years.

Again, using the financials and assumptions contained in the Base Case Scenario as set out previously, using these projections as a basis and allowing for the range of uncertainties noted above, the following projected indicative thresholds ranges for public-funding utilisation have been estimated:

7.9 Public Funding Expectations for 2013 to 2017

In the context of dramatically depleted commercial income and Government’s Budget 2011, RTÉ sees its current level of public funding as insufficient. Public funding for RTÉ needs to be protected to secure the future of public service media in Ireland and a healthy pluralist media environment.

The BAI-commissioned report on the Irish Broadcasting Landscape reviewed issues for Irish PSB public funding and

endorses this view, concluding that, ‘The ideal outcome will be clarity over the role of public service broadcasting and security on its future funding to facilitate future economic planning and ensure best value for the public’.

In conclusion RTÉ faces intense competition for its audience in the face of competition from both Irish and International media. As a dual-funded PSB, RTÉ’s ability to fund its output will depend to a large degree on its ability to attract available

audiences to advertisers in the future. Any shortfall in commercial revenue could potentially impact on RTÉ’s output. Long-term planning of service delivery for any PSB and the commissioning of content can take up to 2 years.

To fully support RTÉ in the delivery of its remit, there is therefore a clear need for greater certainty of funding and a reduction in volatility seen in the cyclical nature of the markets.

RTÉ is
committed to
delivering a range
of content and service
improvements



Section 8:

Securing RTÉ's Future as a Digital Public Service Media Organisation

Introduction

RTÉ, like all organisations, must constantly look to the future. As stated clearly by the Director General in his introduction to this strategy, RTÉ must now take the next steps necessary to ensure that, amid profound technological, societal and economic change, RTÉ continues to be a public good, accessible to all, trusted, at the centre of Irish life and relevant to the everyday lives of Irish people.

As with many traditional media organisations in Ireland and elsewhere, RTÉ is reinventing itself to meet the changing needs and expectations of its audience in the digital age. RTÉ is well on the way to doing this and is ahead of many comparable traditional media organisations. What has been achieved in the past number of years and the future direction set out in this strategy bear that out.

RTÉ is addressing these fundamental and structural changes in media amid the deepest recession this country has faced in a generation. Ireland's dual-funding public service broadcasting model means that RTÉ's public service objectives are underpinned by its capacity to generate commercial income to a much greater extent than other European PSBs. But, as described in Section 7, due to the economic crisis RTÉ's commercial income has fallen

by 35% since 2008. Licence fee income has reduced by 11% while over the same period the cost of RTÉ's public service responsibilities was significantly increased to include the delivery of the national digital switchover.

The stark reality is that at precisely the same time that RTÉ's resources have contracted so severely and obligations increased, the fragmenting nature of media consumption is demanding that RTÉ increases investment in high-quality, distinctive Irish content and key technology to retain its connection with and fully serve its audiences.

Without action these twin pressures can only lead to a decline in both RTÉ's relevance and commercial viability, not today or tomorrow but during the lifetime of this strategy. Those who gain from this decline are not other Irish-owned media organisations but, in the main, large international media providers who invest little or nothing in Irish-focused content. Much is at risk beyond RTÉ's own future: a viable independent production sector; Irish investigative journalism; significant Irish TV drama; national regional coverage; classical music performance and new works; distinctively Irish children and young people's programming; and significant investment in Irish sport and Irish language services. All of these add to

Irish life. They are not services or activities sustainable on any scale without a strong and viable RTÉ.

A diminished RTÉ does not serve any public interest or Irish commercial interest. The decline of RTÉ is not inevitable. With a change of approach both in how RTÉ operates, which is underway and within RTÉ's control, and an increase in the level of public funding it receives, a different and exciting future is possible.

RTÉ believes in its capacity to deliver on the promise that it was set up to fulfil over 50 years ago - a promise that is arguably more relevant today than at any time in its history. RTÉ is acutely aware of the pressures on both the exchequer and households at present, but in the context of this Multi-Annual Review it is incumbent on it to be clear about its future.

Section 7 in this strategy sets out the public funding and commercial projections for RTÉ over the coming five years. What follows in this section are the key investments that RTÉ needs and wants to make to secure its future and be able to act as a vital engine for growth within the Irish creative digital economy.

8.1 Future Opportunities

The opportunities set out in this section are not currently included in RTÉ's 5-Year Financial Projections as sufficient funding for these initiatives is not readily generated from projected revenues.

