



Broadcasting Authority of Ireland

REPORT ON OWNERSHIP AND CONTROL OF MEDIA BUSINESSES IN IRELAND 2012-2014

Introduction

Section 28M (1) of the Competition and Consumer Protection Act 2014 (“the 2014 Act”), requires the BAI to prepare a report which shall describe the ownership and control arrangements for undertakings carrying on a media business in the State; describe the changes to ownership and control arrangements of such undertakings over the past three years; and analyse the effects of such changes on plurality of the media in the State. The BAI must furnish this report to the Minister for Communications, Energy and Natural Resources (“the Minister”) who shall lay it before the Houses of the Oireachtas and publish it on the internet. In accordance with this statutory requirement the BAI submits this Report on Ownership and Control of Media Businesses in Ireland 2012-2014 (“the Report”) to the Minister for consideration.

In addition to the Report, Section 28M (4) of the 2014 Act also requires the BAI to carry out further periodic methodological research and to publish the results of such research. To this end, in 2015 the BAI has partnered with the Reuters Institute for the Study of Journalism for inclusion in their annual international survey on audience consumption of digital news. This research is the largest ongoing global comparative study of news consumption and surveys audiences in twelve countries (increasing to thirty in 2016/2017). In order to extract maximum value from this research, the BAI also partnered with DCU to perform more detailed analysis on the Irish data collated by Reuters. The research will track emerging trends on how Irish audiences access and consume digital news and current affairs. Both research pieces were published in June 2015¹.

The Report is structured as follows:

Section 1	The Report Methodology
Section 2	The Report Findings
Section 3	Conclusion
Appendix One	Communications Chambers’ Report on Ownership and Control of Media Businesses in Ireland

¹ Reuters Report <http://www.digitalnewsreport.org/> and DCU Report http://fujomedia.eu/wp-content/uploads/2015/07/FuJo_BAI_digital_news_2015-new.pdf



Section 1- The Report Methodology

The 2014 Act includes a definition of plurality that covers diversity of ownership and diversity of content and sets out a definition of what constitutes a media business. It also provides relevant criteria for assessing the impact of a proposed media merger and the Minister has issued *Guidelines on Media Mergers*² which deal with how these criteria will be implemented in practice. These all provided the framework for the BAI's work in preparing the Report. In addition Communications Chambers ("the Consultants") were appointed by the BAI in January 2015 to undertake research that would provide the detailed information required by the Authority to prepare this report. This Consultants' Report was a key information source for the Authority in preparing this document and is attached at Appendix One. The BAI also had regard to its own experience as the broadcasting regulator in the period under review.

A key challenge for the BAI and the Consultants was defining the scope of the research. The 2014 Act focuses on media businesses which have news and current affairs content. Practically this means that the following media businesses are in scope for a report on ownership and control – those which publish newspapers (traditional and online); transmitters, re-transmitters or relayers of broadcasting services; providers of programmes consisting substantially of news and current affairs material to a broadcaster; and businesses providing online material consisting substantially of news and current affairs and which are under the editorial control of the provider (thus currently excluding social media from the 2014 Act). This is a broad list – the 2014 Act further scopes this by stating that to be included as a media business these undertakings must either have a physical presence in the State or, if not, have made sales of at least €2m in Ireland within the previous year.

At its broadest the definition could be taken to include any small news blog or local freesheet paper. It would be unduly onerous to capture ownership of every single media business that falls within the definition of the 2014 Act. In the interest of clarity those businesses determined by the Consultants to be so small as to be immaterial to plurality have been omitted. However, certain entities such as BuzzFeed who have no physical presence are captured even though it is not possible at this time to assess definitively whether they made sales in excess of €2m in the State in the past year.

The 2014 Act and the *Guidelines on Media Mergers* note that factors such as patterns of consumption can impact plurality. In this context, the Consultants' Report details the market shares of those media businesses which have changed ownership and places this information in the wider context of overall patterns of news consumption in the State.

