

The British Academy

Public service media: funding and governance options

An international comparison to inform
BBC Charter review 2027

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Contents

1	Introduction	4
	Georgina Born OBE FBA and Justin Lewis FBA	
2	Public service media in Germany	12
	Annika Sehl and Natascha Zeitel-Bank	
3	Learning from German-speaking Europe: governance and future funding	18
	Josef Trappel and Tales Tomaz	
4	The Spanish public service media system	24
	Marius Dragomir	
5	Finland's Yle: the strengths and challenges of a media tax	29
	Minna Horowitz and Hannu Nieminen	
6	Funding, de-politicisation and regulation on digital terms: lessons learned from Danish public service media	33
	Julie Münter Lassen	
7	Public service media in Norway	37
	Helle Sjøvaag	
8	Swedish public service media under pressure	42
	Christian Christensen and Fredrik Stiernstedt	
9	Public service media funding and governance: the case in Canada	47
	Jessica Johnson and Emma Wilkie	
10	ABC funding and governance: lessons from the Australian case	52
	Matthew Ricketson and Patrick Mullins	
11	British PSM funding after 2027	56
	Patrick Barwise	
12	Creating a sustainable future for the BBC: the importance of public deliberation during and beyond Charter Review	61
	Lee Edwards and Giles Moss	
13	Rethinking the BBC's future in the platform era: comparative lessons for sustainable, universal, and diverse public service media	66
	Catherine Johnson and Dan Martin	

CHAPTER 1

Introduction

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The next BBC Charter renewal in 2027 comes at a critical time. The licence fee no longer provides an adequate and stable source of income, while the need for public service media organisations to provide independent, high quality and trusted content in the public interest remains critical. In their contribution to this collection, Johnson and Martin draw on the results of their international comparative analysis of public service media (PSM) to show that there has been an unprecedented level of disruption to PSM since the 2017 Charter renewal. This has been driven by the rapid increase in streaming services and online platforms that have secured a much greater role in the media ecosystem for the global tech giants. Consequently:

The next Royal Charter must reflect these shifting dynamics, introducing obligations grounded in current operational realities and establishing measures to safeguard the BBC's independence and ensure the continued relevance of its public service mission. [\(page 66\)](#)

The Government has an opportunity, in 2027, to reset the UK's commitment to PSM in this new context in ways that will benefit audiences, the UK's creative economy and democratic life. But changing the way the BBC – and PSM in general – is funded and governed involves complex decisions: what can we learn from PSM systems in democratic polities around the world about the best models and approaches in order to serve a range of public needs and interests?

To address this question, we commissioned this collection of policy briefs to help inform decisions around Charter renewal. Our contributions come from Australia, Austria, Canada, Denmark, Finland, Germany, Norway, Spain, Sweden, Switzerland and the UK, and include three comparative international studies. The models described and evaluated here allow us to place the BBC, and the UK's PSM ecology, in the broader context of public service media around the world, and to consider the strengths and weaknesses of different systems of funding and governance.

The chapters contain a wealth of detail about the pros and cons of different approaches: in this overview we bring some of the core themes together and summarise the key issues and policy options. We focus on three issues: the case for funding PSM in general and the BBC in particular; models of governance and democratic accountability; and options for funding. A fourth section outlines the wider challenges facing the BBC, and PSM worldwide, given the dominance of global commercial digital platforms. We then offer final comments and recommendations based on the evidence gathered in this volume.

1. The case for establishing a strong and stable revenue source for the BBC and the UK's PSM

PSM are highly valued, with significantly higher levels of trust than commercial providers.

A number of contributions to the collection – from across Europe, and Australia – show that PSM are highly valued by citizens, as well as indicating a broad link between levels of funding for PSM and levels of public support. Johnson and Wilkie's comparative research shows that 'countries that spend the most on public media also tend to see the highest trust and support for their services among citizens' [\(page 49\)](#).¹ Despite the rise of global platforms, better funded PSM – including the BBC – are popular and continue to perform well in terms of audience breadth and reach.

¹ Johnson and Wilkie's comparative two-year study of best practices in PSM includes Canada and 17 other countries including Australia, New Zealand/Aotearoa, Sweden, UK, Ireland, Finland, Germany, Portugal, Italy, Netherlands and Japan <https://www.mediatechdemocracy.com/what-should-the-cbc-be-report>

Our contributions confirm the BBC's well-established global reputation. The BBC is widely regarded as a UK success story and as a leader in digital innovation. Johnson and Wilkie cite research showing that, among Canadians,

the BBC's programming is admired for its high production values and for the perceived objectivity of its news service. In spite of some recent criticisms about political bias, the BBC is notable among media outlets in being relatively highly trusted by both Conservative and Labour audiences (page 51).

It is now well-established that levels of democratic knowledge are higher in countries with strong PSM.² Johnson and Wilkie stress this finding: 'the world's most successful public media services are associated with a healthy democracy and national culture' (page 51). A recent Enders report makes the same point: in an age of rampant disinformation and the increasing spread of harmful content, 'PSMs play a unique democracy-sustaining role in the digital age by providing the population with balanced news coverage, thus combatting misinformation.³ As well as PSM's distinctive role as trusted producers of information, they are committed to reflecting national and local cultures in a way commercial providers are not. The top ten most popular programmes in the UK in the last Christmas period, for example, were all provided by the BBC.⁴

PSM support and enrich national and regional creative economies. As an example, small Nordic nations with strong PSM have been able to punch well above their weight in global drama production. Münter Lassen describes how, in Denmark, 'funding of PSM is crucial to the entire media industry as PSM institutions are the driving forces to ensure development of talent, sufficient room for experimentation and innovation, and high quality' (page 36). This is also demonstrably the case with the BBC, which, alongside other UK PSM, is central to the success of the creative industries across the four UK nations.⁵ Indeed, despite lobbying to the contrary, the evidence suggests that commercial providers tend to benefit from the presence of PSM. Tomaz and Trappel, in their comparative research on Germany, Austria and Switzerland, cite research showing a 'positive correlation between per capita revenues of PSMs and commercial broadcasters, controlled for differences in GDP' (page 18).

The cost of PSM is relatively small, while its positive social and economic impact is high. A number of contributions suggest that, while much debated, the cost of even the most well-funded PSM (the Scandinavian countries generally investing the most per capita) is low, especially given the extent of its average reach and use. Barwise shows that, because costs are spent on content rather than on revenue generation, PSM are more efficient than commercial providers in terms of percentage spent on output: 'the average British adult still consumes BBC services for over two hours a day – far more than any other product, service or media brand. For this, the TV licence costs £174.50/year, equivalent to just £3.35/week – less than a takeaway coffee – for the whole household' (page 56).

While the BBC has, historically, been comparatively well-funded, it currently receives similar or less revenue per capita than many other PSM systems. In Germany, for example, the household levy is around £190 per year. And while PSM in countries like Sweden receive inflationary increases, the BBC has seen its licence fee frozen in recent years, causing very substantial cuts, while its responsibilities have increased.⁶ Writing from Sweden, Christensen and Stiernstedt comment: 'In 2025, the budget for PSM is roughly £730 million, putting Sweden ahead of the UK in per capita

2 Aalberg, Toril, et al, 'International TV News, Foreign Affairs Interest and Public Knowledge: A Comparative Study of Foreign News Coverage and Public Opinion in 11 Countries', *Journalism Studies*, 14(3), 2013, pp. 387-406.

3 Enders, A. et al, 'EU Media Freedom Act: Independence of Public Media', 10 October 2025, Enders Analysis, <<https://www.endersanalysis.com/reports/eu-media-freedom-act-independence-public-media>>

4 See 'BBC Wins Christmas, Takes Every Spot In UK's Top Ten Most Watched Shows On Christmas Day', Deadline, 26 December 2024, <<https://deadline.com/2024/12/bbc-wins-christmas-takes-every-spot-in-uk-top-ten-most-watched-shows-christmas-day-1236242434/>>; 'Gavin and Stacey finale tops Christmas television ratings', The Guardian, 26 December 2024, <<https://www.theguardian.com/tv-and-radio/2024/dec/26/gavin-and-stacey-finale-tops-christmas-television-ratings>>

5 Ofoom, *Transmission Critical: The Future of Public Service Media*, 21 July 2025.

6 In October 2024, the Voice of the Listener and Viewer published an analysis based on BBC Annual Reports showing that BBC public funding available for UK services dropped by 38% in real terms since 2010 <<https://vov.org.uk/news/bbc-public-funding-analysis/>>

spending... Practice has been that the broadcasting system receives an annual 2% increase to keep up with inflation and expanded responsibilities' (page 43).

Support for the more trusted PSM systems tends to involve or helps to create a high degree of political consensus. Christensen and Stiernstedt point to research showing that

The assumption that it is only those on the political left who have trust in PSM, or consider it to be of value, is not supported by research. Of those in Sweden who identify themselves as 'clearly right-wing', 57% have high trust in Swedish Television and 68% believe it is of great value. It is only among supporters of the far right [...] that trust in PSM is significantly lower.

This group of voters, however, show a general lower trust in all public institutions. (page 44)

Johnson and Wilkie cite research showing that the BBC has a strong reputation in Canada for its relatively high levels of support from audiences across the political spectrum (page 51). Surveys in the UK find that Labour, Conservative and Lib Dem voters have relatively high levels of trust in the BBC, especially when compared to journalists in general, although, as in Sweden, trust is lowest among voters for more populist parties.⁷

So while we see a new level of hostility towards PSM from far-right nationalist and populist parties, research indicates this is not reflected in general populations with PSM systems. It does, however, suggest that the 2027 BBC Charter review is of particular importance, with an imperative to create structures that take decisions about the funding and governance of the BBC, and the UK PSM system, out of party politics. The BBC infrastructure, reputation and brand have been built, maintained and developed over 100 years; under current rules they could disappear in one parliamentary term.

2. Governance and democracy

The evidence suggests that clear forms of democratic governance and citizen representation, and independence from party politics, deepen public support for PSM.

A number of countries with strong PSM have created robust forms of public engagement and public media literacy, and in some cases this is incorporated into systems of governance, involving various forms of citizen representation: examples include Germany, Austria, Switzerland, and some Nordic countries. Tomaz and Trappel note for Switzerland that 'PSM's strong roots at the centre of Switzerland's civil society helped secure public support for PSM' (page 20) in two referenda, achieved partly through grassroots support. Their comparative study of German-speaking countries concludes that, in making a case for public funding, 'the strength of an institution's anchoring in civil society directly correlates with the efficacy of its case' (page 23).

Johnson and Wilkie's comparative study of PSM in 17 countries comes to the same conclusion:

many of the world's most successful jurisdictions invest in media literacy programmes and conduct other forms of audience outreach. Countries with long-standing commitments to engage citizens through media literacy education and audience input—Germany, Austria, Iceland, and Finland, for example—rank highly in reported trust levels towards their public media services. (page 49)

Developing democratic structures becomes increasingly important in making the case for new funding systems. A number of European countries have moved away from licence fees, most of them moving to general taxation or household levies (see section 3. below). Evidence provided by many contributors indicates that new funding structures will need bottom up as well as top down support. Edwards and Moss suggest this is also the case in the UK, and that while the BBC is seen by audiences as more accountable than commercial providers, this would be strengthened by increasing deliberative forms of democratic input into governance and decision-making for the BBC and other UK PSM.

⁷ Difford, D., 'Who do Britons trust to tell the truth?', YouGov, 2024 <<https://yougov.co.uk/society/articles/50459-who-do-britons-trust-to-tell-the-truth>>

The dangers of governmental and political control over funding levels and operational aspects of PSM are stressed in all our case studies. Johnson and Martin, in their comparative analysis of PSM systems, conclude that 'government interference with PSM undermine[s] impartiality and public trust, and inhibit[s] innovation and digital transition' (page 70). For Australia, Mullins and Ricketson provide a cautionary account of the ways in which political parties have attempted to compromise support for the two PSM (ABC and SBS), politicising both funding and key executive and governance appointments.

Political interference is manifested in various ways, and is particularly clear in the BBC, which has seen its funding cut significantly over the last fifteen years (see fn. 6) as a result of political decisions by central government, with minimal consultation from the devolved nations. Currently, UK central government makes key appointments to the BBC Board and Ofcom (its two regulatory bodies). At the time of the publication of this report, there has been significant public debate as to whether the resignations of the BBC Director General, Tim Davie and Head of News, Deborah Turness were as a result of pressure coming from political appointments to the BBC Board.⁸ Such a debate is a consequence of a system in which key appointments are made by the party of government in Westminster. **All our contributors argue for structures that place decisions on PSM funding, key executive and oversight appointments, and operational decisions at arms-length from government and political parties, as well as arguing strongly for longer term funding settlements for PSM.** The most advanced models, notably the German one, have done this by devolving decision-making to independent expert institutions and by increasing forms of citizen involvement.

3. Funding

In the BBC's case, the licence fee is no longer a stable funding mechanism and is unpopular. Partly as a consequence, funding for the BBC has significantly decreased in real terms over the last decade. In 2023/24, annual revenue from the BBC licence fee was £1.3bn lower in real terms than it was in 2012/13.⁹ Moreover, the BBC Charter renewal process remains solely in the hands of the party of government in Westminster (with little input from the devolved UK governments), creating instability and politicising the licence fee settlement process.

Commercial forms of funding – notably advertising and subscription – are not viable options for replacing the BBC licence fee. Barwise reviews these options in his contribution, showing how they fail to raise comparable amounts of funding, as well as being more expensive ways to collect revenue. They would also have a negative impact on the UK's commercial PSM and other providers, who would be forced to compete (one of the reasons why the Peacock review, under the Thatcher government, rejected advertising for the BBC). They are also seen as compromising public service principles. Indeed, Dragomir describes how Spain has moved away from a commercial funding model (based on advertising) because it weakens the public service remit.

Dragomir's analysis of Spain's funding model describes a hybrid of direct state budget allocations and industry levies, mainly hypothecated taxes on commercial broadcasters, streaming platforms and telecom operators. This model replaced the previous reliance on advertising, which was phased out to guarantee a strong, non-commercial public service remit. The hypothecated tax element, while innovative, contributes only part of the overall budget and is seen as potentially volatile, particularly if commercial broadcasters underperform or foreign platforms shift operations outside of Spain.

⁸ Make no mistake – this was a coup: the extraordinary downfall of the BBC's top bosses, *The Guardian*, 10 November 2025 <<https://www.theguardian.com/media/ng-interactive/2025/nov/10/make-no-mistake-this-was-a-coup-the-extraordinary-downfall-of-the-bbcs-top-bosses>>

⁹ Ofcom, 'Review of Public Service Media (2019 – 23): Challenges and opportunities for Public Service Media.' p. 48 <<https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/broadcast-guidance/psb/2024/review-of-public-service-media-2019-2023.pdf?v=389567>>

Most countries have now moved away from licence fee funding towards general taxation

(favoured by Nordic countries like Sweden, Norway, Finland and Denmark) or household levies (favoured by German-speaking countries). Our four Nordic contributions show that the move to general taxation, while being more proportionate to income (and arguably fairer), carries considerable risks of government interference. Of these, the Finnish approach appears to be the most robust. Horowitz and Nieminen describe how '[t]he Finnish model of collecting tax revenue into an extra-budgetary fund, out of the government's reach, guarantees that taxes are used for their statutory purposes', although they caution that this 'does not exclude the government from using other, indirect ways to pressure PSM financially' (page 32). In some cases (e.g. Spain) this revenue is bolstered by taxes on commercial communications and media providers. For the household levy option, the German PSM system offers a useful comparative example: the levy is set at a slightly higher level than the UK licence fee (around £190 per year), with exemptions for certain groups.

The UK should establish an independent institution to set the level of PSM funding. Two contributions (by Sehl and Zeitel-Bank, and by Trappel and Tomaz) set out the German model for independent decision-making on PSM funding. The level of the household levy for a four-year period is determined by an independent institution – an expert panel, the KEF (Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten) – and ratified through a devolved government process designed to minimise political interference. PSM organisations estimate their financial needs; the KEF reviews these estimates to judge whether they are justified and on this basis makes a recommendation; and the state premiers then decide on the levy. Sehl and Zeitel-Bank conclude that the household levy is

a more stable alternative to the UK licence fee, which appears increasingly outdated in the context of digital transformation. The levy should be set by independent experts, free from political influence, and calibrated to ensure both sufficient funding and economic efficiency. (page 17)

Equalising the advertising sales rules would boost the UK's commercially-funded PSM income. In the UK, the commercial PSMs (ITV/STV, C4/S4C and C5) are under growing financial pressure. Barwise, in his contribution, makes the case for a change to equalise the advertising sales rules between them and the non-PSM – although without creating a 'race to the bottom' where restrictions on advertising are minimal across the board (which not only has various negative social impacts, but actually lowers revenue from more abundant advertising space). This would significantly help the benighted sector by adding c. £100m in extra revenues per annum across the commercial PSM. The transition would need to be managed and regulated by Ofcom to ensure that additional revenues are invested in original British PSM content.

Most forms of public provision that everyone pays for benefit some publics more than others. Universality is a goal across all PSM systems, and our contributors show that the better funded PSM have strong reach amongst most sections of the population. While the requirement for universality is necessary and positive, some contributors make the point that the pressure to be universal is unfairly applied only to PSM, while most forms of public provision – from education, to health, to the arts – are used unevenly across the population but considered to benefit the whole society. The importance of PSM to society as a whole – in enhancing the range and quality of regional and national programming, supplying shared accurate and balanced news and information, strengthening democratic institutions, boosting national and regional creative industries, and increasing diversity of output – are outlined in all our contributions. They make a strong case that while PSM need to strive for universality, the wide public benefits of PSM justify public funding.

4. New challenges facing the BBC and PSM in an era of dominant commercial digital platforms

There is a need for larger market interventions by PSM, and expanded funding to enable this. As our contributions affirm, lack of funding for PSM to develop platforms, social media and other digital forms has meant that much of the communications infrastructure – notably

data providers, social media and content distribution platforms – has grown under commercial imperatives and is now in global commercial hands. In many cases this has allowed lightly regulated private monopolies to control culture and communication with no remit for public service and public value principles, or for national cultural and information needs. It is difficult to argue, based on the evidence, that the commercial growth of social media platforms has increased public knowledge or enhanced democratic deliberation, civic debate or social cohesion – goals central to the mission of PSM transnationally.

In this light, a point widely made by our contributors is that the challenges of a global media landscape with powerful players in Subscription Video On Demand (SVOD) and social media platforms should be met by additional funding and new mandated responsibilities for PSMs. Only well-funded PSM will enable national and local public media ecosystems to be sustained and compete in a digital age dominated by global companies. Johnson and Martin, drawing on their comparative study of PSM in six countries, conclude that 'with increased competition from largely unregulated global commercial competitors, a well-funded national PSB like the BBC, independent and accountable to the public, is more important than ever' ([page 70](#)).

Regulating for 'must carry' and 'due prominence' is not enough. Currently, regulatory attention is being paid to developing 'must-carry' and 'due prominence' rules to promote PSM on global commercial platforms. We fully support these and other future regulatory initiatives that would help to moderate the global platforms' current monopolistic powers in several key markets. But although necessary, 'must-carry' rules risk implying that prominently branded PSM content would in itself be sufficient to bring audiences to PSM. However, this approach risks weakening several facets of PSM. The pressure for PSM brands to compete for large audiences on SVOD platforms means that programmes with broad universal appeal are prioritised over a diversity of content, that PSM is subject to opaque gatekeeping practices by largely unaccountable platforms, and that PSM and audiences lose the earlier benefits of vertical integration between production and distribution. Given the opacity of recommender algorithms, regulators also find it difficult to assess the true discoverability of, and priority given to, PSM content.

Reactive dependency: the costs of PSM following rather than leading commercial platforms.

platforms. In recent years the global commercial platforms have established market dominance in distribution, infrastructure, algorithms and some areas of content production. This has created dependencies for PSM, notably in distribution and technological development. In turn this makes it difficult for PSM to fulfil their role of making interventions at a scale that would set agendas and raise standards of accuracy and quality across the sector. Instead they are locked into a reactive dependency.

In this context, Sjøvaag, writing from Norway, describes how an 'industry narrative persists that NRK (Norway's main PSM) may be growing "too strong" and "too big", but concludes that

the reality of industry competition in the platform era extends beyond national borders to involve strong dependencies on global technology companies, particularly as distribution infrastructures to reach audiences. Having a strong PSM ecology can help to counteract such growing power imbalances ([page 41](#)).

As she implies, older regulatory concerns with national publicly-funded PSM having unfair competitive advantages are no longer relevant in the new context of global commercial companies.

A key example of reactive dependency is the PSM adoption of personalized recommendation algorithms similar to those used by commercial platforms, which runs counter to PSM goals of broadening and diversifying culture. These algorithms tend to narrow cultural horizons, encouraging audiences to consume more of the same. As Münter Lassen observes for the Danish system: 'what is at stake when PSM introduce algorithmic personalisation is the balancing of new user habits and preferences with the traditional PSM values of universality, diversity, and a shared national conversation' ([page 35](#)). The adoption of personalised recommender systems by PSM points to the wider tendency for PSM to follow the logic of commercial platforms, instead of developing

a generation of alternative technologies attuned to public service goals.¹⁰ Developing such alternatives necessitates new levels of investment in support.

This research emphasises the benefits of collaboration between national PSM to develop public service alternatives. Creating an alternative public media infrastructure and ecosystem, with a distinctive implementation of public service principles into distribution platforms, social media, algorithms and data providers, would offer the public a genuine choice. However, it would require efforts and funding to support innovation at a large scale, which could only be achieved by unprecedented levels of international collaboration across PSM. As Sehl and Zeitel-Bank state:

in a digital era dominated by global commercial platforms that do not prioritise democracy or public value, PSM must reinforce their role as a counterbalance. This may include developing public-value-oriented platforms, fostering cooperation both within countries and across borders, strengthening collaboration among PSM providers themselves, and exploring cooperation and partnerships with selected private-sector actors. ([page 17](#))

On this basis, they propose, PSM should act as an enabler of a 'Digital Open Public Space', creating a 'public media infrastructure as a place of interaction and exchange' ([page 16](#)), and giving audiences real choice between commercial and public service options.

Large-scale interventions are also needed to stem the loss of young audiences to global platforms. PSM have witnessed a serious erosion of younger audiences and without them the future of PSM is imperilled. This means younger audiences in the UK

are likely to be watching less duly impartial and duly accurate news, fewer UK programmes that reflect the diversity of the whole of the UK, which also means fewer opportunities for the PSBs to bring the country together with major sporting, cultural and entertainment events.¹¹

Various strategies are being adopted to attract them back. Common approaches include emulating popular commercial interfaces on PSM platforms, or following youth onto commercial platforms and offering PSM content there. The latter fuels dependency, and such efforts are hindered by the commercial platforms' lack of transparency and the difficulty of achieving due prominence and brand recognition. In short, branding PSM content on commercial platforms is insufficient to stem the outflow of younger audiences. To address this PSM should, again, build a large market presence through international collaboration on distribution platforms, social media, algorithms and infrastructure. The urgent need to reach younger audiences and bring them into a PSM ecology is one of the strongest cases for funding the extended PSM activities outlined.

5. Key insights for policymakers and options for the BBC Charter renewal

Our contributions make a compelling case for publicly funded PSM, which remain trusted and popular, and committed to providing accurate and unbiased news and information.

They make a major contribution towards the creative economy, boosting skills, talent and innovation, and generating economic and cultural activity. PSM systems uniformly inject public service principles into media ecosystems, and research indicates that their influence enhances rather than diminishes both the quality and the viability of non-PSM commercial provision.

Our contributions show that public value and trust are highest where PSM are well funded.

They also make a strong case that the need for PSM systems is greater than ever in a media environment increasingly dominated by global commercial platforms. PSM expand consumer choice in the digital landscape, and they could be mandated to do much more – particularly through

¹⁰ On alternative recommendation algorithms for PSM, see, for example, Ferraro, A., Ferreira, G., Diaz, F., & Born, G. (2024). 'Measuring commonality in recommendation of cultural content to strengthen cultural citizenship'. *ACM Transactions on Recommender Systems*, 2(1), 1-32

¹¹ Ofcom, 'Review of Public Service Media (2019 – 23)', p. 4

international collaborations. This would come at a cost, but would offer audiences different kinds of digital participation infused with public service principles and delivering public value.

The Government should use the coming BBC Charter renewal to replace the licence fee with a more stable and long-term form of funding, with inflationary increases built in.

The decline in revenue for UK PSM is having an increasingly negative impact on the UK's highly successful media sector and creative industries. On the evidence here, the case for increasing PSM funding to support public policy goals is much stronger than the case for decreasing or maintaining current levels.