The opportunities being considered fall into the

following areas:

- Investing in new content and services
- Content digitisation and opening up of the archives
- Extending audience reach
- Enhancing audience access
- Evolving RTÉ and Donnybrook into a digital hub

The opportunities are summarised below, together with indicative cost figures including set-up, capital expenditure costs, estimated annual operating costs, and with revenue potential where applicable. Estimated launch windows are also noted.

Table 61: Future Opportunities and Associated Costs and Timelines

| Opportunity | Overview |
|--------------------------|--|
| New Content and Services | Investment in new TV, radio and digital content and services |
| Digital Library | Full digital workflow and digital storage of media assets |
| Open Archive | Digitise all archive material and provide online access to the general public |
| RTÉ Ireland | Free-to-air broadcast television channel for Great Britain |
| IPTV Channels | Develop a portfolio of IP television channels to meet the needs of audiences with unique needs |
| SAORVIEW Anywhere | Broadband distribution of SAORVIEW content to broadband devices and development of a DTT / broadband hybrid set-top box |
| DAB + | Market roll-out of a national terrestrial digital radio platform using second-generation DAB standard |
| Creating a Digital Hub | Opening up the Donnybrook campus and working collaboratively with other organisations |
| Donnybrook Campus | Upgrade of critical building infrastructure and site facilities not currently affordable within the RTÉ 5-Year Financial Projections |

RTÉ has already made considerable investment in the digital future of public service media. RTÉ will have invested €65m in the build-out of the digital terrestrial television platform. It has also invested in the marketing and the launch of SAORVIEW, together with the launch of SAORSAT and the development of digital services. Such funding was undertaken from RTÉ's own funding resources and during a period of declining revenues.

The success of digital switch-over has yielded very significant financial benefits to the Irish exchequer, while at the same time, for now, securing the future of free-to-air television.

Given that these opportunities will further secure RTÉ's future as a digital Public Service Media organisation, RTÉ intends to pursue additional means of funding which would include some or a combination of the following:

- Additional public funding (different options as described in Scenario 3, Section 7)
- Co-investment with partners
- Potential asset divestments
- Alternative operating models, such as out-sourcing or managed services

RTÉ will invest any increased public funding on enhancing its content and services.

8.2 Investment in New Content & Services

Since 2008 RTÉ has striven to meet its Public Service Statement by maintaining quality, distinctiveness and reach as budgets were dramatically reduced. A relentless focus on cost efficiencies has ensured that overall the genre mix remains reasonably balanced, but these cuts have inevitably had an impact, with some significant reductions in home-produced content.

Additional public service funding is now required if we are to serve all our audiences with high-quality programming available whenever and wherever they want it. Informed by the new Public Value Framework and RTÉ's stated content Areas of Focus, RTÉ has identified key content and service areas in which additional investment is required, and which would add the greatest public value to RTÉ's service offering:

• Irish Drama

Building on the experience and success of RTÉ's recent landmark Irish television dramas, such as the series *Love/Hate* and *Raw*, the longer format *When Harvey Met Bob* and the refocused and highly popular Irish soap *Fair City*, RTÉ will increase its investment landmark Irish television drama, with a focus on the export potential of this sector.

With significant new investment, both in specific new dramas and in the creative sector that supports the delivery of high-quality drama, RTÉ believes that Ireland can become an important centre of excellence for English-language television drama on the international stage.

• Children and Young People

Increasingly children and young people are using digital technologies when and where

they want to engage with all kinds of media content. Building on the strategy outlined in Section 3, RTÉ will invest in the creation of a series of vibrant cross-platform 'hubs' for pre-school, primary-school and teenage Irish citizens. In support of its broadcast services and linked to social media and other third-party online services, these hubs will aim to become key access points for children and young people to original Irish content. In addition, RTÉ will increase its investment in animation, again, as with drama, with a drive to build a scalable export industry.

• Factual Programming

High-quality factual programming is one of RTÉ's real strengths and essential to the delivery of its public-service obligations. RTÉ will add additional ambitious, specialist factual programming to underpin its coverage of science, history, education and natural history across RTÉ One

and RTÉ Radio 1. Additional investment would also allow RTÉ to develop new tools and resources, dedicated science and history 'hubs' and educational packs.

A key thematic focus of this investment over the period would be to significantly enhance the breadth and impact of RTÉ's planned coverage of the Decade of Centenaries.

