Consultation Document: Draft Statement of procedure and methodology for the three-year appraisal of PSMs, 2028-2030

Publication date: 29 September 2026
Deadline for response: 10 November 2026

This document contains a consultation on:

A Draft Statement of procedure and methodology for the three-year appraisal, as specified in the Broadcasting (Amendment) Bill 2026.

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Introduction

Coimisiún na Meán ("An Coimisiún") is Ireland's agency for developing and regulating a thriving, diverse, creative, safe and trusted media landscape.

The European Media Freedom Act (EMFA) establishes safeguards for the independent functioning of public service media providers ("PSMs").[1] Article 5 requires funding procedures to be based on transparent and objective criteria laid down in advance and to guarantee adequate, sustainable and predictable financial resources corresponding to their public service remit, while safeguarding editorial independence.

The Broadcasting (Amendment) Bill 2026 ("the Bill") implements Article 5 in Ireland. It also gives effect to relevant recommendations of the Future of Media Commission (FoMC).[2]

The Oireachtas is currently considering the Bill.[3] Amongst other matters, the Bill sets out new requirements for decisions related to the funding of Ireland's public service media providers, RTÉ and TG4. In particular, the Bill introduces sections 112A to 112F, which require An Coimisiún to undertake an appraisal of the funding and performance of the PSMs every three years, including a determination of performance commitments for the three years ahead, and to submit a report to the Minister containing a recommendation on appropriate funding over the period.

The Bill requires An Coimisiún to finalise and adopt a Statement of procedure and methodology (the "Statement") no later than 31 January 2027.[4] Before this, An Coimisiún is also required to consult on a draft of the Statement (the "Draft Statement"). This document sets out that consultation.

An Coimisiún is aware that the Bill is still under consideration by the Oireachtas and that the Oireachtas may make amendments to the relevant provisions. However, as a practical matter, if An Coimisiún is to be in a position to finalise the Statement in January, having given stakeholders appropriate time to comment and for An Coimisiún to fully consider the stakeholder feedback and make necessary amendments to the Draft Statement, then consultation must necessarily begin by the end of September 2026.

This document, and the associated Draft Statement of procedure and methodology, have been drafted on the basis of the current text of the Bill. An Coimisiún will closely watch the progress of the Bill to enactment and will take account of any changes in the final version, prior to taking any decision on the Draft Statement. Sections 112A to 112F are the operative provisions relating to the three-year appraisal ("3YA"). In this document and the Draft Statement, references to "the Act" are to the Broadcasting Act, as it would be amended by the enactment of the Bill.

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[1] EMFA entered into force on 7 May 2024. Most of its provisions entered into application on 8 August 2025

[2] Includes recommendations 5 – 1, 5 – 3, 8 – 2, and 8 – 3 as they relate to a more effective system to assess the performance and funding of PSM providers

[3] The current Bill status and the full text is available at https://www.oireachtas.ie/en/bills/bill/2026/54/

[4] Strictly, 'not later than five months before the submission date' of An Coimisiún's report, which in turn is due by 30 June 2027

This consultation is in two parts:

- This document, which provides the context; explains some of the design decisions embedded in the Draft Statement; sets out the questions for which An Coimisiún seeks stakeholders' views; and specifies how to respond
- The Draft Statement which sets out the full proposed procedure and methodology, and which may (potentially) form a basis for future 3YAs, though An Coimisiún is to consult on and redetermine its approach at the beginning of each cycle

Purpose of the consultation

This consultation invites comments on An Coimisiún's Draft Statement of procedure and methodology for the three-year appraisal of PSMs, 2028-2030.

The purpose of the consultation is to convey how An Coimisiún proposes to approach the appraisal and to invite stakeholders' views in respect of this approach. Respondents should note that none of the views expressed in this consultation should be considered as a precedent for views that might be adopted in relation to the consideration of any subsequent three-year appraisals. The consultation will be open for a minimum of six weeks.

An Coimisiún welcomes stakeholders' input on the proposed approaches. Stakeholders who support or disagree with any aspect of An Coimisiún's proposals are asked to outline clearly the reasons for their views, having regard to the legal context together with any other matters stakeholders consider relevant.

All submissions to this consultation should be submitted in writing by 10 November 2026 to psmpublic@cnam.ie or by post to Statement of Procedure and Methodology, Coimisiún na Meán, One Shelbourne Buildings, Shelbourne Road, Dublin 4, D04 NP20. These contact details should be used for any queries in respect of this consultation. An Coimisiún will consider all submissions received on or before 10 November 2026.

Having regard to these submissions, An Coimisiún will finalise the Statement of procedure and methodology by 31 January 2027.

Statutory context

The Broadcasting Act (as amended by the Bill)

The Act puts in place broad reform of Irish public service media. Amongst other matters, it updates the governance framework for RTÉ and TG4; introduces a new statutory framework for Coimisiún na Meán to appraise public service media funding needs and performance; and implements aspects of the European Media Freedom Act, particularly protections for the independence, remit and sustainable funding of public service media.

The focus of this consultation is §112 A-F of the Act,[5] which set out the requirements for three-year appraisals of the PSMs. These reviews ultimately lead to decisions on funding, performance commitments ("PCs") and PSM strategies that will govern the following three years.

The 3YA is split into a design phase and an execution phase. In the design phase, An Coimisiún is to propose a procedure for: assessing the forecast financials of the PSM; assessing PCs; and linking the two, against requirements described in more detail below. An Coimisiún is to consult on a draft of this procedure before finalising it – the purpose of this document.

In the execution phase, An Coimisiún executes the process resulting from the design phase. The PSMs submit financial forecasts, proposed PCs and other material specified by An Coimisiún. Based on these inputs and its own analysis, An Coimisiún determines final performance commitments for the PSMs, and makes a funding recommendation to the Minister. It is then for the Minister to respond to An Coimisiún's report. In light of this response and the performance commitments determined by An Coimisiún, the PSMs each make a statement of strategy.