The two main options for new funding mechanisms are household levies and general taxation. The option of a flat universal household levy – with discounts and exemptions for those least able to pay – has the great merit of clarity and is most comparable to the licence fee. Its success depends on making the case for public value. General taxation has the merit of being more progressive, but potentially increases the risks of political interference and vulnerability.

With either option, our contributions make a compelling case for creating new institutional arrangements ensuring independence from Government in setting long-term funding

levels and in governance. Our contributors are united in highlighting the need to strengthen the arms-length principle in decisions on funding and governance. This requires creating new institutional arrangements to secure the complete independence of PSM, moves that are essential to sustaining public trust and public value. This means moving away from governmental and party-political influence to democratic, citizen-based decision-making and, where necessary, expert input.

Creating an independent institution dedicated to deciding on the level of PSM funding on a long-term basis similar to Germany's KEF, as well as introducing democratising structures for public deliberation and input on funding and governance, would help to mitigate the risks of political interference on both fronts. The German model, while complex, is particularly useful as an institutional example in both devolving and democratising decision-making structures. The Finnish system has perhaps the best developed 'arms-length' funding model for general taxation, backed by a strong media law framework.

CHAPTER 2

Public service media in Germany

Annika Sehl and Natascha Zeitel-Bank

1. Historical context and structure of public service media

Germany's public broadcasting system was established after World War II as part of the Western Allies' democratisation strategy. Modelled on the British system, it was meant to focus on the common good and be organised independently of the state.¹

The structure of public service broadcasting (PSB) in Germany reflects the country's federal system and is based on three pillars: ARD, an association of nine regional broadcasters; ZDF, a national television broadcaster; and Deutschlandradio, a nationwide radio broadcaster. In addition, Deutsche Welle, also part of ARD, is Germany's foreign broadcaster, but is funded by the state budget.

Since the 1980s, Germany has operated a dual broadcasting system, which means that alongside PSB or public service media (PSM), as they are called in the digital age, numerous private-sector radio and television stations also operate in the market.

2. Regulatory and governance structures and arrangements

The regulatory framework for PSM in Germany is based on state broadcasting laws and interstate media treaties. These legal instruments comprehensively govern the operation of PSM, including, for example, their mandate and obligations. Broadcasting regulation is also influenced by European Union law.

PSM organisations are overseen by various supervisory bodies. Each of the state broadcasting organisations affiliated with ARD, as well as Deutsche Welle, have both a broadcasting council (Rundfunkrat) and a board of directors (Verwaltungsrat). The broadcasting council serves as the highest supervisory authority for programming. It is composed in a pluralistic manner to reflect a wide range of socially relevant groups, thereby representing the public interest. It also elects the director-general (Intendant or Intendantin) and other senior leadership positions. At ZDF, the equivalent body is the Television Council (Fernsehrat), and at Deutschlandradio, the Radio Council (Hörfunkrat). Within ARD, the Conference of Committee Chairpersons (Gremienvorsitzendenkonferenz, GVK) coordinates the work of the supervisory bodies, especially in relation to joint programming, infrastructure, and shared responsibilities. Subject to ratification of the Seventh Interstate Treaty Amending Media Law (Siebter Rundfunkänderungsstaatsvertrag, 7. RÄStV) by state parliaments, the GVK is set to be restructured as the Conference of Committee Representatives (Gremienvertreterkonferenz).² 7. RÄStV also introduces a Media Council (Medienrat) composed of seven independent experts, tasked with evaluating whether the PSM organisations are effectively fulfilling their mandate. The board of directors is a permanent body responsible for overseeing financial and administrative matters.

Generally, 7. RÄStV aims to strengthen cooperation between ARD, ZDF, and Deutschlandradio: for example, through the development of a joint technical platform system that may also be made accessible to other European PSM and, potentially, to private-sector media providers, making it more competitive to large-platform companies.

1 Pürer, H. (2015), *Medien in Deutschland. Presse – Rundfunk – Online* (Munich, UVK), pp. 109–10.

2 Siebter Staatsvertrag zur Änderung medienrechtlicher Staatsverträge—Reform des öffentlich-rechtlichen Rundfunks (Reformstaatsvertrag), <https://rundfunkkommission.rlp.de/fileadmin/rundfunkkommission/Doku-mente/ReformStV/7._MAESTV_ReformStV_Staatsvertrag_und_Begrueitung/7._MAESTV_ReformStV_Druckfassung.pdf>, here ARD-Staatsvertrag, paragraph 8.

3. Funding model³

Household levy

In Germany, since 2013, each household has been required to pay a household levy to fund PSM, regardless of the number or type of broadcasting devices owned. In August 2025, the levy amounted to €18.36 (£15.88) per month. In 2024, total revenues amounted to approximately €8.74 billion (£7.56 billion), collected from around 47 million contributing accounts.⁴

Of this total, ARD, ZDF, and Deutschlandradio received €8.57 billion (£7.42 billion), while an additional €164.6 million (£142.36 million) was allocated to the state media authorities, which supervise private-sector radio and television broadcasters and which are also funded through the contribution. While PSM organisations derive most of their revenue from the household levy, additional income is generated through advertising, sponsorship, and other sources, such as programme exploitation, cost reimbursements, and financial income. For example, in 2024, net advertising and sponsorship accounted for 6% and other income for 10% of ARD's revenues.⁵

The contribution is collected by the Contribution Service (Beitragsservice), an administrative body formed by ARD, ZDF, and Deutschlandradio. In 2024, expenditure on the Contribution Service amounted to €191 million (£165.20 million), representing just over 2% of total revenue or an average of €4.06 (£3.51) per account.

Recipients of social or unemployment benefits are eligible for an exemption from the fee, and those with special status, such as people with disabilities, qualify for a reduced rate. Individuals with multiple residences can apply for exemption for their second home. Special rules and rates also apply to business premises, hotels and guest rooms, holiday homes, and vehicles not used exclusively for private purposes.

Levy determination process

The amount of the household levy is determined through a three-step process. First, PSM organisations estimate their financial needs for a given period and submit these figures to the Commission for the Determination of Financial Requirements (Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten, KEF). Second, KEF reviews these estimates to determine whether the requested funds are justified and recommends the amount of the levy. During this process, PSM organisations have an opportunity to comment. Third, based on KEF's recommendations, the state premiers decide on the levy amount for the next four years. This decision requires the approval of all sixteen state parliaments.

Although this procedure is designed to safeguard political independence while ensuring the efficient use of funds, the requirement for unanimous approval across all state parliaments has exposed potential weaknesses in recent years, resulting in lawsuits before the Federal Constitutional Court.⁶ To avoid situations like this in the future, another new interstate media treaty proposes that KEF's recommendations should become automatic unless opposed by a set number of states depending on the level of increase, but this change has also not been ratified yet.

3 This chapter on funding of PSM in Germany is based on a previous article: Sehl, A. (2024), 'Funding of public service media in Germany', *The Political Quarterly*, 95: 78–85. Figures were updated for the purpose of this policy brief.

4 <https://www.rundfunkbeitrag.de/e175/e9622/Jahresbericht_2024.pdf>, pp. 10–11. Additional statistics in this section are drawn from this source (p. 10, pp. 21–2, 12–13).

5 <<https://www.ard.de/die-ard/organisation-der-ard/Finanzen-der-ARD-Einnahmen-und-Ausgaben-100/>>.

6 <<https://www.tagesschau.de/inland/gesellschaft/ard-zdf-klage-karlsruhe-100.html>> <<https://www.tagesschau.de/inland/gesellschaft/ard-zdf-klage-karlsruhe-100.html>>.

4. Changes in the ecology of public service media and consequences for audience reach

Platform economy and challenges for public service media

Traditionally, a few (high-quality) media outlets, especially PSBs, assumed the role of gatekeepers in Germany. With digitalisation and expansion of the entire range of media platforms and services, the European Commission classifies 'very large online platforms' (VLOPs) and 'very large search engines' (VLOSEs) that have more than 45 million users per month in the European Union as new gatekeepers.⁷ They are profit oriented. The moderation of content is focused on attracting attention and is carried out by algorithms instead of media professionals (who fulfil their journalistic duty of care in selecting, verifying, and disseminating news), leading to problematic 'platform capture'.⁸

In addition, new information distributors have emerged, such as internet users as 'prosumers' (consumers and information producers)⁹ and 'alternative media' leading to an increased risk of information overload, disinformation, and manipulation—exacerbated by artificial intelligence and deepfakes.¹⁰

Consequently, integrative and cohesive 'common-ground media' are increasingly being displaced by 'battleground platforms' due to the immense influence of the platforms, leading to disintegrative and thus democracy-threatening effects on society.¹¹ In Germany, media cynicism, with doubts about the integrity and legitimacy of the media system, has increased slightly since 2020.¹² This goes hand in hand with a perceived coarsening of public discourse, peaking in 2024.

Audience trends and public service media

While the importance of social media as the main source of news in Germany has grown steadily since 2013, it appears to have reached saturation point for the first time in 2024, although there are significant differences depending on age: For the majority of respondents to the German sample of the Reuters Institute Digital News Report 2025 aged 55 and over, linear television is by far the most important source of news (59%). However, among 18- to 24-year-olds, news is mainly consumed online (65%), primarily on Instagram (29%), YouTube (23%), and WhatsApp (20%). In general, when looking at news content on social media, content from traditional media and respected journalists receives the most attention overall. This applies to both older and younger users.¹³

In fulfilling their public-service mandate to all citizens, PSM face the challenge of delivering high-quality content for young people. This includes third-party platforms (that is, social media), which are used by these target groups and where compelling information alternatives are scarce. One example of this is the joint content network 'funk' (<https://play.funk.net/funk>) from ARD and ZDF for young people between the ages of 14 and 29, with formats from the areas of information, orientation, and entertainment on YouTube, Instagram, Snapchat, and TikTok.

At the same time, 45% of adult internet users in Germany believe that most news can generally be trusted and over half (57%) trust in the news that respondents themselves use. The main news programmes of PSM (ARD Tagesschau and ZDF heute) are the two offerings with the highest trust ratings among the brands surveyed.¹⁴

7 <<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1925>>, chapter II, Art. 2, pp. 28–30, Art. 3, pp. 30–32.

8 Schiffrin, (2021). *Media Capture: How Money, Digital Platforms, and Governments Control the News* (New York, Columbia University Press).

9 Zeitel-Bank, N. (2024), 'Gatekeeper diversity and content moderation in the digital communication space', in ORF (ed.), *The Future of Public Service Media in the European Union*, pp. 8–13, here p. 9.

10 See Paulitsch, L. (2025), *Alternative Medien, Definition, Geschichte, Bedeutung* (Wiesbaden, Springer); Zeitel-Bank, N. (2022), 'Public Service Media in Europa im Spannungsfeld zwischen öffentlichem Auftrag und Plattformökonomie', in ORF (Ed.), *Öffentlich-rechtliche Qualität im Diskurs*, pp. 25–50, here pp. 32–33.

11 Dogruel, L. et al. (2025), *Potenzialanalyse, Perspektiven für Digitalen Public Value im ZDF*, p. 60.

12 Fawzi, N. et al. (2024), 'Stabiles Medienvertrauen auch in Zeiten politischer Umbrüche: Mainzer Langzeitstudie Medienvertrauen 2024', *Media Perspektiven*, p. 15.

13 Behre, J. et al. (2025). *Reuters Institute Digital News Report 2025: Ergebnisse für Deutschland* (Leibniz Institut für Medienforschung), p. 21, pp. 36–37.

14 Behre et al., p. 50, p. 53. When interpreting the results, it should be noted that these are the respondents' subjective assessments of trust in a selection of fifteen high-reach news brands in Germany.

Even though an ARD/ZDF Media Study showed that the daily reach of linear television is declining (from 66% in 2021 to 58% in 2024), viewing TV programmes or videos in media libraries doubled to 10% between 2021 and 2024. Videos from TV channels tripled to 9% on YouTube.¹⁵ This underscores the relevance of a common user-friendly platform (streaming) strategy to create a common public space (ground). PSM must therefore ensure the further development of non-linear distribution of their content, particularly in the areas of information and news.

As mentioned above with reference to the highest trust ratings for PSM, audiences' trust and confidence in (professional) journalists' verification of content give PSM a chance to be an anchor in an era of information overload: While 40% of respondents to the German sample of the Reuters Institute Digital News Report 2025 say they would fact-check using a trusted news source, Tik Tok (57%), X (53%), and Facebook (50%) are seen as risky. Another challenge for PSM, as for all media, is news avoidance. Here, the report shows that almost three quarters (71%) of adult internet users in Germany avoid news at least occasionally (2024: 69%), mainly due to negative effects on their mood (48%)—especially when it comes to reporting on war and conflict among the over-55s (49%), while the 18- to 24-year-olds cite information overload (43%) and consider news to be irrelevant (19%) or useless (19%). News avoidance in this group of young people rose sharply (+9% compared to 2024). This underscores the need for PSM to focus on their constitutional mandate and re-engage a young audience that feels disconnected from meaningful information.¹⁶

A 2024 long-term trust study from the University of Mainz showed that 24% of Germans feel that the media ignore issues personally relevant to them, and 34% see a gap between reality and media reporting.¹⁷ Such alienation is most prevalent among those with lower education, high future anxiety, low political interest, and strong sympathy for parties at the political extremes. This raises questions about how established media, especially PSM, can better reflect the thematic and everyday diversity of the respective audience. While it is problematic that many say that their concerns are not represented, PSM must above all remain within the democratic spectrum, ensuring the representation of different positions, opinions, and voices.

5. Outlook

As in many European countries, PSM in Germany are under considerable pressure. On the one hand, there are external challenges, such as structural changes in the media system, the emergence of new players, particularly large-platform companies, and populist attacks on PSM, accompanied by questions regarding their legitimacy and public acceptance. Nevertheless, trust in the main PSM news programmes in Germany is high compared to other media brands. On the other hand, internal challenges persist. These include the dismantling of long-established organisational structures without compromising the core programming mandate, as well as the rapid advancement of digitalisation across all operational areas.¹⁸

To address some of these challenges, the Broadcasting Commission of the German Federal States established an expert advisory body, the so-called Future Council ('Rat für die zukünftige Entwicklung des öffentlich-rechtlichen Rundfunk'; 'Zukunftsrat' for short) in March 2023. This council presented a report with a set of reform proposals in January 2024, covering the mandate, organisational structure, supervision, management culture, and funding of PSM.

15 <https://www.ard-zdf-medienstudie.de/files/Download-Archiv/Medienstudie_2024/Basispräsentation_ARD-ZDF-Medienstudie_2024.pdf>, p. 16.

16 Behre et al., p. 58, pp. 13-15.

17 Fawzi et al., pp. 13-14.

18 For challenges for PSM see, for example, Jäkel, J. et al. (2024), Bericht des Rats für die zukünftige Entwicklung des öffentlich-rechtlichen Rundfunks, pp. 9-10. For the sake of transparency, it should be noted that one of the authors (Annika Sehl) of this policy brief was also a member of the Council.

Some of the council's proposals, along with recommendations from other sources, have been incorporated into 7. RÄStV, which is currently awaiting ratification by the state parliaments. These proposals include, for example, a clearer definition of the PSM mandate (for instance, regarding participation), but also dialogue with society about the quality and development of their offers, closer cooperation between PSM organisations within Germany, the development of a joint technological platform, the establishment of more collegial governance structures [although overall responsibility and final decision-making authority in individual cases will rest with the director-general (Intendant or Intendantin)], and the creation of an evaluation body (Media Council) tasked with assessing compliance with the PSM remit based on transparent, criteria-derived evaluation.¹⁹

However, this so-called Reform Interstate Treaty also includes provisions for a reduction in radio services and special-interest channels. Additionally, a clause concerning press-like content was added shortly before the treaty was approved by the Minister Presidents of the German federal states. This clause stipulates that online content on proprietary platforms, telemedia services, and third-party platforms will continue to be treated primarily as audio-visual offerings, in order to avoid undue interference in the private-sector media market. Nevertheless, text content accompanying programmes remains permissible and is also allowed within the framework of a defined positive list ('Positivliste'). For non-programme-related texts, the public service information mandate is granted overriding importance, permitting, for instance, live coverage of current events or the verification of potential disinformation through fact-checking.

At the same time, the possibility of cooperation between public-service and private-sector providers is explicitly mentioned. It is made possible for PSM and private-sector media providers to cooperate more closely with each other in cases of embedding content or using joint infrastructures 'which have so far been subject to high legal hurdles making it possible to set up joint platforms, for example'.²⁰

If PSM should act as an 'enabler' of a 'digital open public space' (DOPS),²¹ in the sense of creating a public media infrastructure as a place of interaction and exchange, compatibility with European legislation must also be ensured, especially in the areas. This could lead to an inevitable conflict between definitional requirements and the creative leeway that must be granted to PSM in fulfilling their function.

The German government is currently preparing a legislative initiative to make large tech companies pay more by introducing a digital levy based on the Austrian model. This would affect large internet companies such as Alphabet and Meta. It could apply to platforms that use media content, including journalistic content as well as other cultural content. A digital tax would ensure VLOPs and VLOSEs pay where they operate. The additional tax revenue could be used to finance important future tasks, such as the digitisation of administration or the promotion of the media system in general.

PSM must adapt and reform in line with the national legal framework and relevant EU legislation. Recent developments have revealed a significant market failure that endangers democratic unity and the stability of liberal democracies by undermining constitutional guarantees of media freedom. The European Media Freedom Act (EMFA), that came into effect on 8 August 2025 addresses this issue by introducing legal reforms targeting PSM. Key provisions include ensuring public access to diverse, independent content (Article 3), ensuring editorial and functional independence with proper funding (Article 5), and protecting news media from arbitrary platform moderation (Article 17). Those developments have to be taken into consideration at the corresponding decision levels in Germany.

19 Siebter Staatsvertrag zur Änderung medienrechtlicher Staatsverträge, here paragraphs 26–30.

20 Kalbhenn, J.C. (2025), Monitoring media pluralism in the European Union: Results of the MPM2025. Country Report: Germany. Centre for Media Pluralism and Media Freedom (CMPF), p. 17.

21 Dogruel et al., p. 53.

The discussion around PSM in Germany highlights several insights that may be relevant to the ongoing debate surrounding reform of the BBC in the UK in the following key areas:

- The German funding model in the form of a household levy offers a more stable alternative to the UK licence fee, which appears increasingly outdated in the context of digital transformation. The levy should be set by independent experts, free from political influence, and calibrated to ensure both sufficient funding and economic efficiency.
- PSM's remit should reflect changing technological and social conditions. Its fulfilment must be measured regularly and independently—on the basis of transparent criteria—to safeguard accountability, effectiveness, and continued relevance for all groups in society.
- In a digital era dominated by global commercial platforms that do not prioritise democracy or public value, PSM must reinforce their role as a counterbalance. This may include developing public-value-oriented platforms, fostering cooperation both within countries and across borders, strengthening collaboration among PSM providers themselves, and exploring cooperation and partnerships with selected private-sector actors.

Note: DeepL and Chat GPT have been used to assist in language editing to improve readability. The text remains the authors' own work.

CHAPTER 3

Learning from German-speaking Europe: governance and future funding

Josef Trappel and Tales Tomaz

Introduction

Public service media (PSM) hold a strong position in the German-speaking countries of Austria, Germany, and Switzerland, with a tradition stretching back many decades. In Austria and Germany, PSM were re-established after World War II. ORF in Austria was founded in 1957. In Germany, the PSM landscape comprises two organisations: ARD, a conglomerate of nine regional state broadcasters running since 1950, and ZDF, a not-for-profit television channel launched in 1962. In Switzerland, SRG SSR has been active since 1931. ARD, ORF, and SRG SSR each provide television, radio, and online services. They also jointly operate the German-language television channel 3sat.

These services enjoy high levels of public trust and significant market share, across all three distribution formats. In terms of reach among news users,¹ the TV channels of ORF (63%) and SRG SSR (56%) are by far the market leaders, while the two German PSM channels (ARD with 39% and ZDF with 32%) are performing on a par with their private competitors. Together they also lead the market.

All PSM have an obligation to support the film industry, in particular by co-producing audiovisual work. Their governance structures, in turn, reflect the diversity of societies, some in more explicit mimicry of the BBC model than others. Nevertheless, safeguards are in place to ensure the participation of listeners, viewers, and users in all cases, albeit to varying degrees.

Despite the good overall performance and structure, PSM face challenges in these countries. Not all segments of society are equally represented among listeners, viewers, and users. As in most countries, younger age groups tend to make less use of these services than older ones. This engenders cleavages in the legitimisation and justification of PSM funding. While there is little debate over other public services, such as highways, financed through state budgets irrespective of taxpayers' use, public media services are under constant scrutiny and pressure to justify their cost, which is largely covered by households through licence fees.

This pressure arises within the wider context of media hybridisation and the shift towards online content production, which has broadened the scope of PSM activities and intensified competition with private media. In Austria and Germany, these competition concerns are further heightened by EU state aid rules, which require that public subsidies do not distort competition and which have led to higher scrutiny on the PSM services that are necessary to fulfil the legal remit.² These regulations stipulate that the financing of PSM services through the licence fee shall be limited exclusively to those services that are deemed necessary to fulfil the legal remit. It is important to note that such concerns find little scientific evidence in Europe, which rather suggests a positive correlation between per capita revenues of PSMs and commercial broadcasters, controlled for differences in GDP.³ A recent study in Switzerland has concluded that PSM's online offering even

1 Newman, Nic, Arguedas, Annika Ross, Robertson, Craig T., Nielsen, Rasmus Kleis, & Fletcher, Richard (2025), Digital News Report 2025 (Reuters Institute for the Study of Journalism), doi:10.60625/RISJ-8QQF-JT36

2 Donders, Karen, (2012), Public Service Media and Policy in Europe (Basingstoke, Palgrave Macmillan), doi:10.1057/9780230349650

3 Sehl, Annika, Fletcher, Richard & Picard, Robert G. (2020), 'Crowding out: is there evidence that public service media harm markets? A cross-national comparative analysis of commercial television and online news providers', European Journal of Communication, 35(4): 389–409, doi:10.1177/0267323120903688

slightly increases willingness to pay for commercial media, as the share of people paying for news is higher among users than non-users of online PSM.⁴ The evidence, so far, indicates that PSM are not the cause of declining revenues of private media and tend rather to reinforce news use, potentially benefitting commercial counterparts.

Against this backdrop, we discuss the basic governance and funding structures of PSM in these countries, emphasising legislators' responses to recent challenges. Despite their distinct and complex governance models, developments regarding funding are converging towards a similar model based on a universal household fee, regardless of whether a receiving device exists.

Governance

Unsurprisingly, PSM governance structures in Austria, Germany, and Switzerland vary in complexity. Germany's PSM system is the most complex, not because of the sheer size of the population (84 million in 2024), but due to its federal constitution. While telecommunication issues fall under federal legislation, cultural, media and broadcast policy is under the jurisdiction of the sixteen regional states. Although there is a very active federal constitutional court, all broadcast legislation requires state treaties, concluded by the regional states, even if decisions over the years have strengthened the constitutional court's role as a unifying force.

Below these constitutional court rulings, federal media and broadcast laws govern the sector, which includes around 73 radio channels, 18 television channels, and the foreign-service broadcaster Deutsche Welle. Altogether, the sector comprises more than 25,000 full-time equivalent staff.

German PSM operate under the supervision of broadcasting, television, and radio councils, composed of a limited number of state representatives (up to one third of the members, following a constitutional court ruling from 2014) and relevant civil society groups. Details are laid out by state laws.

Germany: Example: Composition Broadcasting Council of Norddeutscher Rundfunk⁵

58 Members, of which political parties (11), labour unions (6), representatives of religious communities (5), nature conservation, environmental, and local heritage associations (5), employers' associations (5), education (4), public welfare (4), women (3), arts (3), sports (2), social integration/elderly (2), World War II victims' organisation (2), and one each for farmers, local communities, property owners, tenants, consumers, and social security.

Councils observe the performance of PSM with respect to the remit, including basic service obligations, distance from the state, federalism, information, diversity, culture, education, and sports. Apart from supervision programmes and governance structures, councils elect board members for each PSM organisation.

Lessons: Overall, Germany's PSM governance falls under the jurisdiction of its states, requiring (internal) state treaties for broadcasting regulation. This weakness is balanced by the integration of a wide array of groups in society included in the (many) broadcasting and television councils. Thereby, Germany allows for the active participation of civil society. Political influence at the board level is strictly limited.

4 Puppis, Manuel et al. (2025), 'Auswirkungen einer potenziellen Abschaltung des Online-Nachrichtenangebots SRF News: warum dies keine Lösung für die Medienkrise in der Schweiz darstellt', *Medien Perspektiven*, 14:1-28, <<https://www.ard-media.de/media-perspektiven/publikationsarchiv/2025/detailseite-2025/auswirkungen-einer-potenziellen-abschaltung-des-online-nachrichtenangebots-srf-news>>.