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<http://www.dcenr.gov.ie/communications/Lists/Publications%20Documents/Finalised%20Guidelines%20on%20Media%20Mergers.pdf>



The methodology did not include detailed content analysis of the media outlets where ownership changes had taken place in the period under review as it was not possible at this juncture to determine if these were specifically linked to ownership changes. However, the Consultants sought views from a panel of media experts who offered opinions and context to relevant changes in the media landscape between 2012-2014. Their feedback informed the conclusions outlined in the Consultants' Report and in this Report.

Finally, it is important to note that the Act requires the BAI to report on changes of ownership and control and whether they had an impact on plurality. The question of sufficiency of plurality at either the start or the end of the period under review is out of scope. The Report therefore makes comments on plurality and its measurements as well as factual findings on changes, but no conclusions on whether the starting point or end point of the review period represented a sufficient level of plurality.

As well as identifying the relevant media businesses and providing a comment on their ownership, the Consultant's Report provides a database of all scoped media businesses in the State; the ultimate owners of same by top 3 shareholders; and an overall breakdown of entities owned by individuals and/or ultimate holding companies. This database is included in the Consultant's Report and also available as a searchable Excel spreadsheet as an information source for the Minister, the BAI and all other stakeholders.

Section 2 - The Report Findings

Overall the Consultants' Report concludes that there has not been a material reduction in plurality due to changes of ownership and control in the period 2012-2014 in the context of the 2014 Act and the *Guidelines on Media Mergers*. This is based on an analysis of the current consumption trends and a review of the relevant ownership and control changes that took place in the period under review. These two elements are addressed in detail in the Consultants' Report and some key points are highlighted below.

2.1 Trends in Consumption

TV remains the largest and most important source of news and current affairs by audiences; closely followed by the internet; then radio; with print media fourth³.

Overall RTÉ, the main public service media organisation in the State, hold the largest cross market share in TV, radio and online, with no print presence. Communicorp and INM⁴ emerge as important

³ Communications Chambers, Figure 18, p 30



commercial players, with strong market share in print; online and radio. Communicorp has a significant interest in six radio stations⁵, two of which are national commercial stations (Today FM and Newstalk), with Newstalk in particular having a large amount of news and current affairs output. Notably INM and Communicorp have no presence in the TV sector.

RTÉ holds the strongest position as a news source due to the weight given by the research to TV as a provider of news and current affairs content. TG4 as the other public service broadcaster is not statistically material when analysing TV consumption of news and current affairs. TV3 is currently the second most important Irish provider of news as regards TV consumption but has a much smaller share than RTÉ, with a smaller presence online and no presence in radio or print. Although TV remains overall the main source for accessing news the Consultants' Report notes that viewership for TV news as a whole fell in the period under review⁶.

Growing consumption of online news indicates that it is closing in on television as a source of news for audiences. INM (independent.ie) is a strong performer in this medium. Digital born players are mostly international in the Irish market, although Journal.ie is fifth in the list of desktop sources of news⁷. Non-Irish media such as the Mirror and Daily Mail are leaders in online access of news via browsers, with their sites containing minimal Irish content.

Radio in Ireland remains a key source of news for audiences, especially for regional news. When examining radio audiences in terms of radio groups RTÉ is the lead player in radio news and current affairs. However, when local commercial radio is considered as a cumulative total, it is a significant player as regards news consumption⁸.

INM is the strongest performer in print, with a 23% share and the Irish Times second⁹. Print circulation showed a decline over the three year period, although market shares broadly remained the same¹⁰. It remains to be seen what impact the soft pay wall erected by the Irish Times in early 2015 has on online consumption.

In its discussions on sources of news the Consultant's Report focuses on access to national and regional news. International news is provided by Irish media but there is also a very strong presence of

⁴ Mr. Denis O'Brien currently holds a controlling interest in Communicorp (100%) and a significant interest in INM (29%)

⁵ Today FM; Newstalk; Spin 103.8; Spin South West; 98FM; TX FM

⁶ Communications Chambers, p 13

⁷ Communications Chambers, Figure 11, p 5

⁸ Communications Chambers, p 14

⁹ Communications Chambers, p 11

¹⁰ Communications Chambers, p 12



sources from abroad. The BBC, in particular, features highly as a source of news in traditional and digital sources¹¹.