• RTÉ Two & RTÉ 2fm

RTÉ will increase its annual investment on independent commissions for RTÉ Two in the following genres: comedy*, documentary, education and young people's factual. RTÉ 2fm is one of RTÉ's key connection points with young people, to further build this connection, RTÉ will invest in targeted music and popular culture documentaries, comedy* a new teen *Liveline* programme, increased live music and increased presence at festivals and events.

(* Comedy spend on RTÉ Two and RTÉ 2fm is captured under the 'Comedy' bullet below)

• RTÉ News Now

RTÉ News Now has the potential to become a key national rolling multimedia news service over the duration of this strategy. RTÉ will increase the frequency of live bulletins and breaking news, develop richer, more diverse feature, and current-affairs content and further develop its online and mobile applications. With these investments RTÉ believes the service can add real value to the RTÉ News and Current Affairs output across RTÉ's other channels and provide a unique and dedicated focus on the issues and challenges facing this country.

• Investigative Journalism

As set out in Section 3, RTÉ has ambitious plans to reinvigorate and reinvent its approach to investigative journalism. With additional resources, RTÉ will increase both the number and breadth of its investigations and develop much richer online resources that increase transparency but also allow much more interactivity with the public. RTÉ Radio 1 will increase the investigations within its programming and programme strands.

In addition RTÉ will develop much closer connections with third-level institutions to increase interest and help build skills in investigative journalism. Where possible, to increase the impact of investigations, RTÉ will also seek to partner with other media.

• Comedy

Comedy is creatively risky and expensive to produce. Now more than ever comedy and escapism must be a key part of RTÉ's output. RTÉ will increase its investment in comedy with new television and radio programming, integrated across RTÉ One, RTÉ Two, RTÉ Radio 1 and RTÉ 2fm. This programming will be supported by cross-platform talent development, comedy-writing initiatives and enhanced digital content.

• RTÉ Radio

Beyond the radio content referred to above, RTÉ Radio will: add a new diversity strand on RTÉ Radio 1, new Irish-language education programming on RTÉ Raidió na Gaeltachta, standout event programming on RTÉ lyric fm, a new online documentary channel and a new programme

strand on RTÉ Radio 1 and online aimed at the diaspora.

The precise allocations across the different content areas and services could vary as RTÉ continues to develop new planned multi-service genres. In addition, the increased investment has the potential to leverage new co-production opportunities which could further increase the public value of these investments and allow for additional reallocations.

The Independent Production Sector

RTÉ has a proven track record of targeting previous increases in funding and revenue growth at increased home production, particularly sourced from the independent sector. Many of the content areas RTÉ is targeting for additional investment would be served predominantly by independent production companies, creating jobs and skills development in an Irish industry with potential for export growth.

RTÉ is committed to ensuring that the independent production sector would benefit from any additional investment in content enabled by increased public funding. In these circumstances over 50% of any additional content investment would be produced fully or in partnership with the independent sector and other third parties. In this context RTÉ would agree to an appropriate increase to its statutory minimum spend on independent commissions, currently at circa €40 million per annum, to provide greater certainty to the sector.

8.3 Content Digitisation & Opening up the Archives

There are two opportunities that are linked – the build of a Digital Library and the launch

and operation of an Open Archive.

8.3.1 Digital Library

Description

The Digital Library will be the heart of RTÉ's video operations, making video assets (media essence and metadata) in a digital form available to business activities across RTÉ. RTÉ already uses digital production tools and systems in the television production chain, but some content is still managed on tape; acquisition content is received on tape and programmes are played out on tape.

RTÉ is currently investing in a new digital content server which will enable us to receive programmes as digital files, more efficiently prepare and manage that content on the server and then play out content from the server to the television channels as well as the RTÉ Player. That content can then be retained as digital files for other scheduled events. This reduces operational costs and overheads and removes reliance on tape-based equipment which is legacy and beyond useful life.

The digital content server will

become operational through the course of 2013 as it is rolled out across television operations. Once the digital content server is fully operational, we plan to expand and build on that system to create a Digital Library.

The Digital Library will incorporate extra storage capability for all broadcast and archive material, and provide additional functionality for workflow management, cataloguing, browsing and searching. Through a web browser users will be easily able to search, review and retrieve content. The library will be a digital repository for all our video content, which currently exceeds 230,000 hours' worth of material. The Digital Library will enable RTÉ to be fully tape-less, and support the cataloguing and preservation of archive material.