5 Gundlach, Hardy, (2025), 'Regulierung der Medien in Deutschland', in *Medienregulierung*, ed. Hardy Gundlach (Baden-Baden, Nomos), pp 215-412.

No less complex, but even more deeply integrated into the social fabric of the civil society are **PSM in Switzerland**. Despite strong federalism at the political level, and four language areas, there is just one Swiss PSM organisation. The SRG SSR is regulated by the Federal Law on Radio and Television (RTVG). The law provides the SRG SSR with a guarantee of editorial independence (art. 31 RTVG).

The SRG SSR is deeply rooted in society, being owned by four regional associations, clustered according to the country's official languages. Every Swiss citizen can join the respective association in their area of residence. Each association has its own audience's council and assembly of delegates, of which a dedicated number are seconded to the national assembly of delegates (according to size of the population: eighteen from the German-speaking region, nine from the French, six from the Italian, and three from the Rumantsch). The national assembly of delegates is the highest SRG SSR decision-making body and approves the election of the director general, appoints three members to the board, elects the president of the board, and approves the budget.

The board is composed of nine members: the presidents of the four regional associations, three elected by the national assembly of delegates, and two appointed by the Swiss government. It elects the director general of the SRG SSR and supervises its operations, including strategic decisions. The SRG SSR releases internal statutes, which need approval by the ministry for media affairs.

Switzerland: Composition of the National Assembly of Delegates and the Board⁶

National Assembly of Delegates (41 members): 36 delegates from regional associations (18/9/6/3), 5 members of the Board (see below)

Board (9 members): 4 from regional associations (respective presidents), 3 seconded by national assembly of delegates, 2 appointed by Swiss government

Although there is strictly limited representation of the state or the Swiss government in the governance of the SRG SSR, the legislator reserved one important operational component for the government, which is the decision on the amount of the household licence fee, and the rules for advertising and sponsorship (art. 68 RTVG).

This complex but deeply socially rooted structure certainly helped SRG SSR to defend its funding model. The most radical direct-democratic policy instrument, a popular referendum, was applied twice over the last decade to the funding of SRG SSR. In 2015, the licence fee was modified to cover all households (see below) and approved by the Swiss population by the smallest possible margin (50.1% in favour). Three years later, in 2018, right-wing political forces launched another referendum, aimed at abandoning the licence fee altogether but failed significantly (71.6% against).⁷ At the time of writing, a third referendum is pending, which proposes cutting the licence fee by almost half, from 335 CHF (£312) to 200 CHF (£187) per household per year. No date has yet been set for this referendum.

Lessons: PSM's strong roots at the centre of Switzerland's civil society helped secure public support for PSM. Mobilisation for the referenda in 2015 and 2018 was partly achieved through grassroot supporters. Nevertheless, this support comes at a cost. The complex structure of regional and national assemblies, the board, and the co-decision-making mechanisms slow down administration considerably.

⁶ Swiss Confederation (2024), Bundesgesetz über Radio und Fernsehen (Radio- und Fernsehgesetz, RTVG), SR 784.40, promulgated 24 March 2006, current consolidated version as of 1 October 2024 (Bern, Swiss Confederation); Swiss Federal Council (Bundesrat) (2022), Konzession für die SRG SSR (Konsolidierte Fassung), valid between 1 Jan 2019 and 31 Dec 2024, eidg. UVEK / BAKOM, status as of 7 Sept 2022 (Bern, Bundesamt für Kommunikation); SRG SSR (Schweizerische Radio und Fernsehgesellschaft) (2023), Statutes of the Swiss Broadcasting Corporation [Statuten der Schweizerischen Radi und Fernsehgesellschaft (SRG SSR)], originally of 24 April 2009; status as of 1 December 2023 (Bern, SRG SSR).

⁷ Puppis, Manuel, (2025), 'Medienregulierung in der Schweiz', in Medienregulierung, ed. Hardy Gundlach (Baden-Baden, Nomos), pp 463–82.

Austria's ORF is formally established as a foundation by law (ORF-Gesetz). This law outlines all details of the remit of the ORF as well as its governance structure. The highest decision-making body is the foundation council, composed of 35 members. In its 2023 ruling, the Austrian constitutional court established that political influence within this council conflicts with the requirements for pluralism and (political) independence. In response, the Austrian legislators changed the composition as follows:

Austria: Composition ORF Foundation Council (since 2025)⁸

Appointees by the parties represented in Parliament (6), the nine federal provinces (9), the federal government (6), the audience council (9), and the employees' union of the ORF (5).

The audience council has 28 members from civil society stakeholders, such as employers, farmers, labour unions, social security institutions, catholic and protestant churches, science and education organisations, environmentalists, persons with disabilities, and indigenous people, among several others.

The foundation council appoints (and dismisses) the director general and the regional directors in the provinces, approves long-term (programme) planning and decides upon the amount of the household licence fee. In addition to seconding nine members to the foundation council, the audiences' council suggests and recommends programme-related matters, including quality assurance systems.

Lessons: Overall, the ORF's governance structure allows for a fair representation of civil society, but formally still has a strong political bias (21 out of 35 members), even after amending the law, following the ruling of the constitutional court. Although editorial independence is not in question because of strong internal codes of practice, political influence on the highest body is under constant critique.

Governance considerations

- PSM require a maximum of editorial freedom, paired with organisational control by their boards. Balancing freedom and control is operationalised in Germany and Austria by the composition of the highest decision-making bodies, including democratically elected representatives, while in Switzerland civil society takes the lead.
- Internal governance, such as quality assurance systems, professional journalistic and ethical standards, as well as compliance rules, are best executed at the company level, approved by the Board.
- Given the hybridity of the broadcasting system, rules should allow for the smooth integration of digital online activities into the editorial routines of PSM.

Funding

PSM funding in the German-speaking countries has been based primarily on licence fee income, partly complemented by advertising and sponsorship revenues. In practical terms, household licence fees are collected by authorised independent agencies. These revenues do not form part of the state or government budget and are distributed directly to the beneficiaries. The monthly amount is determined largely by the financial needs of the PSM according to their remit, not subject to interference from the respective ministries of finance.

⁸ Republic of Austria (2025), Bundesgesetz über den Österreichischen Rundfunk (ORF Gesetz, ORF G), BGBl, Nr. 379/1984; version as of 17 April 2025 (Vienna: Federal Law Gazette); Trappel, Josef et al. (2025), 'Medienregulierung in Österreich', in Medienregulierung, ed. Hardy Gundlach (Baden-Baden, Nomos), pp 413–62.

Table 1: Annual licence fees (household) and revenues (total and per capita), in 2025.

Country	PSM	Licence fee (household)	Revenues (total)	Revenues (per capita)
Germany	ARD	191	6.9 bn	82
	ZDF		2.5 bn	30
	combined	191	9.4 bn	112
Austria	ORF	159	1.0 bn	110
Switzerland	SRG SSR	312	1.4 bn	156

All figures converted from EUR and CHF to GBP.

Historically, these fees were collected only from households that possessed receiving devices, namely TV or radio equipment. However, by 2023, all three countries had changed to a funding model that includes all households (and firms) regardless of whether they had any such devices.

Germany was the first country to adopt the new model. From January 2013, it moved to a universal household-based fee system, a decision that was upheld by the German Constitutional Court in 2018. This change was argued primarily on the basis of efficiency (easier to collect from all households and firms, no control needed) and by the fair balance of financial burdens among all beneficiaries.

The level of the household fee is established by the commission for determining the financial requirements of broadcasting organisations: the KEF. Its sixteen expert members, appointed by the Prime Ministers of the German regional states, base their biannual reports on key accounting figures provided by the PSM. When doing so they take into account the financial requirements in accordance with the principles of economy and efficiency as well as overall economic developments. The recommendations of these reports are then converted into interstate treaties, which legally and effectively set the level of the household fees. The present 24th report covers the period from 2025 to 2028.

When **Switzerland** changed its legislation to introduce a comprehensive licence fee, the Swiss populations endorsed the new model by a popular referendum by only a minimal margin. SRG SSR may have overestimated its popularity in society at large, given the allegedly strong argument that each household would pay less licence fee under the new legislation than before, as the financial burden is to be apportioned across a greater number of parties. SRG SSR learned its lesson, however. The small referendum margin motivated Swiss right-wing parties to propose abandoning the licence fee altogether in favour of state budget funding. This time round, in 2018, SRG SSR managed to activate wide circles in society, including arts, culture, and education in favour of maintaining licence fees, and a strong majority voted in favour of the licence fee.

Austria was the last of the three countries to apply the same universal household fee model, by law of 2023. Those who opposed this change in funding appealed to the Austrian constitutional court, based on concerns pertaining to the principle of equality. In July 2025, the constitutional court ruled that the new funding model is lawful and does not discriminate against those households without receiving devices. It argued that the mere possibility of benefiting from PSM services was sufficient to justify the imposition of an obligatory licence fee. In the context of digital hybridity in communication services, it is imperative to recognise the universal and indiscriminate accessibility of PSM services to all citizens.

Lessons: Licence fee funding is common and legally sound, but contested. At times of abundance of seemingly free online-based media and communication services, it requires constant elucidation why PSM need funding by households. If done well, popular support can be achieved.

Funding considerations

- Licence fees are not popular, but are well known, widely accepted, and defendable. Replacing this system by state budget funding poses considerable risks, in particular, in times of government policy volatility.
- Licence fees help to create consciousness and fostering awareness among the population that communication services, such as information, education, and entertainment, have a cost and do not come for free.
- It is imperative to recognise the necessity of public endorsement for the legitimacy of mandatory household fees associated with PSM. The strength of an institution's anchoring in civil society directly correlates with the efficacy of its case.
- Size matters when it comes to the level of licence fees. Larger countries can charge households less to cover the cost of their PSM services than smaller countries.

CHAPTER 4

The Spanish public service media system

Marius Dragomir

At present, the Spanish public service media (PSM) ecosystem comprises one national broadcaster, RTVE, and twelve decentralised regional public service broadcasters operating across the autonomous communities.¹ RTVE functions as Spain's principal national broadcaster, offering a broad portfolio of television, radio, and digital services.

Its seven television channels are:

- La1: the flagship general-interest channel
- La2: focused on cultural and educational content
- Canal 24h: an all-news channel
- Clan: dedicated to children's programming
- Teledeporte: specialising in sports coverage
- TVE Internacional: broadcasting Spanish content to international audiences
- Star TVE: subscription-based channel focused on international audiences

RTVE also operates six national radio stations:

- Radio Nacional: generalist and news programming
- Radio Clásica: classical music
- Radio 3: alternative music and cultural content
- Ràdio 4: broadcasting in Catalan
- Radio 5 Todo Noticias: rolling news service
- Radio Exterior de España: targeting international listeners.

In addition, RTVE has expanded its digital footprint through RTVE Play, its on-demand video streaming service, and RTVE Audio, which offers a catalogue of audio content and podcasts.

1. Audience reach of Spanish PSM outlets and performance indicators

La1, the flagship television channel of RTVE, remains one of the most-watched channels in Spain. In May 2025, it secured second place in national audience rankings with a 10.4% share, trailing only the commercial broadcaster Antena 3. Across the RTVE group as a whole, audience share reached 15.5% in May 2025, which positioned RTVE behind only Atresmedia and Mediaset España, the two dominant commercial broadcasting conglomerates in the country. In the digital realm, RTVE's on-demand streaming platform, RTVE Play, achieved record engagement levels in May 2025, exceeding 11 million unique users. RTVE's radio arm, RNE, had an audience of approximately 905,000 listeners in Q1 2025, positioning it fifth behind the commercial radio networks: Cadena SER, COPE, Onda Cero, and RAC1.²

1 These regions are Catalonia, Basque Country, Galicia, Andalusia, Madrid area, Valencia, Balearic Islands, Aragon, Asturias, Castilla-La Mancha, Canary Islands, and Murcia. In this policy brief, we will focus on RTVE, Spain's national broadcaster.

2 'EGM: RNE vuelve a caer al quinto puesto en plena transformación, superada por RAC1', Dircomfidencial, 22 April 2025 (updated 23 April 2025), Dircomfidencial.com, <<https://dircomfidencial.com/medios/egm-rne-vuelve-a-caer-al-quinto-puesto-en-plena-transformacion-superada-por-raci-20250422-0806/>>

2. The regulatory and governance framework of RTVE

RTVE is governed by Corporación RTVE, a state-owned company established in 2007 to replace the previous structures overseeing its television (TVE) and radio (RNE) services. Its share capital is 100% held by the Spanish state, positioning RTVE as a public service entity with a commercial structure but non-commercial remit.

The main governance body is the Board of Directors, which oversees strategic and institutional matters. Following a reform introduced by Royal Decree-Law in October 2024, the Board was expanded from ten to fifteen members. Of these, eleven are appointed by the lower house of Parliament (the Congreso de los Diputados) and four by the Senate, with each member serving a six-year term.

The same legislative reform reduced the parliamentary threshold required for appointing or renewing Board members—from a qualified two-thirds majority to a simple absolute majority. This change was met with criticism from domestic and international media freedom organisations,³ concerned that it weakens the system of political checks and balances. In particular, critics argued that it enables governing parties to appoint a Board majority without requiring consensus from the main opposition.⁴ In November 2024, a new fifteen-member Board of Directors was formally appointed.⁵

Operational management at RTVE is delegated to a Management Committee composed of ten senior executives, responsible for the broadcaster's day-to-day activities.

RTVE is subject to both internal and external oversight mechanisms. The President of RTVE is obliged to appear before the Joint Parliamentary Oversight Committee on a monthly basis—when summoned—to answer questions regarding any aspect of RTVE's operations. In 2024, there were ten such parliamentary appearances. In addition, the President must present RTVE's financial accounts annually before the Parliamentary Budget Committee.

External regulatory oversight is provided by the National Commission for Markets and Competition (CNMC), which supervises the audiovisual sector. CNMC is mandated to ensure RTVE's compliance with its public service obligations and may request data, reports, or performance assessments in line with this role. The Court of Auditors (Tribunal de Cuentas) is responsible for the external financial scrutiny of RTVE and its majority-owned subsidiaries.

Internally, RTVE has developed several self-regulatory structures aimed at ensuring financial probity, transparency, and responsiveness to the public:

- The Internal Audit Department produces annual audit plans focused on areas such as expenditure management, procurement processes, and overall financial governance.
- The Audience Ombudsperson (Defensor de la Audiencia) serves as the principal channel for public engagement, receiving feedback, complaints, and suggestions regarding RTVE content.
- The Ethics Channel offers a secure and confidential mechanism for employees and stakeholders to report suspected breaches of the broadcaster's Code of Ethics, the Criminal Risk Prevention Plan, and the Fraud, Corruption, and Conflict of Interest Prevention Plan.

3 'Spain: Government decree threatens independence of public service broadcaster', ARTICLE 19, 11 November 2024, ARTICLE19.org, <<https://www.article19.org/resources/spain-government-decree-threatens-independence-of-public-service-broadcaster/>>

4 'El Gobierno rebaja las mayorías para superar el bloqueo del consejo de RTVE', verTele, elDiario.es, 22 October 2024 (updated 22 October 2024), elDiario.es, <https://www.eldiario.es/vertele/noticias/gobiernorebaja-mayorias-desbloquear-renovacion-consejo-rtve_1.11752896.html>

5 Corporación RTVE (2024), 'Cuentas Anuales 2024: Informe de Gestión y Estado de Información No Financiera', <https://www.rtve.es/_contenidos/corporacion/2024_Cuentas_Anuales_Informe_de_Gestion_y_EINF.pdf#page=99.14>, p. 99.

3. The RTVE funding model

Until 2009, RTVE was financed through a hybrid system combining direct state subsidies with revenue from commercial advertising. However, this model attracted growing criticism on several grounds: it was deemed to exert undue commercial pressure on programming choices, distort the advertising market, particularly to the detriment of private broadcasters, and compromise editorial independence, as government control over budget allocations opened the door to political influence. In response to these concerns, Spain enacted Law 8/2009, which introduced a new funding model that came into effect on 1 January 2010. Under the revised framework, RTVE ceased broadcasting commercial advertising, with only limited exceptions permitted (self-promotion, sponsorship of cultural events, and merchandising under strict conditions).

The revised financing structure is based on two revenue streams⁶:

1. Public sector funding: annual allocation from the General State Budget, determined by Parliament and a share of 80% of the proceeds of the radio spectrum reservation fee;
2. Hypothecated levies: a levy on the gross operating revenue of private commercial broadcasters (3%) and pay-TV and on-demand (streaming) platforms (1.5%).⁷ These industry levies are collected by the national tax authority and subsequently transferred to RTVE.

In 2024, RTVE's total annual budget stood at €1.181 billion (about £1 billion),⁸ up from €1.066 billion (£927 million) the previous year. Of this, the state budget allocation accounted for €589.6 million (nearly £500 million) and the frequency spectrum fee contributed €480 million (£ 406 million).

Industry contributions in 2024 comprised audiovisual and broadcasting levies, totalling €85.6 million (£72.5 million), broken down as follows:

- Pay-TV platforms: €23.7 million (£20 million)
- Commercial television: €42.5 million (£36 million)
- On-demand TV (streaming services): €19.5 million (£16.5 million)

Taken together, the state budget allocation contributed nearly 50% of the RTVE's total annual funding, the radio spectrum fee about 41%, and the industry some 7%. The remaining portion was sourced from donations, grants, and European Union funds.

At the end of 2024, RTVE employed 6,770 staff, making the institution one of the largest public service media institutions in Europe.⁹

4. RTVE's contribution to the wider Spanish creative economy

As one of the largest content producers and commissioners in Spain, RTVE plays a central role in the country's creative and cultural economy, supporting a broad spectrum of sectors, including film, television, music, and digital media.

In 2024, the corporation allocated €227.7 million to external production, with a particular emphasis on scripted drama, entertainment, and game show formats.¹⁰ Two of its most high-profile and resource-intensive commissions that year were: *La Revuelta*, a prime-time talk and comedy show,

⁶ Sobrino, M.Á.O. (2010), 'El nuevo marco legal para la financiación de la radiotelevisión pública estatal en España', *Comunicación y hombre: Revista interdisciplinar de ciencias de la comunicación y humanidades*, (6): 257-70, <https://comunicaciony hombre.com/pdfs/06_i_mangelortiz.pdf>.

⁷ Telecom operators (like Movistar, Orange, and Vodafone) were required as of 2010 to contribute 0.9% of their gross revenues to fund RTVE. As of 2023, however, the Spanish government exempted them from paying this fee, as part of efforts to stimulate telecom investment, particularly in 5G infrastructure. The gap has been filled through an increase in both radio spectrum fee and state budget allocation.

⁸ The figures are calculated using Bank of England and ECB annual average rates for 2023 and 2024: 0.86979 and 0.84662, respectively.

⁹ Corporación RTVE, *Cuentas Anuales* 2024.

¹⁰ This is the first time the broadcaster has made such data public, which has been lauded by journalists as a positive step towards boosting transparency at the public broadcaster.

with a production cost exceeding €28.1 million; and *La Promesa*, a historical drama series, which received €17.3 million in funding.¹¹

RTVE also supports Spanish cinema, routinely investing in the acquisition and development of national film projects. In 2024, the broadcaster acquired 88 audiovisual works, comprising 62 feature-length films and 26 documentaries.¹² RTVE also supports international collaboration, particularly with Latin American partners. Between 2022 and 2024, the broadcaster participated in 19 co-productions with countries across the Latin American region, reinforcing Spain's cultural and linguistic ties, while expanding the global reach of its creative industries.¹³

Finally, RTVE Lab and other digital innovation initiatives have helped stimulate the digital creative sector by experimenting with interactive formats and transmedia storytelling.

5. The future of PSB: lessons from Spain

Spain's public service broadcasting system offers a cautionary yet instructive case study for countries grappling with the governance, funding, and editorial independence of their national public media. While RTVE operates in a markedly different political and institutional context from the BBC, certain structural features of the Spanish system expose risks and opportunities that could inform future reforms in the UK (and elsewhere).

5.1 Governance: a system vulnerable to politicisation

One of the clearest lessons from Spain is that mechanisms for appointing PSB leadership must be rigorously insulated from partisan influence. For much of the past two decades, RTVE's governance has been undermined by politicised appointments made directly by the Spanish Parliament. Until 2024, a two-thirds parliamentary majority was required to approve appointments to the RTVE Board of Directors, a safeguard intended to ensure cross-party consensus. However, reforms introduced in early 2024 diluted this requirement, allowing the ruling majority to push through appointments with less opposition support. While the ostensible goal was to unblock institutional paralysis, the practical effect has been to lower the threshold for political control and deepen concerns about the broadcaster's independence.

This change has been widely criticised by journalist unions, civil society actors, and media experts, who view it as a retrograde step. RTVE is categorised as 'state-controlled' in the State Media Monitor project,¹⁴ precisely because of this susceptibility to political interference. Governance crises have become recurrent. A striking example occurred in 2022, when RTVE President José Manuel Pérez Tornero resigned amid deep internal conflict, highlighting the fragile balance between editorial autonomy and political oversight.

International research suggests more balanced and resilient governance models typically involve multiple institutions—both state and non-state actors—including civil society organisations and professional associations. Alternatively, some systems distribute appointments among all parliamentary parties to reduce the influence of the governing majority.

5.2 Editorial independence: the limits of structural protections

RTVE's track record on editorial independence remains mixed. Under successive governments, particularly during the conservative administrations of the 2010s, RTVE faced sustained criticism for political bias in news coverage. Studies noted a systematic marginalisation of opposition voices,

¹¹ See the full list of commissioned productions here: 'Por primera vez, RTVE lo cuenta todo: ¿Cuánto costó cada programa en 2024?', La Razón, 22 February 2025, LaRazon.es, <https://www.larazon.es/television/primera-vez-rtve-cuenta-todo-cuanto-costo-cada-programa-2024_20250224467bc9c3d84d502000110clf9.html>

¹² 'El 39 % de las películas de ficción y los documentales apoyados por RTVE en 2024 están dirigidos por mujeres', Audiovisual451, 23 October 2024, Audiovisual451.com, <<https://www.audiovisual451.com/el-39-por-ciento-de-las-peliculas-de-ficcion-y-los-documentales-apoyados-por-rtve-en-2024-estan-dirigidos-por-mujeres/>>

¹³ 'Televisión Española ha participado en 19 coproducciones con Latinoamérica entre 2022 y 2024, siete con México', Audiovisual451, 25 July 2025, Audiovisual451.com, <<https://www.audiovisual451.com/television-espanola-ha-participado-en-19-coproducciones-con-latinoamerica-entre-2022-y-2024-siete-con-mexico/>>

¹⁴ State Media Monitor (14 August 2024), 'Corporación de Radio y Televisión Española (RTVE)', <<https://statemediamonitor.com/2024/08/corporacion-de-radio-y-television-espanola-rtve/>>

with internal sources pointing to direct and indirect pressures on journalists. These dynamics resurfaced in the early 2020s, reinforcing calls for an independent editorial statute with legal force, backed by external oversight.

Legal instruments ensuring editorial autonomy, beyond internal codes of conduct, are crucial. Spain's experience shows that independence cannot be presumed simply because a media outlet is publicly owned. Strong institutional protections must be codified, enforced, and monitored independently of the executive or legislature.

5.3 Funding: avoiding state dependency

Spain's current funding model is a hybrid of direct state budget allocations and industry levies—primarily hypothecated taxes on commercial broadcasters, streaming platforms, and telecom operators. This model replaced the previous reliance on advertising, which was phased out to guarantee a non-commercial public service remit.

However, this evolution has not freed RTVE from financial vulnerability. The core portion of its funding remains tied to annual state budgets, making it susceptible to political bargaining and fiscal austerity. The hypothecated tax element, while innovative, contributes only a small part of the overall budget and is potentially volatile—particularly if commercial broadcasters underperform or foreign platforms shift operations outside of Spain.

Private media and telecommunications companies initially contested the levies, arguing they constituted an unfair tax on competitors; yet, the European Commission upheld the scheme as compatible with EU law. Nonetheless, critics have continued to warn that political control over state budget allocations remains a structural risk to editorial independence, thereby undermining one of the key objectives of the reform.

Moreover, Spain has not introduced any form of audience contribution, such as a licence fee, which in the UK has historically served as a direct link between the public and the BBC, reinforcing both accountability and autonomy. The absence of such a mechanism has arguably weakened RTVE's democratic legitimacy and left it more exposed to state influence.

