

CHAIRMAN

National Broadcasting Council

Standpoint
of the National Broadcasting Council
on financing public media,
of 20 December 2012

At its meeting held on 20 December 2012, the National Broadcasting Council allocated the following amounts to the public broadcasting entities:

- PLN 9,660,527.76 – funds from subscription fees in the years 2010 - 2011,
- PLN 8,387,808.73 – subscription fees which were booked in the Council's account in the second decade of December 2012.

The above amounts, which represent a surplus compared to the 2012 projection, were divided according to the method set forth in Resolution of 30 June 2011 (KRRiT's Resolution No. 343/2011, item 11 subitem 2 and item 12). The resolution sets out the percentage allocation of the surplus to the individual public media companies:

- Telewizja Polska S.A. – 53%
- Polskie Radio S.A. – 24.5%
- Regional radio stations – 22.5%.

According to the above allocation key, the individual public broadcasting entities will receive the following amounts:

- Telewizja Polska S.A. – PLN 9,565,600
- Polskie Radio S.A. – PLN 4,421,800
- Regional radio stations in total – PLN 4,060,900, i.e. PLN 238,800 for each station.

At the same time, the National Broadcasting Council decided that the above funds would be transferred to the public media companies for them to cover the costs of their statutory mission responsibilities in 2013.

In 2012, the public media companies received the total of PLN 563 million from subscription fees, of which Telewizja Polska S.A. received PLN 254 million, Polskie Radio S.A. PLN 157 million, regional public radio stations – PLN 152 million in total.

Subscription fees increased in 2012 for the first time since 2008, and were higher from the forecast by PLN 93 million. We should point out, however, that it would not have been possible if the Ministry of Administration and Digitisation and the Ministry of Finance did not show their understanding for the difficult situation of the public media and if Poczta Polska and the tax office did not take strict actions on their part, which allowed execution of the overdue fees from subscribers for their radio and television sets. The said money did, to some extent, prevent the economic collapse of radio companies, however, it is still insufficient to be able to ensure the appropriate public media operation. It can only cover a part of the costs incurred for pursuing the statutory activity: at Telewizja Polska S.A. – in ca. 15%, at Polskie Radio S.A. – in ca. 70% and in regional stations – in ca. 80%. As we can see, the situation of the media is diverse – it is at the public television that the subscription fee covers the mission-related costs in the smallest proportion.

The situation of this company is rather alarming especially in the context of the recent information issued by the Management Board President concerning the projected loss as at the year end. It is unfortunate that the National Broadcasting Council is not able to help this broadcaster more, as there are no instruments under the current legal system which would allow such steps to be taken. One of such steps could be potential revision of already adopted resolutions regarding the allocation method of projected subscription fees. This is, however, not allowed under the current law – according to the legislation, the resolution on the subscription fee allocation may be adopted once a year only (until 30th June of the preceding year). In consequence, the Council is not in a position to rationally allocate the surplus among the companies in extraordinary circumstances.

The National Broadcasting Council shares the view expressed by the public broadcasters that operating under financial uncertainty is very difficult. Planning any programming and investment undertakings in this situation poses a huge challenge for each broadcaster. At present, the process of introducing public media to the world of digital technology is underway (broadcasting, production and archive records). It is very expensive yet necessary.

Thanks to it the companies could, among others, significantly reduce their operating costs in the near future. Viewers and radio listeners who have access to the extended programme offer with improved broadcasting quality would benefit too.

The National Broadcasting Council realises the fact that economic uncertainty for the companies is generated among others by the process of planning funds for mission-related tasks based on the annual subscription fee projection. This projection is prepared for a too short period of time (1st year quarter). In order to estimate it more precisely, a more safe basis should be adopted and that would involve figures from the first year half (January – June). As indicated above, this is not possible due to legal considerations.

The applicable legal regulations neither consider the current situation of the public media nor the challenges which they should be undertaking. Those regulations do not ensure effective collection of the subscription fee, they do not provide basis for preparing precise projections of income or for revision that the Council could apply to its adopted resolutions and change the subscription fee allocation method. Building and legal regulation of a sufficient and stable financing method of the public media still remains an urgent need just as does the creation of effective legal tools that would allow a flexible Council's reaction in situations that may adversely affect the companies' operation.

In view of the foregoing, the National Broadcasting Council is calling for urgent steps to introduce such changes in the applicable law that would ensure stable operation and development of the public media in Poland.

Chairman of the Council

Jan Dworak

Cc.:

- Mr. Donald Tusk – Prime Minister of the Republic of Poland
- Mr. Jan Vincent-Rostowski – Minister of Finance
- Mr. Mikołaj Budzanowski – Minister of State Treasury
- Mr. Bogdan Zdrojewski – Minister of Culture and National Heritage
- Mr. Michał Boni – Minister of Administration and Digitisation
- Mr. Juliusz Braun – President of the Management Board of Telewizja Polska SA
- Mr. Andrzej Siezieniewski – President of the Management Board of Polskie Radio SA
- Regional Companies of Polskie Radio