The Digital Library will enable RTÉ to realise a number of business benefits:

- Cost savings as a result of eliminating or reducing further tape-based processes (compared

to existing processes on a like-for-like basis), and in being able to handle archive content and all broadcast content more efficiently. Also removes reliance on end-of-life tape based equipment

- Cost efficiency where the Digital Library will support the preparation of existing services and the launch of new services with agility and at a reduced cost
- Creation of creative value where the Digital Library enables more effective and agile use of RTÉ's content, the retention and re-use of digital files for other events, and an enhancement of audience facing services

Financial Implications

The solution design for the Digital Library and the detailed business case needs to be prepared. The build of the Digital Library will take 18 months to complete from approval, excluding ingest of content.

RTÉ

Extend reach to
new audiences in Ireland
and beyond



8.3.2 Open Archive

As Ireland's Public Service Broadcaster, RTÉ is the largest creator and keeper of uniquely Irish audio-visual content and holds the key to arguably one of the most significant, unique and invaluable collection of public records which document a critical part of our past. The RTÉ archives comprise moving image, sound, photographic and document collections.

The vast majority of the archive content is stored on physical media, which is not readily accessible, and some of that material is deteriorating. RTÉ has a legal obligation under the Broadcasting Act to establish and maintain archives and libraries containing materials relevant to the objects of RTÉ.

The implementation of the Digital Library enables RTÉ to digitise its archive material, to more easily exploit it and to securely preserve that content for future generations. The Digital Library will be the backbone for a number of RTÉ services, but with the digitisation of the archive material, a new service called the Open Archive will be created.

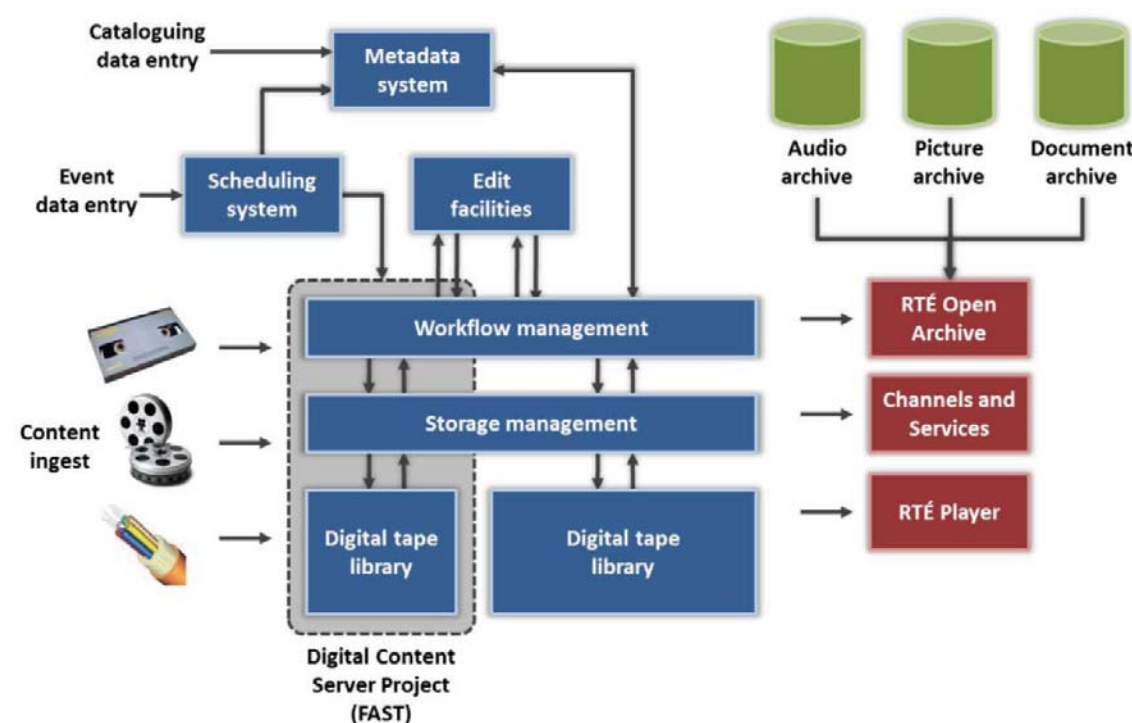
Opening up the Archive creates the opportunity to develop a number of partnerships with other creative and cultural organisations in Ireland. There is also the potential to create a number of public and commercial activities as a result of opening up the archive

and that could enable RTÉ to position itself and the archive as part of a growing set of public archives in Ireland. The archive will be accessible, searchable and discoverable via digital means, open anywhere, anytime for enjoyment, review, research or study. There is the potential to create an educational and cultural resource for citizens and to stimulate new forms of creativity and commercial activity.