The Spanish funding model illustrates the risks of overreliance on state funding—even when offset by hypothecated taxes to a small extent. For the BBC, a future model might consider a rebalanced approach combining: a modernised public contribution (e.g., an adjusted licence fee or household media levy), additional hypothecated taxes on digital platforms, and potentially limited state support for core public interest content. Such a mixed funding system could enhance sustainability while preserving independence—provided the mechanisms of collection and allocation are ring-fenced from government interference.

5.4 Contextual considerations for the UK

- The BBC's annual budget exceeds that of RTVE several times over, meaning any hypothecated tax would require a significantly broader base or higher rates to be viable.
- Careful consideration should be given to the UK's digital, telecom, and private broadcasting sectors to see how they are different from Spain's industries before such a system is adopted.
- Public tolerance for levies or licence fees is shifting, requiring careful public engagement to design a funding model perceived as fair and future proof.
- Any comparison with the Spanish PSM system would need to take into account the strong role of regional public broadcasters. Operating independently from RTVE, these entities are governed by their respective regional parliaments and financed through region-specific arrangements. Their existence reflects Spain's asymmetrical decentralisation and supports linguistic and cultural pluralism, but it also creates fragmentation and limits RTVE's reach in certain areas.

CHAPTER 5

Finland's Yle: the strengths and challenges of a media tax

Minna Horowitz and Hannu Nieminen

Context

Finland is a relatively small European country with 5.5 million inhabitants. As is the case with many small countries, Finland's media landscape is characterised by high ownership concentration. This means, for example, that in print media, around 72% of newspaper circulation is controlled by four main companies. As in other Nordic countries, regional and local news media play a significant role in people's everyday media use, exemplified by 122 local newspapers covering the whole of Finland.

In electronic media, three companies dominate the field, with the public service company Yleisradio (Yle) in the lead. In 2014, Yle's channel share in television was 43% with an average weekly reach of 3,815,000 viewers. The second biggest company, MTV3, owned by the Norwegian Schibsted, had a weekly channel share of 27% and an average weekly reach of 3,680,000; and the third one, Nelonen, owned by Sanoma Media, had a weekly share of 12%. In radio, Yle's weekly reach was 44%, while the leader of the commercial market, the German-owned Bauer Media, had a reach of 22%.¹

The media's legal framework in Finland consists of three main Acts: the Act on the Exercise of Freedom of Expression in Mass Media (460/2003), the Act on Electronic Communications Services (917/2014), and the Act on Yle (1380/1993). The two first-mentioned concern all media and the last is an Yle-specific law from 1993. Together they cover the EU's regulatory framework for the media, including the Audiovisual Media Services Directive (updated 2018) and the European Media Freedom Act (2024).²

Yle's status as the national public service media institution is based on the Act on Yle from 1993. The Act was legislated to consolidate Yle's parliamentary governance model and its financial basis against the opening of Finnish electronic media market to commercial competitors. Before 1993, Yle was dependent on a periodic licence fee, which led on several occasions to direct political interventions in the company's programming and journalists' appointments. The law aimed to establish a clear distance between political interference and journalistic independence.

Today, Yle offers programming through three TV channels and five nationwide radio channels, both via terrestrial broadcasting and online. However, the company is increasingly focusing on its online offerings, with its web-based services being the most widely used in Finland: in 2024, Yle's digital services had about 1.1 million active customers. Yle publishes a multilingual news website (see <https://yle.fi/news>) and hosts the popular video streaming service Yle Areena (in Finnish and Swedish). In total, Yle's news services are produced through terrestrial and online channels in several languages, including the official languages Finnish, Swedish, and Sámi, languages spoken by minority communities such as Arabic, Russian, Somali, and Ukrainian, and by Easy Finnish and Finnish Sign Language.

According to surveys, Yle's brand is considered one of the most respected in Finland, and its news is the most trusted among national news providers: in a survey in 2024, 82% of respondents trust Yle's news, compared to the second most trusted Helsingin Sanomat newspaper with 66%. In an international comparison in 2023, Yle was ranked first out of nineteen public service organisations in terms of how audiences viewed its importance to themselves and to society as a

1 All figures from Finnpanel, <<https://www.finnpanel.fi/en/tulokset/tv/vuosi/sharev/viimeisin/sharev.html>>

2 Since 8 August 2025, new (albeit limited) legislation has been added to ensure compliance with the European Media Freedom Act.

whole.³ However, several trust studies show that, as in other countries with a robust PSM, audience segments with populist political leanings have grown particularly distrustful of many national media outlets, including Yle.

With around 3,000 employees today, Yle plays a significant role in Finland's creative industries. In addition to its own productions, Yle is required to commission a certain amount of programming from independent producers. This has benefited especially young, emerging content producers in all media, including television, radio, film, podcasts, and video. The size of the Finnish creative industries is estimated £11.65 billion (€13.5 billion), employing around 54,800 people (in 2023).⁴ Through its partnerships and commissions, in 2024 Yle employed a total of 4,085 freelancers, making Yle one of the biggest creative economy employers in Finland. The company funded twelve full-length films and twelve documentaries in 2024, paying £86 million (€100 million) in copyright compensation and licence fees.⁵ According to a recent decision, Yle must increase its contracts from Finnish domestic independent producers to around 20% in the period 2025 to 2030.

Despite its relatively stable and institutionalised status, Yle's funding and governance have remained subjects of ongoing public and political debate in the context of significant transformations in the media landscape, including digitalisation and platformisation. While Yle operates under parliamentary oversight, and its public service remit has traditionally enjoyed broad cross-party consensus, commercial media outlets have consistently challenged what they perceive as its overly privileged position. They argue that Yle's remit is excessive and that its tax-based funding is too generous, and that these factors distort fair competition in the media market.

Yle's governance

As mentioned above, Yle operates under a specific law, which places it under parliamentary oversight through a 21-member Administrative Council, representing all parliamentary parties. The Council is appointed by the parliament in its plenary session for each four-year parliamentary term. In all its decisions the Council aims to reach a consensus, which is tested occasionally, but so far, unsuccessfully. It selects Yle's Board (eight members) and CEO. The law stipulates an 'arm's length principle' between the (political) Council and the (independent) Board by preventing the Council from deciding on programming and journalists' appointments, which are the responsibility of the Board.

Yle's governance structure has been tested and fine-tuned several times since 1993, and the present arrangement has been approved by a widely-based consensus among both politicians and professional journalists. However, according to commercial media companies, this structure does not guarantee absolute independence from political influence, and they are calling for an external regulatory body to fulfil this task. As yet, they have not yet specified what this reform would entail.

Current funding model

Since 2013, Yle's annual budget of around £475 million (€550 million) has been financed primarily through a public broadcasting tax. This tax is capped at £138 (€160) per individual taxpayer, while companies and other legal entities contribute according to their size. The public broadcasting tax for individuals is paid by persons who are generally liable to taxation in Finland and who have reached the age of 18 during the tax year. A corporation whose taxable income for the tax year is at least £43,165 (€50,000) must pay a public broadcasting tax of £121 (€140) plus 0.35% of the

3 Reunanen, E. (2025), 'Finland', in Newman, N. with Arguedas, A.R., Robertson, O.T., Nielsen, R.K. & Fletcher, R. (eds.) Reuters Institute Digital News Report 2025, <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2025-06/Digital_News_Report_2025.pdf>, p. 80.

4 Luovan talouden kasvustrategia 2025–2030 [Growth Strategy for the Creative Economy 2025–2030], (Suomeksi – In Finnish) Ministry of Economic Affairs and Employment, Ministry of Education and Culture. Finnish Government 2025:61 (Helsinki, Finnish Government), <<http://urn.fi/URN:ISBN:978-952-383-592-4>>.

5 Yle's Annual Report 2024, <<https://drive.google.com/file/d/1kDF-TrEL25Jsm-oYd3Ojad0n1TAHZfX/view>>

portion of taxable income exceeding €50,000. The maximum amount of the corporation's public broadcasting tax is £2,589 (€3,000). If the corporation's taxable income for the tax year is less than €50,000, the corporation does not pay the public broadcasting tax.⁶ These funds are directed to a designated public media fund and allocated to Yle annually based on its budgetary needs.⁷

While this law-based system offers a degree of protection from direct government interference, the government can influence funding indirectly each year by adjusting the index-based increases and the VAT rate. Both of these can be modified through the state budget by a parliamentary majority. Hence, in 2025, as a result of sustained political and commercial pressure, the government opted not to implement full index-based increases for 2024–2027, effectively reducing Yle's budget by around 15%.

To implement this decision, and to comply with legislative requirements in the European Media Freedom Act (EMFA, adopted in 2024) regarding the appointment of senior executives, an amendment to the Act on Yleisradio took effect on 8 August 2025.

The Act of Yle was recently amended to include changes proposed by the parliamentary Yle working group, including greater transparency regarding Yle's operations and finances, and their oversight. The amendment will extend Yle's obligations to publish information relating to its operations and finances for public viewing. In future, the Administrative Council will oversee compliance with transparency obligations, as well as the efficiency with which Yle uses funds.

Challenges

Despite the relatively robust legal framework and legacy of parliamentary consensus, the current funding model is vulnerable to challenges from stakeholders and its own inherent weaknesses. In political debates, the populist Finns Party has heavily criticised Yle for its alleged opacity in allocating resources and its supposed bias in political news programming. Commercial media outlets have also consistently criticised Yle's extensive remit and its privileged tax-based funding. Furthermore, the media tax model does not prevent the government from determining the index-based part of the funding on an annual basis, nor from adjusting the VAT rate. These decisions can be made as part of the state's annual budget, guaranteed by the government's parliamentary majority.

Yle's funding remains a persistent point of debate in national media policy. Private media companies have long criticised Yle for what they see as unfair competition in the digital arena. In response to these concerns, a legal amendment in August 2022 required Yle to restrict its text-based online news. This followed a 2017 complaint to the EU by the Finnish Media Federation, which argued that Yle's digital news amounted to competition with commercial news media and thus violated EU state aid rules. Meanwhile, Sanoma Media filed its separate complaint, alleging that Yle's online educational content also violated EU state aid rules. The EU rejected this claim, but Sanoma Media was not satisfied with the decision and promptly sued the Commission in 2025.⁸

Increasing political criticism has accompanied commercial pressures. Several MPs of the Finns Party, which is part of the governing coalition, have accused Yle of pushing a green-left agenda and of being opaque about how it uses its resources. As the government was investigating how to reduce overall public spending, the two leading governmental parties—the Finns Party and Kokoomus (the conservative party)—made Yle's budget one of their targets for cuts. Although Yle's public reporting complies with all legal requirements as stipulated in the Act on Yle as well as in the Act on the State Television and Radio Fund, and it also complies with the general state audit and public accountability laws, pressures from the commercial sector and political actors continuously claim greater transparency in the highly competitive digital media market.

6 Tax Administration on public broadcasting tax (in Finnish), <<https://www.vero.fi/syventavat-vero-ohjeet/ohje-hakusivu/48391/yleisradiovero5/>>.

7 Act on the State Television and Radio Fund (745/1998), <<https://www.finlex.fi/api/media/statute-foreign-language-translation/249568/mainPdf/main.pdf?timestamp=1998-10-09T00%3A00%3A00.000Z>>.

8 EU (2025), 'Action brought on 20 February 2025—Sanoma Media Finland v Commission', Official Journal of the European Union, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202502560>.

These pressures have led to significant funding cuts for Yle. In 2023, the government set up an all-party parliamentary working group to review Yle's public service remit, funding, and relationship with commercial media. As parliamentary policy concerning Yle traditionally follows a consensus-based policy, the working group's work was long stalled by the populist Finns Party's demands that especially the left and center-left parties could not accept. Following lengthy negotiations, the group finally reached a nominal consensus and published its report in September 2024. The report recommended annual budget cuts of £57 million (€66 million) by 2027, which was much less than requested by both the Finns Party and Kokoomus. These cuts effectively resulted from the decision to freeze the index for three years, from 2025 to 2027.⁹

Had the group failed to reach an agreement, the government was prepared to impose the cuts unilaterally, which raised concerns about Yle's vulnerability to political influence. Despite the ongoing financial reduction, Yle maintains its editorial independence from the government. In January 2025, Yle announced plans to eliminate 309 jobs, accounting for around 10% of its workforce.

Recommendations

Despite, or because of, Yle's continuing prominence in the Finnish media landscape, its funding and resource allocation are continuously challenged. Several recommendations can be made based on the developments around its Media Tax funding model:

1. Law-based status, rather than periodic charters, provides PSM with long-term, basic security against political and commercial pressures. In the Finnish case, the Act on Yle was elemental in establishing a clear line between political influence and journalistic independence. The law-based status grants Yle a (relative) autonomy in developing its long-term strategic planning, without the fear of periodic upheavals and political intrusions.
2. Tax-based funding makes it difficult for the government to use its financial power for political influence. The Finnish model of collecting tax revenue into an extra-budgetary fund, out of the government's reach, guarantees that taxes are used for their statutory purposes. This, however, does not exclude the government from using other, indirect ways to pressure PSM financially, as the Finnish case demonstrates.
3. The governance model should be based on two key principles: 1) a consensual parliamentary process and 2) legally guaranteed operational and editorial independence. In the Finnish model, the key is a cross-party commitment to consensus-aiming decision-making on all Yle-related policies. This is facilitated by the stipulations of the Act on Yle, which—in line with recent EU's European Media Freedom Act (2014)¹⁰—aims to guarantee the company's editorial and financial independence from external influences, whether political or commercial. Obviously, as recent developments evidence, this arrangement is vulnerable when there is a parliamentary majority with parties that do not share the commitment to consensus.
4. Transparency should be a key principle and built into any funding model. The case of Yle illustrates how demands for financial and resource transparency can easily become a political tool rather than a means to serve the audiences as the owners of PSM. To avoid unnecessary politicisation of PSM resources, principles and reporting requirements should be specified and, ideally, based on audience and user-centric values rather than (only) political or commercial demands, helping PSM build trust with its various key stakeholders.

⁹ Parliamentary working group reduces funding and promotes transparency of Finnish Broadcasting Company, <https://valtioneuvosto.fi/en-/1410829/parliamentary-working-group-reduces-funding-and-promotes-transparency-of-finnish-broadcasting-company>

CHAPTER 6

Funding, de-politicisation and regulation on digital terms: lessons learned from Danish public service media

Julie Münter Lassen

Introduction to the Danish public service media sector

The Danish Broadcasting Corporation—now DR—was founded in 1925 as the first public service media (PSM) institution in Denmark. DR is still the largest Danish PSM institution, with three linear television channels, a streaming service, seven radio channels, a news website, and three online universes for children of different age groups. All of DR's services are subject to public service regulation. DR had a monopoly on broadcasting television until 1988 when TV 2 Denmark was launched, due to a political desire to give DR competition. Between 1988 and 1991, eight local TV 2 channels were launched; they are now all independent PSM organisations. The main channel in TV 2's portfolio has public service obligations, whereas six portfolio channels, a streaming service, and a news website are part of TV 2's commercial business with no public service obligations. The monopoly of DR on radio was not broken until 2003, when Sky Radio became the first national commercial radio channel in Denmark.

While the Danish (public service) television market has been fairly stable, various political initiatives have influenced the radio landscape within the past fifteen years. With the intention of challenging DR's dominance on talk radio, a couple of public service channels have been launched. However, the lifespan of these alternative channels has been rather short for various reasons. Support for public service content is also ensured through the Public Service Fund. Established in 2007, the annual budget has varied as a result of political negotiations. On average, the fund has had £3.5–£6.5 million annually at its disposal. Programmes produced for DR or the regional TV 2 channels cannot receive funding. TV 2 dominates among the beneficiaries, while Viaplay, HBO, and Warner Bros. Discovery have also obtained support.

With regard to public financial support of PSM, DR receives the greater part of the support: in 2025, DR will receive £425 million. The eight regional TV 2 channels together receive £66 million, while two radio stations receive £11.5 and £2.8 million, respectively. Besides funding from the Public Service Fund, TV 2 does not receive any public subsidy, but is financed through subscriptions and advertising.

Three types of regulatory instrument govern Danish PSM: The Radio and Television Act, media political agreements, and public service contracts (TV 2's contract is called a public service licence). The media political agreements are negotiated every four years between the government and other political parties in the Danish Parliament. Usually, most political parties are behind the agreement. The media political agreements concern the broader perspectives in the Danish media sector, including subsidies to the press, conditions for global streaming services operating in Denmark, production of services aimed at children and young people, and the remit of PSM. All issues concerning the PSM institutions are implemented and specified in the public service contracts, which are negotiated between the Minister for Culture and the management of the various PSM institutions. For instance, the media political agreement describes the important role of Danish news media in supporting citizens in their participation in public debate and democratic dialogue. In DR's public service contract, this is specified as an obligation to offer versatile and impartial news with a focus on quality, relevance, and fact-checking, covering national, international,

and European perspectives. The link between the media political agreements and public service contracts somewhat challenges the arm's length principle between Parliament and PSM institutions. Based on annual reports by the PSM institutions, the Radio and Television Council, whose members include media scholars, journalists, and lawyers, assesses whether the PSM institutions have fulfilled their contracts.

Since 2022, the number of Danes using streaming services has been greater than the number of people watching traditionally distributed television, respectively 65% and 54% of the Danish population. For this reason, television viewing figures are now most often reported as one common figure for traditional and digital distribution, not separately. Since 2023, the streaming services of TV 2 and DR have been the most used in Denmark, surpassing Netflix. In 2024, the Danish population on a daily basis spent an average of 19.7 minutes on TV 2 Play, 17 minutes on DRTV, and 11.7 minutes on Netflix. This same year the weekly reach of TV 2 Play was 29.5%, DRTV 38.9%, and Netflix 32.3%. The 2024 market share of the TV 2 channel family across traditional and digital distribution was 39%, while DR had 23% and Viaplay Group obtained a 9% market share.¹

The media political agreements contain requirements for the extent of DR's outsourcing to external producers. In the period 2023–2026 this will amount to 43% of direct programme expenses. While DR is primarily an in-house production company, the outsourcing requirement comes from a political wish to stimulate the independent production market in Denmark. TV 2 is a publisher-broadcaster much like Channel 4 in the UK. TV 2 has a strong in-house news production, but most programmes aired on TV 2's channels are commissioned from external production companies. TV 2 thus plays a vital role in the Danish production market. Likewise, DR and TV 2 are both obliged to invest in Danish film production. Between 2024 and 2027, DR will be obliged to engage in the production of 14 feature films and 23 short and documentary films and to buy display rights for newly produced films for £2.9 million annually. TV 2 must engage in 12 feature films and 8 short and documentary films as well as acquiring display rights for at least £2.3 million annually. The external production companies consider these obligations very important and argue that it is much easier to secure funding from other sources, including funding from abroad, if they have an agreement with one of the major Danish broadcasters.

From licence fee to taxation

In 2018, the Danish Parliament decided to phase out the licence fee, which until then financed DR, the regional TV 2 channels, and the public service radio channels. After a transition period of four years, general taxation has now replaced the licence fee. This was done to ensure a socially balanced financing of public service media. Despite general support for the taxation model, critics have raised concerns about increased self-censorship and the fact that the cost of quality media content is no longer evident to the population. Both objections stem from the Danish Parliament's decision to make financing of PSM part of the Finance Act, as opposed to the Finnish system in which the Yle tax is outside the state budget and goes into a fund.² So far, the political and public debate on (financing of) PSM has not changed to an extent that could suggest that tax funding has affected viewpoints; neither is there evidence, yet, of PSM institutions exercising self-censorship as a consequence of the new financing, which indeed is closer to the political decision-makers. Obviously, this issue merits close attention.

The public service fund and support of Danish drama production

As mentioned in the introduction, the Public Service Fund supplements the PSM institutions in Denmark. The aim of the funding scheme is to give commercial providers the opportunity to produce high-quality and innovative public service content. With the media political agreement

1 Armour, Thomas, Molsing, Benjamin, Ingolf, Martin, Marslev, Niels & Lidegaard, Mads Emil (2025), 'Continued growth for DRTV and TV 2 Play', in *Media development* 2024, ed. DR Analysis, pp. 4–20, <https://www.dr.dk/static/documents/2025/01/30/dr_mediudvikling_2024_ffad2c48.pdf>, here pp 10–12.

2 Österlund-Karinikanta, Marina (16 June 2016), 'The tax-based funding of the Finnish public service broadcaster Yle', <<https://rm.coe.int/0900001680789a98>>.

for 2023–2026 the Public Service Fund has been modernised, so the fund now supports sound programmes in addition to television drama, documentary, and culture programmes. Critics maintain the fund should be renamed the TV 2 Fund as TV 2 for several years has obtained around 80% of the funding. An overview of supported projects does show that numerous documentaries and drama series broadcast by TV 2 are financed by the fund.³ The scale of subsidy questions TV 2's viability as a commercial PSM company as its subscription and advertising revenues are clearly not sufficient to ensure high-quality documentary and drama production.

DR's drama production is funded through the annual financing of the institution. The public service contract states how many hours a year of newly produced drama DR must make available. In the contract for the period 2023–2026 the requirement is an average of minimum 20 hours annually. DR must also offer children's fiction and audio fiction made available digitally.

Four different challenges have affected the Danish production market since 2022.

- A disagreement on rights paralysed film and TV productions in 2022.
- The global economic crisis had an influence on both producers and broadcasters, with users willing to cancel subscriptions.
- Increased competition with global players has put pressure on the national Danish media.
- Only in the spring of 2025 did Danish politicians decide to introduce a discount on production of films and series in Denmark—the last country in Europe to offer such discounts.

DR's and TV 2's willingness and ability to commission content has been affected by these challenges. Besides being a problem for private production companies, the decline in investment risks becoming an issue for PSM values. Des Freedman points to the fact that Channel 4's remit stresses innovation, experimentation, and creativity in the form and content of its programmes.⁴ However, with the competition and pressure on the conditions of production the broadcasters, including PSM institutions, are less willing to take risks and invest in the development of talent. Obviously, this can have an effect on the content, but also—in the long run—on the quality of the national industry as a whole.⁵

Regulation on digital services

The Radio and Television Act specifies that public service activities must be carried out via television, radio, and internet or the like. This wording allows Danish PSM institutions to develop when new technology is available. DR's public service contract specifies that DR is obliged to serve all target groups on relevant platforms. For news content, the multi-platform strategy is to ensure dissemination of news to the public. In 2024, DR introduced a mandatory login for all its users on its audiovisual streaming service with the intention of offering a better service to the individual user. The public service contract addresses personalisation by requiring DR to be transparent about the use of algorithms and personalisation. This is to ensure that a broad and diverse range of content is presented to the individual user, and to make it clear how recommended content has been selected for users.⁶ What is at stake when PSM introduce algorithmic personalisation is the balancing of new user habits and preferences with the traditional PSM values of universality, diversity, and a shared national conversation. These issues have been partly addressed in DR's contract, but as pointed out by, among others, The European Audiovisual Observatory, findability and prominence are of utmost importance in ensuring cultural diversity and allowing a variety of voices to be heard.⁷

3 Danish Film Institute (nd), 'Public service fund/Projects', <<https://www.dfi.dk/en/english/funding/public-service-projects-supported>>.

4 Freedman, Des (2016), 'A future for public service television: content and platforms in a digital world', Project Report (Goldsmiths, University of London), p 31.

5 Graham, Andrew (1999), 'Broadcasting policy in the multimedia age', in *Public Purposes in Broadcasting: Funding the BBC*, ed. Andrew Graham (Luton, University of Luton Press), pp 17–46, here pp 24–44.

6 DR's Public service contract for 2024–2026, p. 7.

7 Capello, Maja (2022), 'Forward', in *Prominence of European Works and Services of General Interest*, ed. Maja Capello, IRIS Special (Strasbourg, European Audiovisual Observatory), p. 4.

Currently, DRTV and TV 2 Play have news and current affairs programmes on prominent positions on their streaming services.⁸ This placement has been decided by the institutions themselves, rather than being an obligation. Regulation of PSM could benefit from making specific requirements for the placement of certain genres to make sure the PSM streaming services stand out from global streamers. At the same time, this will also help them stay relevant and attractive in an increasingly competitive market.

De-politicisation of DR's board

Currently, members of and candidates to the Danish Parliament, local and regional councils, or the European Parliament cannot be members of Danish PSM institutions' boards. However, due to an ambition to ensure professional competency, political independence, and public anchoring in the development of modern PSM facing increased competition, the media political agreement for the period 2022–2025 has proposed the initiation of work on a new model for the composition of DR's board. In the spring of 2025, a committee suggested a model to be implemented from 2027. In the current model, the six largest parties in Parliament each select a board member, but the future model will entail parties instead selecting members for a body, which then will select the board members. In both models the Minister for Culture nominates three board members, while DR's employees nominate two. The committee did present more radical changes to depoliticise the board, but these were not chosen by the negotiating parties behind the media political agreement. However the new model is intended to strengthen the arm's length principle in Danish PSM regulation.

