

**EXPENDITURE REVIEW**

**IRISH FILM BOARD/BORD SCANNÁN NA HÉIREANN**

**AUGUST 2008**

**DEPARTMENT OF ARTS, SPORT AND TOURISM**

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## **Chapter 1**

### **Executive Conclusions and observations for future policy**

#### **1. Key Report Findings**

- 1.1.1** This Review has concluded that the Irish Film Board has established a system of schemes and supports, designed to assist all levels of the industry, that discharge its statutory remit and without which significantly fewer Irish films would be made, resulting in a dilution of Irish culture on screen.
- 1.1.2** While the establishment of a direct causal impact of the Board's activities on economic performance is difficult to determine absolutely, it is clearly regarded as an important facilitatory agency, bearing in mind that the role and impact of the Irish Film Board go beyond the purely economic arena and are inextricably linked to the wider cultural sphere.
- 1.1.3** Industry responses indicate that IFB support is seen as fundamental to the existence of the indigenous film and TV production industry and in general, while Film Board finance is vital in leveraging funding from international sources, the presence of IFB funding in a project was as important as the actual amount on offer.
- 1.1.4** In terms of the development of the Irish Film Board's input, during the period 1993-2003, the Board received a total capital allocation of €76.1m with a cumulative average recoupment rate of 13% on production feature loans during 1993-2000.
- 1.1.5** The value of audiovisual production activity in Ireland grew from an annual average of just €14m in the period 1982 to 1992 to €151m in 2003, i.e., by a factor of over ten.
- 1.1.6** The Irish Film Board Act 1980 establishing the Irish Film Board, set out general objectives, including the need for expression of national culture through the medium of film. It did not define how cultural considerations should be balanced with commercial objectives, or the relative priority to be afforded to indigenous as opposed to international productions.

**1.1.7** While independent data and industry feedback on the growth in the Irish film industry show that the Board's schemes have been targeted and positive, this has not been systematically proven by quantifiable outputs.

**Key Report Recommendation.**

**1.2** The Irish Film Board should agree with the Department of Arts, Sport and Tourism a set of measurable, quantifiable targets, including the timeframes for their delivery and the performance indicators by which progress will be measured, for the period 2006-2010. Performance indicators employed in this context should refer both to the outputs of the Board's activities and to outcomes for the industry.

**1.3** The type of indicators now to be provided should include, inter alia, - number of films made, total budgets, employment generated in the State, total spend in the State, and number of personnel trained.

## **Chapter 2**

### **Background to Review**

#### **2.1 Expenditure Review Initiative- Introduction**

**2.1.1** The Expenditure Review Initiative (ERI) is a process of evaluating public expenditure programmes administered by Government Departments. The process was established in the 1996 Strategic Management Initiative document ‘Delivering Better Government’<sup>1</sup>. The objectives of ERI are: -

To analyse government programmes in a systematic manner to determine what was actually achieved by the expenditure and

To provide a basis on which more informed decisions could be made on priorities within and between programmes.

**2.1.2** An Expenditure Review seeks to examine the extent to which the stated objectives of the programme have been met in the period under review and so attempts to measure its effectiveness. The outputs and outcomes from the programme are looked at to determine what the programme has actually done or produced and what impact it has had on its target population or on the wider community/region. In conjunction with this process the evaluation also seeks to measure the extent to which the programme has operated efficiently with the resources available to it and provided good value for money.

**2.1.3** Reviews are usually undertaken by spending Departments under the aegis of steering groups representing the relevant Departments. The whole process is overseen by the Central Steering Committee on Programme Evaluation, chaired by the Secretary General, Department of Finance. The Irish Film Board Expenditure Review is one of a number of reviews carried out by the Department of Arts Sport and Tourism under its expenditure review programme.

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<sup>1</sup> Delivering Better Government, Department of an Taoiseach, 1996

**2.1.4** A Steering Group within the Department of Arts, Sport and Tourism was established in September 2004 to oversee the Review, with representatives from the Department of Arts, Sport and Tourism, the Department of Finance and an external member from Price Waterhouse Coopers. – (Full membership at Appendix 1). The Group agreed the Terms of Reference for the review, which were subsequently approved by the Management Advisory Committee (MAC) of the Department of Arts, Sport and Tourism on 8<sup>th</sup> October 2004, and by the Department of Finance, in advance of the commencement of the Review.