Financial Implications

The detailed business case for the Open Archive needs to be prepared.

Figure 53: High-level Illustration of the Digital Library and Open Archive



8.4 Extending Audience Reach

There are two opportunities that are not included in the 5-Year Financial Projections,

but they will help extend reach to new audiences in Ireland and beyond.

8.4.1 RTÉ Ireland

Description

RTÉ plans to launch an RTÉ-branded linear television channel – working title RTÉ Ireland. The channel will be made available free to air in the Great Britain market (England, Scotland and Wales) on satellite and cable platforms (the channel will not be available in Northern Ireland as RTÉ One and RTÉ Two are available on Freeview, Sky and Virgin Media). The channel will also

be made available online at RTÉ.ie.

The target market for the channel is the Irish diaspora and anyone who has an interest in Irish life, culture and media. The channel is to feature Irish content sourced from the schedules of RTÉ One and RTÉ Two and from the RTÉ archive and will feature a number of genres – entertainment, factual, lifestyle, and news and current

affairs. Some programmes will be simulcast live from the RTÉ One and RTÉ Two schedules.

With the implementation of the digital content server we will be able to manage the set-up costs, and it is the intention to base the packaging and playout of the channel at an established external playout facility in order to minimise upfront investment.

8.4.2 IPTV Channels

Internet Protocol Television (IPTV) is television over broadband. With improving broadband speeds, the ability to access and stream high-quality video is becoming more attractive to the Irish public.

IPTV is a key benefit of Ireland's National Digital Strategy and over the next few years IPTV may well account for a significant share of 'television' viewing. IPTV offers RTÉ the opportunity to curate archive content as channels and leverage that content to meet diverse audience needs. Channels can be created at a low cost to allow innovation and experimentation, and the overall objective is to get the best possible value for money from our existing content.

As IPTV's share of overall television viewing grows, it could erode traditional advertising revenue. Aggregated audience measurement will be essential to the financial viability of IPTV services, which is one of the benefits of SAORVIEW Anywhere.

With more and more people watching television online (especially 15-34 year olds), now is the time to develop a portfolio of IPTV channels for RTÉ. RTÉ proposes to launch a number of new IPTV channels, one each for arts and culture, comedy, sport, life and style, young adults, senior school and business.

The concept is a low-cost and

scalable delivery model, similar to that of RTÉ News Now. An IPTV-delivery framework would be created connected to the existing broadcast and ad-delivery infrastructure, facilitating the addition of extra channels at low incremental costs.

A centralised channel management and operations team would be established to launch, incubate and run the IPTV channels, thereby driving efficiencies.

Financial Implications

The detailed business case for the IPTV channels is being prepared.

8.5 Enhancing Audience Access

Previously in this document, the success of SAORVIEW and the potential of DAB are both referenced. Not included in the 5-Year Projections is

the opportunity to build on the success of SAORVIEW by creating a broadband component of the SAORVIEW service that will complement

the DTT offering and, secondly, to work with industry on the potential launch of a DAB+ platform in Ireland.

8.5.1 SAORVIEW Anywhere

Description

The SAORVIEW DTT service was successfully launched in 2011. Following the completion of digital switchover, there are high levels of awareness of the SAORVIEW brand, and as of the end of December 2012, there were 558,000 SAORVIEW homes.

There are opportunities for SAORVIEW to grow as a DTT-only platform, particularly with the launch of new services and the inclusion of new functionality in set-top boxes, such as personal video recorders.

But the growth of broadband and the ability to access on-demand and linear video content over the internet has resulted in some free-to-air broadcast platforms launching hybrid services, such as You View and Freesat (Freetime) in the UK. These hybrid services combine access to linear content delivered over broadcast, and on-demand and linear content

streamed over the internet. And all are presented within the electronic programme guide, providing the consumer with a seamless integrated service.

There is an opportunity to capitalise on the growth of IP and the SAORVIEW brand equity to create a service called SAORVIEW Anywhere that is an extension and development of the DTT service.

SAORVIEW Anywhere will provide quality content, including existing and new SAORVIEW channels and services, on-demand and catch-up services, accessed through an easy-to-use and intuitive interface.

The service will be free to access (over and above broadband network access charges) and minimal investment will be required by consumers, as the stand-alone broadband service will be designed to be accessed on existing broadband devices. Existing SAORVIEW homes

who wish to take up the service will require a new set-top box and a broadband connection.