Sources of news are important to a discussion on plurality and the Consultants' Report makes reference to the provision of radio network news by Newstalk (owned by Communicorp) to local commercial stations¹². Under Section 66 of the Broadcasting Act 2009 each local station must provide commitments to the BAI on the type of programmes to be provided, including news and current affairs; the frequency of bulletins and the teams behind their news. News may be provided on a "rip and read" basis or in the form of bulletins for rebroadcast. However, editorial responsibility remains with the station, and as a practical matter stations will make their own judgements about story selection, running order and so on. They may also draw on other sources in addition to Newstalk in preparing their own news programming¹³.

A final component in discussing plurality is multisourcing. The Consultant's Report points to this as a marker for diversity of viewpoints, linking directly with the requirements of the 2014 Act. The Consultant's Report discusses the extent to which audiences access different sources of news without concluding on the sufficiency of these as a measure of plurality. It appears that the majority of consumers of a particular news source (e.g. the Irish Independent) also use a different source (e.g. RTÉ)¹⁴. This is indicative of multisourcing of content and access to a diversity of viewpoints.

In relation to ensuring fairness and objectivity, both the public service broadcasters and broadcasting services licensed by the BAI are required under the 2009 Broadcasting Act to ensure fairness, objectivity and impartiality in their news coverage. While print media is not regulated by the BAI nor do they have a statutory imperative for impartiality, fairness and objectivity the key players are under the aegis of the Press Ombudsman and Press Council. In general, print media in Ireland adhere to a Code of Practice which requires, among others, truth and accuracy; respect for privacy; and fair procedures and honesty in reporting. Broadly speaking online content is less regulated although it is likely from a brand protection perspective that online versions of traditional media such as television and print adhere to the same standards as their traditional formats.

¹¹ 33% of Irish consumers surveyed by Reuters stated they had used BBC News in the past week (traditional sources) p 45 of the [DCU Report](#)

¹² Communications Chambers, p 14

¹³ Communications Chambers, p 14

¹⁴ Communications Chambers, p 18



2.2 Ownership and Control Changes

As outlined in the Consultants' Report, there were three broad changes of ownership and control of media businesses in the State in the period under review, 2012-2014. These were as follows:-

1. Mediaforce has acquired The Johnson Press portfolio of local newspapers;
2. Thomas Crosbie Holdings entered receivership and its media holdings were acquired by Landmark Media Investments Limited, a new company controlled by the Crosbie family;
3. Dunfermline Press's five local newspapers have been acquired by Celtic Media.

These changes in ownership did not have a material impact on plurality as they represented a "one in, one out" change, rather than one media business/ individual obtaining a share of media ownership that reduced diversity of ownership or diversity of content.

The Consultants' Report also addresses ownership and control changes made at Independent News and Media ("INM") during the period under review. The Consultants noted that no relevant changes in the shareholding at INM took place in the period under review in the context of the 2014 Act or the *Guidelines on Media Mergers*. At 22%, Mr. Denis O'Brien's shareholding in INM was already a significant interest¹⁵ prior to 2012 and as such he was in a position to exercise a material influence.

Section 3 - Conclusion

This Report is the first to be produced in the context of the new 2014 Act and is a retrospective application of the new statutory structure to changes that took place under the previous regime. As such it was a more complex task than will be the case for future reports. However, the limited nature of the changes that took place between 2012 and 2014 means that the BAI is satisfied to conclude that these changes had no material impact on plurality of media in the State during the period.

The BAI also believes that the data produced for this Report, and the ongoing research being undertaken in partnership with the Reuters Institute and DCU will provide a body of relevant research that will inform future reports and other assessments of plurality that may be required in the intervening period.

¹⁵ "A holding or voting strength of more than 20% or more of the voting power (directly or indirectly) will generally constitute a significant interest." P7 *Guidelines on Media Mergers* May 2015



Appendix One