## **2.2 Terms of Reference**

The Terms of Reference of this Expenditure Review set out, in the context of the validity of the relevance or justification of overall Exchequer funding support for the film industry, to -

- Evaluate the objectives, in the legislation (including statutory objectives) of the Irish Film Board;
- Establish how clear, specific and appropriate the objectives are;
- Establish whether there is clear ordering of priorities within these objectives;
- Establish whether the allocation of resources effectively reflects these objectives;
- Determine whether the objectives are being achieved in a measurable way and in line with IFB targets, if any.

## **2.3 Background**

**2.3.1** Bord Scannán na hÉireann/The Irish Film Board was established in 1980 and re-constituted in 1993. The Board is the statutory body charged with the development of the Irish Film Industry and receives Exchequer funding (capital and current) from the Vote of the Department of Arts, Sport and Tourism to fulfil its remit.

**2.3.2** All developed European States provide support for their film sectors, and film is regarded as a vital element of European cultural heritage. Such support has been formally recognised and approved by the EU Commission as State Aid as this term is defined in the EU competition context. This provision has been acknowledged in a EU Commission Cinema Communication of 26 September 2001 and extended in 2004, regarding certain legal aspects relating to cinematographic and other audiovisual works. (OJ C43 –16/2/02 and C123/1 of 30/4/04), and in Council Resolution on national aid to the film and audiovisual industries (2001/C73/02) of 12 February 2001. The EU itself has also acknowledged the need for such supports by directly operating a scheme of aid through the MEDIA Programmes, since the early 1990's, which offer significant financial supports in the areas of pre-and post-production for the audiovisual sector. The PricewaterhouseCoopers report on the Review of the Section 481 Tax incentive scheme, completed in September 2003, confirmed the use and acceptance of such supports internationally.

**2.3.3** It is timely, therefore, to examine the effectiveness and direction of the Irish Film Board in the context of the demonstrable increased support in recent years and the development of this sector, nationally and internationally. (Ref. Table - Chapter 5.)

## **2.4 Methodology**

### **2.4.1 Initial desk /literature research viz.**

- Historical data on the establishment of IFB and subsequent activities, drawn from relevant Dáil and Seanad debates, Annual reports of the IFB/BSE and references included in film history publications (See bibliography for references).

- A survey of the then objectives of the IFB as evidenced in:-

- Relevant legislation;
- 1999 Film Industry Strategic Review;("Kilkenny Report");
- Policy documents produced by the Board, including annual Reports and Reviews; and
- Detailed interviews with the Board's senior staff.

#### **2.4.2 Consultation/ written communication and /or interview with:-**

- Representative sample of IFB applicants;
- Screen Producers Ireland;
- MEDIA Desk Ireland/Media antenna;
- CEO of the Broadcasting Commission of Ireland;
- Senior IFB personnel and former Chairman.

#### **2.4.3 Consultation with interested parties**

The results of consultations with interested parties are outlined in chapter 7. E-mail consultations were undertaken with a representative sample of IFB clients (from applicants' names supplied by the IFB) who are generally emerging individual operators. (Screen Producers Ireland (SPI) are regarded as representing the view of the larger, more established, producers in the industry.)

#### **2.4.4 Irish Film Board Consultation**

The greater part of the material examined was sourced from the IFB itself:-

Description of schemes and programmes operated by the Board, including application and selection processes involved:

- a) Strategy and Structure Document 2001-2005;
- b) Customer Service document;
- c) Statement of Value for money - Exposition of IFB operations from then CEO with covering letter dated 05/04/05;
- d) Draft Strategic Document 2005-2009;
- e) Outline of potential future Performance indicators;
- f) In addition, results of detailed interviews with and written comments from the then Chair of the Board (to January 2005) and the then Chief Executive Officer in place from end 2003 to June 2005)and the Board's Head of Business Affairs and the Senior Policy Executive.

## **Chapter 3**

### **Irish Film Board - Origins, Development and Performance – 1980 to 2000**

#### **3.1 Legislative Background and Historical Development**

The Irish Film Board was established under the Irish Film Board Act 1980, which set out the original role, functions, statutory obligations and objectives of the IFB viz.