[5] The text of these sections as they stand in the Bill is available in Annex 2 to this document

Key steps of the appraisal phase and their timings, as specified in the Act, are as follows:

Indicative Timing	From	To	Contents	Section
5 months prior to Appraisal report (End Jan)	An Coimisiún		[Adoption of Statement of procedure and methodology]	112B 112A (2) (b)
Within 3 months (End April)	PSMs	An Coimisiún	• 3 yr expenditure forecast • Non-public funding • Proposed PCs/metrics • 'Other specified matters'	112C 112A (2) (c)
30 June	An Coimisiún	Minister	Report incl: • Funding recommendations • Determined PCs/metrics	112D, 112E 112A (2) (e) 112A (4)
	Minister	Gov't	Submits An Coimisiún's report	112 A (3) (a)
	Gov't	[Public]	Gov't's response to the report	112 A (3) (b)
Within 6 months of An Coimisiún report submission	PSMs	Minister	Statement of strategy, based on An Coimisiún's recommended funding & government's response and commitments	112F (1)
'As soon as may be'	Minister	Oireachtas	Statements laid before Oireachtas	112F (7)

Compared to the previous five-year review process,[6] the three-year appraisal is different in several important respects (besides being on a three-year cycle). These include:

- The 'predesign' of the review, including a consultation on the approach
- An Coimisiún's power to determine PCs
- Stronger linkage between PCs and funding
- An Coimisiún's power to specify submission formats
- Greater emphasis on editorial independence
- PSM strategies are finalised in light of the funding decision
- The Government is required to respond to An Coimisiún's report

While our focus both in this document and the Draft Statement is on the three-year appraisal, the Act also establishes annual reviews, and states that these shall have regard to the procedure and methodology used for the three-year appraisals (112G(4)(b)).

[6] See §124(8) of the 2009 Broadcasting Act

European Media Freedom Act

Also relevant is the European Media Freedom Act (EMFA), passed 11 April 2024.[7] Article 5 (EMFA5) states:

> "Member States shall ensure that funding procedures for public service media providers are based on transparent and objective criteria laid down in advance. Those funding procedures shall guarantee that public service media providers have adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit. Those financial resources shall be such that the editorial independence of public service media providers is safeguarded."

[7] Regulation (EU) 2024/1083 of The European Parliament and of the Council of 11 April 2024

Objectives of the design of the 3YA

We believe key characteristics of a well-designed methodology for the three-year appraisal are that it:

- Is compatible with the policy intentions of the Bill and EMFA
- Is practical, and in particular is feasible within the time allowed for the work of An Coimisiún and the PSMs
- Ensures the prudent and effective use of public funds, and where appropriate is consistent with the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation's ("DPER") guidelines
- Ensures PSMs deliver public value for Irish audiences
- Allows the PSMs to make their best case for any funding increase
- Provides well-founded funding recommendations to the Minister
- Creates appropriate incentives for PSMs, and ensures performance commitments have impact
- Safeguards PSMs' editorial independence
- Is broadly predictable, but adaptable to major changes / market developments
- Minimises regulatory burden on the PSMs, and administrative burden on An Coimisiún

Question 1: Do you agree that this is an adequate set of characteristics for a well-designed three-year appraisal?

Managing funding and performance of PSMs

In this section we set out a number of conceptual issues in managing funding levels and performance in PSMs, and provide a brief description of how they are dealt with in other countries.

Conceptual challenges

An Coimisiún's approach to the 3YA must take account of the unique challenges of managing the funding and performance of PSMs. These include:

The tension between oversight and editorial independence

PSMs are supported by significant public funding (whether via a licence fee or general taxation). Government oversight, and by extension democratic accountability, are therefore inescapable – as for any public body.

However, PSMs must also be editorially independent. Part of their role is to hold the government of the day to account, to represent the nation rather than particular interests, and so on. This requirement for independence is reflected both in the Broadcasting Act[8] and EMFA5.

This independence is not simply a matter of the content of individual programmes, but also decisions such as genre mix. These are generally matters for PSM management, albeit with accountability for their choices.

The approach to the 3YA must therefore support appropriate oversight and accountability while avoiding undue encroachment on editorial independence, not least via politically motivated funding decisions or overly directive PCs.

The difficulty of quantifying value delivered

Many public services have clear quality metrics that can be tracked – crime detection rates, patient waiting lists, water quality and so on. The metrics for PSM are often more ambiguous. For instance, higher viewing share *might* be a success, but not if delivered by focusing the schedule on cheap international imports that could have been provided by commercial broadcasters.

The difficulty of assessing efficiency

There are also real challenges in determining whether a PSM is efficient. Simple metrics are often of limited use. For instance, tracking cost-per-viewer-hour ("CPVH") over time for a given PSM can be useful. But benchmarking between PSMs on this basis is unlikely to be meaningful. For example, TG4 will always have a higher CPVH than RTÉ simply because it is generally addressing a much narrower audience. An intensive, thorough review of individual aspects of a PSM's operations is often the only practical way to understand efficiency.

In combination, these challenges mean that there is not a simple way to assess the value for money of PSM. By extension, there is unlikely to be a mechanistic way to determine the 'right' funding for a PSM.

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[8] See for instance §98 and §112E (1) (b) (ii)

The ratchet effect in PSM funding and 'quasi-annuities'

A further important factor to consider in PSM funding decisions is the ratchet effect associated with increased funding – it is easier to increase funding than it is to decrease it. There are several reasons for this:

- If increased funding is used for a new service, audiences may strongly resist withdrawal of that service (and there are multiple cases of PSMs having to back down from proposed service withdrawals, such as RTÉ's long wave service, and BBC's Radio 6 Music)
- EMFA5 requirements for sustainable and predictable funding and editorial independence arguments may militate against funding reductions
- Suppliers (such as independent producers) may become stakeholders in the increased funding, and resist reductions
- If funding is used to increase staff numbers, these numbers may be challenging to reduce later

This means that funding increases may effectively be 'quasi-annuities'. That is, they in practice represent a commitment to long-term funding at that level. Annuities can have substantial cost. For instance, based on DPER's standard methodology,[9] granting an annuity of €5m that grows with inflation has an equivalent current (one-off) cost of €162.5m.[10] This is a substantial sum and merits serious scrutiny.

