

SCREEN
PRODUCERS
IRELAND

Future of Media Commission Submission

January 2021

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1. Introduction

A vibrant public service media is vital to the growth and development of the independent production sector in creating Irish originated screen content, and a vibrant independent production sector is vital to public service media to enable it to deliver the highest quality, most cost effective and the widest diversity of audiovisual screen content to Irish and international audiences.

Screen Producers Ireland welcome the invitation to make this initial submission.

2. About SPI

Screen Producers Ireland (SPI) is a national representative organisation of independent film, television, animation and digital production companies. With over 110 company members, SPI is recognized as the voice of independent audio-visual (AV) production in Ireland. SPI members are creative entrepreneurs who produce globally celebrated film, animation and TV, creating high-value all-island and regionally spread employment, fostering Ireland’s media education eco-system along with preserving Ireland’s artistic heritage. SPI comprise a range of production companies, from emerging producers, to producers of large-scale high-end film and TV drama, working in both the Irish and English language.

Producers are responsible for the creative, financial and statutory management of the individual projects which they produce. Producers are engaged in all elements of production from concept, rights acquisition, development, sourcing of finance, pre-production, production and post-production, to delivery, marketing, distribution and compliance.

Typically an Irish producer company employs core full-time staff in the areas of production, development, administration, sales, and marketing. Projects are developed and go out to the markets to secure the finance required to make the production. Core staff, and the expanded production team, are involved at all stages of the production, in a process that takes up to 3 or 4 years, or longer. See example below:

Estimation of timescale for film value chain



Detail from: Bloore, Peter. Re-defining the independent film value chain
<https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/redefining-the-independent-film-value-chain.pdf>



Illustrated above, recent public service media work of SPI members include TV dramas such as "Normal People" (Element Pictures), "Dead Still" (Deadpan Pictures), factual programming such as "The Irish Revolution" (Tyrone Productions), "Room to Improve" (CoCo Content) and Samhlú 2020 (Fíbín Media), entertainment programming such as "Dancing With The Stars" (Shinawil), "Ireland's Fittest Family" (Animo TV) and "Brendan O'Connor's Cutting Edge" (Mind the Gap Films), TG4 Sports programming (Nemeton TV) and sports documentaries such as "New Gaels" (Poolbeg Productions) and music programming such as "Other Voices" (South Wind Blows).

Home School Hub and Cúla4 Ar Scoil

Airing on RTÉ and TG4, two shows have managed to capture the attention of children and the hearts of parents – Home School Hub and Cúla4 Ar Scoil. Independently produced by Macalla Teo and Fíbín Media, both shows started in April 2020 and supported children (and homeschooling parents) through the lockdowns of Spring, Autumn and now Winter.

They offer structured learning for children when schools closed, and fully-trained teachers present all classes and invite guest speakers in to speak directly to children.

Both shows are freely available through linear TV and online to give as many families as possible access when they need them. They demonstrate the speed at which independent production companies can produce content that audiences want, and that the broadcaster can't deliver through in-house production, and the vital service that PSM can provide when a country needs it.

2.1 The environment for independent audio-visual production

As creative entrepreneurs SPI producers take on significant financial responsibility and risk to take a project from ideation through to distribution. SPI advocate for the optimum environment for their member organisations to grow and thrive, thereby increasing the sectors cultural, economic and social return. For the independent AV sector domestically to thrive and compete internationally, it needs:

-
1. Investment, including tax incentives
 2. Infrastructure
 3. Skilled crew
 4. Robust industrial relations
-

It is SPI's role to ensure that these are maintained and continually strengthened in line with international best practice. It is also important to note the policy environment of cultural and foreign policy ambitions for Ireland, where to achieve the ambitions of creative and global Ireland, and specifically the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media's (TCAGSM) AV Action Plan, a world-class independent audio-visual sector is clearly articulated as central to these policies.

Financing production is challenging, and funding opportunities can be limited, available funding for producing content includes a mixture of:

- TV Licence Fee,
- TG4 funding,
- Screen Ireland funding,
- Broadcasting Authority of Ireland Sound & Vision funding,
- Creative Europe Media funding,
- Section 481 tax relief,
- Irish Language Broadcasting Fund,
- Cine4 funding,
- Virgin Media Television funding,
- Private financing including co-production (where Ireland is competing on an international level to attract funding).

2.2 Gross value-added of film, television & animation production

The Olsberg Report (2018) estimated the Gross Value Added (GVA) of film, television and animation production in Ireland in 2016 at €692m with full time equivalent employment at 11,960 jobs.

Prima facie this is a significant level of GVA and illustrates the importance of the sector in Ireland's creative economy. The Olsberg GVA figure includes high levels of inward production of international TV animation and TV drama, in particular, delivering experienced and high-quality creative and technical personnel working on serviced productions for major multi-national media companies.

SPI would propose that the opportunity then exists for increased support of original indigenous production to match this vibrant inward production activity and to create companies of scale owning the intellectual property in the works they themselves developed and produce, and this submission will address the critical issue of IP again.

3. An overview of independent audio-visual production

The rationale underpinning "independent production" are:

- (i) economic efficiency
- (ii) cultural diversity

Economic Efficiency

(a) Anti-Trust Law/Competition Law/Vertical Integration:

The economic efficiency argument is in turn underpinned by the competition law principles relating to the disentangling of "vertical integration". Vertical integration is defined as "the combination in one firm of two or more stages of production [in the case of television the two stages are production of content and delivery of it to audiences] and normally operated by separate firms". The famous original example from anti-trust law in the USA is where the Hollywood Studios in the 1940s were required in effect to divest themselves of the cinemas they also owned. This was then followed in the USA in the 1970s by the "fin syn rules" which in effect required the big television networks to commission their programming from independent production companies rather than producing it in-house.

(b) In-house Production and The Publisher Broadcaster:

In the UK and Ireland from the 1970s all indigenous programming was made by the BBC, ITV and RTÉ in-house by in-house creative and technical staff but much of the international programming, particularly on RTÉ, was coming from the USA. Independent production companies in the USA were commissioned to produce by the networks, were incentivised to sell the programming, to fill the production funding shortfalls of their broadcasters and ultimately to be profitable businesses. These developments in turn led to the establishment of publisher/broadcasters like Channel 4 in the UK in 1980 and the EU Broadcasting Without Frontiers Directive of 1989.

