



**School of  
Communication**

# **Mechanisms for Setting Broadcasting Funding Levels in OECD Countries**

**Research and Analysis Project Report  
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# Contents

<b>1.0</b>	<b>TERMS OF REFERENCE .....</b>	<b>4</b>
<b>2.0</b>	<b>RESEARCH AIMS AND OBJECTIVES/ DELIMITATIONS .....</b>	<b>6</b>
<b>3.0</b>	<b>METHODOLOGY .....</b>	<b>8</b>
<b>4.0</b>	<b>OECD COUNTRY REPORTS ON PUBLIC BROADCASTING ARRANGEMENTS.....</b>	<b>11</b>
4.1	AUSTRALIA .....	12
4.2	AUSTRIA .....	18
4.3	BELGIUM.....	21
4.4	CANADA .....	26
4.5	CZECH REPUBLIC .....	32
4.6	DENMARK .....	37
4.7	FINLAND .....	43
4.8	FRANCE.....	48
4.9	GERMANY .....	51
4.10	GREECE.....	56
4.11	HUNGARY .....	60
4.12	ICELAND .....	65
4.13	IRELAND .....	69
4.14	ITALY.....	76
4.15	JAPAN .....	80
4.16	KOREA, DEMOCRATIC REPUBLIC .....	85
4.17	LUXEMBOURG.....	90
4.18	MEXICO .....	93
4.19	THE NETHERLANDS .....	95
4.20	NEW ZEALAND (AOTEAROA).....	100
4.21	NORWAY.....	107
4.22	POLAND .....	113
4.23	PORTUGAL .....	119
4.24	SLOVAKIA.....	123
4.25	SPAIN.....	127
4.26	SWEDEN.....	130
4.27	SWITZERLAND.....	139
4.28	TURKEY .....	145
4.29	UNITED KINGDOM .....	150
4.30	UNITED STATES .....	155
4.31	STATISTICAL SUMMARY OF PUBLIC BROADCASTING FUNDING IN OECD COUNTRIES .....	160
<b>5.0</b>	<b>ANALYSIS OF MECHANISMS FOR SETTING AND COLLECTING/ DISTRIBUTING PUBLIC FUNDING .....</b>	<b>161</b>
5.1	CLASSIFICATION OF MECHANISMS FOR SETTING AND COLLECTING/ DISTRIBUTING PUBLIC FUNDING .....	161
5.2	TYPOLOGY OF FUNDING SETTING MECHANISMS .....	162
5.3	TYPOLOGY OF COLLECTION/ DISTRIBUTION MECHANISMS.....	163
<b>6.0</b>	<b>OVERVIEW OF KEY ISSUES AND COMMON POLICY THEMES CONCERNING FUNDING MECHANISMS FOR PUBLIC BROADCASTING IN THE OECD .....</b>	<b>166</b>
6.1	PUBLIC BROADCASTING AND LANGUAGE POLICY ISSUES.....	180
6.2	TYPOLOGY OF POLICY RATIONALES FOR LANGUAGE-SPECIFIC BROADCASTING POLICIES .....	182
6.3	TABLE SHOWING BREAK-DOWN OF COUNTRIES AND LANGUAGE-SPECIFIC BROADCASTING SERVICES.....	183

<b>7.0</b>	<b>ANALYSIS OF MECHANISMS FOR SETTING AND COLLECTING/DISTRIBUTING PUBLIC BROADCASTING FUNDING.....</b>	<b>187</b>
7.1	MECHANISMS FOR SETTING LEVELS OF FUNDING FOR PUBLIC BROADCASTING .....	187
7.2	MECHANISMS FOR COLLECTING/DISTRIBUTING FUNDING FOR PUBLIC BROADCASTING.....	197
<b>8.0</b>	<b>CONCLUSIONS &amp; RECOMMENDATIONS .....</b>	<b>209</b>
8.1	HYPOTHETICAL PRINCIPLES GOVERNING FUNDING .....	211
	MECHANISMS FOR PUBLIC BROADCASTING: .....	211
8.2	RECOMMENDATIONS OF COUNTRIES FOR FURTHER INVESTIGATION.....	213
<b>9.0</b>	<b>REFERENCES.....</b>	<b>214</b>
<b>10.0</b>	<b>ACKNOWLEDGEMENTS.....</b>	<b>222</b>
<b>11.0</b>	<b>APPENDIX 1: RESEARCH TEAM.....</b>	<b>224</b>
<b>12.0</b>	<b>APPENDIX 2: QUICK REFERENCE TABLES.....</b>	<b>225</b>



## 4.23 PORTUGAL

### 4.23.1 Background

- Population: 10,436,000
- Languages: Portuguese
- GDP: €122.900,6 million (US\$168,281,374,720 )

### 4.23.2 Public broadcasting media & institutions:

- Portuguese broadcasting system Public Service Broadcasting(PSB) has:
- 2 public channels (Radio e Televisao de Portugal) RTP1 and RTP2 ;
- 1 international global channel RTP Africa
- 2 public regional channels RTP-Acores and RTP Madeira
- RTP1: national generalist channel. RTP1 is supported by public funding and by its own advertising revenues (advertising limit: 6 minutes per hour).
- A Dois: national generalist channel with particular attention to culture, science, innovation, amateur sports, charities, independent production, etc. This channel does not have commercial advertising revenues (it has merely institutional advertising).
- RTP Madeira and RTP Açores: two regional channels targeting Madeira and The Azores, respectively. These channels have their own production centres in these two regions.
- RTP Internacional and RTP África: two global satellite channels (redistributed by satellite or cable or terrestrial hertzian means) aiming to reach Portuguese communities abroad and the Portuguese speaking countries (Angola, Brazil, Mozambique, Cape Verde, Guinea-Bissau, S. Tomé and Prince, East-Timor and Portugal).
- RTPN': this is the only one RTP channel distributed only by cable. This is a channel centred on information programming and it has its production centre in Oporto.
- In addition to changeable licence fee surplus, RTP has another two other major financing sources: advertising revenues and public subsidies. Considering the enormous RTP debt, Law 30/2003 of 22 August 2005 determined that advertising revenues had to be channelled to pay RTP's debt and future investments. Advertising revenues cannot be used to pay current RTP expenses. RTP current expenses and other services (e.g. archives, cooperation, etc.) are paid with state subsidies.