Further, this suggests that the short-term use of a funding increase may have limited relevance to assessing the merits of such an increase. For instance, if a PSM suggested that it planned to use the €5m increase to increase (say) production of Irish drama over the next three years, then this would represent just €15m[11] of the proposed €162.5m cost. The rest of the spend would be for the PSM to determine later – necessarily so, given editorial independence.

International approaches

These challenges are common across public service media in Europe.

We are not aware of any European country that seeks to directly quantify the value of PSM. The BBC once made use of a 'value yield' framework, based on surveys of audiences' perception of value, but has not used this for a number of years. In practice governments and regulators make use of a basket of measures to assess performance.

While this is common for the monitoring of many public services, it does not support a mechanistic approach to funding decisions – there can be no formula that can assess 'optimal funding', if there is no practical means to assess a value figure.

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[9] DPER, *Central Technical Appraisal Parameters - Discount Rate, Time Horizon, Shadow Price of Public Funds and Shadow Price of Labour*, October 2018

[10] A more detailed discussion of the annuity calculation is available in the Draft Statement

[11] This is a simplified, undiscounted valuation, taking no account of the shadow price of public funds

European governments and regulators take a range of approaches to decisions regarding PSM funding, including:

- *Negotiated settlements between the PSM and the government.* Examples of this include French PSMs (COMs - contrat d'objectifs et de moyens) and EITB in the Basque region of Spain (the contrato-programa). Ministers determine funding levels in light of commitments made by PSMs[12]
- *PSM cost driven analysis.* In Germany, the KEF (an independent expert commission) assesses in detail the cost trajectories of PSMs and recommends changes to the Rundfunkbeitrag (the household broadcasting fee). However, the recommendation must be ratified by the parliaments of the 16 German Länder, or states
- *Inflation linking.* In Sweden the Riksdag determined an eight-year funding settlement, informed by broad expectations of both general inflation and PSM efficiencies. Indexation for inflation was the practice in French-speaking Belgium and in Finland, though current governments in both countries have recently frozen funding in nominal terms

Material real-terms increases in PSM funding have been rare in Europe. TG4 aside, the most notable examples are EITB and CCMA in Spain. In these two cases, the increases were the result of government-driven engagements directly with the PSMs to implement policy, leading to a negotiated settlement. In other words, there is not a clear precedent regulatory method for assessing proposed PSM funding increases.

Question 2: Do you believe there are processes to determine appropriate PSM funding in use in other countries that would be a relevant model for Ireland, in light of the Irish statutory and market context?

[12] In these arrangements funding does generally depend on regular parliamentary approval, and thus the promised funding may not be forthcoming – as has happened in France, for example

Interpreting the statutory requirements

A key aspect of the Act is set out in section 112E (1) (b), which specifies that the 3YA report shall:

> "recommend the level of funding under section 123 for current expenditure, and the level of funding under section 123 for capital expenditure, that the Commission considers necessary in each of the appraisal years—
>
> (i) to enable the corporation to fulfil its public service objects in those years, and
>
> (ii) to safeguard the corporation's editorial independence"

(Section 123 is essentially public funding, rather than the commercial income of the PSM).

Further, EMFA5 states that

> "funding procedures shall guarantee that public service media providers have adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit. Those financial resources shall be such that the editorial independence of public service media providers is safeguarded."

We set out here how we have considered the two tests in the Act.

Enabling the corporation to fulfil public service objects

We have considered the §112E (1) (b) specification of funding necessary 'to enable a [PSM] to fulfil its public service objects' together with two other sections.

§112B(1)(d) requires the Statement of procedure and methodology to take account of a PSM's current level of public funding.

§114(3)(a) requires that RTÉ's schedules:

> "provide a comprehensive range of programmes … [that] include programmes that entertain, inform and educate, provide coverage of sporting, religious and cultural activities and cater for the expectations of the community generally"

(For TG4, §118(3)(a) has parallel language).

Taken together, these sections set up current funding and audience expectations as important reference points for assessing funding to meet the public objects.

None of this is to suggest that the PSMs have a perpetual right to funding at current levels. However, a radical change would be a matter for the Oireachtas, rather than for An Coimisiún to recommend.

Safeguarding PSM's editorial independence

We consider here how editorial independence relates to funding, but note that there are other mechanisms by which editorial independence might conceivably be threatened.

The most obvious way in which funding might be used to impinge on editorial independence is if funding were reduced to punish a PSM for coverage that the government of the day did not like (or conversely, increased funding as a reward for favourable coverage). Such use of funding as leverage has been a key concern in recent European discussion of PSM editorial independence.

(Note that motive is important here. It is not the mere reduction of funding that is problematic. A reduction of funding in the context of a national financial crisis, say, would not raise questions of editorial independence).

Against this background, we believe the following principles will ensure that An Coimisiún's funding recommendations do not impinge on editorial independence:

- Current funding should be sustained (subject to stable efficiency assumptions and certain other technical adjustments)
- Increased funding should only be provided against expected uplift in performance, anchored in the public objects and audience expectations

A funding approach based on these principles will mitigate the risk of funding being used either as a political punishment or reward. It is also compatible with EMFA5's requirement for "sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit."

Funding approaches considered

In considering the best approach to setting funding recommendations, we have considered several potential methodologies:

- A zero-based review
- The 'status quo' process
- Funding by inflation
- Funding by inflation less efficiencies with potential for uplift
- Benchmarking

We here describe these options and our assessment of them.

We consider these options' suitability for 'ordinary course' 3YA funding recommendations. However, certain funding decisions sit outside the 3YA process. For example:

- A government might decide as a matter of policy to reduce PSM funding, or alternatively to increase funding by (say) setting a target that it should match a national or international comparator
- A PSM new service requiring additional funding might receive consent under the §103 process
- Government might endorse other processes that have funding implications (such as the recommendations regarding Nuacht TG4 made by the Future of Media Commission)

It is not the role of the 3YA recommendation to displace such funding decisions, though their implications for funding will need to be reflected in subsequent Coimisiún na Meán funding recommendations.