The 1989 Directive required all broadcasters, in what is now the EU, to commission at least 10% of their programme budget or transmission time from independent production companies producing "European Works". This investment obligation on traditional broadcasters remains in place under the current EU Audio-visual Media Services Directive as revised in 2018 and currently being implemented in Ireland in the Online Harmful Content and Media Regulation Bill 2020.

(c) Independent Production Investment Obligation/Terms of Trade:

The UK took a different direction than Ireland with relation to the relationship between the independent production sector and the dominant PSM. An independent production investment obligation which was put in place with the BBC in the UK in 1990 (25% of qualifying hours of transmission time to be supplied by independent production commissions) together with the "Terms of Trade" in 2004, led to the exponential growth of the independent production sector in the UK.

Major independent production companies with strong asset/rights ownership interests grew and developed with some being sold to major multi-national media companies and many retaining the indigenous creative producer teams which developed the companies in the first place.

British creative talent was widely employed and the UK developed a strong audio-visual production sector which in turn underpinned the growth of the creative industries overall in the UK.

(d) Independent Production Investment Obligation and Terms of Trade in Ireland:

The equivalent growth and development did not happen in Ireland. The independent production investment obligations for RTÉ which was introduced in 1993 were fixed sum figures every year and were not related, in percentage terms, either to RTÉ's production budgets or its transmission times. The figure was supposed to translate to 20% of RTÉ 's programme expenditure in 1999, but this was amended back to a fixed figure of IRE20m by the Broadcasting Amendment Act of 2001.

The current minimum investment obligation figure of €40m can be traced back to that figure with CPI increases. Independent production expenditure by RTÉ reached well above this figure to a height of €75m in 2008, but went rapidly back down again to €40m by 2010 with the advent of the financial crisis.

Unfortunately for Irish independent producers, the equivalent Terms of Trade in Ireland under the Broadcasting Act 2009 did not come fully into effect until late 2013, by which time expenditure on high end content such as TV drama and animation, (where the ownership of international rights is highly valuable) had substantially diminished. By that time the only significant indigenous independent TV drama being produced in Ireland was "Love/Hate" with 6 one-hour episodes a year. **Therefore, the kind of growth and development in the UK on the back of public service media legislation was not replicated in Ireland which was a missed opportunity for the sector.**

However, there has been growth for some Irish production companies who were able to develop strongly over the last decade, Feature film and TV drama (Element Pictures), animation production (Cartoon Saloon and Brown Bag), factual/entertainment programming (CoCo Content and Shinawil), documentary programming (Crossing the Line) and inward production (World 2000 and Wild Atlantic Pictures) but most of this, apart from factual/entertainment, did not relate to working with RTÉ, TG4 or the BAI Sound and Vision Fund.

Support for feature film, TV drama (more recently), animation and inward production (including "The Tudors" "Penny Dreadful" and Nightflyers" the first production at Troy Studios in Limerick) came from the Irish Film Board (changing its name to Screen Ireland in 2018) and from the Section 481 tax incentive, along with considerable success in accessing international markets through co-production and licensing of rights to international sales agents, distributors, broadcasters and more recently through acquisitions by streaming services such as Netflix and AppleTV.

Indeed, RTÉ does not support feature film development or production to any great degree, which is unusual in the European PSM context.

Cultural Diversity

"Culture takes diverse forms across time and space. This diversity is embodied in the uniqueness and plurality of the identities of the groups and societies making up humankind. As a source of exchange, innovation and creativity, cultural diversity is as necessary for humankind as biodiversity is for nature.

In this sense, it is the common heritage of humanity and should be recognised and affirmed for the benefit of present and future generations."

Article 1 of UNESCO's Universal Declaration on Cultural Diversity

Cultural diversity in the media is critical as a way of promoting local cultural expression and languages while also preserving concepts of identity and social bonds within communities and cultures. Simply put, a multiplicity of voices, being seen and heard is at the heart of PSM and independent production. The model of in-house production, particularly with long-term employment arrangements attached, limits access to diverse talent and new voices from a multiplicity of backgrounds, perspectives and experiences.



Apart from news and current affairs, most other programming is produced on a project by project or series/season by series/season basis. Multi-annual commissioning rarely extends beyond two to three years and regular refreshment of content is an essential part of audience engagement.

The model of commissioning editors commissioning programming from the independent production sector enables this. In Ireland this model is already in place in TG4 and has delivered a wide variety of programming on a cost efficient and culturally diverse basis.

4. Screen Producers Ireland Recommendations

SPI wishes to make 12 recommendations in 3 categories.

- Reform
- Investment
- Best-practice

REFORM

1. **The growth and development of the two public service media services:** As part of any industry reform, SPI fully supports the growth and development of the two public service media services, RTÉ and TG4. Public service media should continue to deliver to Irish audiences a wide variety of screen content including both news and current affairs and increased levels of independently commissioned; animation storytelling, documentary programming, factual and entertainment content, TV Drama and Young People's Programming and sport.
2. **Increase minimum statutory spend in independent production:** Minimum statutory spend by RTÉ in the independent production sector (currently at €40m in Section 116 of the Broadcasting Act 2009) should immediately be increased to €80m. Also, increase the statutory amount that commercial broadcasters licensed by the BAI have to commission from the independent sector.
3. **RTÉ reform:** RTÉ should move to a publisher/broadcaster model over a five-year period outsourcing its original television programme production except for news and current affairs. Furthermore, RTÉ's remit in Section 114 of the Broadcasting Act 2009 should be overhauled, and the transmission network should be transferred into a separate public company and that the orchestras and performing groups be removed from its remit.
4. **Licence Fee reform:** A revised licence fee should be introduced and ring fenced to RTÉ (except the 7% that goes to the BAI Sound and Vision Fund). The mechanism for collection of the licence fee should be considered as part of this reform. Any government funding recommended by the Future of Media Commission for print and online media and any additional funding for independent radio should be in addition to a revised Licence Fee of €160 per household per year.