Recommendations

- Funding and management of PSM must be made free of political interferences and ensure public anchoring. If licence fees are replaced by taxes, economic stability must be ensured via, for example, regulation.
- Sufficient funding of PSM is crucial to the entire media industry, as PSM institutions are the driving forces to ensure the development of talent, sufficient room for experimentation and innovation, and high quality.
- If PSM activities are detached from institutions, two issues are important. First, consideration should be given to how citizens' access to funded content is ensured. Secondly, funds should go to various players, formats, and genres with the aim of supporting a versatile production environment and diversity in output.
- Regulation must adapt to technological development and changes in user habits. More specifically, the incorporation of personalised recommendations requires transparency about the use of algorithms and demands new methods for measuring how PSM meet their obligations online. Finally, PSM should be encouraged to offer the public, regulators, and researchers access to audience and catalogue data.

⁸ Lassen, Julie Münter (2023), 'The reappropriation of time in television', *Nordicom Review*, 44(2): 217–34, doi:10.2478/nor-2023-0012, here p. 225.

CHAPTER 7

Public service media in Norway

Helle Sjøvaag

The Norwegian PSM ecology

Norway has a population of 5.5 million, which is served by a PSM duopoly comprising the state-owned NRK and the commercially operated TV 2, a mixed model that offers valuable insights for public service broadcasting governance and funding models.

The Norwegian Broadcasting Corporation (NRK), established in 1933, began television broadcasting in 1960 and maintained a monopoly until deregulation in 1988, when two commercial broadcasters were introduced: TV3 (Viasat Group) and TV Norge (Warner Bros. Discovery). Public service broadcasting was expanded in 1992 with the establishment of a commercial public service channel, TV 2 (owned by the Danish publisher Egmont), whose remit stipulates headquarters outside the capital Oslo, daily news, Norwegian-language programming for children, original Norwegian drama, and content diversity. The rationale was to inspire creative competition for NRK, ensure regional news coverage, counter internationalisation trends, and ensure sustainable independent television production nationwide.

Regional structure and coverage

NRK operates through a distributed structure with thirteen regional units based in the counties, providing daily news broadcasts across radio, television, and online platforms. Staff are distributed across 44 editorial offices employing approximately 850 of NRK's 3,200 total employees, with regional offices ranging from one to three staff to around 200.

NRK Sápmi, the Sami division, employs 85 staff in Karasjok with eight additional regional offices. This division collaborates with Finnish and Swedish PSMs, providing daily news in three Samic languages plus regular children's and youth programming.

TV 2 maintains its headquarters in Bergen, employing most of its editorial staff outside Oslo, with six regional offices in major cities.

The radio market, dominated by NRK, includes commercial operators P4 and Bauer Media Group alongside numerous local stations. The 2017 switch from FM to DAB increased channel availability, with NRK offering sixteen channels plus fifteen regional services.

Both NRK and TV 2 enjoy must-carry status under the Norwegian Broadcasting Act and the EU Audiovisual Media Services Directive, meaning that cable, satellite, and terrestrial television (DDT) are mandated to carry the channels in their subscription packages.

NRK's regional presence has raised concerns about crowding out local media. Consequently, its remit mandates fostering collaborations to support local press survival through skills development, virtual desk sharing, infrastructure sharing, and generous source crediting. NRK shares live streams of national and local events with 97 media companies nationwide as of 2024.

Regulatory and governance structures

NRK governance

NRK operates as a state-owned limited company under the Ministry of Culture and Equality, which serves as its General Assembly and appoints the Board of Directors. The Board appoints the Head of Broadcasting.

Governance operates through Parliament and the Ministry under the Broadcasting Act of 1992, with the remit detailed in the NRK Poster and its 52 bylaws. The Norwegian Media Authority conducts annual assessments and distributes funding allocated on four-year cycles through general taxation. The Media Authority is a governmental supervisory and administrative body implementing policy by the Parliament and Government, funded over the national budget. It is subordinate to the Ministry of Culture and Equality, headed by a Director General. Decisions made by the Media Authority can be appealed to the Media Appeals Board.

The Broadcasting Council, a publicly appointed advisory body representing audience interests, addresses complaints and advises on issues of its choosing or those raised by NRK's leadership, operating under Broadcasting Act provisions.

TV 2 governance

TV 2, a privately owned commercial company, operates under a public service agreement with the state through the Ministry of Culture and Equality.¹ This agreement, renewed every five years through open competition (although TV 2 has been the sole applicant), currently runs from 2024 to 2028.

The commercial public service remit derives from three documents: the open call, the applicant's proposal, and the final state agreement outlining remit requirements. The Norwegian Media Authority evaluates annual compliance.

Both PSMs must achieve universal access. For NRK this is defined as being available free of charge to the entire population on at least one delivery platform. For TV 2 this is defined as being available in distribution networks that can be accessed by at least 95% of homes in Norway. Both PSMs operate under self-regulatory press ethics as Norwegian Press Association members.

Funding models and levels

State allocations to NRK have grown continuously, reaching £472 million in 2024 (NOK 6.443 billion). Annual revenue totalled £489 million in 2024 (NOK 6.678 billion), with additional revenue coming from external production funding, royalties, and sponsorships. Direct state support comprises 96.5% of annual revenue.

NRK transitioned from licence fee to taxation funding in 2020. Under the tax model, major funding changes can occur only every four years following general elections, presented to Parliament by the Ministry of Culture and Equality.² Parliament can adjust economic conditions annually to price developments, with the Norwegian Media Authority administering funding.

The tax-funded model secures independence through 1) financial predictability via a multi-year framework protecting against annual budget negotiations; 2) parliamentary allocation oversight preventing political capture; and 3) transparency. The Broadcasting Act supports these mechanisms by ensuring editorial freedom in achieving remit goals.

The change in funding model was widely supported across political parties and interest groups and has been relatively uncontroversial. The main opposition emphasised potentially decreased public legitimacy and public feelings of ownership, although the tax model was also expected to increase fairness perceptions by basing support on general income rather than equal user distribution.

1 Medietilsynet (2024b), Allmennkringkastingsrapporten 2024: Delrapport om TV 2 [Public service report 2024: Sub-report on TV 2], The Norwegian Media Authority. <https://www.medietilsynet.no/globalassets/publikasjoner/allmennkringkastingsrapporter/250625_allmennkringkastingsrapporten_tv2_2024.pdf>

2 Prop 1S (2022–2023), Proposisjon til Stortinget for budsjettåret 2023 [Proposition to the Parliament for the budget year 2023]. Ministry of Culture and Equality, <https://www.regjeringen.no/contentassets/7e4af35e6e1477b9d6a2fa18ef05fc7/no/pdfs/prp202220_230001kuddddpdfs.pdf>

TV 2 funding

TV 2 operates primarily through advertising and subscription revenue, but has received state compensation since 2017 and is awarded up to £11 million (NOK 150 million) annually for news production support.³ This EU-compliant compensation, administered by the Norwegian Media Authority, carries a minimum requirement on news production (250 minutes weekly over 40 weeks minimum) and editorial resources (100 full-time news staff on the main channel). In 2024, TV 2 aired 433 minutes of news with 146.8 full-time news staff, substantially exceeding requirements. TV 2 must furthermore allocate £18.3 million annually (NOK 250 million) to direct editorial costs and £24.2 million (NOK 330 million) to reporting in news production expenditure in 2024.⁴

Despite constituting commercial operator state subsidy, this arrangement faces little opposition. Parliament supported continuation in 2022, with the Norwegian Media Authority recommending continuation, as funding was seen to contribute to media policy goals.

Audience indicators and performance

Between the two PSMs, NRK has the highest audience reach, at 91% daily use. NRK also enjoys high trust levels, at 84%, and 84% of the population consider NRK to be an important institution.⁵ Trust remains high across all audience segments. NRK consistently ranks among the top three primary news sources for audiences, more often used alongside other sources rather than as sole news provider.⁶ The Norwegian Media Authority therefore classifies NRK as complementary to rather than as substitute for other sources.

NRK and TV 2 consistently feature as the second and third most-used news sources nationally (after market leader VG).⁷ In linear news consumption, they rank first and second at 56% and 43%, respectively. NRK shows higher use among younger audiences (18–24) at 34% compared to TV 2's 27%. The Reuters Digital News Report for Norway⁸ records 81% trust in NRK and 75% in TV 2.

Kantar's tracking consistently reports that both PSMs' most-watched content comprises news broadcasts, sports events, and Norwegian-produced entertainment.⁹

Contribution to national creative economy

Both PSM remits require contributions to a sustainable national creative economy through outsourced film, drama, and documentary production.

NRK's requirements

NRK is remitted to outsource 40% of its free programming budget to external production companies. NRK aired 20 television drama series in 2024, seven of which were produced in-house and 13 of which were outsourced to external production companies, distributed across 13 different providers.

3 Meld. St. 14 (2016–2017), Kommersiell allmennkringkasting [Commercial public service broadcasting], Ministry of Culture, <https://www.regjeringen.no/contentassets/14a6c04c14b5454e888361d61c294f49/nn_no/pdfs/stm201620170014000dddpdfs.pdf>

4 Medietilsynet (2024b).

5 Medietilsynet (2024a), Allmennkringkastingsrapporten 2024: Delrapport om NRK [Public service report 2024: Sub-report on NRK], The Norwegian Media Authority, <https://www.medietilsynet.no/globalassets/publikasjoner/allmennkringkastingsrapporter/250610_A_llmennkringkastingsrapporten_NRK_2024.pdf>

6 Prop. 1S (2022–2023).

7 Bjørgan, J., Thomassen, M. & Moe, H. (2025), Bruksmønstre for digital nyheter [Use patterns for digital news], The Association of Norwegian Media Businesses, <<https://www.mediebedriftene.no/siteassets/dokumenter/rapporten-nyhetsbruk-2025-interactive.pdf>>

8 Bjørgan et al.

9 Kantar (2024), Årsrapport for konsum av TV og online video i Norge 2024. [Annual report on consumption of TV and online video in Norway 2024], Kantar, <<https://kantar.no/globalassets/ekspertiseområder/media/tvov/arsrapport-tvov2024.pdf>>

Between 2022 and 2024 NRK's level of outsourcing was an average 49.7%.¹⁰ NRK also collaborates with external companies on major entertainment productions outside the drama genre and works with external podcast production companies. NRK reports that roughly £36.7 million (NOK 500 million) went to external production in the period 2022–2024.

NRK is furthermore remitted to broadcast at least 40% of Norwegian music across its radio channels.

TV 2's requirements

TV2 is mandated to invest a minimum of £22 million (NOK 300 million) in external production under the current agreement, with an annual average of GBP 4.4 million (NOK 60 million) in spending. Investments should go towards original scripts in Norwegian or the Samic languages and should reflect Norwegian culture and society. These should be original productions with first-time airing on linear television, but TV 2 can also choose to stream this content first. In 2024, TV 2 reported spending £6.1 million (NOK 83.6 million) to external production, spread among four different production companies.¹¹

Lessons for the BBC and the UK's PSM system

The case of Norway's PSM ecology should provide insight relevant to the BBC charter in terms of funding, governance, and independence, but also at the overall media systems level, where the mixed model with state support to both NRK and TV 2 helps to sustain the overall PSM ecology in a way that not only benefits media policy goals of pluralism and news provision, but also serves to sustain a distributed and competitive media production environment. Indeed, this is similar to the UK's mixed PSM ecology.

NRK's tax-funded model demonstrates how long-term funding frameworks can offer predictability without compromising independence. Here, the dual-oversight model with parliamentary allocation and independent oversight through the Media Authority demonstrates separation of political and operational oversight.

The four-year funding model ensures that NRK can assume more targeted responsibilities in the overall digital distribution infrastructure, for which NRK has special provisions in the total national preparedness framework to ensure the infrastructure for news and information in times of crisis.

Notably, this long-term funding allows NRK to leverage its remit to strengthen national infrastructure resilience.

Here, NRK is working to ensure peering and CDN infrastructure across the country, entering strategic collaborations with key providers, such as Norway Internet Exchange (NIX), to strengthen the resilience of national communication infrastructure. Its remit also enables it to choose national infrastructure providers for key services, further contributing to supporting national infrastructure sovereignty against increased dependency on foreign providers. Furthermore, in 2025, NRK is moving all its production to two data centre locations, allowing it to save costs on remote production.

NRK's position has enabled it to launch counterbalance measures to decrease its dependencies on social media platforms. In 2022, NRK terminated its news account on Facebook, and in 2024, it has reduced its presence across social media, discontinuing around 500 accounts to maintain approximately twenty active accounts.

To counteract crowding-out threats to local media structures, NRK's remit emphasises collaboration demands rather than restrictions to strengthen pluralism in the overall media landscape. The rationale for this is to preserve NRK's editorial independence by avoiding detailed remits on where NRK's district offices should be located or what its news divisions should cover and how.

10 Medietilsynet (2024a).

11 Medietilsynet (2024b).

Targeted compensation to commercial public service broadcasting can likewise serve to strengthen the PSM duopoly through competition in a way that benefits audiences. TV 2's remit furthermore ensures that editorial resources do not concentrate too much in the capital, contributing to maintaining a viable labour market for journalists and media industry professionals.

For TV 2, state funding enables it to protect its daily news programming from market fluctuations. While TV 2 continues to enjoy commercial revenue, funding for news also allows it to retain its public service remit. Arguably, this is beneficial to audiences, as a strong duopoly provides audiences with a national choice in their news and entertainment options. As Norwegian audiences consistently value Norwegian entertainment content, the duopoly also contributes to strengthening independent television production.

These state funding mechanisms do not, however, provide editorial freedom unless allocations come with strong arm's length principles. There is a high level of state involvement in the Norwegian media sector overall, largely through subsidies. While these subsidies come with remits, the fulfilments of which are monitored annually by the Norwegian Media Authority, state subsidies are not without their problems. Financial dependencies of this kind can translate into political capture unless transparency and accountability are secured through legal, institutional, and organisational measures. It also requires a robust and resilient culture of independence and professionalism in the media industries.

The commercial viability of private ventures should also be factored in, as should their ability to survive shifts in advertising markets. A healthy media system should be able to sustain independent and commercially viable media alongside strong public institutions. While market mechanisms can indeed cause deteriorating pluralism in highly commercialised media systems, excessively high levels of state funding can also be a problem for media independence overall, being vulnerable to political instability.

While an industry narrative persists that NRK may be growing 'too strong' and 'too big', the reality of industry competition in the platform era extends beyond national borders to involve strong dependencies on global technology companies, particularly as distribution infrastructures to reach audiences. Having a strong PSM ecology can help to counteract such growing power imbalances, whereby PSMs carry responsibilities towards sustaining the overall information environment.

Emphasising industry collaboration over PSM restrictions puts PSMs in a better position to shoulder such responsibilities, ensuring independent news provision, safe information environments, and national culture and heritage.

The Norwegian model is, however, not a one-size-fits-all solution, but depends on specific contextual factors. Norway generally has high social trust, political consensus, and a relatively small, homogeneous market. The continued 'crowding-out' concerns from commercial competitors highlight ongoing tensions inherent in strong PSM systems like the Norwegian one. High state funding levels, while enabling PSM strength, also create vulnerability to political instability and require robust independence protections. PSM remits must therefore balance remit requirements with strong institutional independence.

In conclusion, to ensure a healthy PSM ecology, I recommend the following:

- A long-term funding model drawing from the general tax system, with sufficient funding for the PSM to fulfil its remits.
- Strong independence and transparency measures to ensure trust in the PSM and its governing and oversight bodies.
- Collaboration requirements rather than remit restrictions to preserve local news ecologies and infrastructure sovereignty.

CHAPTER 8

Swedish public service media under pressure

Christian Christensen and Fredrik Stiernstedt

Introduction

Sweden is a small country (population 10.8 million) and Swedish is a small language spoken only in two countries (Sweden and Finland). In this policy brief, the situation facing public service media (PSM) in Sweden will be presented with an eye toward key issues that could be of relevance for the UK. First, the state of Swedish PSM is described and, secondly, two specific topics will be addressed: how PSM in Sweden are facing funding challenges in the digital media environment; and, how the current political situation in Sweden has led to de facto reduced funding for PSM, despite broad citizen support for public media across ideological lines.

The history of public service media in Sweden and the overall media ecology

The Swedish Radio monopoly was established in 1924, with initial broadcasts in 1925. Television broadcasting began with a single channel (SVT1) in 1956, followed by a second (SVT2) in 1969. Swedish PSM adopted their mission statement from the BBC: to inform, educate, and entertain. Other guiding principles for PSM include universal access, pluralism, and independence. From its inception, there was cross-party agreement between the political right and left that broadcasting should be organised as a public service monopoly. This broad political consensus persists today, although it has weakened in recent years.

Sweden has three separate PSM companies: Swedish Television (SVT), which operates five national television channels; Swedish Radio (SR), which runs three national radio channels and one local channel broadcasting across 25 regions; and Educational Broadcasting (UR), whose content is distributed via SVT, SR, and digital platforms. Public service regional radio (across 25 regions) consists of news, public affairs, local culture, and music, while regional television (across 25 regions) is made up of shorter local news and weather programmes on SVT1. Swedish PSM also operate a number of services outside of traditional broadcasts: three distinct websites, podcasts, and on-demand video; app-based services; and streaming services such as SVT Play, SR Play, and UR Play.

In an interesting development, at the end of 2025 Sweden's only commercial terrestrial television broadcaster, TV4, announced that it would cease digital terrestrial broadcasting and become a for-pay streaming service. In exchange for the right to broadcast commercial television, TV4 – similar to the UK's Channel 4 – had for over 30 years operated under so-called "quasi public service" broadcasting rules. TV4's decision will make public service Swedish Television the only media organization sending terrestrial television in the country.

The main Swedish regulatory agreements and bodies

PSM are regulated under the Radio and Television Act, which also governs commercial broadcasters.¹ The primary regulation of public service is, however, through the broadcasting licences issued by the state, which specify the public service obligations in more detail. The Media

¹ Swedish Media Authority (Myndigheten för press, radio och TV) (2025), The Swedish Radio and Television Act (SFS 2010:696) (Stockholm), <https://mediemyndigheten.se/globalassets/om-mediemyndigheten/mediemyndighetens-verksamhet/dokument/radio-och-tv-lag/the-swedish-radio-and-television-act.pdf>

Authority is responsible for supervision and ensuring compliance with these licences, mainly through the Broadcasting Commission for Radio and Television, to which any citizen can submit complaints about content believed to violate licence conditions.

In order to maintain full organisational autonomy, the three arms of Swedish PSM are owned by an independent foundation: the Foundation Management for SR, SVT, and UR (Förvaltningsstiftelsen för Sveriges Radio AB, Sveriges Television AB och Sveriges Utbildningsradio AB).² The board of the foundation is made up of twelve representatives of political parties, with the division of seats based upon their relative proportion of seats in parliament. The system has been effective, with few examples of direct state interference.

The current funding agreement for Swedish public broadcasting runs from 2020 to 2025. The new agreement will take effect at the start of 2026 and run until the end of 2032 (eight years).³ Assuming sufficient funding levels, these longer-term agreements, based on a political consensus and praxis, are meant to give Swedish public broadcasters financial security over extended periods of time, allowing for both content innovation and technological advancement without the burden of unexpected annual or biannual budget changes.

Current level of funding and plans for future funding

Until 2019, PSM were financed through a licence fee paid by all owners of radio or television receivers. This has now been replaced by a mandatory fee levied on all taxpayers in Sweden, collected via income tax. In 2025, this fee amounts to a maximum of £91 per person. The Swedish Parliament decides the size of the companies' funding and in an international comparison, Swedish PSM are well funded.

In 2025, the budget for PSM is roughly £730 million, putting Sweden ahead of the UK in per capita spending, and among the top five per capita PSM budgets in Europe. Practice has been that the broadcasting system receives an annual 2% increase to keep up with inflation and expanded responsibilities. This year (2025), Swedish Television (SVT) received the largest share of the roughly £730 million total budget with £422,666,750; Swedish Radio (SR) received £253,590,150; and Educational Broadcasting (UR) received £35,740,132.⁴

The practice of providing a 2% annual increase for the overall PSM budget will end with the upcoming 2026–2033 agreement. Funding increases will be 3% for 2026 (relative to the 2025 budget), 2% per year for 2027–2030, and 1% per year for 2031–2033. With inflation estimated to remain just over 2% in Sweden, this decrease in the annual rate of increase is a *de facto* budget reduction.

The audience reach for public service media, the Swedish media ecology, and other relevant indicators

On average, Swedish Television reaches 80% of all Swedes each week. Swedish Radio also has a high weekly reach, attracting around 70% of the population. These figures include both linear and streamed, on-demand consumption. In 2024, Swedish Television had the highest weekly reach among streaming services, making it the only public broadcaster in Europe to surpass Netflix in its domestic market (29% for SVT and 21% for Netflix).

PSM in Sweden enjoy public support and high levels of trust: 73% of Swedes report high trust in SVT and 71% in SR—by far the highest among all media in the country, and one of the highest levels in

2 <<https://www.forvaltningsstiftelsen.se/>>

3 Government of Sweden (2025), Regeringens proposition 2024/25:166: En lag om public service och riktlinjer för verksamheten 2026–2033 (Stockholm, 22 May 2025), <<https://www.regeringen.se/contentassets/31407b691096492a9df3f1d4dfb27033/en-lag-om-public-service-och-riktlinjer-for-verksamheten-20262033-prop-202425166.pdf>>

4 <<https://tu.se/standpunkt/budgetpropositionen-for-ar-2025/>>

Europe. In a recent poll, 82% of respondents said Swedish Television provided 'very large' or 'fairly large' value to Swedish society, with 78% saying the same Swedish for Radio. Those numbers were 20–30 points ahead of all major newspapers and commercial television channels.

The assumption that it is only those on the political left who have trust in PSM, or consider it to be of value, is not supported by research. Of those in Sweden who identify themselves as 'clearly right-wing', 57% have high trust in Swedish Television and 68% believe it is of great value. It is only among supporters of the far right (the Sweden Democrats), who make up roughly 20% of the voting population) that trust in PSM is significantly lower. This group of voters, however, show a general lower trust in all public institutions, in politics, and in fellow citizens, indicating that Sweden Democrat supporters are outliers on issues of trust.⁵

The contribution of Swedish public service media to the national creative economy

Swedish PSM are required to 'promote diversity in programming through a variety of production methods' and to 'contribute to strengthening a vibrant production market across the country'.⁶ A substantial share of public service content is commissioned from external production companies and produced in collaboration with external partners. These production companies are located in multiple regions of Sweden. In addition, each year Swedish Television invests over £8 million in co-producing Swedish films. Swedish Television and Swedish Radio are key commissioners of domestic-language content, and, thus, are central players in the cultural market for writers, producers, actors, editors, directors, etc.

Swedish PSM also play a vital role in sustaining the Swedish language and culture, as well as minority languages and cultures. The relatively small size of the Swedish media market means that low profit margins for new, often expensive domestic productions limit commercial production. In 2024, Swedish-language productions accounted for 73% of Swedish Television content, and a significantly higher percentage of Swedish-language content for radio.⁷ Commercial channels in Sweden are largely made up of older, cheaper English-language US/UK programming. Swedish cable/satellite channels regularly have 80–90% English-language content. Even TV4, which has a quasi-public service mandate, falls far below SVT/SR in domestic production and Swedish-language content.

Finding new funding models in a digital media landscape

A major challenge for PSM in an increasingly platformised and digital media landscape is sustainable funding. The traditional system of licence fees linked to ownership of radio and television receivers—once common across Europe and in place in Sweden until 2019 – has become obsolete. It has proven difficult to extend such fees to include computers, tablets, and mobile phones connected to the internet.

The most common, stable, and equitable alternative funding model is a mandatory public service fee collected by the tax authorities, either on an individual basis or per household. A public service fee is furthermore the best way to ensure the independence and long-term sustainability of public service funding—something we know from research is essential for these institutions to function effectively and to contribute both democratic and cultural value.