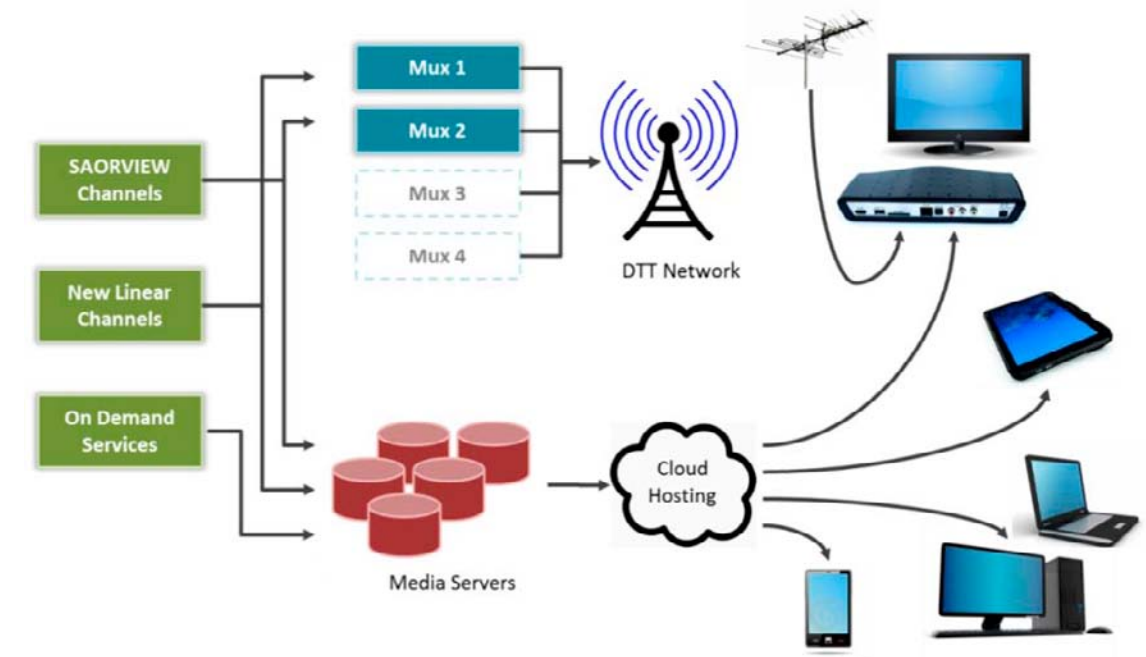
RTÉ will not be able to deliver SAORVIEW Anywhere on its own, and will need to work with a number of partners to deliver both the stand-alone broadband service and the hybrid set-top box. RTÉ will seek appropriate industry partners to deliver SAORVIEW Anywhere, to enable both the stand-alone broadband service and the hybrid set-top box.

The service supports the growth and take-up of broadband, and supports free access to public-service content. RTÉ will encourage new channel development and new market entrants to be part of the service.

Financial Implications

The detailed business case for SAORVIEW Anywhere is being prepared.

Figure 54: SAORVIEW Anywhere: Providing Audiences with Content How and Where They Need It



8.5.2 DAB+ Service

Description
Since 2009, RTÉ has operated a Digital Terrestrial Radio service based on the DAB (Digital Audio Broadcasting) standard which provides coverage to about 52% of the population from 5 transmitter sites. RTÉ provides all its radio stations on the DAB multiplex, including its digital radio stations.

RTÉ would wish to start the roll-out of a digital terrestrial radio platform on a phased basis to approx 80% of the population of Ireland within the course of this strategy and to actively market the service to audiences. It is proposed that the DAB+ standard is adopted, which is the second generation of DAB. DAB+ is more spectrum efficient than DAB which means more services can be accommodated, increasing consumer choice and the attractiveness of the platform.

Depending on take-up of digital radio, RTÉ's digital stations, which are also available online, have the potential to enable RTÉ to address underserved audiences, such as younger listeners and migrants.

However, it is recognised that the successful launch of a DAB+ service is dependent on RTÉ working positively with the commercial radio companies. The Broadcasting Act provides the legislative basis for licensing of digital radio, but European experience shows there is a need for national regulatory and policy initiatives to ensure broadcasters' engagement and to give retailers, manufacturers, potential new market entrants and, importantly, the public, confidence in the platform.

There is an understandable caution within the industry towards the development of Digital Radio. The proposition is complex, will require new transmission models and a degree of reinvention of the market, e.g. provision for new entrants.