The Long Title of the 1980 Act declared that it was an Act –

“To provide for the establishment of a Board to assist and encourage the development of a film industry in the State, to empower the Board to provide investments, grants, loans and guarantees of loans for the making of films in the State to define its other powers and functions and to provide for other connected matters.”

Section 4 of the Act sets out the general functions of the Board viz.

- (1) “In addition and without prejudice to any specific functions given to it by this Act, the Board shall assist and encourage by any means it considers appropriate the making of films in the State and the development of an industry in the State for the making of films and may engage in any other activity (including the establishment of a national film archive) which it is empowered by this Act to engage in;
- (2) In so far as it considers it appropriate, the Board shall have regard to the need for the expression of national culture through the medium of filmmaking;
- (3) The Board shall have all such powers as are necessary for or incidental to the performance of its functions;
- (4) Without prejudice to the generality of subsections (1) and (3) of this section, the Board shall have power to participate and promote participation in international collaborative projects in accordance with any of its functions under this Act and where appropriate, to enter in agreements with comparable bodies outside the State subject to the consent of the Minister and the Minister for Finance and where appropriate, to consultation with the Minister for Foreign Affairs.”

Section 8 of the Act provides that “ the Board may, subject to such terms as it thinks proper, make grants to be used to defray in whole or in part the costs of providing training for persons in all aspects of the making of films”.

### **3.2 A. Period 1980-1987**

**3.2.1** On 24 August 1981, the Board (then coming within the remit of the then Department of Industry and Commerce) met for the first time, under the Chair of Louis Keelan of the Industrial Credit Company, staffed with a CEO, and one assistant. Following Mr. Keelan’s resignation in December 1981, Muiris MacConghail (ex-RTE) was appointed for a four-year term to chair an expanded Board. This was a testing period for this fledging agency with all the industry and other interested parties keeping a critical watch on its activities. It operated de facto as an Executive Board, adopting a “hands –on” approach in allocating their limited funds. In June 1987, the Board was wound up.

**3.2.2** During this period, the Board supported over 25 short films (“shorts”) and documentaries and enabled more than 12 feature length films to reach cinema and television screens in Ireland and around the world. It raised the level of skills and employment, enabled new facility houses to contribute to the economy and gave a start to many careers — some of whom, like Neil Jordan, later became international household names. In 1986, responsibility for film moved from the Department of Industry and Commerce to the Department of the Taoiseach.

### **3.3 B. Period 1987-1993**

**3.3.1** On the disbandment of the Irish Film Board, the Government put in place a tax-based incentive for corporate investment in Irish film projects under Section 35 of the Finance Act 1987, (later Section 481 of the Taxes Consolidation Act 1997). In the period from 1987, it was only those with the ability to secure international funding who found it possible to exploit this relief. Although there were significant successes (such as “My Left Foot”) in this period, it was problematic for medium and low budget indigenous projects to achieve production.

**3.3.2** Following the opening of the new Irish Film Centre in September 1992; the report of the Special Working Group on the Film Production Industry, in December 1992, and renewed Government support for the film sector, the Irish Film Board was re-constituted/re-activated in 1993, by the provision of current and capital funds in the Estimates and the appointment of new Board Members. The Board now came within the ambit of the newly created Department of Arts, Culture and the Gaeltacht, transferred from the Department of the Taoiseach. The Film Board (Amendment) Act 1993, increased the overall limit of funds available to the Board from its earlier limit of £4.1m to £15m, 1993 also saw the appointment of a full-time CEO with a staff of two.<sup>2</sup>

### **3.4 C. Period 1993-2000**

**3.4.1** Following its reconstitution in 1993, the Board found itself as part of the growing momentum and optimism for the future of Irish film, fuelled, in part, by : -

- a) The relative successes of Irish film internationally;
- b) The introduction and expansion of the Section 35 (Section 481) tax-incentive scheme;
- c) The statutory obligation placed on RTE by the Broadcasting Authority Amendment Act 1993 to ring-fence funds for independent productions;
- d) The establishment of Telifis na Gaeilge in 1996;
- e) The availability of EU funds through the newly created MEDIA Programme in the early 1990's; and
- f) The various training initiatives on offer.