Zero-based review

The first methodology is a 'zero-based review', which takes no aspect of existing funding for granted. This could be based on a service-level review of value-for-money of different services, considering both quantified measures (such as cost per viewer hour) and qualitative factors (such as the public value of content). This could take into account future costs net of future commercial income for each service.

If, in its judgement, An Coimisiún concluded that a PSM was using its funding for services that represented poor value for money, it could recommend a reduction in funding. Conversely, if particular services represented high value for money, then additional funding might be recommended to support further investment in these. (However, it would ultimately be for the PSM to determine how the money was spent).

This is a comprehensive approach, and provides scrutiny of PSM allocative efficiency[13] and does not take the status quo for granted. However, it has some significant challenges:

- It is highly labour-intensive, both for the PSMs and An Coimisiún
- It is likely unfeasible in the time available for the 3YA
- Measuring the value of PSM services is extremely challenging, and (as far as we are aware) no European country seeks to make this a regular part of their PSM regulatory structure

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[13] That is, is money being spent on the right outputs, by contrast to productive efficiency (are those outputs being delivered at a low cost)?

- It may not deliver predictability

Status quo process

The approach from the past five-year reviews has been that PSMs have made bids for increased funding based on whatever case seems strongest to them. The assessment process has therefore necessarily changed from review to review, to be responsive to the format of PSM bids made. Existing activities have largely been taken as a given.

This approach has advantages of flexibility and familiarity. However, we do not believe it is compatible with the amended Act. For instance, it does not explicitly relate spend to performance commitments, nor does it include safeguards for editorial independence. Further, the very fact of substantial amendments to the Act regarding the review process suggests a desire for change from the status quo.

Funding by inflation

Under this approach, funding would simply be increased with inflation each year. This has significant advantages of simplicity and predictability. Several European states use approaches linked to inflation, at least in theory.

However:

- Such an approach leaves no possibility for expansion of PSM funding (absent government overruling An Coimisiún's recommendation). Particularly given a history of occasional appreciable funding increases for Irish PSM, it seems inappropriate to preclude future increases by the design of the process
- The approach takes no account of the potential for efficiencies. In part for this reason, other countries that have used an inflation-linked approach have (by government action) paused increases, to effectively add an efficiency requirement
- It leaves no room for other factors that the Act requires to be considered, such as the net expenditure path

Funding by inflation less efficiencies with potential for uplift

To allow for the weakness in a pure inflation-linked approach, an alternative is to anchor total funding changes in inflation but to adjust for two factors:

- Ongoing efficiencies
- The potential for additional funding against an appropriate case that this addition would deliver commensurate public value

This approach provides relatively predictable funding to sustain status quo provision (albeit with an expectation of ongoing efficiencies) and leaves open the possibility for funding expansion. It also focuses the more detailed analysis on any requests for additional funding.

Disadvantages of this approach are:

- It does not leave room for a material reduction in PSM funding. However, in our view, such a decision sits outside the normal course of the 3YA. It is possible that a major efficiency review would identify major potential cost savings (and this might inform a future methodology), but the 3YA does not allow time for such a review
- It also embeds a judgement in the assessment of requests for additional funding

There is no direct European parallel to such an approach, though it is adjacent to both the inflation-linked approach used in many countries, and the negotiated settlement of increased funds for specific increased activities that is used in some countries.

Benchmarking

Another approach to setting funding levels might be benchmarking, either one PSM vs another or versus international comparators. However, we see several challenges with this approach:

- The choice of both comparator and of metric (total funding, funding per capita, etc) may be somewhat arbitrary, and can lead to dramatically different results
- We know of no European market that has used benchmarking as a direct driver of funding levels, though they have sometimes been used as contextual factors
- We find no support in the Act for such an approach
- If an international benchmark is used, it in effect cedes control of Irish PSM funding to an overseas process

Conclusion

Based on our consideration of these options, we provisionally consider funding based on ‘inflation less efficiencies with potential for uplift’ to be most appropriate.

Question 3: Are there other funding approaches that we should consider that are materially different from those already analysed?

Question 4: Do you agree with our assessment of the pros and cons of the funding approaches?

Question 5: Do you agree with our provisional conclusion that ‘inflation less efficiencies with potential for uplift’ is the best available approach? Why or why not? If not, which approach would you see as better meeting the requirements of the Act and of the market context?

Proposed funding approach and performance commitments

The Draft Statement provides detail on the proposed implementation of 'inflation less efficiencies with potential for uplift'. We provide a high-level description here of the approach, and provide an explanation of relevant design choices.

Categories of funding

Our approach has considered four categories of funding, as below. We see three of these as being in-scope for the methodology of the 3YA:

	Category	Description	Drivers / Examples	
1	Business as usual funding	Maintaining the quality of the existing offer, though genre mix etc may vary over time	• General inflation • Change in commercial income • Benefit of efficiencies	In scope for 3YA
2	One-off funding	Time-limited, reversible funding for a specific purpose	• Out-of-the-ordinary capex • Balance sheet remediation • Trial of new service	
3a	Augmentation funding	Ongoing additional funding to improve offer within current scope	• Initially for expanded drama slate, say	
3b	Expansion funding	Material expansion of scope not fundable by redeploying spend, with own approval process (e.g. PVA/SIA)	• Cúla4 • Nuacht TG4	

Business as usual (BAU) funding represents a base level of funding, sufficient to sustain the current PSM offer. It provides an important safeguard, protecting both the offer and editorial independence. We propose to calculate it using a formula based on 'inflation less efficiencies', or HICP-X.[14] (The level of X, the efficiency factor, is discussed in the next chapter). The Draft Statement also sets out an adjustment to allow for variation in the PSMs' commercial income.