INVESTMENT

5. **BAI Sound and Vision Fund reform:** The Sound and Vision fund should be reformed so that its remit includes development funding for television production, an increased number of funding rounds and a focus in terms of investment criteria on Irish creative talent, particularly independent Irish creative producers. Government should continue its current policy of providing central exchequer funding to the Fund to ensure it can meet the demand for each round.
6. **TG4 Funding Increase:** TG4 is Ireland's only publisher / broadcaster which sources all of its content, except news and current affairs, from the Irish Language Independent Production Sector. TG4's baseline funding should be maintained at the 2021 level and should be increased annually thereafter. The Government should also replace the obligation from RTÉ to deliver programmes to TG4 with equivalent direct funding to TG4.
7. **Audiovisual Media Services Directive implementation:** The AVMSD should be fully implemented in Ireland without delay and this includes the introduction of investment obligations and levies based on the turnover of media services based in Ireland and also those targeting Irish audiences from other EU Member States. Investment obligations at 5% and the levies at 2% to 4% should be applied to PayTV and VOD services turnover and to television advertising (including opt-out advertising) on services targeting Irish audiences.
8. **S481:** The critical importance of the Film and TV Tax credit Section 481 should be acknowledged by its extension beyond 2024 for another 5 years with the regional uplift reintroduced for this period.

BEST-PRACTICE

9. **Sectoral and skills development:** Develop structured links between the AV Sector and Screen Skills Ireland to create collaborative skills development programmes that fulfil the ongoing needs of the sector as it evolves in the Dublin / Wicklow Hub and across the regions.
10. **Ecological sustainable filmmaking:** To ensure a sustainable PSM and wider PSM ecology, that the AV sector agrees a sectoral carbon reduction plan, with Governmental support, in order to be carbon neutral from 2030.
11. **Diversity and inclusion:** Broadcasters and funding bodies need to put in place specific plans to promote the importance of Cultural Diversity and in turn to increase the percentage of underrepresented voices, on and off screen, to ensure that our screens and sector accurately represents what it is to be Irish today.
12. **Creating companies of scale:** As recommended in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media AV Action Plan - Increased business skills development, matching of skills with production growth to allow more Irish companies scale up internationally and create more original IP content.

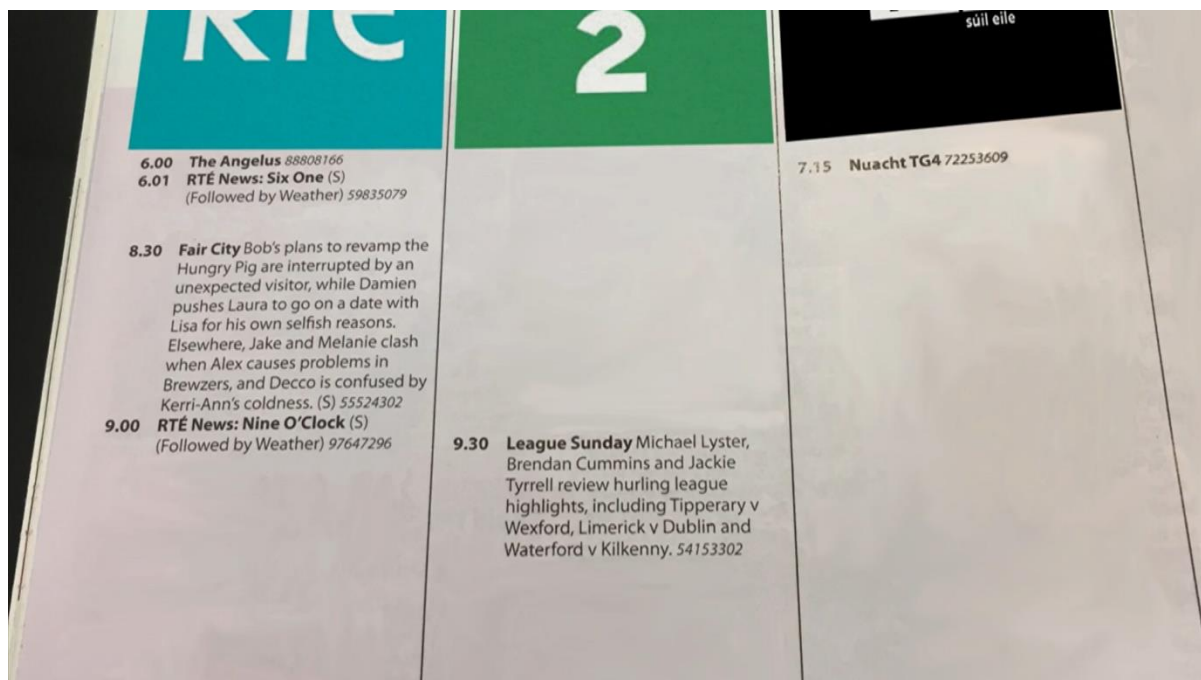
5. Rationale for Recommendations

The growth and development of the two public service media services: *As part of any industry reform, SPI fully supports the growth and development of the two public service media services, RTÉ and TG4. Public service media should continue to deliver to Irish audiences a wide variety of screen content including both news and current affairs and increased levels of independently commissioned; animation storytelling, documentary programming, factual and entertainment content, TV Drama and Young People's Programming and sport.*

SPI strongly supports the growth and development of the two channel Public Service Media that service Irish viewers and their efforts to increase the amount of original Irish content that is originated by our sector.

A significant barrier to increased content production by the sector however is the instability of the funding models currently underpinning RTÉ operations, while TG4 needs to be have a floor of funding it can expect year on year. The instability affects producer's ability to develop long-term projects and RTÉ's ability to invest in new projects. It is also our contention that our sector represents the greatest value for money and return for audiences in content production for both broadcasters.

Without our members content the peak time schedules of the broadcasters would look very barren.



The recently released top 50 most watched programmes of 2020 also tell a story of the importance of the sector to the broadcasters. Of the top 50 programmes, 25 were sport or news / current affairs with the remaining 25 either in house RTÉ, Irish independent commissions or international companies. 14 of those 25 programmes were made by Irish independent production companies.