### 4.23.3 Other broadcast media with public-oriented functions

- Sic andTV1
- 8 radio channels,2 regional channels,300 local radio channels, 4 National television channels

### 4.23.4 Main commercial broadcast media

- RTP holding has another two channels: 'A Dois' (national terrestrial channel) and
- 'RTPN' (national cable information channel). Both are financially autonomous and
- Supported by a telecommunications company called TV Cabo.

#### 4.23.5 Public Broadcasting Funding 2005

- Total quantum for FY 2005: for the public service television for 2005 is €122.150 million, (US\$ 146.938 m) according to the annexes of the Public Service Contract between the State and the Public Service Television on the 22 September 2003.

#### 4.23.6 Breakdown of public broadcasting expenditure, FY 2004

Recipient/ end user	Function/ purpose	Mode of allocation	Level of funding	Funding Source
RTP1	General national channel	Direct state appropriation	€ 73.800 m US\$ 88.7742m	Government Plus licence fee surplus
RTP Internacional	international global channel	Direct state appropriation	€10.250 m US\$ 12.3280m	Government Plus licence fee surplus
RTP África	international global channel targeting five Portuguese speaking African countries	Direct state appropriation	€ 4.613 m US\$ 5.54671m	Government Plus licence fee surplus
RTP Madeira	regional Madeira Islands channel	Direct state appropriation	€ 7.472 m US\$ 8.98285m	Government Plus licence fee surplus
RTP Açores	regional Azores channel	Direct state appropriation	€ 9.727m US\$ 11.6937m	Government Plus licence fee surplus
RDP	Public radio service	Licence fee	Exact figures not available.	Public radio licence fee

#### 4.23.7 Funding quantum determinants and periodicity

- Licence fee: As already mentioned the distribution of the licence fee is first for RDP and surplus for RTP. Licence fee is collected on a monthly basis with the electricity bills. This payment accounts for € 1.6 per month per household. People paying extremely small electricity bills are not charged (up to 400 kWh). Licence fee is indexed to inflation rates.
- Direct Appropriation: Public radio (RDP) is financed by a licence fee (called 'contribution to the audiovisual'). Each household pays €1.6 per month. This license fee's prime objective is to cover RDP expenses (RDP does not have advertising revenue) and the surplus is channelled to RTP. This arrangement has been criticised by the High Authority for the Media, the most relevant media regulatory body (High Authority, Deliberation of 2 July 2003).



- Details of RTPN's state contribution is not clear as it is a recent project. The definition of its financing model is still an on-going process.
- The radio licence fee was reintroduced in 2003 (after having been abolished in 1999; the television licence fee was abolished earlier<sup>268</sup> and has not been reintroduced) was considered by the High Authority for the Media a positive decision because it removes pressure from the State budget, despite the potential injustice of all indirect general taxes (High Authority, Deliberation of 2 July 2003).
- Periodicity: According to Law 30/2003 (22 August 2003) regarding the financing of public radio and public television, there is a four-year basis prediction. On an annual basis, specific financing for both radio and television is presented and approved. The four years planning is therefore flexible to support specific annual needs and state budget's possibilities.
- There are no bench marks used to set what is considered a reasonable level of funding.

#### **4.23.8 Political insulation of public broadcasting funding**

- The decision to cancel and then reintroduce the radio licence fee stemmed from the High Authority for the Media's desire to relieve the pressure on the general budget. RTP has a long history of political dependency, and the High Authority has therefore proposed introducing a direct correlation between broadcasting funding and GDP.

#### **4.23.9 Ethnic, cultural and linguistic services.**

- Apart from immigrant communities from Portuguese speaking African countries and Brazil, and (more recently) from Eastern European countries, Portugal is not a diverse country in linguistic and ethnic terms and no specific public service arrangements have been developed at these levels. Nevertheless, public service television is reflected in different channels programming strategies and target audiences. 'RTP1' is a generalist (popular) channel; RTP-2 is more culturally oriented. 'A Dois' has a focus on cultural (taste) minorities; 'RTP Açores' e 'RTP Madeira' are aimed the more specific interests of people living in these two autonomous regions (outside continental Portugal); 'RTP Internacional' and 'RTP África' are aimed at Portuguese communities and Portuguese speaking people all over the world; and, finally, 'RPPN' is a 24 hour information channel.

#### **4.23.10 Spectrum allocation and funding**

- There is no evidence to show that spectrum access has any bearing on PSB funding.

#### **4.23.11 Digital developments and funding**

- The development of terrestrial digital television (still non-existent in Portugal) is framed by Law 5/2004 of 10 February 2004. Up to this day, no links are established between the financing of digital television (not necessarily public) and the financing of existing public service broadcasting.

<sup>268</sup> According to Schlepfeiter (2002) the TV licence fee was discontinued after 1990

#### **4.23.12 References**

- Schnepfleitner, R. (2002), The Use of Funds Collected for Public Service Broadcasting. RTR-GmbH report. Vienna, August 2002. [www.rtr.at](http://www.rtr.at)

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