5 Medieakademien (2025), Förtroendebarometern 2025: Allmänhetens förtroende för institutioner, politiska partier, massmedier & företag (Stockholm), <https://medieakademien.se/wp-content/uploads/2025/02/Fortroendebarometern-2025-Rapport-slutversion.pdf>

6 Swedish Media Authority (Myndigheten för press, radio och TV) (20 June 2024), Granskningarna bedömdes bedömningsrapporterna för 2023 (Stockholm), <https://mediemyndigheten.se/globalassets/rapporter-och-analyser/2024/granskningarna-bedomning-av-public-service-redovisningar.pdf>

7 Sveriges Television (2025), Public service-redovisning 2024 (Stockholm), https://omoss.svt.se/download/18.7955f7c119540c692ad73fd9/1741002893028/Public_service-redovisning_2024.pdf

In Sweden, PSM—SVT, SR, and UR—have been funded through taxation since 2019, following a parliamentary decision in 2018. This amounts to 1% of taxable income, capped at £90 per year. This shift has been perceived as more equitable and less intrusive than the previous system, as it differentiates between low- and high-income earners and reduces the financial burden on single-person households. However, the move to a tax-based mechanism raises important questions: How can institutional independence be safeguarded when public service financing is integrated into the state budget? And how can long-term sustainability be secured when fee levels are debated annually in parliament? Sweden has addressed these concerns through a set of institutional safeguards designed to uphold independence and ensure an arm's length relationship between policymakers and public service institutions.

First, the funding is classified as a dedicated public service fee and is kept separate from the general state budget. While the tax authority is responsible for collecting the fee, it does not constitute a tax in a strict sense. Second, instead of annual decisions on funding allocations, the parliament determines the funding level and economic framework for entire license periods (ca. 6–8 years). This arrangement provides the broadcasting organisations with greater financial stability and predictability, which has been shown to be essential for PSM's capacity to contribute to a healthy democracy. Another safeguard against unpredictability is that each new licence period is preceded by a public inquiry conducted by a parliamentary committee with representatives from all political parties, thereby ensuring broad consensus on the economic framework. A risk in this system is the fact that the PSM fee is decided by the parliament on a yearly basis, and that the parliament hence theoretically could set the level of the fee to zero, upon which funding for PSM would be gravely endangered.

Key insights from the Swedish case on funding:

- License-fee models based on ownership of specific technologies are increasingly obsolete and should be phased out.
- Individual-based contributions offer greater fairness compared to household-based models, particularly from a distributive justice perspective.
- Sustainable long-term financing mechanisms are essential to uphold the integrity and continuity of public service media.

Swedish public broadcasting under a multi-party right-wing government

A potential weakening of Swedish PSM via the aforementioned reduction in finances from 2026 to 2033, along with other provisions regarding content, are linked to domestic politics.

In 2022, a minority right-wing government was formed made up of the Moderates, Liberals, and Christian Democrats. These three parties, however, do not command a majority of seats in parliament, and so the government coalition only rules with the support of a non-coalition party: the far-right Sweden Democrats. This resulted in a formal agreement struck between the four parties where, in exchange for implementing policies central to the Sweden Democrat platform and/or accommodating Sweden Democrat opinions on policy, the ruling coalition governs with the support of the Sweden Democrats.

As addressed at the start of this brief, support for PSM in Sweden cuts across political and ideological lines. While there have always been criticisms of the system, because of high levels of trust and perceived value to the nation, harsh attacks on PSM were not part of the Swedish political landscape and not seen as 'vote winners'. And polling numbers show that in 2024 supporters of parties across the political spectrum have trust in PSM and see them as a national resource, with one exception: supporters of the Sweden Democrats. The gap in level of trust between Sweden Democrat supporters and supporters of other parties is significant: in some cases 50% lower compared even to supporters of other right-wing parties.

While the Sweden Democrats have for many years criticised PSM for 'left-wing bias' (claims contradicted by research on political coverage by SVT and SR), it is only in the last decade that their rhetoric has gained traction, usually in conjunction with broader European and US conservative attacks on journalism and media, and PSM in particular.

This became evident in the parliamentary inquiry conducted in 2024 ahead of the renewal of broadcasting licences for 2026–2033. For the first time since the inception of PSM in Sweden in the 1920s, the decision on a new broadcasting agreement could not be reached by consensus. Instead, the government majority (three-party coalition plus Sweden Democrats) presented one proposal, while the centre-left opposition presented another.

The passage of the proposal reducing annual financing increases from 3% in 2026 to just 1% for 2031–2033 is seen by most media experts in Sweden as a direct consequence of the influence of the Sweden Democrats on the current government. In addition, the proposal introduced measures such as investigations into public service impartiality and 'political bias' and audits conducted by external consultants. These are also seen as concessions to the Sweden Democrats, connected to the party's long-standing accusations of political bias by the PSMs.

Key insights from the Swedish case on political influence:

- The disproportionate influence of the Sweden Democrats is a reminder that parties that do not win elections, or are not formally part of governments, can still have a significant impact on public broadcasting.
- As the UK enters a fragmented political period—with Labour–Conservative domination possibly replaced by a possible Labour–Conservative–Reform–LibDem–Green constellation—the implications for PSM financing and regulation need to be considered, with parties hostile to PSM in positions to shape or influence policy.
- Policies reducing financing and requiring extra investigations into impartiality (despite mechanisms already in place to ensure political balance), together with hostile rhetoric about PSM not based in fact, play a role in fomenting mistrust in PSM at odds with public opinion.

Conclusions

PSM in Sweden remain strong, they have the trust of the broader public, and the systems in place for ensuring financial stability and independence from political interference are (by global standards) robust. Yet, despite the relative strengths and continued popularity of Swedish PSM, the system finds itself in a period where both its financing and *raison d'être* are being challenged. While a significant portion of this challenge can be explained by the influence of the so-called "populist" right, it must also be recognised that broader anti-media rhetoric that pervades Europe has impacted Swedish views of PSM. In addition, as is the case in many other European countries, Swedish PSM must survive in an environment where citizens are now paying for multiple forms of media content across a variety of platforms, and do so under regulatory conditions often rooted in outdated broadcasting-only centred frameworks. This combination of political hostility, anti-media rhetoric, and increasing pay demands on media users is a 'perfect storm' for weakening PSM.

CHAPTER 9

Public service media funding and governance: the case in Canada

Jessica Johnson and Emma Wilkie

Introduction

Market overview

The CBC/Radio-Canada is Canada's only national public media service. It was established in 1936, following the BBC's model for a national broadcasting service free of political, commercial, or international influence. The outlet currently operates 27 television stations and 88 radio stations across Canada and distributes content in the country's official languages (English and French) as well as in eight Indigenous languages. Canada is also served by regional and specialty public media services, such as Télé-Québec and TFO (French-language outlets serving the provinces of Québec and Ontario, respectively), TVOntario (serving Ontario, the country's largest province, in English), and British Columbia's Knowledge Network. These services operate primarily with educational mandates.

Regulatory structure and governance

The CBC/Radio-Canada is a federally owned Crown corporation or public service that operates independently (others include the train service Via Rail and the Royal Canadian Mint). Its primary mandate is to 'inform, enlighten and entertain', through the provision of 'distinctively Canadian' content.¹ Similarly to the relationship between Ofcom and the BBC in the UK, the CBC/Radio-Canada is regulated by the Canadian Radio-television and Telecommunications Commission (CRTC), which is also responsible for regulating all of Canada's broadcasting and telecommunications services in the public interest. The CBC/Radio-Canada's operation is directed by legislation outlined by the Broadcasting Act.²

The CBC/Radio-Canada is governed by a board of twelve directors, including the President and CEO, who are appointed by the Governor in Council (an appointment made by the Canadian Governor General, acting on the advice of Cabinet) based on recommendations from an Independent Advisory Committee.

Funding

The CBC/Radio-Canada relies on a mixed revenue model, which includes public and commercial revenue, including advertising. In 2024, the corporation's total income was £1.03 billion, of which 26% came from commercial revenue (14% from advertising and 12% from subscriptions) and a much larger proportion, 74%, from parliamentary appropriations equating to approximately £17.54 per capita. The government's recent mandate review recommended that this funding allocation be doubled to reach approximately the average level of funding for a G7 country; so far, this proposal has no legal enforcement.

Audience reach and climate

The CBC/Radio-Canada has cultural prominence in Canada comparable to that of any large national public media service with household name recognition (the BBC, ABC, France-Télévisions,

1 CBC/Radio-Canada, 'Mandate', <<https://cbc.radio-canada.ca/en/vision/mandate>>

2 Legislative Services Branch (22 June 2023), Consolidated Federal Laws of Canada, Broadcasting Act, Government of Canada, <<https://laws-lois.justice.gc.ca/eng/acts/b-9.01/FullText.htm>>

etc.). The bilingual organisation is able to reach 99% of Canadians through a combination of radio, television, and digital channels. CBC News (in English) reaches 23% of Canadians online on a weekly basis and 26% of Canadians via TV or radio, making it the highest-ranking online source and second-highest offline source of news.³ ICI Radio-Canada, the French-language news service, reaches 24% of French-speaking Canadians online and 39% via TV or radio.

Canadians have traditionally had high trust in their news organisations, although as in other parts of the world, this trust has fallen—around 20 percentage points in Canada since 2018. Radio-Canada consistently ranks higher for trustworthiness (71% in 2025) than the CBC (62%), but both services perform near the top among other media brands in their respective French and English markets. Trust in both outlets combined fell by over 17% between 2018 and 2022.

Although a single organisation, the CBC/Radio-Canada operates under unique conditions in its different language markets. Like many English-language media outlets, the CBC primarily competes for audiences and revenue with US content providers. Radio-Canada reflects the distinct linguistic and cultural environment of Quebec, where 80% of Canada's francophone population resides and where its primary competition is domestic francophone private media in the same market.

Contributions to the creative economy

Employing more than 7,000 people, the CBC/Radio-Canada is the country's largest media employer and a major contributor to certain other sectors of the economy and regions. As a commissioner and distributor of content, it spends £213 million annually in Canada's independent production industry. Although this is not formally measured, the CBC/Radio-Canada serves as a professional training ground for many Canadian journalists. CBC/Radio-Canada news reporting is also often cited as a primary source by other private and independent media outlets across the country.

Funding public media in Canada

In early 2023, Conservative Party leader Pierre Poilievre announced his intention to defund the CBC/Radio-Canada entirely if elected prime minister. This led to widespread media coverage and political debate about the future and purpose of the corporation. Later that year, then-Minister of Canadian Heritage Pascale St-Onge announced that the Canadian government would conduct a mandate review of the outlet, whose last formal mandate review led to 1991 legislation—before the internet. Prime Minister Mark Carney, elected in April 2025, campaigned on a commitment to slightly increase the CBC/Radio-Canada's current annual federal funding of £753 million by £82 million, as well as to make this funding statutory.

As it stands, public funding for the CBC/Radio-Canada is voted on annually through Parliamentary approval of government spending proposals. These proposals are presented to Parliament by the government, leaving the CBC/Radio-Canada's public funding vulnerable to changing priorities (or, in the context of Canada's current political discourse, potentially defunded to the point of discontinuation by a governing party with the will to do so.) Statutory funding, a model used for some research councils and universal programmes such as old age pensions, commits to an established level of annual funding through legislation.⁴ Carney contextualised this proposal with the justification that, once protected through legislation, the CBC's annual funding allocations would no longer be 'subject to the whims of government'.⁵

³ Brin, Colette & Charlton, Sébastien (17 June 2025), 'Reuters Institute Digital News Report 2025: Canada', Reuters Institute, <<https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2025/canada>>

⁴ According to the Government's 2025 mandate review, it 'is enshrined in an Act of Parliament that is not voted on annually by Parliament as part of the budget process'. See Department of Canadian Heritage (2025), 'The Future of CBC/Radio-Canada', <<https://www.canada.ca/en/canadian-heritage/corporate/publications/general-publications/future-cbcradio-canada.html>>

⁵ Liberal Party of Canada (2025), 'Unite', <<https://liberal.ca/cstrong/unite/#protecting-cbc-radio-canada-protecting-canadian-voices>>

Canada's national public media service is funded to a much lower level than most of its international counterparts—it receives less than half of per capita spending on public media in the UK. Independent research by the Forum for Research and Policy in Communications has shown the organisation's funding to be historically 'insufficient' to meet the organisation's mandate: 'Parliament has often permitted Canada's largest cultural institution to operate with insufficient resources to meet the requirements established by Parliament for CBC.' The same research shows that there is no historical correlation between the political party in power and the amount of funding the CBC/Radio-Canada received.⁶

We explored various funding models for public media services globally as part of a 2024 research contract to the Canadian government, and in preparation for our July 2025 report '[What Should the CBC Be?](#)'. While there may be no perfect model anywhere, comparison suggests that the country's existing tax-based funding model is still best suited to the social, political, and technological climate in Canada. Subscription-based and advertising-based business models are failing to sustain a healthy private and independent media climate here as in other jurisdictions. Meanwhile, to spread the cost of service across the entire population affords the greatest possibility of universal access—an important factor in a country with a relatively low population density spread across a considerable geographical area, one also vulnerable to natural disasters and other threats.

Among seventeen jurisdictions with public media services worldwide that we studied, many have faced conditions similar to Canada's—from political challenges to declining commercial revenue to technological shifts. A primary conclusion of our report was that countries that spend the most on public media also tend to see the highest trust and support for their services among citizens. In Finland, for example, the public media service YLE has consistently ranked among the highest globally in reported levels of public trust, and is funded by a 2.5% 'Yle Tax' on anyone earning over about £13,000, with a maximum payment per individual of £140 annually. Any organisation making over £43,200 is also subject to a similar Yle Tax up to a maximum of £2,590.⁷ Finnish people report extremely high trust in their news sources.

Sweden also imposes a 'public service fee' to fund public broadcasters at a flat rate of around £97, except for those earning under £9,660 a year, who are subjected to a 1% tax.⁸ And in 2018, Denmark announced it would be phasing out its media licence fee (£292 annually) in favour of a more 'socially balanced' public funding model (£62 per capita), which resulted in a positive economic impact for many citizens as well as the public sector.⁹

Trust and transparency

Besides funding their public media services to an appropriate level to meet their mandates, many of the world's most successful jurisdictions invest in media literacy programmes and conduct other forms of audience outreach. Countries with long-standing commitments to engage citizens through media literacy education and audience input—Germany, Austria, Iceland, and Finland, for example—rank highly in reported trust levels towards their public media services. Such measures help audiences make a direct connection between the cost of supporting public media services and their societal benefit.

⁶ Forum for Research and Policy in Communications (FRPC) (February 2020), 'An analysis of CBC's financial history from 1937 to 2019: we tried to follow the money; Frodo had it easier' (Ottawa), <<https://frpo.net/wp-content/uploads/2020/02/Public-funding-of-CBC-operations-2020-4-February.pdf>>

⁷ Yle Viestintä, 'Yle's Finances', <<https://yle.fi/aihe/about-yle/finances>>

⁸ Skatteverket, 'Public Service Fee', <<https://www.skatteverket.se/service/lankar/otherlanguages/inenglishengelska/individualsandemployees/livinginsweden/publicservicefee.4.676f4884175c97df4193041.html>>

⁹ 'For the public sector, legislation means that there will no longer be a need for heavy and expensive licensing management, including the abolition of IT systems for the collection of licences. See: Agency for Digital Government, 'The abolition of the media licence contributes to digital-ready legislation', <<https://en.digist.dk/digital-transformation/digital-ready-legislation/guidances-and-tools/examples-of-digital-ready-legislation/example-6/>>

In contrast with countries with the most highly trusted, well-used public media services, Canada provides little to no media literacy and public awareness messaging around the purpose of public media. Canadians, perhaps not coincidentally, also considerably overestimate what they pay for the CBC/Radio-Canada through taxes. In 2015, a polling firm found that one in five Canadians estimated they paid over seven times the actual per capita cost of £15.¹⁰

Another factor in the comparative success of a tax-based system is its structural stability and predictability. Despite being publicly funded through parliamentary appropriations, the CBC's annual budget is determined in a manner that is not transparent to Canadians. The inconsistency of its funding also makes it hard for the organisation to make long-term commitments about service or structural improvements to the audience. This is not necessarily because Canadians want it that way. Our 2024 survey 'Do We Need the CBC?' showed that a majority (78%) support the CBC/Radio-Canada and that 57% of respondents would maintain or even increase its funding—leading us to conclude that most Canadians want the CBC/Radio-Canada; they simply want it to do a better job of serving them.¹¹

Earning public support for public funding

In a context of declining trust in media worldwide, any public media funding model is likely to be criticised. Not merely the content and ideological framing of the media, but the value of providing reliable media to all audiences, regardless of income level and political identity, has become a talking point in political conversation in some jurisdictions, including Canada.

In the face of a licence fee-based funding model that is increasingly considered unsustainable or obsolete, the United Kingdom could consider a more equitable and reliable system, such as a public media tax. As the BBC continues to lose income from households no longer paying the licence fee, a legislated, universal, but scaled fee would ensure consistent funding levels that are reflective of the UK's growing population as well as its economic performance. Here are two potential objections and our observations about them based on Canada's example.

A model where all taxpayers contribute to public media is open to arguments from citizens reluctant to subsidise a service they do not use. Canada's recent experience with similar arguments illustrates the need to acquire and retain even sceptical audiences. Measures to apply taxes need to be offset by initiatives aimed at resolving other primary critiques of a public media service such as, in the case of the BBC as well as the CBC, concerns about London-centric programming (the Canadian equivalent is a Toronto-centric bias), failure to keep up with digital platforms, or perceived government interference/bias.

In terms of governance, the selection process for the CBC/Radio-Canada governing board was reformed to be more transparent and merit-based in 2017; previous incarnations were criticised for their political connections. The current schema involves an Independent Advisory Committee that recommends candidates reflecting both a degree of diversity and no perceived bias to the government. Without legislation, however, there is nothing to ensure or quantify the current commitment to regional and linguistic diversity among board members.

¹⁰ Korzinski, David (11 March 2015), 'Report: Culture, the CBC & the CRTC', Angus Reid Institute, <<https://angusreid.org/canadian-culture/>>

¹¹ Only 11% of Canadians want to completely defund the outlet; a substantial majority (78%) want it to continue, especially if it can address its major criticisms. See Johnson, Jessica, Ross, Christopher & Wilkie, Emma (October 2024), 'Do we need the CBC? A national survey of Canadians on public service media', Centre for Media, Technology and Democracy, <<https://www.mediatechdemocracy.com/all-work/canadianinformationecosystem-edzep-gd874>>

In its 2025 mandate review, the Ministry of Canadian Heritage recommended widening the skills matrix and demographic and regional representation of the CBC/Radio-Canada board to further depoliticise the appointments. It is understood that the current government is developing legislation that may help strengthen the independence and skills makeup of the board.¹² Our recommendations would include the introduction of a formal skills and demographic matrix, with some representation of professional experience in media management, in addition to these other priorities.

A bigger obstacle to rebuilding trust in the CBC/Radio-Canada, we have found, is a lack of understanding about the governance structure, journalistic processes, and editorial policies that exist to preserve its independence, which is enshrined in law.¹³ In our report, we recommended that Canada consider supporting media literacy programmes (likely to benefit all media, not just public service media) and that the CBC/Radio-Canada be required to consult more comprehensively with Canadians. This investment may well require additional funding and resources.

Our research has found that no issue faced by our public media service exists independently from others. To increase trust and audience reach would require more financial investment. In turn, the will to increase financial support for the CBC/Radio-Canada will be reliant on improvement in each of these metrics.

Another common criticism of the licence fee funding model is that lower-income citizens find it unfair to have to pay the same fee as those with a higher income. The public broadcasting tax model circumvents this objection via a scalable system where income determines the level of contribution. In Canada, tax contributions to public services are scaled to individual income levels. Convincing those who do not feel responsible for funding a public media service of their role in its success, again involves ensuring that members of each demographic feel appropriately served and represented as well as consulted in decision-making priorities. This can be achieved through ongoing investments in media literacy, transparent business practices, and audience engagement—a measure of what the BBC already does relatively well, done better. In fact, English-speaking Canadians often invoke the BBC in discussions about optimizing the CBC/Radio-Canada. “Why can’t we just be like the BBC?” was a frequent response in our interviews. The BBC’s programming is admired for its high production values and for the perceived objectivity of its news service. In spite of some recent criticisms about political bias, the BBC is notable among media outlets in being relatively highly trusted by both Conservative and Labour audiences.

In a 21st-century context, where audiences can access a significant amount of content from a range of sources, it has become unfashionable to talk about public media as a public good, or to define the common social values that could underpin the funding of a public media service. However, there is no question that the world’s most successful public media services are associated with a healthy democracy and national culture. Our research concludes that a population must be encouraged to consider public media along with other essential public services, such as health care, education, and emergency services—all publicly funded entities serving the public good. This is especially true in a context of declining private media. When the BBC, the CBC/Radio-Canada, and other public media organisations were founded in the 20th century, they faced what was then a relatively captive audience. Today, the need for a public media service is determined by its ability to create and sustain an audience, by delivering value in return.

¹² Prime minister Mark Carney’s campaign platform committed to ‘Developing a governance plan with CBC/Radio-Canada to improve accountability, empower leadership, streamline processes, and tap into the institution’s innovative spirit.’ See Liberal Party of Canada (2025), ‘Mark Carney’s Liberals to protect Canada’s national identity by strengthening CBC/Radio-Canada’, <<https://liberal.ca/wp-content/uploads/sites/292/2025/04/Mark-Carneys-Liberals-to-protect-Canadas-national-identity-by-strengthening-CBC-Radio-Canada-1.pdf>>

¹³ This situation was amplified, if to a parodic degree, in 2023 when the social media platform X (formerly Twitter) labelled the @CBC account ‘Government-funded Media.’ See CBC News (17 April 2023), ‘CBC pauses Twitter activity after being labelled “Government-Funded Media”’, <<https://www.cbc.ca/news/world/cbc-twitter-government-funded-media-1.6812591>>

CHAPTER 10

ABC funding and governance: lessons from the Australian case

Matthew Ricketson and Patrick Mullins

Introduction

Australia has two public broadcasters. The Australian Broadcasting Commission was established in 1932, ten years after the BBC. Public service media were born in an age of media scarcity and now operate in an era of media abundance, if not media cacophony. The Commission became the Australian Broadcasting Corporation in 1983 and is now one of the country's largest and most important cultural institutions. Throughout its history it has played a distinctive role in Australia's media environment. It has chartered responsibilities to provide innovative and comprehensive broadcasting services of a high standard, with programmes that 'contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community'.¹

The ABC is funded by a yearly appropriation from government. In 2025–26, this appropriation was AUD\$1.196 billion (£585 million).² Employing just under 4,500 people, the ABC is a statutory authority, with a funding and governance model designed to safeguard its independence. Its reach in Australia is extensive. In 2023–24, it was the first-ranked Australian television broadcaster, reaching 36.4% (or 6.6 million people) weekly across Australia's five city metropolitan populations. Its news and current affairs television channels reached an average 5.2 million listeners, its radio stations reached 4.77 million people, and its video on demand service, ABC iView, was the first-ranked such service. Its YouTube channels averaged 60 million viewers each month and its website was one of the highest trafficked in Australia. Community satisfaction with the ABC is high. Yearly tracking surveys show a stable and high regard for the quality of ABC programming. Regard for its news and current affairs outputs is marginally lower but similarly stable.³

The Special Broadcasting Service (SBS), Australia's second public broadcaster, was established in 1975 to provide multilingual and multicultural programming. Originally a radio station, it expanded into television and online. While the SBS maintains a similar breadth of activities to the ABC, it has a much smaller footprint. It receives a substantially smaller government appropriation (of \$350 million, or £171 million, in 2025) that it supplements with funds derived from commercial activities such as advertising; in 2025, such earnings amounted to \$158 million (£77 million).⁴ Deriving income from advertising has regularly hampered the ability of SBS to argue successfully for an increase in its appropriation from government.

The ABC and SBS are highly valued for their contributions to the national creative economy and widely recognised for their direct engagement with local and rural communities, for underpinning creative industries, and for their projection of Australia's national values and identity nationally and internationally. Both have been the intermittent subjects of political debate over the last thirty years. But the ABC's prominence in those debates has been especially notable. Thus, this paper concentrates most on the ABC and two recurring issues in those debates: funding and governance.

1 ABC Charter, s6 Australian Broadcasting Corporation Act.

2 'Australian Broadcasting Corporation: Entity resources and planned performance', <https://www.infrastructure.gov.au/sites/default/files/documents/2025-26_infra_pbs_03_abc.pdf>

3 Australian Broadcasting Corporation, Annual Report 2024, p.13, 63 <<https://www.abc.net.au/about/plans-reports-and-submissions/annual-reports/abc-annual-report-2023-24/104533582>>

4 'Special Broadcasting Service Corporation: Entity resources and planned performance', <https://www.infrastructure.gov.au/sites/default/files/documents/2025-26_infra_pbs_24_sbs.pdf>

Funding

Like the BBC, the ABC was initially funded by a licence fee, but since 1948 it has been funded by a direct government appropriation. The change was motivated by the government of the day's reluctance to increase the licence fee to cover rising ABC expenses, and a belief among ABC leadership that funding by appropriation was unlikely to leave it worse off than the licence fee, which it regarded as a plateauing source of revenue. The natural concern that the change might leave the ABC vulnerable to political interference was met with the response that the licence fee had not proved a shield against such pressures in the past.⁵

As an alternative to the licence fee model, the benefits of funding by appropriation include an allocation that is unaffected by the number of licence fee holders and the zero outlay on fee allocation and management of fee evasion. Another is the transparency of a formal appropriation that, because it is taken from consolidated revenue, cannot be disaggregated to any dedicated tax or levy; funding by appropriation is for this reason not regressive. With success reliant on convincing the government of the day of the needs and benefits, funding by appropriation can—and on occasion has—led to increased revenue.