The determination of BAU funding is relatively simple, and is not burdensome for either the PSMs or An Coimisiún. Further, the Draft Statement treats support for the current level of PSM provision[15] as a 'made decision' – that is, not one to be revisited at each 3YA, barring exceptional circumstances (such as a

[14] HICP being the relevant inflation metric, forecast by the Department of Finance
[15] For detail on audience support for and engagement with Irish PSM, please see www.cnam.ie/about/research/completed-research/#media

separate efficiency review that had determined a PSM could reduce costs materially without loss of value delivered, or a government policy decision to reduce funding).

The Draft Statement calls for the PSM to provide a set of performance commitments (PCs) associated with BAU funding. If the PSM does not apply for or does not receive additional funding, these PCs (subject to An Coimisiún review) become the commitments for the next three years.

If PSMs feel they have a strong case for additional funding above the BAU level, they may at their discretion apply for funds in two further categories.

One-off funding is time-limited funding for a particular purpose, such as a significant capital project, balance sheet repair and the like. The purpose must not create any lock-ins or endowment effects that might lead to it becoming a de facto ongoing commitment. It must also represent spend that could not reasonably be funded by other means (for example, a profitable site redevelopment might be better funded by debt).

Augmentation funding supports a material and ongoing improvement of the existing service offers, where it is not practical for a PSM to fund that improvement by diverting resources from other activities. Augmentation funding might (initially) be used for increased hours of Irish drama, for example. Because of the quasi-annuity issues discussed above,[16] augmentation funding represents a material commitment, and thus carries the highest burden of proof within the 3YA.

A fourth category is expansion funding. This relates to new services subject to §103 approval, or other additional funding approved by some other process than the 3YA. Such expansion funding sits outside the 3YA process, though future 3YAs would need to factor in any such decisions previously made.

Assessing the case for augmentation and one-off funding

In the past, the case for additional funding has been assessed based on specific (often multiple) proposed uses of the funding. However, as noted, the immediate use of funds is only modestly informative about the merits of augmentation funding, given that so much of the value of the funding increase sits beyond the immediate future. A use-by-use assessment is also burdensome for both the PSM and An Coimisiún. Finally, such an approach might risk encroaching on editorial or operational matters that are properly for the PSM.

We therefore propose enhanced PCs as the primary metric by which to consider the case for enhanced funding. That is, if applying for augmentation funding, PSMs would be asked to put forward the uplift in PCs that they believe that funding would enable. (This uplift would be against the base set of PCs that the PSM provides associated with BAU funding).

We recognise that the linkage between funding and PCs may be challenging for PSMs to estimate with accuracy, particularly to begin with. However, performance commitments are An Coimisiún's critical tool for tracking the performance of the PSMs and should articulate the PSMs' value delivered. Further, a PC enhancement can be longer-lived than a particular use of funds. Finally, a decision anchored in appropriate performance commitments leaves editorial decisions with the PSM.

For one-off funding, we do not pre-specify an approach. It may be that it is appropriate to use an associated PC uplift to assess the merits of a one-off grant. However, there are other circumstances (for

[16] See The ratchet effect in PSM funding and 'quasi-annuities'

example, an application for balance-sheet remediation) where PCs are less helpful. Therefore, the approach to this category of funding application will be ad hoc. We note, though, that by their nature, one-off grants are likely to be less expensive than augmentation, and this has implications for the level of justification required.

BAU and augmentation as categories of funding, not activities

We note that BAU funding does not mean funding for the same set of activities as in the previous period. We would expect PSMs to be regularly thinking about the best deployment of funds, shifting spend from activities that may have become lower value to those that have become higher value (or to *new* high value activities).

By extension, what should be assessed under augmentation funding is not the new activity, but the marginal activity – that is, what would be lost without the augmentation funding, assuming BAU funding was used optimally.

Lock-in effects may mean that a new activity necessarily requires new funding, but we would expect PSMs to take a considered view on this, not simply to assume it.

Judgement inherent in the process

In considering any application for augmentation funding, An Coimisiún must weigh the additional costs versus the incremental public value articulated by the PC uplift. In essence, An Coimisiún chooses between BAU funding and base PCs, or BAU plus augmentation funding and the augmented PCs.

This is not an analytical decision, but rather a matter of well-informed judgement. The intent of this process is not to substitute for judgement, which we believe would be both impractical and inappropriate, but rather to support the best-informed judgement by An Coimisiún.

Linkage between PCs and funding

The Draft Statement inherently delivers PCs that are linked to the funding recommendation, since the set of PCs taken forward depends on An Coimisiún's funding decision. However, if the funding recommendation is overruled, then funding and PCs may become decoupled, since the PCs determined by An Coimisiún associated with the overruled funding would stand.

Question 6: Do you agree that BAU, one-off, augmentation and expansion funding are useful categories to inform the funding decision?

Question 7: Do you agree with 'HICP-X with adjustments for commercial income' as the appropriate mechanism for setting BAU funding? If not, what changes would you suggest?

Question 8: Is 'enhanced performance commitments for increased funding' an appropriate mechanism for assessing requests for increased funding? If not, what approach would be preferable, taking into account the time available in the process and the need to protect editorial independence?

Setting the 'X' efficiency factor

As discussed above, we propose that 'business as usual' funding should be set using an HICP-X mechanism, with X representing an efficiency factor. We here discuss the appropriate level for X.