Some see the DAB standard as an 'old' digital technology and believe Ireland should concentrate on newer digital technology instead; particularly IP (internet protocol).

Nonetheless, RTÉ believes that digital terrestrial radio has a vital role to play as the digital free-to-air universal backbone of Irish radio in an open and convergent media ecology.

In the event that it became public policy to roll out a national digital terrestrial radio service, RTÉ would support this policy by:

- Investing in the necessary DAB+ transmitters to extend coverage to 80% of population, the cost being dependent on frequency and network plans.
 - Working with manufacturers and mobile operators to improve indoor and mobile reception of digital radio receivers.
- In the meantime, RTÉ will work closely with key stakeholders to improve their interest in and engagement with terrestrial digital radio to increase the appeal of the technology to investors, broadcasters and audiences.

We will continue to develop our digital radio services, providing attractive content that appeals to listeners and extends the choice of services available to them. We will trial content from our digital channels on our analogue services and, where appropriate, showcase the best of originated speech and music content to the larger audiences available on the analogue stations.

8.6 Evolving RTÉ and Donnybrook into a Digital Hub

Broadcast technology and content production has rapidly evolved, as have the expectations of audiences. It is time to

plan for the next generation of PSM and ensure its continued relevance for a digital audience. This includes how we innovate

and develop the Donnybrook campus.

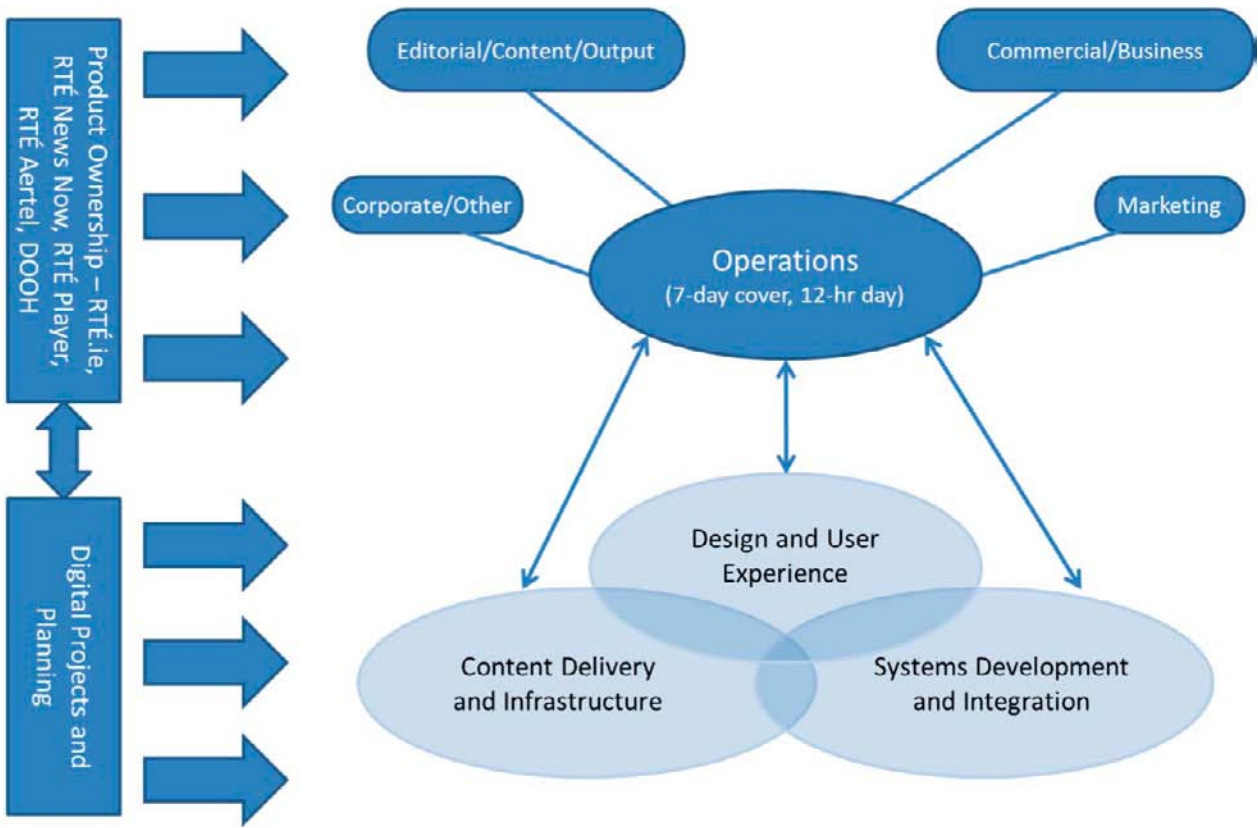
8.6.1 Creating a Digital Hub

Description
As set out in this strategy, RTÉ is becoming an open organisation. RTÉ wants to be a digital hub working collaboratively with other organisations - an ecosystem of