Ireland's most watched content 2020 (excluding news, current affairs and sport)

Counter	Show	000s
1	Late Late Toy Show, The	1716.8
2	Room to Improve- Dermot's Home	776.6
3	Dancing with the Stars	694.5
4	Reeling in the Years	653.6
5	I'm a Celebrity get me out of here	639.9
6	DIY SOS	630.2
7	Mrs Brown's Boys: Mammy's Memories?	617.6
8	NYE Countdown Show	587.6
9	Gerry Ryan: A Legacy	568.2
10	Home of the Year	567.4
11	Operation Transformation	532.1
12	Great House Revival, The	531.7
13	Fair City	525.0
14	Tommy Tiernan Show, The	528.2
15	Keys to My Life	508.1
16	Burnt by the Sun	500.1
17	Normal People	495.9
18	May Day- 24 Hours in Ireland's Lockdown	483.4
19	All Round to Mrs Brown's	481.5
20	Boys in Green, The	479.0
21	Hunger: The Story of the Irish Famine	476.2
22	Young Offenders, The	472.5
23	RTÉ Does Comic Relief	472.2
24	Late Late Toy Show Singalong, The	469.3
25	Coronation St	467.2

	Independent Irish Production
	In house/RTÉ
	Acquired UK

The independent sector is uniquely placed to respond to the needs of Irish viewers as it's the job of the producer to create content that will resonate with audiences and gain the attention, both on linear and online, which will encourage the commissioners to commission more content from the company.

Audience development is key to overall sustainability of the our PSM. We need to create the conditions where Irish people, especially younger audiences, are tuning into RTÉ, both linear and non-linear, as opposed to YouTube or other international competitors so that they are growing up using the service.

This speaks to the generational problem that is facing our PSM where older audiences place a greater value in the service and are willing to pay for it while younger audiences are more circumspect in their loyalty and will find the content they want, where they want, in some cases without paying.

The independent sector can provide this type of engaging content and keep audiences, of all ages, interested as evidenced by the ratings.

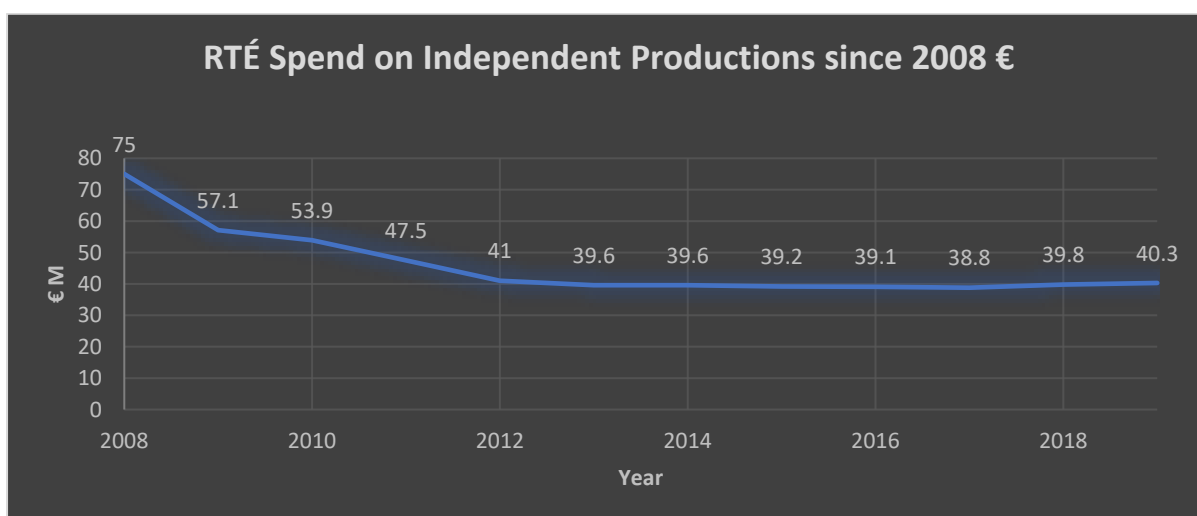
Increase minimum statutory spend in independent production: *Minimum statutory spend by RTÉ in the independent production sector (currently at €40m in Section 116 of the Broadcasting Act 2009) should immediately be increased to €80m. Also, increase the statutory amount that commercial broadcasters licensed by the BAI have to commission from the independent sector.*

RTÉ has a statutory obligation to support the Irish independent production sector. The Broadcasting Act 2009 stipulates that RTÉ must spend a minimum of €40 million on independently produced content each year.

As an example, from the 2018 RTÉ annual report of original television programme production costs were €153m of which €35m was on news and current affairs and €35m was on sport. This left approximately €83m for Factual, Drama, Entertainment, Music and Young Peoples. The independent production sector represents €40m of that total expenditure, a figure that was €75m in 2008.

The sector would have very little difficulty moving again to €83m in the short term. The question about how to address television sport in RTÉ would need to be looked at separately in the context of how to deal with the complex issue of rights acquisition from sporting organisations. TG4 sport is produced independently and not in-house. The result of implementing this recommendation would be enhanced transparency and accountability for the way in which RTÉ pays for the costs of production of television content.

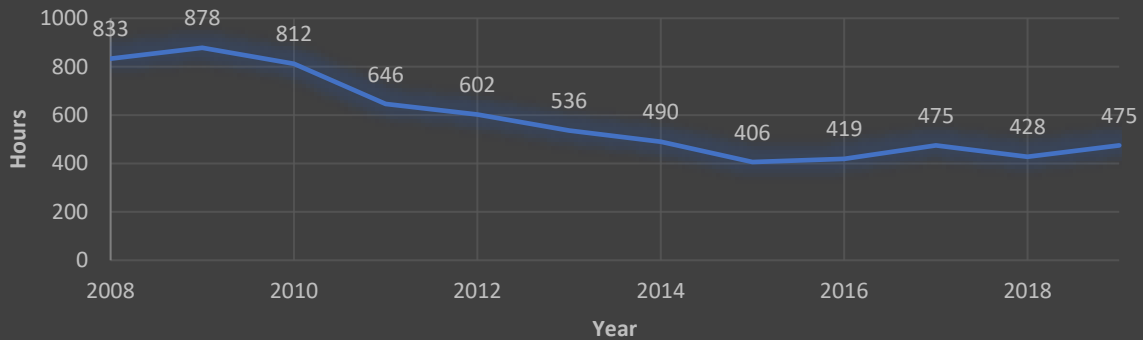
The following graph shows the declining spend on independently produced commissions since 2008.