International approaches

Detailed mechanisms vary, but 'inflation less efficiencies' is the effective approach used in a number of European countries:

The KEF, which sets funding for German PSM, takes a detailed view of inflation, applying specific inflators to different cost categories (though it is now pulling back somewhat from this level of detail). It then adjusts for efficiencies it believes can be reasonably expected.[17]

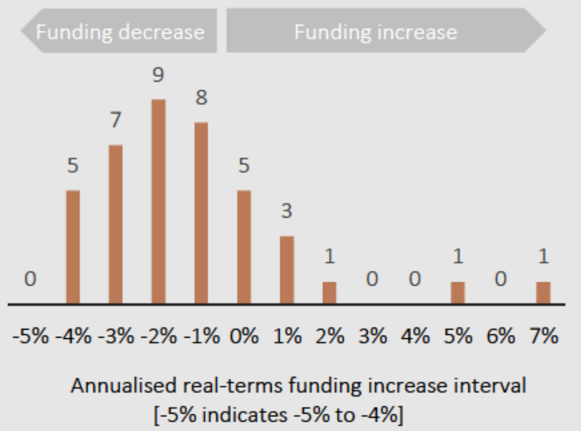
- In Flanders, VRT receives funding based on a full indexation of its staff costs, but only partial indexation of other costs, effectively forcing efficiency[18]
- The UK settlement for the BBC in 2022 held the licence fee flat for two years, and then allowed it to rise with inflation, against an expectation that the BBC would make savings and efficiencies. This was equivalent to inflation less 2.4% annually over the period[19]
- Finland's approach is similar to the UK, with a default inflation increase, but with occasional 'pauses' – years where no increase for inflation is granted[20]

International funding outcomes

We have also considered the funding outcomes for PSMs in Europe. Figure 1 shows the distribution of real-terms funding changes in the period 2019-24 for 40 European PSMs. The median change is a 1.1% annual decline, and the average is a 0.7% decline. Thirty percent saw real-terms declines of 2% or more.

Note that these figures for European PSM outcomes are not directly comparable to the X figures in the proposed formula for Ireland. This is used in the HICP-X formula to calculate increases in *BAU* funding – but any provision of one-off or augmentation funding on top of BAU funding

Figure 1: Number of European PSMs receiving different annualised funding increases, 2019-24[21]



[17] KEF, 24.Bericht, February 2024
[18] 3.7, VRT, 2026—2030 Beheersovereenkomst tussen de Vlaamse Gemeenschap en de Vlaamse Radio- en Televisieomroeporganisatie, 14 October 2025
[19] DCMS, TV licence fee frozen for two years, 17 January 2022
[20] Liikenne- ja viestintäministeriö, Annual index increases to YLE's funding to be frozen for 2025–2027, 19 December 2024
[21] Communications Chambers analysis of PSM annual reports. We have excluded from our sample PSMs where it has been suggested there was inappropriate political interference in funding

would mean that the *total* increase in funding was above HICP-X.

This means that if (say) X was set at 2%, while *BAU* funding would decline in real terms at 2%, steeper than the European median of a 1.1% decline, the *total* Irish funding might be closer to or above that median.

Factors in setting an 'X' for Irish PSM

We believe the following are relevant factors in setting X:

- It has a signalling effect – it makes clear that An Coimisiún is seeking efficiencies from the PSM, as would be expected in other parts of the public sector
- An X that is in line with European practice is likely to meet the requirement of the Act that funding be sufficient to protect editorial independence
- An X that is too high will, over time, erode PSM provision
- It reflects efficiencies that should be available to a PSM, and ensures taxpayers benefit from these

However, on the last there are some notes of caution. We have not undertaken an efficiency review of the PSMs (and this would be a major undertaking, outside the scope of the 3YA[22]). Potential efficiencies available will depend on a very large range of factors, including how tightly an organisation is currently run; current or imminent technical developments that might enable savings; the mix of an organisation's costs; the level of 'lock-in' in its costs; and so on.

Thus it is not possible to underpin an X decision with an analysis of future efficiencies – rather it is a high-level judgement. It may also change over the long term. For example, the most recent BBC efficiency target (for 2018-22) was set at 1.5% per annum,[23] following on from 3% and approximately 2% in earlier periods.

Finally, there is also an asymmetry in the 'X' decision. If An Coimisiún finds it has set too high an X (constraining PSM funding), it can soften this by taking a more generous approach to PSM augmentation funding requests in the next cycle. Conversely, if X is set too low (making it too generous to PSMs), this is harder to remedy.

Conclusion

In light of the above evidence and analysis, An Coimisiún has provisionally concluded that 2% is the appropriate efficiency factor for the period 2028-2030.

Question 9: Is there other evidence relevant to the setting of X that we have not considered?

Question 10: Have we considered the appropriate factors when setting X?

Question 11: Do you agree with our provisional conclusion on X? Why or why not?

[22] Though any such future review would be an important input to a future 3YA

[23] BBC, [A Simpler BBC](), 10 October 2018

Performance commitments

The Act calls on An Coimisiún to determine performance commitments for the PSM. We see the PCs as serving four purposes. They:

- Articulate the value created by the PSMs (where that can be expressed in a quantified metric)
- Allow for an assessment of the benefits of additional funding (as discussed above)
- Act as a motivating tool for PSMs and their teams
- Allow retrospective review of a PSM's performance against expectations

To support these purposes, we believe PCs should be:

- Focused on outcomes or outputs rather than inputs whenever possible
- Focused on 'macro' measures and/or strategic shifts
- Limited in number
- As far as practical, stable over time (in formulation, though perhaps not in level)
- Stretching but achievable
- Absolute not competitive
- A 'spotlight' as necessary
- SMART (specific, measurable, achievable, relevant and time-bound)
- Designed so as to not encroach on editorial independence

These criteria are discussed in more detail in the Draft Statement.

Question 12: Do you agree with the purposes of the performance commitments?

Question 13: Do you agree with our criteria for performance commitments? If not, how would you amend them and why?

Matters of detail in the Draft Statement

The Draft Statement describes in detail how we propose to conduct the three-year appraisal. To a material extent the Draft Statement is simply the implementation of the points of principle discussed in this document. However, we are nevertheless keen to solicit opinions on whether the Draft Statement implements those principles in the best way.

We recognise that stakeholders may disagree with one or more of the principles on which the Draft Statement is based. If so, it is sufficient to comment against the relevant principle as discussed above, without any requirement to comment on the implementation of that principle in the Draft Statement.

Question 14: Is the detailed approach in the Draft Statement consistent with the principles in this document? If not, where do you see inconsistencies?

Question 15: Do you have any other comments on the detail set out in the Draft Statement?