facilities, partners, relationships and projects. The digital hub is about creating an environment that will propel the support and creation of new Irish digital content, ideas, products and distribution systems.

Practically, it will begin with a new open digital production hub, which will be the engine of and heart of digital production for RTÉ services.

Figure 55: National Digital Hub Hosted by RTÉ





RTÉ wants to be a digital hub
working collaboratively with other
organisations

We will open the digital production and technology talent and facilities to work with partners in television, radio and digital, and other content creators to support the development and delivery of Irish digital services.

RTÉ will make space and reach out to partners to support the incubation and innovation of ideas and projects. The digital hub will be co-located with the digital and technology teams. Community will be will a key imperative of the digital hub. It won't just be about RTÉ. RTÉ will make space in its buildings to host partners working on projects with us, be they commercial, start-ups, interns or other public service organisations. RTÉ wants this to be a destination where creativity, innovation and ideas thrive. New developments within RTÉ, industry and academia will be showcased.

Furthermore, the digital hub will be about relationships, learning, events and developments. Collaborative projects will also be developed in the field, and RTÉ's relationships with the Regional Institutes of Technology will be a test-bed.

The clear benefit is that RTÉ will leverage all digital resources to support and create momentum for digital development across the organisation, and will be a two-way interface for industry, college programmes, best practices and new developments. This is a cost-effective way of achieving the level of development that is our ambition. It helps drive a new collaborative and creative culture within RTÉ, and offers staff the opportunity to develop new talent and to learn. It supports development of Ireland's digital leadership and

all the stakeholders within.

It opens RTÉ to the digital community, and the benefits are mutual. Exposure to ideas, concepts and new developments will help us all reach our digital potential and support the leadership of Ireland's digital economy.

The digital hub supports the delivery of commercial objectives. Existing facilities will be used, but space within existing buildings will be opened up to create additional space for approx 150 people and to create collaborative working areas for people to work together.

In addition to opening up space to work with others, RTÉ will bring production teams closer together to create a more collaborative working environment.

8.6.2 Development of Donnybrook Campus

Description

Prior to the economic downturn, RTÉ set out an extensive plan to develop the site at Donnybrook with facilities and workspaces to support the transition to a digital media organisation (called Project 2025). Project 2025 envisages the Donnybrook campus changing over time to facilitate more efficient internal workflows and modern digital production facilities in a new-build broadcast centre, and to promote the establishment of a creative hub for the wider media community at Donnybrook. In this context, RTÉ has deferred making a decision on progressing Project 2025 proposals in the meantime.

Given current financial challenges and the decision to defer Project 2025, the investment in the Donnybrook campus has been slowed over recent years. For some elements of the property, this cannot be sustained.

In the meantime, RTÉ will continue to occupy the existing buildings and facilities on the Donnybrook campus for

a longer period than was originally intended. Given the plans for Project 2025, and given the financial challenges, investment in the Donnybrook campus has slowed over the previous years. But for some elements of the property, this cannot be sustained.

An external study on the state of the buildings and the business critical infrastructure was commissioned over summer 2012 and determined the works and associated capital investment necessary to protect RTÉ from site failure, address statutory and regulatory obligations and deal with essential maintenance.

The study has been reviewed internally, and it has been determined – given the financial challenges – that not all the recommendations of the study need to be addressed over the next five years. However, there are some critical requirements in respect of electrical, mechanical and building works that need to be addressed.

Conclusion

The range of projects and investments set out in Section 8 represents RTÉ's full ambition over the next five years. The timing and scale of these proposed investments are prioritised and would be implemented as funding allows. Some of these initiatives open up exciting opportunities for future partnerships with a range of different third parties. All have the potential to support the broader digital creative economy and support the stated aims of the new National Digital Strategy, due to be published in 2013, to improve digital adoption and realise the economic and social benefits that digital technologies can bring.



As Ireland's Public Service
Broadcaster, RTÉ plays
a vital role in Irish
economy and
society