RTÉ spend on the Irish independent production sector has been on a downward trend for 8 of the past 12 years. This reduction in investment is compounded by RTÉ's expectation that independent production companies can create more content for less investment on an ongoing basis which can impact on the quality of the programming for audiences.

This has led to a reduction in the number of hours of original Irish content that has been produced by Irish independent production companies over for RTÉ between 2009 and 2016 while there has been a slight increase in the years since.

Number of hours of Irish Independent Produced content on RTÉ 2008 - 2018



The downward trend and consistent uncertainty of finances affect the sustainability and growth of the Irish independent production sector. This reduction in hours of original Irish content is taking place at the same time as the rapid increase in the subscriptions to SVODs and increase on international content available to Irish viewers on those platforms.

This puts the Irish independent production sector at a disadvantage in the competition for viewers' attention. Indeed, the BAI published its Five-Year Review of Public Funding for Public Service Broadcasters in 2018 and noted that:

"Based on experience with other PSB's, including the BBC in the UK, Communications Chambers recommend that RTÉ should be encouraged to reduce its reliance on in house production, separate from any decision on public funding, and the BAI and Government should consider how best to ensure this happens. This might include a revision of the statutory provisions or a clear plan from RTÉ to extend its commitment in this regard over a specified timeframe."

The BAI broadly supports providing strategic flexibility to RTÉ to respond to the dynamics of the evolving media environment. Such a move would contribute to a strong independent creative audio-visual sector in Ireland, along with creativity and innovation in the content available to Irish audiences.

However, the view of the BAI in this respect is that, before any revision of RTÉ's existing obligations are considered, there should be a review conducted on the effectiveness of the existing statutory provisions, as well as the benefits, constraints and challenges to changing the current arrangements.

The BAI proposed to undertake such a review, as of January 2021 no such review has been started. RTÉ's Strategy 2018 to 2022 states that:

"The Irish independent production sector is collectively RTÉ's largest creative partner. Over the course of this strategy, RTÉ wants to commission more and intends to spend at least 50% of the proceeds of public funding reform on independent commissions. This would represent a substantive increase in RTÉ's overall spend in the independent production sector."

There is agreement between the regulator and the broadcaster that an increase in investment in the independent AV production sector needs to take place but no action has been taken to make it happen.

RTÉ reform: *RTÉ should move to a publisher/broadcaster model over a five-year period outsourcing its original television programme production except for news and current affairs. Furthermore, RTÉ's remit in Section 114 of the Broadcasting Act 2009 should be overhauled, and the transmission network should be transferred into a separate public company and that the orchestras and performing groups be removed from its remit.*

SPI recognise that reform of institutions is not something that can happen overnight. However, SPI has serious concerns that if RTÉ does not set out a plan to reform the structures of the organisations, and transform into a publisher / broadcaster then its existence as an organisation could be in jeopardy.

Publisher / broadcaster means that it would commission or "buy" all of its programming, apart from news and current affairs, from companies independent of itself, this would be the same model that TG4 currently operates. The time is now for RTÉ to proposed a five-year plan to become a publisher / broadcaster.

The time has come to free RTÉ of the constraints of Section 114 of the Broadcasting Act 2009 and allow it to be a nimbler organisation that can make decisions without recourse to legislative barriers. The most cited example being that RTÉ still has to run Aertel even though it is no longer used but is required by the Act. The same applies to the running of the transmission network and the inclusion of the orchestras. It is time for reinvention of the public service media ideals for a 21st century Ireland as opposed to the Reithian model we are still adhering to.

As this is an initial submission to the commission, SPI will be providing a more substantial supporting document on this recommendation in the coming period.

Licence fee reform: *A revised Licence Fee should be introduced and ring fenced to RTÉ (except the 7% that goes to the BAI Sound and Vision Fund). The mechanism for collection of the licence fee should be considered as part of this reform. Any government funding recommended by the Future of Media Commission for print and online media and any additional funding for independent radio should be in addition to a revised Licence Fee of €160 per household per year.*

It is widely accepted that the current TV Licence Fee regime is outdated and, with a non-payment rate of 13% and with 200,000 houses claiming not to have a TV, not fit for purpose. This impacts RTÉ's finance first, and as evidenced above, the amount of investment available for independent productions.

In August 2019 Richard Bruton, then Minister for Communications, launched the Broadcasting Amendment Bill 2019. This included putting the collection of the TV licence fee out to tender for a five-year contract. After that, the Minister said a household media charge, regardless of the technology used in the house, would be introduced. According to ministerial briefing papers published for Catherine Martin, the new Minister for Media, this Bill has since been put on hold.

In December 2019 Bruton announced a new Commission on the Future of Public Service Broadcasting which was to report by September 2020 in time for Budget 2021, this report was delayed. Meanwhile, the current "inefficient" TV licence fee collection system, with at least 13 per cent evasion, continues and RTÉ are expected to report another deficit for 2020. In November 2019 RTÉ was already in major financial difficulty and said it would reduce its workforce by 200 and cut costs by €60 million over three years.

The government announced additional funding for RTÉ in 2019, €10 million a year, with monthly oversight meetings with consultants NewEra and senior civil servants to monitor the cost-cutting measures. However, RTÉ's commercial income continues to decline, with significant negative impact signalled by the broadcaster due to the impact of Covid-19. Furthermore, this is not the time to take money from the Licence Fee revenue to fund other sectors but to consolidate it within the content creation industry to allow it to grow and continue to serve Irish audiences.

The time for long fingering the Licence Fee reform is long gone. Without prompt action from the Commission and the Government not only will RTÉ's ability to function be put at risk but also the independent production sector that supplies it with some of its most watched and loved content.

BAI Sound and Vision Fund reform: *The Sound and Vision fund should be reformed so that its remit includes development funding for television production, an increased number of funding rounds and a focus in terms of investment criteria on Irish creative talent, particularly independent Irish creative producers. Government should continue its current policy of providing central exchequer funding to the Fund to ensure it can meet the demand for each round.*

The BAI Sound and Vision Fund is an essential element of the funding mix for producers who are making content that is, as set out by the Scheme of the Fund: (i) Difficult to make, (ii) Low Budget and (iii) Counteract the limited geographic extension of certain languages and cultures.