Use of information

Personal data

An Coimisiún shall comply with its obligations under the General Data Protection Regulation ("GDPR"), Data Protection Act 2018 and any other applicable data privacy laws and regulations. An Coimisiún is obligated and committed to protecting all personal data submitted. An Coimisiún has an appointed Data Protection Officer who is registered with the Data Protection Commission. Respondents can find out more on how An Coimisiún processes personal information in An Coimisiún's published policy here.

For this process, An Coimisiún will collect the name, email address and any other personal information included in responses received. The name of the respondent to the consultation and the response provided will be made publicly available. An Coimisiún will not make publicly available respondents' contact details, such as address, phone number or email.

The information collected will be used only for the purposes of the consultation and for no other purpose. Please clearly mark any information considered to be confidential in your response.

Confidential information

It is An Coimisiún's intention to publish submissions received in response to the consultation. Please provide your response as a non-confidential document, with confidential information contained in a separate annex or submit a redacted non-confidential version together with your response. An Coimisiún will treat confidential information in line with its Consultation Guidelines, published on 28 June 2023.

Freedom of information

Information held by An Coimisiún is subject to its obligations under law, including under the Freedom of Information Act 2014. An Coimisiún will consult you about information you mark as confidential before making a decision on any Freedom of Information request received.

Annex 1 – Summary of consultation questions

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Question 1: Do you agree that this is an adequate set of characteristics for a well-designed three-year appraisal? 10

Question 2: Do you believe there are processes to determine appropriate PSM funding in use in other countries that would be a relevant model for Ireland, in light of the Irish statutory and market context? 13

Question 3: Are there other funding approaches that we should consider that are materially different from those already analysed? 18

Question 4: Do you agree with our assessment of the pros and cons of the funding approaches? 18

Question 5: Do you agree with our provisional conclusion that 'inflation less efficiencies with potential for uplift' is the best available approach? Why or why not? If not, which approach would you see as better meeting the requirements of the Act and of the market context? 18

Question 6: Do you agree that BAU, one-off, augmentation and expansion funding are useful categories to inform the funding decision? 21

Question 7: Do you agree with 'HICP-X with adjustments for commercial income' as the appropriate mechanism for setting BAU funding? If not, what changes would you suggest? 21

Question 8: Is 'enhanced performance commitments for increased funding' an appropriate mechanism for assessing requests for increased funding? If not, what approach would be preferable, taking into account the time available in the process and the need to protect editorial independence? 21

Question 9: Is there other evidence relevant to the setting of X that we have not considered? 23

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Question 12: Do you agree with the purposes of the performance commitments? 24

Question 13: Do you agree with our criteria for performance commitments? If not, how would you amend them and why? 24

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Annex 2 – Selected text from the Bill

Section 44 of the Bill[24] inserts the following language into the Act:

Three-year appraisal process for funding and performance

112A. (1) Every three years the Commission shall, in relation to each of the corporations—

(a) carry out an appraisal of the corporation's funding and performance, and

(b) submit a report to the Minister on the basis of the appraisal.

(2) The process for appraisals and submission of reports under subsection (1) in relation to a corporation shall be as follows:

(a) the Commission shall, in accordance with section 112B (2), consult on a draft statement of procedure and methodology for the appraisal;

(b) not later than five months before the submission date for the report, the Commission shall finalise and adopt the statement of procedure and methodology;

(c) not later than three months after the adoption of the statement of procedure and methodology, the corporation shall make a submission to the Commission in accordance with section 112C;

(d) the Commission shall carry out the appraisal in accordance with section 112D;

(e) the Commission shall, in accordance with section 112E, prepare the report and submit it to the Minister by the submission date.

(3) Following the submission of a report under subsection (1)(b) to the Minister—

(a) the Minister shall submit the report to the Government, and

(b) the Government shall publish a response to the report.

(4) The submission date for a report under subsection (1)(b) is:

(a) for the first report in relation to each corporation, 30 June 2027;

(b) for each subsequent report, the third anniversary of the submission date for the preceding report.

(5) In sections 112B to 112F—

'three-year appraisal' means an appraisal under subsection (1)(a);

[24] Broadcasting (Amendment) Bill 2026 (as initiated)

‘appraisal year’, in relation to a three-year appraisal or the report under subsection (1)(b) based on the appraisal, means any of the first three financial years commencing after the submission date for the report.

Procedure and methodology for three-year appraisal

112B. (1) The statement of procedure and methodology referred to in section 112A(2)(b) for a three-year appraisal in relation to a corporation shall include the procedure and methodology for—

(a) identifying the input costs and cost structure of the corporation and the existing level of current expenditure and capital expenditure by the corporation to meet those costs, in relation to the pursuit of—

(i) its public service objects, and

(ii) its exploitation of commercial opportunities object,

(b) identifying the level of resources, other than funding under section 123, available to the corporation, and identifying for that purpose—

(i) the assets and liabilities of the corporation, and

(ii) the income of the corporation from commercial activities undertaken in pursuance of its exploitation of commercial opportunities object,

(c) projecting changes in the costs, cost structure, expenditure and levels of resources referred to in paragraphs (a) and (b),

(d) taking account of the corporation’s existing levels of funding under section 123,

(e) determining the performance commitments and intended outputs of the corporation and the performance indicators and metrics to be applied to them,

(f) relating costs, cost structure and expenditure to performance commitments and intended outputs, and

(g) taking any other step that appears to the Commission to be necessary for the purposes of the appraisal.

(2) Before adopting a statement of procedure and methodology for a three-year appraisal, the Commission shall—

(a) prepare a draft of the statement and send copies to—

(i) the corporation,

(ii) the Minister, and

(iii) the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, and

(b) publish the draft on a website maintained by the Commission, with details of the process for making submissions about it to the Commission and the period in which submissions may be made.

(3) The period referred to in paragraph (b) of subsection (2) shall be not more than four weeks beginning with the first day on which the draft is published in accordance with that paragraph.

(4) The Commission shall, in finalising a statement of procedure and methodology for a three-year appraisal, have regard to any submissions made during the period referred to in paragraph (b) of subsection (2).

(5) On adopting a statement of procedure and methodology for a three-year appraisal, the Commission shall provide a copy of the statement to the Minister.

