

Reply submission by the Slovak Republic concerning the CoE platform alert titled: Government Slashes Budgets at Slovak Public Broadcaster RTVS by 30%

In 2023, new legislation changed the way RTVS (PBS) is financed and introduced a statutory amount of state contribution derived as a share of GDP of 0.17%.

Revenues of RTVS have grown slightly over the past 10 years. RTVS financing in the years 2011-2022 was an average of 121 million euros, of which 8 million euros were own revenues. The sources of financing consisted mainly of license fees (63.6%), own income and a transfer from the state budget, which was at least 15 million euros - secured through the so-called Contract with the state.

As part of the consolidation measures of public finances, taken in December 2023, the new government adopted a measure and reduced the claimable contribution for RTVS to the level of 0.12% of GDP. RTVS will thus receive a transfer in the amount of 131.5 million euros in 2024, which is at least as high a contribution from the state budget as the income in 2022 (130 million euros). Therefore, adjusting the percentage due to consolidation will not lead to a decrease in RTVS income. The amount of the claimable contribution determined in this way is based on the actual expenses of previous periods; therefore the reduced amount of the claimable contribution will not jeopardize the functioning of the RTVS.

Even with the percentage reduction, RTVS should still see a slight increase. A decrease as such is currently not even possible, since § 21 par. 2 second sentence of Act no. 532/2010 Coll. about Radio and Television of Slovakia states that: *"If the claimable contribution for the relevant calendar year determined according to the first sentence is lower than the claimable contribution provided for the previous calendar year, the claimable contribution will be provided at least in the amount of the claimable contribution for this previous calendar year."*

At the same time, since the reduction in the amount of the claimable contribution occurred before the original amount was applicable, we can at most speak of a retreat from the intention to increase funding due to the consolidation of public finances. However, we cannot talk about a reduction, since the intention to increase was never realized and the current amount corresponds to the criteria according to § 21 par. 2 second sentence of Act no. 532/2010 Coll. on Radio and Television of Slovakia, with a slight increase of approx. one million euros.

The new funding system also still meets the EBU principles for PSM funding, as:

- a) the contribution is claimable without any conditions and is set by law
- b) it is stable (annually) without preconditions, automatic, the amount mechanism is determined by external factors and there is a safety mechanism to prevent reduction of contribution, if the economy underperforms
- c) it is independent of political interventions, as it is paid annually, unconditionally, on the basis of the law.

The overall result of the change in funding is that the current model presents a stable income in accordance with the principles of the EBU, which is tied to the performance of the national economy. Compared to the previous system, where the amount of the license fee was set by the parliament

and has not changed since 2003, the new system enables faster valorization on an annual basis. The change in the financing model of RTVS moving away from license fees is not a European anomaly as this is the case e.g. in France or Denmark.

At the same time, RTVS still has options for additional financing in accordance with § 20 of Act no. 532/2010 Coll. on Radio and Television of Slovakia, including income from the broadcasting of media commercial communication and sponsorship payments according to a special regulation intended for direct or indirect financing of programs.

The Ministry of Culture is aware that budget funds in RTVS are tight, similar to how they are tight in the state budget of the Slovak Republic in general.

As for possibility of reorganizing functioning of public service media system in Slovakia; the system of public broadcasting in each Member States is directly related to its democratic, social and cultural needs and it should be without prejudice to the competence of Member States to how should this system be realized, if the core function of the PBS (within the media pluralism landscape) is maintained.