It is important to note that the Fund is perennially oversubscribed as evidenced by the below table:

Round	Total applied for funding	Amount awarded for TV
32	€19.8m	€5.1
33	€16.6m	€5.2
34	€19.8	€6.41
37	€22.2	€5.3

There is clear and demonstrable demand for the scheme that far exceeds the funding available. This is an indication of the number of production companies trying to make content and the lack of funding that is available to help them achieve their projects. It is also concerning that the amount awarded is declining round on round.

In the Mediatique BAI Review of Sound and Vision 3 review recommendation: *We propose that a successor scheme move to the rhythm of three rounds every year.* SPI supports this recommendation.

There is clear view among SPI members that a return to 3 rounds of funding a year would enable them to access funding from other sources as the typical delays of 2 rounds a year would be reduced. An additional round per year would make a significant difference, given the timing of rounds for other funding required for productions, and the need for almost all funding to be in place to qualify for BAI Sound and Vision Funding.

SPI has proposed to the BAI in the past that a separate development fund should be created from the Broadcast Fund to enable producers to develop projects, with broadcasters and other bodies, before applying for production funding from Sound and Vision Fund. This would help to bring more fully developed projects for applications and broadcast that will be awarded to on independent productions for any given round. Any development funding mechanism would need to keep broadcasters separate from any decision making in order to ensure impartiality of decision making.

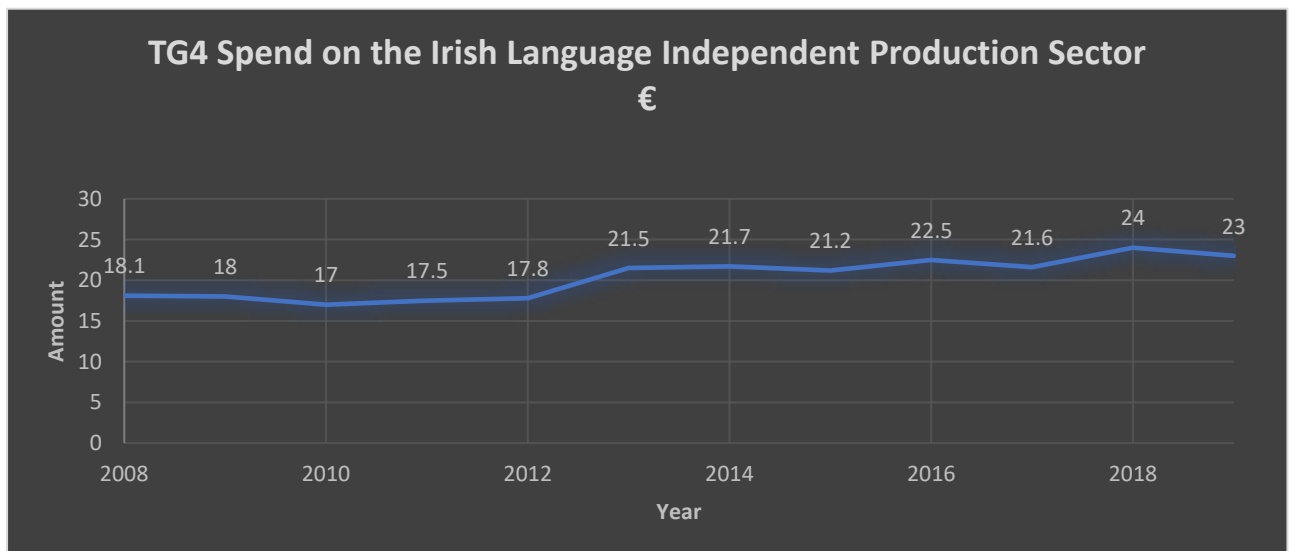
The current Minister for Media has used the provision in the Broadcast Act 2009 that allows for direct injection of central government funds into the Fund. This has been a huge success as it has allowed the fund to meet some of the excess demand that is present in the sector to make content. The Government should continue this policy so that the gap between funds awarded and funds applied for lessens and more original Irish content is made for Irish screens that otherwise would not get the funding to be made.

TG4 Funding Increase: *TG4 is Ireland’s only publisher / broadcaster which sources all of its content, except news and current affairs, from the Irish Language Independent Production Sector. TG4’s baseline funding should be maintained at the 2021 level and should be increased annually thereafter. The Government should also replace the obligation from RTÉ to deliver programmes to TG4 with equivalent direct funding to TG4*

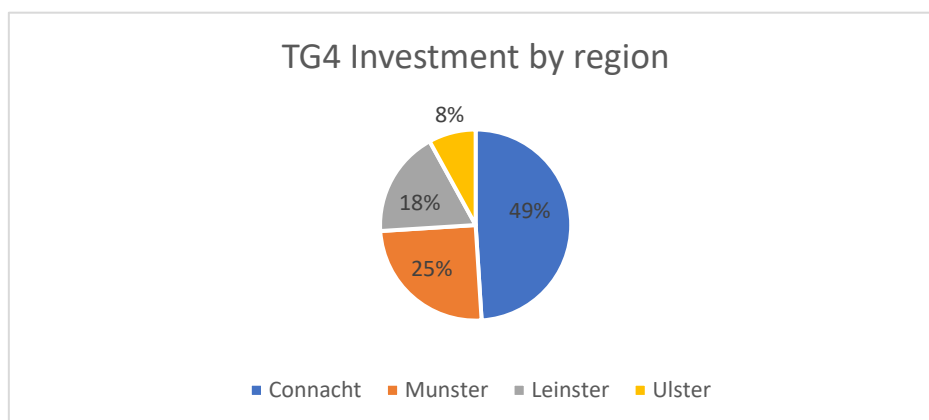
TG4 is Ireland’s only publisher/broadcaster, and it is funded by direct Government support and commercial income. At present, TG4 commissions content from approximately 32 Irish Language independent production companies with 14 companies engaged in multi-annual contracts. Since 2017 TG4 stopped in-house productions of linear content except for news and current affairs.