(6) The Minister shall as soon as may be cause copies of the statement to be laid before each House of the Oireachtas.

Submission by corporation for three-year appraisal

112C. (1) The submission made by a corporation under section 112A(2)(c) shall comply with the statement of procedure and methodology for the three-year appraisal concerned, and shall be in such form and manner as may be specified by the Commission.

(2) The submission shall set out—

(a) the corporation's proposals for the performance commitments and intended outputs of the corporation for the appraisal years and the performance indicators and metrics to be applied to them,

(b) the corporation's projection of its input costs and cost structure, and of its current expenditure and capital expenditure to meet those costs, for each of the appraisal years, and how they relate to the performance commitments and intended outputs of the corporation proposed under paragraph (a),

(c) the corporation's resources projected by the corporation for each of the appraisal years, other than funding under section 123 in those years, and

(d) any other information that is required by the statement of procedure and methodology or is required by the Commission by notice in writing to the corporation.

Scope of three-year appraisal

112D. (1) In a three-year appraisal, the Commission shall—

(a) assess the level of current expenditure and the level of capital expenditure by the corporation that will be necessary in each of the appraisal years—

(i) to enable the corporation to fulfil its public service objects, and

(ii) to safeguard its editorial independence,

(b) assess the level of resources other than funding under section 123 that will be available to the corporation to meet the levels of expenditure referred to in paragraph (a),

(c) assess the level of funding under section 123 for current expenditure, and the level of funding under section 123 for capital expenditure, necessary to enable the corporation to meet the levels of expenditure referred to in paragraph (a),

(d) review the proposals made by the corporation under section 112C(2)(a) and its submission under section 112C(2)(b) as to the costs, cost structure and expenditure related to those proposals,

(e) determine the performance commitments and intended outputs of the corporation for the appraisal years and the performance indicators and metrics to be applied to them, having regard to its assessment of the costs, cost structure and expenditure related to those commitments and outputs, and

(f) carry out such other assessments relating to the funding and performance of the corporation as the Minister may specify by notice in writing to the Commission.

(2) In carrying out a three-year appraisal the Commission shall take into account—

(a) the net expenditure path recommended by the European Council under Article 17(1) of Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97,

(b) the application of the law of the European Union governing state aid,

(c) the submission of the corporation under section 112C,

(d) such other matters as the Minister may specify by notice in writing to the Commission, and

(e) any other matter that the Commission considers relevant.

Report and recommendations following three-year appraisal

112E. (1) The report based on a three-year appraisal shall—

(a) set out the Commission's findings in the appraisal,

(b) recommend the level of funding under section 123 for current expenditure, and the level of funding under section 123 for capital expenditure, that the Commission considers necessary in each of the appraisal years—

(i) to enable the corporation to fulfil its public service objects in those years, and

(ii) to safeguard the corporation's editorial independence,

(c) state the performance commitments and intended outputs of the corporation determined by the Commission for the appraisal years, and the performance indicators and metrics to be applied to them, and

(d) address such other matters as the Minister may specify by notice in writing to the Commission.

(2) Following the submission to the Minister of the Commission's report on a three-year appraisal—

(a) the Minister shall submit the report to the Government not later than six weeks after the first Estimates date following the date of submission of the report to the Minister, and

(b) the Government shall publish a response to the report.

(3) The Minister shall, as soon as may be, cause copies of a report submitted under subsection (2)(a) and of the Government's response published under subsection (2)(b) to be laid before each House of the Oireachtas.

Three-year statement of strategy by corporation

112F. (1) Within six months of the submission date for a report under section 112A(1)(b), the corporation shall prepare and present to the Minister a statement of strategy.

(2) The statement shall set out the corporation's strategy for fulfilling its objects during the appraisal years, having regard to—

(a) the corporation's projection of the level of resources, other than funding under section 123, that will be available to the corporation,

(b) the level of funding under section 123 recommended in the report referred to in subsection (1) and the Government's response under section 112E(2)(b), and

(c) the performance commitments and intended outputs of the corporation stated in the report.

(3) The statement shall address any such other matter as the Commission may direct.

(4) The corporation in preparing the statement shall have regard to the need to ensure the most effective, efficient, and economical use of its resources.

(5) When preparing the statement, the corporation may consult such persons as it considers appropriate.

(6) The statement shall be prepared in the form and manner specified by the Commission.

(7) As soon as may be after the statement has been presented to the Minister, the Minister shall cause a copy of the statement to be laid before each House of the Oireachtas.

Annex 3 – EMFA Article 5

Article 5

Safeguards for the independent functioning of public service media providers

1. Member States shall ensure that public service media providers are editorially and functionally independent and provide in an impartial manner a plurality of information and opinions to their audiences, in accordance with their public service remit as defined at national level in line with Protocol No 29.

2. Member States shall ensure that the procedures for the appointment and the dismissal of the head of management or the members of the management board of public service media providers aim to guarantee the independence of public service media providers.

The head of management or the members of the management board of public service media providers shall be appointed on the basis of transparent, open, effective and non-discriminatory procedures and transparent, objective, non-discriminatory and proportionate criteria laid down in advance at national level. The duration of their term of office shall be sufficient for the effective independence of public service media providers.

Decisions on dismissal of the head of management or the members of the management board of public service media providers before the end of their term of office shall be duly justified, may be taken only exceptionally where they no longer fulfil the conditions required for the performance of their duties according to criteria laid down in advance at national level, shall be subject to prior notification to the persons concerned and shall include the possibility of judicial review.

3. Member States shall ensure that funding procedures for public service media providers are based on transparent and objective criteria laid down in advance. Those funding procedures shall guarantee that public service media providers have adequate, sustainable and predictable financial resources corresponding to the fulfilment of and the capacity to develop within their public service remit. Those financial resources shall be such that the editorial independence of public service media providers is safeguarded.

4. Member States shall designate one or more independent authorities or bodies, or put in place mechanisms free from political influence by governments, to monitor the application of paragraphs 1, 2 and 3. The results of that monitoring shall be made available to the public.