But funding by appropriation has drawbacks that the ABC and successive Australian governments have deemed necessary to mitigate. One is that funding by yearly appropriation hinders long-term planning and prevents the ability to realise efficiencies through better planning. Thus, in 1989, an informal 'compact or understanding' was adopted in which the government of the day announced funding in three-year increments. What became known as triennium funding allowed for longer-term planning but, in its unlegislated form, highlighted the tension that exists between a public service broadcaster reliant on government for funding while also being required to provide an independent news service. The latter means it will, at times, report critically on its funder, the government of the day. On three occasions, it is possible to argue that tension has affected ABC funding. In the 1996–97 and 2014–15 budgetary years, governments eschewed agreed triennium appropriations in favour of cuts; in 2019, the government froze indexation for the 2019–22 triennium that would otherwise have ensured appropriations retained their real value. The result was appropriations that were cumulatively \$83.7 million (£40.6 million) lower, in real terms, than had been agreed.⁶

These throw into relief the main problem of funding by government appropriation: the ability of governments of the day to alter funding and constrain ABC activities. It is a cornerstone of the Australian Westminster system that a democratically elected government has control of budgetary measures. But the advent of a clear political divide between parties supportive and critical of public service broadcasting has an impact on perceptions of the ABC's independence and therefore public confidence in the broadcaster. The three reductions in funding noted above came under Liberal–National Party coalition governments (1996–2007, 2013–2022) and accord with a historical pattern where appropriations for the ABC are lower under Liberal–National coalition governments and higher under Labor Party governments (1983–1996, 2007–2013, 2022–present).⁷ Further influencing perceptions of ABC independence has been the growing use of 'tied funding'—extra funds appropriated to the ABC for specific purposes—and the alignment of the triennium funding cycle with the three-year national electoral cycle. The effect has been to aggravate the political divide and make ABC funding the subject of political debate.

Recognition of the arising problem has spurred efforts to remove ABC funding as a subject of political contention and to give the ABC more funding certainty. In response to lobbying from the ABC and other advocacy groups, the Labor government (2022–present) agreed to announce ABC appropriations five years in advance, instead of three, and thereby ensure that decisions about ABC funding occur outside the electoral cycle. The first quinquennium funding announcement, spanning 2023–2028, took place in July 2023.

5 Inglis, Ken (1983), *This is the ABC: The Australian Broadcasting Commission, 1932–1983* (Carlton, Melbourne University Press), pp 132–3, 186–7.

6 In 1989, incorrect inflation forecasts led to an appropriation that was lower, in real terms, than agreed. It was an error made in good faith—unlike these three occasions.

7 Ricketson, Matthew & Mullins, Patrick (2022), *Who needs the ABC?* (Melbourne, Scribe), pp 27–54.

Further changes to the appropriations to safeguard ABC independence were canvassed in 2023–2024. The ABC proposed that the quinquennium funding term should be entrenched by legislation and, to prevent changes to announced appropriations, that the legislation should specify that funding levels cannot be reduced below the first appropriation without parliamentary approval. It further proposed that the ABC's funding needs be reviewed in the third year of the cycle, and the government announce its commitments in the fourth.⁸ The government agreed in December 2024 to entrench the quinquennium cycle by legislation, but as of October 2025 it had not made any moves to do so. It was receptive to reviewing funding needs during the quinquennium, but it refused to legislate any mandated level of funding, reserving that right to the government of the day.⁹

The history of funding the ABC by appropriation is therefore one of tension. Ameliorating the tensions that arise is the subject of continuing debate but, as an alternative to the licence fee model, there is much to be said in favour of funding by appropriation.

Governance

As a statutory authority, the ABC is led by a board consisting of a chairperson (appointed by the prime minister), four–six non-executive directors (appointed by the minister for communications), a staff-elected non-executive director, and the ABC managing director, who is picked by the board and is responsible for the ABC's day-to-day operations. The board's duties are to ensure that the ABC's functions are performed efficiently, to maintain the ABC's independence and integrity, and to ensure that the ABC complies with legislative and legal requirements.

Directors have long been required to possess relevant experience or expertise in broadcasting, communications, management, finance, and culture, but other considerations have informed board appointments. Both major political parties have engaged in practices such as rewarding political 'mates' with board positions to overt attempts to influence the ABC's direction. The most conspicuous in this regard were appointments made under the Liberal–National Party government of 1996–2007: a former national president of the Liberal Party, a member of the right-wing think tank the Institute of Public Affairs (which called for privatisation of the ABC), and several sharp-tongued news media critics of the ABC served on the board.

Disapproval of these appointments, and the resulting adverse effect on perceptions of the ABC's independence and integrity, prompted the Labor Party to resolve to depoliticise board appointments. In 2010, it introduced a legislated process for arm's-length appointments to the ABC and SBS boards. In that process, an expert nomination panel assessed applicants and provided a list of recommended appointees to the minister for communications. The process was consciously influenced by the appointments process for the BBC board. The new process began life in 2012, shortly before Labor lost the 2013 federal election. The new Liberal–National Party coalition government, which had not supported the new process while in opposition, immediately undermined and weakened it. Two avowed ABC critics were appointed to the three-person expert nomination panel and, of the five board members appointed between 2015 and 2018, only one was recommended by the panel. In 2019, the formal appointments process was ignored for the appointment of a new ABC chair, and government consultation with the ABC and the new chair about the appointment of further board members between 2018 and 2022 was minimal.

The 2022 change of government has marked a new start to the appointments process. A new expert nomination panel was appointed in August 2022, and its recommendations have since informed the appointments of three new board members and a new chair. A decade's experience of the new process has spurred several proposed changes. Various groups have unsuccessfully

⁸ 'ABC submission on options to support the independence of the national broadcasters' (August 2023), <<https://www.infrastructure.gov.au/sites/default/files/documents/nbi-australian-broadcasting-corporation.pdf>>

⁹ 'Review of options to support the independence of the national broadcasters' (December 2024), <<https://www.infrastructure.gov.au/sites/default/files/documents/review-of-options-to-support-the-independence-of-the-national-broadcasters-australian-government-response-to-key-issues-raised-during-consultation-december2024.pdf>>

sought the removal of provisions allowing governments to appoint candidates not recommended by the nomination panel, and the ABC has argued that consultation about the needs of the board during the nominations process be made mandatory.¹⁰ To date, however, the government has agreed only to 'embed practices and policy frameworks that support appropriate due diligence prior to recommending a candidate ... for appointment'.¹¹

More recent developments suggest that improving board members' understanding of their duties is worthwhile. In 2018, after the board sacked the ABC's managing director, the ABC's then-chair was forced to resign amid claims that he was willing to compromise the ABC's independence to secure increased government funding.¹² Litigation in 2023–2025, meanwhile, resulted in a finding that the ABC chair and managing director had succumbed to an orchestrated campaign to terminate an ABC journalist because of her political views, and that they exercised influence in the unlawful termination of that journalist.¹³ More recently yet, allegations that the ABC chair intervened in editorial decisions to give airtime to an old acquaintance further affirms the need for ABC board members to be fully cognisant of their duties if perceptions of the ABC's independence and integrity are to remain high.¹⁴ As one former ABC editorial director has noted, the duty for the ABC's board and managers to safeguard the ABC's independence and integrity was most acute in a world 'filled with those who seek to control, bully, and pressure public interest journalism in all its forms'.¹⁵

This is where the value of the independent nominations process is most acute. By ensuring that board members are not beholden to the political masters who had appointed them, the process provides a buffer to government interference and secures confidence in the ABC's integrity and independence. The independent nominations process may be further strengthened by addressing prospective appointees' understanding of the duties and expectations that come with appointment to the ABC's board as well as ensuring at least some board members have substantial, up-to-date knowledge of the media sector.

Conclusion

Tension between governments and the news media is common, but there is an ineluctable tension between government-funded public service media outlets that are required to report independently on the government of the day and a government's democratic right to pursue its policies. Checks and balances can and should be built into the system but, if a government is determined to undermine them in pursuit of its goals, it probably can. What has proved a vital safety valve in relieving or at the least lessening this tension is the views of the public—whether they are supporting or decrying the work of public service media outlets, or as expressed through the ballot box.

¹⁰ 'ABC submission on options to support the independence of the national broadcasters'.

¹¹ 'Review of options to support the independence of the national broadcasters'.

¹² Ricketson & Mullins, p.154.

¹³ 2026FCA0669, 'Lattouf v Australian Broadcasting Corporation (No 2) [2025] FCA 669', <<https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2025/2025fca0669>>

¹⁴ 'ABC chair Kim Williams denies interfering with editorial decisions over comedian's radio appearances' (29 April 2025), <<https://www.abc.net.au/news/2025-04-29/media-watch-abc-chair-kim-williams-editorial-interference-/105226714>>

¹⁵ Sunderland, Alan (25 June 2025), 'A campaign of complaints about Antoinette Lattouf put the ABC under pressure—and it buckled', Guardian, <<https://www.theguardian.com/commentisfree/2025/jun/25/a-campaign-of-complaints-about-antoinette-lattouf-put-the-abc-under-pressure-and-it-buckled-ntwnfb>>

CHAPTER 11

British PSM funding after 2027

Patrick Barwise

Ofcom's recent report on the future of British public service media summarises both the threats to the PSM (the BBC, ITV, STV, C4, C5, and S4C)—competition from well-funded streamers and video sharing platforms, technology and consumption trends, funding pressures—and why they matter so much culturally, socially, politically, and to the wider creative industries.¹

To sustain a broad range of original British PSM content, Ofcom calls for both stable and adequate funding and action towards five outcomes: improved prominence and discoverability on third-party platforms; clarity on future TV distribution; more ambitious partnerships between the PSM; investment in media literacy; and streamlined regulation. To these, we might add increasing the listed events that can be broadcast only on universally available, free-to-air channels.

All of these can help, but only if there is also adequate PSM funding, the topic of this chapter. Section 1 addresses BBC funding after 2027, a central topic in the BBC Charter Review. Section 2 then introduces an important, but little known, longer-term opportunity: equalising the advertising sales rules (permitted minutes/hour) on different commercial TV channels. These still favour the non-PSBs by allowing them more advertising minutes/hour than the main channels of commercial PSBs.

Unlike BBC funding, the advertising sales rules have received little discussion. Equalising them would substantially boost the income of the commercial PSM but is, inevitably, opposed by the other commercial broadcasters, who benefit greatly from being allowed to sell more advertising than the PSM. The chapter concludes with the modest proposal that this issue should, finally, be fully evaluated and debated by the media, MPs and the Government.

1. BBC funding: much ado about the cost of a coffee a week

The average British adult still consumes BBC services for over two hours a day—far more than any other product, service, or media brand.² For this, the TV licence costs £174.50/year, equivalent to just £3.35/week—less than a takeaway coffee—for the whole household. And it is free if the licence payer or their partner is aged over 75 and receiving Pension Credit.

That this cost—trivial for most households—is such a big issue is a tribute to the BBC's critics' success in making a mountain out of a molehill, part of their wider 'war' against it.³

There seem to be two underlying reasons for this success:

- People take the BBC for granted—until they are deprived of it: after nine days without it, 70% of those who had said it was poor value changed their minds;⁴
- Like every funding model, the licence fee has some disadvantages—much amplified by critics of the BBC.

1 Ofcom (21 July 2025), *Transmission Critical: The Future of Public Service Media*.

2 BBC, *Annual Report and Accounts 2024/25*, p. 52.

3 Barwise, Patrick & York, Peter (November 2020), *The War Against the BBC* (London, Penguin).

4 MTM (April 2022), *Deprivation Study: What is Life Like Without the BBC?* (London, MTM).

In 2015, the Commons DCMS committee discussed the licence fee. They said its advantages were that it was simple, secure, and predictable; associated in people's minds with funding the BBC; protected its commercial and political independence; and enabled its services to be universally available. None of these is seriously contested. They said its disadvantages were that it was 'regressive'; compulsory (including for households that 'do not use [BBC] services'); and 'expensive to collect', with a 5.5% evasion rate.⁵ Let us consider each of these points:

1. 'Regressive': the licence fee is the same for all households, so a higher proportion of poor families' income. That's true for all paid-for media—and, at £3.34 per week (with no advertising), it costs much less than most.
2. 'Compulsory': like all taxes, the licence fee is compulsory. But the number of households that pay but get no direct benefit is negligible. In 2015, the last time this was measured, 99% of households consumed at least some BBC services in a single week, never mind a whole year.⁶
3. 'Expensive to collect': collection costs are 4.3% of licence fee revenue.⁷ The evasion rate is higher, with some households claiming they 'never watch live TV', much encouraged by campaigns like the 'grassroots'—or Astroturf—#DefundTheBBC.⁸ In 2024/25, evasion was 12.5%, making a total collection and evasion cost of 16.8% (4.3% plus 12.5%) of licence fee revenue.⁹ This is much higher than at the time of the Commons report but, as discussed shortly, still less than the equivalent costs for advertising and, especially, subscriptions.

Alternative BBC funding models

The DCMS Committee discussed four alternative models: advertising, subscriptions, a revised licence fee (or another earmarked tax), and general taxation.

Advertising is a non-starter, rejected by the 1984–5 Peacock Committee because it would damage other advertising-funded media, including the commercial PSM, and distort the BBC's incentives. These big disadvantages still apply. Two others—both missed by Peacock—are that audiences dislike interruptive commercials and, less obviously, that broadcast advertising has large hidden overhead costs—20–25% of advertisers' campaign expenditure, well above the 16.8% combined licence fee collection and evasion costs.¹⁰ No serious stakeholders advocate BBC advertising and it is opposed by the newspaper groups, as it has been since the BBC's founding in 1922.

The most widely touted alternative is **subscriptions**. There are many options—single- or multi-tier, 'pure' or 'hybrid' (partly tax-funded), etc. They should all be rejected because of their inherent disadvantages:

- They would require every device used to access BBC subscription services to have 'conditional access' technology to exclude non-payers. The cost and time to achieve this for television are unclear and for radio it is impossible.
- The BBC would no longer be a universal public service, shared equally by all, and it would have a financial incentive to prioritise the preferences of those best able to pay.
- To maintain its content investment, the average subscription price would need to be much higher than the licence fee because (a) not everyone would subscribe (so those who did would each need to pay more to generate the same revenue) and (b) less of the revenue would be available to invest in programmes, as subscriptions involve huge income generation costs (marketing, customer service, technology), about 35% of revenue, double the 16.8% equivalent for the licence fee.¹¹ Worse, these two factors (non-subscribers and higher costs) would create

5 House of Commons DCMS Committee (26 February 2015), *Future of the BBC: Fourth Report of Session 2014–15*.

6 BBC (2015), 'Response to DCMS green paper: BBC charter review, Audience appendix'.

7 BBC, *Annual Report and Accounts 2024/25*, pp 61 and 64.

8 Barwise & York, pp 272–5.

9 BBC, *Television Licence Fee Trust Statement for the Year Ending 31 March 2025*, p. 26.

10 Barwise & York, p. 171.

11 Barwise & York, pp 329–30. They also have a large and growing piracy problem.

a vicious circle: because less of the revenue would go into programmes, reducing value for money, fewer households would subscribe, further reducing the revenue, and so on. No one knows the eventual outcome, but to maintain the BBC's content investment, the average subscription would likely need to be at least 50% higher than the licence fee.

General taxation is attractive in principle, but the results have been mixed in countries that have switched to it. Ring-fencing the funding and ensuring it covers several years (as in Finland, Norway, and Sweden) offers PSM some protection from political interference and funding cuts. Countries such as Denmark and Canada, where the PSM have to compete for government funding every year, have found it harder to keep it politician-proof.¹² The DCMS Committee rejected this model because of the threat to the BBC's political independence, concluding that the best long-term option would be to replace the licence fee with a different hypothecated tax. This is persuasive: **a flat universal household levy**, as in Germany since 2013, looks like the best long-term option. The German system, now also adopted by Austria, is a universal flat fee paid by every household, with some exemptions and discounts. (It is also paid by companies and public institutions, although it would take a brave politician to propose that in the UK.) An independent expert panel, the KEF, recommends the multi-year fee level, which then has to be agreed by Germany's sixteen state governments, thereby ensuring independence in the critical issue of the funding level.

A more **progressive levy** could be, say, a fixed percentage supplement to electricity and/or broadband bills, so that bigger, richer households paid more than smaller, poorer ones—cheap to administer and with minimal evasion. However, switching to any progressive system that generates the same revenue as the licence fee is likely to be politically difficult as there would be losers as well as winners.

Which model should the Government adopt?

Although the licence fee's disadvantages have been much overstated, the evasion rate is now 12.5% and the arbitrary link with whether anyone in the household ever watches live TV is unsustainable.

Among tax-based models, the Finnish version (multiyear ring-fenced funding) is better than the Canadian one (annual funding out of general taxation). But even the Finnish model would be risky here, with our more polarised media, society, and politics, and the continuing 'war' against the BBC—although there is a strong case for reinstating full government funding for the BBC World Service.

A flat universal household levy—with discounts and exemptions for those least able to pay and everyone else paying the same—is the best option. A progressive levy based on utility bills would, arguably, be fairer, but would require facing down objections from bigger and better-off households.

Who should decide the BBC's funding level?

Despite the relatively low financial stakes, ensuring proper BBC funding is hugely important in societal terms. The BBC is one of Britain's shining successes. Its public purposes beyond pure entertainment—Strictly Come Dancing, The Traitors, and so on—include trusted news, countering disinformation, supporting citizenship and cohesion, promoting learning, stimulating creative excellence, representing the UK and its nations and regions, bringing the UK to the world and the world to the UK, and helping the country adapt to new technology. These matter more in today's world than ever before.

¹² Steemers, Jeanette (2020), *The Funding of Public Service Broadcasting in Europe—Funding Systems and Decriminalisation—Selected Territories Information Briefing* 30 March 2020 (London, King's Research Portal); Taras, David & Waddell, Christopher (2020), *The End of the CBC?* (Toronto, University of Toronto Press).

In this context, to protect the BBC from hostile politicians and ensure that it has the resources it needs, future funding settlements should be handed to an independent body, similar to the KEF in Germany, transparently administered by Ofcom at arm's length from government. The new UK body should start with the Charter: what are we asking the BBC to do? It should then look at, say, five-year projections of household numbers, evasion, industry costs, continuing efficiency savings, and commercial revenue, and set the recommended levy accordingly. The Government should be required to follow this recommendation or, if not, explain its reasons and defend its decision in Parliament and the media. Fortunately, unlike in Germany, the settlement would not need agreement by sixteen state governments, with wildly differing politics. In fact the German system would probably work rather better here than in Germany!

2. Equalising the advertising sales rules

The commercial PSBs that make up the rest of the PSM ecosystem—ITV/STV, C4/S4C, and C5—are also under growing financial pressure. In this section, I discuss how to boost their income by equalising the advertising sales rules between them and the non-PSBs. This might not be enough to ensure that they can fully maintain their investment in original British PSM content, but it would certainly make a big difference, most likely £100 million/year-plus in extra revenue, spread across the commercial PSM, equivalent to the additional money currently going to the non-PSBs because they are allowed to sell more advertising.

The background is that, under Ofcom's Code on the Scheduling of Television Advertising (COSTA), the three flagship commercial PSM channels are subject to stricter rules than other commercial channels on the advertising minutes they are allowed to sell each hour.

Tighter rules for the PSM channels were first introduced in 1991 by the previous regulator, the ITC, 'due to an obligation to protect the quality of the viewing environment on PSB channels'.¹³ Thirty-four years later, unequal rules are still in place in today's greatly changed media environment, where viewers choosing programmes make no distinction between PSM and non-PSM channels.

In February 2011, the House of Lords Communications Committee recommended 'levelling up' the advertising minutes on the PSM channels to be the same as on non-PSM channels.¹⁴ Ofcom rejected this recommendation.

In July 2022, Ofcom called for stakeholders' views on potential reform of COSTA. Equalising the rules was, naturally, opposed by COBA (the non-PSM commercial broadcasters' trade association, dominated by Sky) and by some other stakeholders nervous about the likely disruption it would entail, including ISBA, representing major advertisers. Those supporting reform included Voice of the Listener & Viewer (VLV) and the IPA, representing advertising agencies.

Based on the responses, in April 2023, Ofcom published its 'provisional view' that 'the additional restrictions on PSB channel advertising are no longer justified or proportionate [and] providing PSB channels with the same freedom in advertising minutage and scheduling as other commercial channels would be appropriate'.¹⁵

Five months later, however, it reversed this position: 'We have decided not to remove the stricter advertising rules in COSTA that apply only to PSB channels [because doing so] would mean viewers would be faced with increased advertising, and in particular it is likely to lead to an increase in advertising minutes on those channels in the "peak" hours (18:00 to 23:00) which contain news, which may lead to a reduction in news minutes'.¹⁶

¹³ Ofcom (19 September 2023), *Quantity and Scheduling of Television Advertising on Public Service Channels: Update on Ofcom Review of Regulation*, p. 5.

¹⁴ House of Lords Communications Committee (8 February 2011), *Regulation of Television Advertising*, para 164. The committee recommended that, after digital switchover in 2012, the COSTA rules should be harmonised down to an average of seven minutes per hour on all channels. (Declaration of interest: I was an advisor to the committee.)

¹⁵ Ofcom (19 April 2023), *Quantity and Scheduling of Television Advertising on Public Service Channels: Proposals for Removing Regulation*, p. 2.

¹⁶ Ofcom, *Quantity and scheduling of television advertising on public service channels: Update on Ofcom review of regulation*, 19 September 2023, p3.

This claim about reduced news minutes appears to have come from COBA's submission to the consultation. It is based on the false assumption that the only way to equalise the rules is to 'level up' the commercial minutes/hour by removing the tighter restrictions on the PSM. That would, indeed, increase the amount of TV advertising (and might also impact—up or down—total TV advertising revenue). A better, less risky option would be to equalise the rules at an intermediate level—between the current rules for the PSM and non-PSM channels—so that the total amount of advertising was unchanged. That is what VLV proposed. It is especially surprising that Ofcom ignored VLV's suggestion, given that its stated reason for leaving COSTA unchanged was to protect viewers.

A modest proposal

The advertising sales rules are complex and contested. A transition to a level playing field, with the same rules for all commercial channels, would indeed be disruptive. Ofcom would therefore need to manage this transition and also ensure that enough of the increase in commercial PSM revenue was invested in additional original British PSM content—rather than increased dividends—to justify the disruption.

But the potential benefits to UK viewers and programme-makers are substantial.¹⁷ This chapter's modest proposal is therefore that this issue should finally receive the policy attention it merits from the media, MPs, and the Government. In particular, I would urge the DCMS Committee to evaluate it, alongside the inquiries it is doubtless planning for the forthcoming BBC Charter Review.

CHAPTER 12

Creating a sustainable future for the BBC: the importance of public deliberation during and beyond Charter Review

Lee Edwards and Giles Moss

The BBC is acutely aware of how it must serve a diverse and sometimes divided public today, while operating in a challenging and dynamic environment. First, responding to technological change and the accompanying fragmentation of audiences, it must ensure it reaches and remains relevant to everyone, providing services and content that cater to the needs of diverse groups and increasingly personalising our media experiences.¹ Second, and noting how the fragmentation of media use may compound division and polarisation, the BBC aims to be a centripetal force, bringing the public together through 'shared values' and 'shared moments'.²

The BBC's strategy for the first objective includes significant investment in engaging with their changing audiences about perceptions of its delivery, including the quality and trustworthiness of news, the diversity of content, and the degree to which the BBC represents and serves their interests. For the second objective, audiences need to be engaged in ways that connect to their identity as members of a public, in order to recognise what could be collectively shared and valued about the BBC.

The 'public' is not a fixed entity, but emerges as people engage with each other as members of a community and discuss topics of collective concern.³ The starting point for identifying what it is about the BBC that can be shared and valued—and could thus form the basis of the BBC's relationship with the public in a new Royal Charter—is to facilitate and foster deliberation among the BBC's audiences, and use their outcomes to develop policy and practice.