As such, it sources the majority share of its programming from the Irish Language independent production sector.

The below graph illustrates the spend by TG4 on Irish Language independent productions since 2008.



The annual investment is spread across Irish language production clusters. In 2018, TG4 spent €24 million on original Irish productions which was invested as illustrated below between Connacht (49%), Munster (25%), Leinster (18%) and Ulster (8%).



This highlights the importance of TG4's place in the funding of regional production companies and the importance of its budget being set a level that can sustain regional production companies. It was the BAI that initially recommended that TG4 receive funding at 2021 level:

"The BAI recommends an increase of €6m per annum in public funding for TG4. It is the view of the BAI that this increase should have full effect from 2018 and onwards over the period of TG4's strategy."

TG4's public funding remains the key source of income for TG4 and it is vital that current funding is set at levels which can enable TG4 to develop the service, grow its audience across all platforms and respond to the challenges it faces in the digital environment.

Replacing RTÉ's obligation to TG4 with direct funding would also enable TG4 to increase its commissions from the Irish Language production sector.

TG4 is the main source of spend in the independent Irish Language production sector, it is the only consistent source of Irish Language programming for Irish Language audiences, in effect, its status as a key investor in original Irish content for specific audiences cannot be overstated.

Audio-visual Media Services Directive implementation: *The AVMSD should be fully implemented in Ireland without delay and this includes the introduction of investment obligations and levies based on the turnover of media services based in Ireland and also those targeting Irish audiences from other EU Member States. Investment obligations at 5% and the levies at 2% to 4% should be applied to PayTV and VOD services turnover and to television advertising (including opt-out advertising) on services targeting Irish audiences.*

The EU Revised Audiovisual Media Services (AVMS) Directive 2018 requires that Ireland must not only regulate broadcasting in Ireland but also all video-on-demand services and user-generated content services based in Ireland. This includes Google and Facebook, and involves the establishment of a new Media Commission, replacing the Broadcasting Authority of Ireland, to do so.

The official deadline for the full implementation of the directive in Ireland has passed. Draft legislation, the Online Safety and Media Regulation Bill, was published in January 2020 with the revised heads of bill published in December 2020.

The Bill will also require VOD services based in Ireland to ensure that at least 30% of their catalogues comprise "European Works", that is films and television series made in Europe with a majority of European cast and crew, and to give those works particular prominence in how they are promoted on the VOD services. This is an EU wide requirement and will apply to Netflix, Amazon and others across the whole of the EU. Broadcasters in the EU are already (since 1989) required to devote 50% of their transmission time to "European Works".

The Bill should also contain a provision, now authorised by the EU Directive, for a levy to be placed on the Irish turnover of Pay TV services like Sky, VOD services like Netflix and on advertising on television services targeting Irish audiences. The money from this levy can then be put into a fund to support Irish screen content production.

The new content levy would allow the Irish government to reclaim some of the money that Pay TV and online services receive from Irish subscriptions and use it to fund the creation of original Irish content. Many other European countries already operate content levies and investment obligations such as the one proposed above.

In order to introduce the content levy without delay the following issues needs to be agreed and implemented by the Media Commission:

- Percentage of levy
- Who is levied?
- The levy commencement date

Introducing the content levy without delay create new funding possibilities for Irish producers to create original Irish content for Irish audiences and increase the amount of Irish stories online without any additional cost to the exchequer.

S481: *The critical importance of the Film and TV Tax credit Section 481 should be acknowledged by its extension beyond 2024 for another 5 years with the regional uplift reintroduced for this period.*

The film and TV tax incentive Section 481 is essential to Ireland's independent production landscape. Section 481 provides a competitive tax incentive which is of benefit to indigenous productions, international co-productions and gives independent producers leverage to attract incoming productions which creates high value industry jobs in Ireland.

The Irish film and TV sector continue to be a vibrant industry with a sophisticated infrastructure of production companies, studios, service companies and personnel, all of which provide valuable employment in the Irish economy.

In 2019, Irish films, television and animation productions produced in Ireland had combined budgets of over €760 million and spent over €357 million on local employment and local goods and services.

There were 38 features films, 21 TV dramas, 39 animation shows and 26 creative documentaries certified for tax incentive funding in Ireland.

In Budget 2019, the Minister for Finance and Public Expenditure, Paschal Donohoe TD, announced the extension of S481 beyond the end date of 2020 until December 2024. The Minister also announced a new, time-limited regional uplift of up to an additional 5% that will taper over time.

Certainty around the long-term availability of S481 is crucial to provide confidence and security to the indigenous industry and to position Ireland as a sustainable location for highly mobile, direct inward investment by international studios and producers.

Both the Olsberg SPI-Nordicity report and the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (TCAGSM) AV Sector Action Plan forecast that the sector could, over the next 10 years, double employment in the "film, television and animation" sectors. The announcement of the extension of S481 and the regional uplift are key elements as to how this will be achieved.

Sectoral & Skills development: *Develop structured links between the AV Sector and Screen Skills Ireland to create collaborative skills development programmes that fulfil the ongoing needs of the sector as it evolves in the Dublin / Wicklow Hub and across the regions.*

Our Industry relies on having a highly skilled and experienced talent pool to create the high-quality content for which we are globally renowned. The industry is constantly changing and evolving, working in this industry is marked by continual learning and development. Skills development in the industry takes many forms, from learning on the job (where a majority of skills development takes place), to shadowing, to mentoring, to formalised trainings and courses.

The fast-paced and freelance nature of the industry necessitates a different approach to skills development. Traditional skills development models designed for less mobile industries/learners do not work well for the sector and should not be retrofitted onto the sector. Skills development must respond directly to industry needs and be structured to reflect the way those in industry work. This is done through meaningful engagement with industry stakeholders to identify training needs; not just in terms of content but also in terms of delivery method and desired outcome both for individual learners and for the industry as a whole.

A strong linkage between skills development bodies, employers and those working in the industry is key to continue to ensure a strong talent pipeline. Work needs to be undertaken to identify and address barriers for entry and progression within the industry to further develop the inclusivity of the industry.

It is also important to note that skills development needs to happen across both English and Irish language productions in both the Dublin / Wicklow hub as well as across the regions. This is to ensure that there are enough trained crew to support productions happening in the regions such as Troy Studios in Limerick or in the Irish Language production hot spots identified by TG4 like Ring in Waterford or Donegal. This will facilitate more and more productions moving out of Dublin / Wicklow and taking advantage of the S481 regional uplift, Wrap Fund or production companies creating content for TG4.

To ensure a sustainable PSM and wider PSM ecology: *that the AV sector agrees a sectoral carbon reduction plan, with Governmental support, in order to be carbon neutral from 2030 onward.*

Screen Producers Ireland is a founding member, along with key industry stakeholders – Broadcasting Authority of Ireland (BAI), RTÉ, TG4, Screen Ireland and Virgin Media Television – of the Screen Greening Coalition. The Coalition was spearheaded by SPI Chairperson, former Green Party leader, John Gormley.

The purpose of the coalition is to introduce and support ecological sustainable film making practices into Irish productions. In order to achieve this goal, the coalition have signed a MOU with BAFTA albert. albert was founded in 2011 in the UK and is governed by an industry consortium. Their purpose is to support cast and crew working in film and TV to understand their opportunities to create positive environmental change.

To this end, albert created the production industry carbon calculator which allows production companies to assess their carbon output from their productions and then through the albert Carbon Action Plans initiative seeks ways to reduce this impact. At the end of a production the crew can receive a certification that their production was sustainable.

From January 2021 all productions in Ireland can use the Carbon Calculator, apply for carbon action plans and seek certification and soon will be able to buy carbon offsets through a Creative Offset programme.

All the stakeholders involved in the coalition are encouraging their funded productions or members to utilise the mechanisms available to reduce their carbon foot prints and create best practice material to share among the sector. The opportunity is now to cement the commitment of the industry and government to more sustainable film making practices by setting in place clear commitments for zero carbon industry by 2030.

Setting an ambitious target, like the Screen New Deal, in advance gives all elements of the sector time to put in place the measures needed to achieve the goal, and with government and industry support it would be an achievable aim.

Diversity and inclusion: *Broadcasters and funding bodies need to put in place specific plans to promote the importance of Cultural Diversity and in turn to increase the percentage of underrepresented voices, on and off screen, to ensure that our screens and sector accurately represents what it is to be Irish today.*

Increasing representation and making space for under-represented voices and experiences is a key priority across all sectors, and the AV sector is no different. The independent production sector has been pushing boundaries on screen to increase representation, some examples include same sex partners on 'Dancing with the Stars', to transgender daters on 'First Dates', the inclusion of migrant communities on 'Googlebox' to giving voice to disability communities like in Mind the Gap Films produced documentaries about the Deaf Community 'Mother Father Deaf' in 2019 or projects like 'Autism and Me' by Firebrand productions.

While these are good examples, it is also possible to do better and improve the inclusion of underrepresented voices on and off screen in a more structured way. Screen Ireland have had a gender equality plan since 2015, SPI would propose this needs to broaden and continually develop, for example to include more crew and include non-gender specific targets. The sector would benefit from undertaking an audit of current practices and identifying barriers to entry or inclusion and developing targeted interventions to help address these barriers.

Audiences have shown to viewing services and channels that they want to watch shows that have more diversity, both on and off screen, and more and more major commissioners are setting diversity targets in their commissioning plans, including Paramount studios and the BBC. Commissioners want to see shows that represent the full spectrum diversity.

SPI believes diversity targets should be incorporated into more commissioning structures in Ireland to ensure that our content is representative and reflects the viewers are tuning in.

Creating companies of scale: *As recommended in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media AV Action Plan - Increased business skills development, matching of skills with production growth to allow more Irish companies scale up internationally and create more original IP content.*

When the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (TCAGSM) AV Action Plan was released in 2018 SPI supported the plan's recommendation to increase business skills development which includes matching of skills with production growth to allow more Irish companies scale up internationally and create more original IP content.

At the time SPI suggests a new iteration of the Company Development Initiative (CDI) established by the then Irish Film Board in the early 2000's should be considered.

Ownership of the Intellectual property that is created and produced by a production company enables that company to bring it to international markets and license it. This brings in additional revenue to the company enabling to invest in more development and create more employment and IP in Ireland. Supporting IP creation in the live action sectors (it is currently central to animation sector growth) would bring significant opportunities for Irish companies to export and gain an international foothold which would benefit the sector as a whole.

In 2020 Screen Ireland did release slate funding for companies to help them plan and develop projects over a number of years. This funding round should be replicated on an annual basis.

It is concerning that there has been no concentrated effort to focus on the development of live action IP, in any format. This has meant that there are few original Irish formats on our screens – Ireland's Fittest Family being an exception which has sold internationally – and this is a significant issue for companies looking to scale. Without a targeted focus on the creation of original IP and the willingness to support companies as they develop original IP, the sector will be inhibited in its ability to support companies as they scale up.

Conclusion

The questions set by the Commission were:

Question 1.

How should Government develop and support the concept and role of public service media and what should its role in relation to public service content in the wider media be?

Question 2.

How should public service media be financed sustainably?

Question 3.

How should media be governed and regulated?

Screen Producers Ireland has endeavoured to answer these questions through our submission while foregrounding the key role that the Irish independent production sector plays in supplying high quality content to both RTÉ, TG4 and beyond.

There cannot be an Irish public service media without the Irish independent production sector. However, the sector is currently facing a funding sustainability issue. Over the last 11 years, there has been a consistent reduction in investment in the independent production sector, particularly in relation to Public Service Media (PSM).

Irish PSM is dependent on the independent production sector to produce the most popular factual, entertainment and TV drama shows at the heart of their schedules. The independent production sector produces international standard programming often for substantially less than by the PSM themselves.

The risk to the stability and sustainability of our PSM is of deep concern to an industry that creates significant content for it. This uncertainty about how our PSMs will be funded in the years ahead is having a damaging effect on production companies' ability to plan for future growth.

Our industry requires action from Government that will solidify our public service media as publicly funded, independent cornerstones of our media landscape and create the conditions for the sustainability and growth of the Irish independent production sector.

Submission on behalf of Screen Producers Ireland.

January 2021.