We draw on our research with members of the public about public service media, to show the value of fostering greater deliberative engagement about the BBC. In common with Ofcom's and the BBC's own analysis, participants in our study recognised and supported the distinctive role of the BBC. They also understood the challenges the BBC faces, especially in demonstrating political independence and impartiality in a more polarised political environment, and in defining what the 'public good' might mean in the context of an increasingly diverse population. Their deliberations with each other allowed them to engage with a range of perspectives about the Corporation that extended their understanding of the role it can play, as well as how their own views may be challenged or supported by others. In the process, they referred not only to their own individual concerns, but also to the wider interests and values of the communities and society of which they are a part. We argue that it is in this recognition of one's role as a member of a wider community, which is facilitated by deliberative engagement, that people identify what can be collectively shared and valued about the Corporation, and the BBC's 'public' comes into being.

1 BBC, (2024). A BBC for the Future, <<https://www.bbc.co.uk/aboutthebbc/documents/a-bbc-for-the-future.pdf>>

2 Ibid.

3 Barnett, C. (2008), 'Convening publics: the parasitical spaces of public action', in K. Cox, M. Low & J. Robinson (eds.), *The Handbook of Political Geography*, pp. 403-417. London: Sage.

Adopting this kind of deliberative approach also has consequences for the way public engagement and public reaction to the BBC is usually conceptualised, changing it from a 'supplier–audience' relationship to one based on 'partnership'. While the 'supplier–audience' relationship is likely to prompt transactional forms of engagement, a partnership expands the range and expectations of engagement as an exchange between equals about debates critical to the BBC's legitimacy. The quality of the public's partnership with the Corporation thus depends not only on their satisfaction as audiences, but also on the degree to which they feel their voices in these broader debates are heard.

We draw from findings from an online citizens' assembly with 46 members of the public as part of Ofcom's 2020 review of public service broadcasting, 'Small Screen: Big Debate'.⁴ The assembly gave participants time and space to engage in an extended process of public deliberation about public service media in the UK, where they reflected together on its purpose and role, becoming more aware of arguments for and against particular positions.⁵ While the study was not specifically about the BBC, as the largest and most prominent public service media organisation, it featured prominently in the discussions and was often the exemplar that participants used to illustrate their points.

Below, we briefly describe how participants understood both the value of the BBC for the public today, and the challenges it faces,⁶ before presenting our recommendations.

The BBC's value

Because the BBC is publicly funded and serves public purposes explicitly, our participants viewed their relationship with it differently than private, commercial media. Several participants noted how they valued its accountability to the public:

you hear it kind of every so often, there's like an incident where a news presenter said something slightly wrong and, and the audience called into Ofcom and complained. Like, there's that aspect of we can do something about it which I don't really see with the channels like Sky or with Netflix. (P6G3)

As the following quote shows, this accountability is connected to its status as a 'public service', which offers certain privileges (public funding, for example), but also involves obligations towards a collective 'public'.

They're public in the sense that they get public money, they've got some public ... duties and responsibilities. (P3G5)

Participants' sense of these obligations was reflected when, in the final session of the assembly, they were asked to assess the importance of the different ideas and aspects of public service media identified in their prior discussions. The rankings revealed a range of things that they valued and felt were important for meeting 'public' obligations. The highest ranked were universal access, independence, diverse content, programming that might not be commercially viable (e.g., science, arts, children's programming), diversity (onscreen and 'behind the scenes', in commissioning and production), and 'informing' the public through trusted news. Some participants viewed the latter as 'more important than ever' (P3G6) in the context of concerns about misinformation and disinformation.

4 Edwards, L. & Moss, G. (2020), Debating the Future of Public Service Broadcasting: Results of an Online Citizens' Assembly. London: Ofcom. <https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-1-10-weeks/208895_future-of-psb/supporting-docs/psb-lse-citizens-assembly-report.pdf?v=367735>; Moss, G. & Edwards, L. (2024), 'Public deliberation and the justification of public service media', *International Journal of Cultural Policy*, 31(3): 322–37, doi:10.1080/10286632.2024.2342277.

5 Participants were highly engaged with the topic of public service media. While their agreement to participate suggests that they already had opinions to share, the detailed reflections they offered tallied with other deliberative research, in confirming that the public are both willing to engage in and capable of understanding debates about media policy that affect their daily lives.

6 Quotes are attributed by participant and group—for example, P6G5 indicates participant 6 in group 5.

The BBC's challenges

Participants also ranked very highly the importance of regularly reviewing the purpose and objectives of public service media in light of changing contexts. Indeed, their deliberations showed they were acutely aware of the BBC's complex environment and the challenges it faced in delivering the things they valued.

Ensuring and demonstrating independence and impartiality in today's more politically contested environment, is one such challenge. Some participants, for example, felt that the BBC was close to political and economic elites, and this potentially compromised its ability to serve the public (e.g., by being truly diverse, or truly independent).⁷

The BBC are a step closer to the public than the likes of Sky ... but it's kind of double-edged ... you think 'It's so close to the political elite. Is something going on?' (P3G5).

To maintain public trust in this context, participants stressed the need for transparency.

[I]n order to trust it you need a bit more transparency ... So that all would come under, like transparency and trust, because I guess, half the, half the battle in a way of trust is not knowing what's going on. So if you don't know what's going on behind the scenes, then you're less likely to trust it, the public broadcasting. (P4G7)

Participants also emphasised the need for more public engagement and input into BBC operations and decision-making, to ensure accountability to the public rather than elite groups.

I would like to see more of that—so I think there should be some kind of mechanism for, you know, allowing ideas in from the public, which BBC seem to be very—and other broadcasters as well, they're very closed. (P1G4)

The BBC may feel it is already engaging sufficiently with the public. It conducts extensive market research to understand its audiences, while also responding to individual feedback and complaints.⁸ Yet such efforts are not necessarily visible to those who do not directly participate in them. Our participants emphasised the need for greater engagement in a way that ensures they feel seen and heard by the corporation:

People want to be heard, want to be seen, people want to be included, but not just to be fobbed off ... there needs to be a taking on board, a visible, clear, reportable and transparent taking on board. ... [E]xplain themselves, so people do feel actually heard. [P3G1]

A second challenge is how to define the 'public good' given the diversity of the UK, and particularly in terms of making choices about producing content that reflects shared cultural values and identity or which is educational or otherwise beneficial.

P6G2: So when they say we represent, like, British values or British content, you know, I find it difficult to support a claim like that, you know? Because what is Britain? What is British?

P4G4: I think one of the challenges of, one of the roles of public service broadcasting is to present the stuff that we might not necessarily choose for ourselves or which is, in some way, beneficial for us. But there is a question in a diverse British population, who decides what is good for us?

The comments here are couched not in terms of satisfying individual preferences for content—which can be identified through market research about behaviour and preferences—but in identifying a collective benefit that the BBC can serve. The comments are also questions, not

⁷ See, for example, Freedman, D. (2019), "Public service" and the journalism crisis: is the BBC the answer?, *Television & New Media*, 20(3): 203–18, doi:10.1177/1527476418760985.

⁸ See BBC Our Audiences, <<https://www.bbc.co.uk/aboutthebbc/documents/ara-24-25-our-audiences.pdf>>

solutions: participants recognised this as a fundamental, but fraught issue, and explored it during their discussions. Through discussions, they were starting the process of crafting a language and vision for a future BBC that could be genuinely shared and valued by a diverse public in the contemporary context—a foundation for its future legitimacy.

Recommendations

In a complex and challenging environment, the BBC's relationship with the public must stand on a firm footing. Yet, as our research demonstrated, the BBC's public is not a fixed, pre-existing entity, but something which 'comes into being through a process of intersubjective encounter'.⁹ To deliver a new Royal Charter that is legitimate and sustainable, we argue that the government and the BBC need to invest in bringing the BBC's public into being and incorporating them into the process of Charter development, as well as ongoing governance. This can only be done through deliberative engagement that facilitates reflection on their shared interests and values related to the BBC, alongside their individual preferences about its activities.

Deliberation is essential to these processes, because it enables participants to share their perspectives, reflect on their differences, and identify what is collectively valued about the Corporation. It can also contribute to a more meaningful democratic structure for the BBC, where people feel that engagement is authentic, ensuring they feel genuinely seen and heard. Below we set out a number of principles for using deliberation during the Charter Review and beyond, as part of the BBC's development of a new relationship with its public.

First, the public recognise that the challenges faced by the BBC are complex, but their desire to be involved includes engaging with this complexity, and the Charter Review is a unique opportunity to incorporate their insights as a new foundation for the BBC is developed. Therefore, our first recommendation is that there be meaningful deliberative consultation with the public about the terms of the new BBC Charter.

Second, the agenda for these deliberations should be open-ended, and allow opportunities for participants to explore new ways of being involved in the BBC's operations. Regardless of the form it takes, where the new Charter recommends public involvement in BBC governance structures, it should be comprehensive, independent, and have a clear impact on decision-making.

Third, we recommend that the BBC's relationship with its public needs to be reframed as a genuine partnership, where public expectations of an ongoing engagement with the Corporation are met, greater transparency and trust are evident, and public accountability is direct, rather than mediated through the regulator or government. To this end, we recommend regular citizens' assemblies are run across the UK's regions and nations, specifically to consider strategic, operational, and governance challenges and decisions facing the BBC. The frequency and scope of these assemblies should be a topic for public consultation in the Charter Review.

Fourth, we note that to be effective, deliberation has to be consequential—that is, participants need to see how their contributions are making a tangible difference. We therefore recommend that Ofcom uses the outcomes of citizens' assemblies to set out public expectations of the BBC and evaluate its performance.

We recognise that public engagement efforts adopted by organisations and public bodies have not always produced a genuinely deliberative, reflective conversation that ensures outcomes are viewed as legitimate. Nonetheless, done well, we argue that deliberation can provide a strong basis for a new partnership between the BBC and its public. Certain parameters are necessary.¹⁰

⁹ Blumler, J. & Coleman, S. (2021), 'After the crisis: a new "normal" for democratic citizenship?', *Javnost—The Public*, 28(1): 3–19, doi:10.1080/13183222.2021.1883884.

¹⁰ Edwards, L. & Moss, G. (2020), *Consultation design and evaluation toolkit*. London: London School of Economics and Political Science. <<https://www.lse.ac.uk/media-and-communications/assets/images/Improving-deliberation-improving-copyright/FINAL-Policy-Consultation-Design-and-Evaluation-Toolkit-New.pdf>>

agendas should be wide-ranging and align with public priorities; participants must have access to information about the topics they discuss so that their input is adequately informed; deliberation should be inclusive, including under-represented and disadvantaged groups. Where needed, citizens' assemblies should be complemented by methods such as community outreach, online participatory platforms, and interviews/focus groups with targeted populations, to ensure all views are represented. Finally, as noted above, deliberation must be consequential, so that the public understand the process they are engaging with and the difference their participation makes.

Achieving meaningful deliberation with the public, at scale, is not easy, and work done in other countries could inform the approach here. But there is no reason why regular, large-scale conversations with members of the public should not be part of new systems of consultation and governance. Given the challenges that the BBC faces, we argue that public deliberation is essential to ensure the future of the Corporation as a public service media organisation that is respected, valued, and legitimate in the eyes of its public.

CHAPTER 13

Rethinking the BBC's future in the platform era: comparative lessons for sustainable, universal, and diverse public service media

Catherine Johnson and Dan Martin

The entry of platforms and streaming services into the media ecosystem over the past decade represents a level of systemic disruption to public service media (PSM) unforeseen during the 2017 Charter Renewal. Global tech giants—such as Google, Meta, and Amazon—have shifted the balance of power away from PSM at both national and transnational levels. Operating across media and tech markets, these platforms are involved in all stages of media production, distribution, and consumption. For PSM, platforms not only gatekeep the infrastructure through which content is discovered but also compete directly for viewer attention. The next Royal Charter must reflect these shifting dynamics, introducing obligations grounded in current operational realities, and establishing measures to safeguard the BBC's independence and ensure the continued relevance of its public service mission.

Discussions of the BBC's future ahead of Charter Renewal acknowledge the reality of global platform power.¹ Yet debates tend to focus on trade-offs between sustainability, independence, and legitimacy—whether through licence fee, advertising, or subscription—without sufficiently addressing the BBC's reduced ability to shape the wider media system alone.² This brief calls for a broader policy approach that recognises the importance of protecting the BBC's independence not only from government but also from global tech firms that increasingly control the infrastructure through which PSM reach audiences.

To support this broader perspective, this brief draws on findings from PSM-AP, a comparative research project investigating Public Service Media in the Age of Platforms.³ Since 2022, PSM-AP has examined how organisations, regulators, and policymakers are responding to the rise of global platforms and their impact on the social and cultural values underpinning PSM. The project examines ten PSM organisations from six countries—VRT and RTBF (Belgium), CBC (Canada), DR and TV 2 (Denmark), Rai (Italy), TVP (Poland), and the BBC, ITV and Channel 4 (UK)—chosen to enable comparison between organisations across nation size and media market, status, structure, funding, and legitimacy.

Within this comparison, the BBC stands out as the largest PSM organisation; a position which produces privileges and challenges. Its scale, expansive content catalogue, brand identity, and sustained public investment place it in a strong position to maintain its public service role while competing globally. Unlike non-English-language PSM, the BBC benefits from fewer linguistic barriers to transnational reach and visibility. It also leads in digital innovation, with iPlayer being the most mature video-on-demand service (BVoD) among the organisations. At the same time,

1 Shah, S. (5 November 2025), 'A very British success story: the PSBs at the heart of UK creativity', Leeds Conservatoire, Leeds.

2 For instance, the House of Lords funding inquiry—Licence to Change: BBC Future Funding—includes substantial reflection on the diminished market position of the BBC due to global platforms, but restricts most of its recommendations to either narrowing the public service remit or expanding commercial operations.

3 <https://psm-ap.com/>.

operating in English puts BBC content in more direct competition with American-based global services like Netflix, meaning the BBC is less able than other European PSM to make a case for its public value based on preserving a distinct linguistic culture. In this sense, the BBC exemplifies the broader balancing act between market competition and public value that platformisation is forcing PSM to navigate. The comparative findings that follow support recommendations for Charter Reform to ensure the BBC's continued ability to serve the public interest.

Rebalancing universality and diversity

Where PSM once relied on broadcast television to achieve mass viewership, it is increasingly difficult to achieve universal reach in the era of digital and on-demand viewing. Across all PSM, interviewees highlighted the growing challenge of reaching all audiences, stressing the need for digital-first strategies and attractive VoD services to connect with young adults in particular. This has prompted a reinterpretation of the core public service principles of universality and diversity, driven by pragmatic concerns around competitiveness.

Traditionally, universality has encompassed both universal access—free availability at the point of use—and universal appeal. In principle, universal appeal implies both mass reach, programming with wide national relevance or appeal, and an element of diversity, in providing something for everyone and across different tastes.⁴ However, the pressure of audience fragmentation has seen a movement away from diversity to an interpretation of universality based primarily on reach. The BBC's organisational success metric, 5–5–2, reflects this focus—the value of the BBC via audience's consumption of five hours of content, over five days, on two platforms weekly. As competition increases, such reach-driven metrics can sideline a focus on diversity of appeal by encouraging the commissioning and promotion of programming likely to draw the largest audiences, rather than catering to a range of different tastes and needs.

We believe the BBC must remain universally used. ... The public service value of the BBC is created when people use its output. You can look at public service broadcasters in other countries ... that produce great stuff that few people use. That is not what we believe the BBC is for. The BBC needs to have an impact. (Director of Strategy and Performance, BBC)

In the broadcast era, due prominence for linear channels allowed PSM to balance broad appeal with diverse offerings through generalist scheduling practices that offer a mix of mainstream and minority-interest content in prime-time slots. However, as PSM transition to treating VoD as the front door to their brands, our research shows a clear prioritisation of universal appeal. All PSM are adopting commissioning strategies which favour big statement programmes and 'hero' genres—drama, entertainment, and high-cost documentary—to drive traffic to their VoD services. Comparative analysis of nine European BVoD services confirms this trend, with priority spaces dominated by a narrow set of genres, often at the expense of news, current affairs, and arts and culture.⁵ Most of these BVoDs appear to mimic scheduling strategies of commercial services like Netflix.

Fewer but bigger—we demand fewer programmes, but they must have greater impact and value, because 10% of the content accounts for 80% of the consumption on TV 2 Play. (Director of Programmes, TV 2)

4 Martin, D. & Johnson, C. (2024), 'Universality: a battleground for UK public service media in the platform age', *The Political Quarterly*, 95: 25–34.

5 Bruun, H., Johnson, C., Lassen, J.M., Nucci, A., Raats, T. & Świtkowski, F., (2025), 'Publishing public service media on demand: a comparative study of public service media companies' editorial practices on their VoD services in the age of platformization', *Journal of Digital Media & Policy*.

Even though iPlayer had the largest catalogue of the BVoDs analysed, it too fit this trend of promoting hero genres in priority spaces. Moreover, interviews acknowledged a 'much greater emphasis on commercial income' within the organisation (Distribution Manager, BBC), with the success of BBC Studios—and its sales of global rights for BBC productions—feeding into decision-making across the organisation. This has become necessary due to the real-terms cuts to funding over the past decade. However, without strong political and economic support for the public service identity of the BBC, there is real risk that the pressure to generate commercial income, coupled with increased commercial competition from outside the organisation, might intensify this favouring of high-impact 'hero' programming at the cost of diversity of appeal. BBC iPlayer is unique in the UK market for its genre breadth and support for under-represented content, such as international, religious, and cultural programming.⁶

Recommendation:

The Charter should establish new metrics for success that acknowledge the difficulty of reaching all audiences in the platform age. Over-emphasis on universality risks a vision of the BBC which equates popularity with value for citizens. Universal appeal and broad reach need to be balanced against diversity metrics where range of consumption is valued alongside frequency. The BBC should be incentivised to commission and schedule iPlayer to meet the needs of diverse audiences.

Incentivise innovation in the public interest

PSM now compete with commercial platforms not only on content but also on user experience, facing pressure to meet viewer expectations about VoD design set by global streamers like Netflix. To keep pace, PSM are investing in technological innovation. Most have introduced algorithmic recommendations. However, implementing recommender systems represents a significant cost for broadcasters, and our research shows that personalisation remains limited across many BVoDs.

Where implemented, personalisation typically prioritises viewer retention by recommending programmes and genres aligned with past viewing, mimicking approaches used in commercial contexts. Interviewees described this focus on reach as both a competitive necessity, to meet user expectations, and a cost-saving measure, with many opting for off-the-shelf algorithms over costly in-house development. Notable exceptions are the BBC and Flemish broadcaster VRT.⁷ VRT is required to develop a 'taste-broadening' algorithm to promote content diversity. It uses a 'taste score' to measure genre diversity in each account's viewing, then applies recommenders to gently nudge users into new genres. While not similarly regulated, the BBC has embedded public service values into iPlayer's recommendation system. Their bespoke algorithms use 'business rules' to balance reach with values like impartiality and pluralism. Still, diversity is not strictly optimised, and staff acknowledged a persistent trade-off between audience retention and content diversity.

[I]t would be much easier if we were a commercial organisation, we would just create a quite simple algorithm, just give you more of the same and we will know you will be watching. But because this taste-broadening is included, it's much more difficult to get a strongly performing algorithm, and what we are used to from, for example, Netflix.
(Market Research Advisor, VRT)

[T]he algorithm really should be focused around finding out what you like and making sure that you can access that, because that's how we demonstrate that there is value for you on the BBC. Once we have demonstrated that and earned our place, then we're looking at breadth. (Chief Product Officer, BBC)

⁶ Benest, G. et al. (2025), 'Behind the screen: how streaming is changing public service media', University of Leeds, <<https://eprints.whiterose.ac.uk/id/eprint/229430/>>.

⁷ Jordache, C., Martin, D. & Johnson, C. (2025), 'Public service algorithms: balancing the scales between public mission and market pressures at the BBC and VRT', *MedieKultur: Journal of Media and Communication Research*, 40(78): 59–80.

All PSM noted frustration at being expected to innovate under constrained real-terms budgets. While allocating more resources to tech development to compete with streamers, regulation is often seen as an impediment—restricting what PSM can do and how quickly they can adapt.

Recommendation:

Policymakers need to consider how the Charter can better support the BBC in driving innovation without compromising core public service values. This includes streamlining the Public Interest Test (PIT) process, which can be burdensome and slow. In an environment where the BBC holds less market power than platforms, the PIT should prioritise public service values, not competition, when assessing innovation. In exchange for streamlining the PIT, the BBC should be incentivised to develop public service algorithms that balance reach with diversity. The BBC should also be required to be transparent about the kinds of user data and specific functions its algorithms are optimised to achieve, with standard oversights via the Government's Algorithmic Transparency Recording Standard (ATRS).

Facilitate a sustainable distribution model

All PSM recognise the need to build attractive VoD services, but the speed of digital-first transition is strongly determined by market conditions, with distribution strategies shaped by audience behaviour, broadband access, and funding models. In some contexts, such as Italy, strong linear viewership still supports PSM reach. However, all PSM reported difficulty maintaining universality as audiences fragment across broadcast, VoD, and social media platforms. In nations like the UK and Denmark with high-speed broadband access, PSM face a difficult balancing act between sustaining obligations on broadcasting while also investing in competitive digital services as users rapidly migrate online. Broadcast distribution is increasingly seen as a burden.

Gifted DTT [digital terrestrial broadcast] spectrum used to be a benefit. In exchange for that, we would commit to doing a certain amount of regional news, say. That DTT is going to become a cost over the course of the next licence.

(Director of Policy and Regulation, ITV)

For ad-funded PSM, balancing digital growth with broadcast presence is particularly challenging. ITV and Channel 4 have adopted strategies to grow digital ad revenue: ITV through Planet V, its programmatic ad platform developed with Sky, and Channel 4 through improved ad-sharing on platforms like YouTube. Yet both reported that the digital advertising market remains highly competitive and far less lucrative than broadcast, limiting the pace of digital-first transformation. PSM are also experimenting with distributing content on third-party video-sharing and social media platforms like YouTube and TikTok to reach younger audiences, though most still use them primarily for promotion. Channel 4's remit to appeal to young adults has seen the broadcaster adopt a platform-neutral distribution strategy with bespoke ad deals to drive incremental viewing on social media, but they acknowledged ongoing challenges, including: limited data access, poor revenue shares, and difficulties securing prominence. Social media distribution is not a solution to declining ad revenue. The BBC has largely avoided this route, primarily due to concerns over brand attribution, but also these persistent challenges. Moreover, for ITV and Channel 4, it is crucial that the BBC maintains public funding to avoid further competition for ad revenue.

Recommendation:

Ad-funding and distribution on social media and VSPs are not viable revenue models for the BBC. Adopting an ad-funded model would have a detrimental impact on the UK's wider PSM ecosystem. Distribution on social media and video-sharing platforms generates insufficient revenue to cover production costs. It also poses risks to the independence of the BBC by placing its content in environments where discoverability depends on commercial algorithms that do not operate in the public interest.

Any decision on the future of DTT in the UK needs to recognise the increased financial burden for the BBC in providing both broadcast and online distribution to maintain universality. DTT switch-off will also place the BBC within a largely unregulated media ecosystem, where device manufacturers and platforms can exert more control over the viewer's access to content and services. This may require wider regulatory intervention across the platform ecosystem to ensure that the benefits of PSM remain accessible to all audiences—such as strengthened and expanded prominence measures, regulation of algorithms, and renewed terms of trade.

Provide robust, independent, and significant funding to future-proof the BBC in the national interest

Competing in a platform-dominated media environment raises costs for PSM. Sustainability was a central concern across all organisations. Rising expenses—from developing digital services and promoting content to competing amid inflated global production costs—are coupled with ongoing real-terms budget cuts, resulting in inevitable compromises to service quality and diversity. Independence is also crucial. Our research demonstrated that government interference with PSM undermined impartiality and public trust, and inhibited innovation and digital transition.

The BBC is not Netflix, nor should we want it to be. It has a unique role in UK society in offering both programmes and user experiences underpinned by public service values—such as universality, diversity, accountability, and trust. To do this, it needs a remit and financial settlement that supports production across a diverse range of genres—from entertainment and fiction to specialist factual and current affairs—and investment in online services designed in the public interest.

Recommendation:

With increased competition from largely unregulated global commercial competitors, a well-funded national PSM like the BBC, independent and accountable to the public, is more important than ever. We recommend funding levels be set by an independent body, removing the risk of political interference through cuts or freezes. Universal public funding, not tied to specific services, is essential to maintain the BBC's accountability to all audiences. Progressive funding would ensure access to public service media is not determined by ability to pay. We therefore recommend a universal household levy, adopted progressively with protections for low-income households, as the most sustainable, independent, and legitimate mechanism for securing the BBC's future.

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