**3.4.2** In the period to 2000, the Board continued to pursue its activities under the general remit of the 1980 legislation. Evidence and evolution of the Board's operations and the translation of the aims of the 1980 legislation can be traced in the Statements of the Chair(s) and CEO contained in the Board's combined Annual Reports and Reviews for the period. Here the Board and the Executive

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<sup>2</sup> (See Oireachtas Debates of 8/12/92, Vol. 436. Column Nos. 2063-212 3) for history of 1980 legislation /Board's subsequent activities. Speech by Michael D. Higgins, TD, Minister for Arts, Culture and the Gaeltacht.)

highlight and link the various initiatives introduced with the overall objective of developing the film industry. They point out, in particular, the unprecedented growth of the industry. It would appear that it was the Board's aim to try and cover all areas of the sector (as well as its core functions for production and development loans), i.e. to support marketing, training, new talent, and in co-operation with RTE and Telefís na Gaeilge, to bring forward new schemes; and provide for membership of international agencies etc.

### **3.5 Film Industry Strategic Review Group-“Kilkenny Report”**

**3.5.1** The impending expiration of the statutory authority for the Section 481 incentive at the end of the fiscal year (5 April 1999) and, inter alia, the Board's limited financial and personnel resources, triggered the establishment of a **Film Industry Strategic Review Group**, chaired by Mr. Ossie Kilkenny, by the (then) Minister for Arts, Heritage Gaeltacht and the Islands: -

- To carry out an objective evaluation of the effectiveness of the existing scheme and incentives to develop the industry;
- To analyse and identify the fundamental issues facing the industry and to make recommendations in regard to future measures in support of the film industry; and
- To formulate a strategic plan for the future of the industry into the next decade.

**3.5.2** The “**Kilkenny Report**”, published in August 1999, recommended, inter alia, the establishment of a restructured Board with improved financial and personnel resources with a significantly amended and renewed remit. Arising from this report and subsequent analysis, conducted on behalf of the Department, by Olsberg/SPI with Simpson Xavier, and lengthy negotiations between the parent Department, the Department of Finance and the Board, a staffing complement of sixteen, including the CEO, was agreed, (increased from a previous permanent complement of four in place from 1994), effective from mid – 2001, onwards. This final structure

differed from the Report's recommendations in that three Business Units (instead of four) were set up, headed by senior managers - Head of Production and Development, Head of Marketing and Head of Business Affairs.<sup>3</sup>

- 3.5.3** It was envisaged that the CEO would be required to bring a strategic vision to his/her role, to review policy on an ongoing basis and to develop, with his management team, appropriate policy proposals for the Board.

### **Summary and Conclusions**

- 3.6** From its inception, the Board's period in office can be considered in three distinct phases, viz. 1980-1987; 1993-2000, and 2000 to date.

- 3.7** Since its establishment the Board has interpreted its overall functions (as stated in its Annual Report and Accounts) as being that "it is established: -

- To promote the creative and commercial elements of Irish filmmaking and film culture for a home and international audience. The Board supports film projects through the provision of development funding and also provides production finance by way of debt/equity investment.

- To encourage the development and training of technical, artistic and production personnel as a means of improving the overall skills proficiency within the industry.

- To assist the production and marketing of Irish films within Ireland and abroad as a means of stimulating an interest in Ireland, Irish culture and Irish films."

- 3.8** Board's functions are defined in the legislation in a broad way. The Act was not prescriptive as to the balance between commercial and cultural considerations, or between indigenous and international productions. No substantive amendments have been made to the legislation to date. Amendments made in 1993, 1997 and

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<sup>3</sup> Recommendations of the Kilkenny Report insofar as they relate to the IFB are included at **Appendix 2**.

2000<sup>4</sup> were technical in nature to authorise increased funding limits for allocation by the Board, in order to carry out its functions.

**3.9** The Board's first phase in operation was largely a period of establishment, of setting boundaries and trying to ascertain and meet the needs of the industry, within the overall terms of the (loosely framed) legislation. While no specific objectives or performance indicators were set to measure its activities, results were examined in retrospect and documented vis-a vis- number of applicants; number and type of loans provided; overall number of projects supported and recoupments achieved, as described in its Annual Reports.

**3.10** The Board's second phase could be described as dynamic, as moving forward on all fronts.

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<sup>4</sup> And in 2006 (subsequent to the initial work in this report)

**Chapter 4**

**Irish Film Board- Strategic Evolution Phase 2000 to 2004**

**4.1 Period 2000-2004**

**4.1.1** In 2000 the Board produced the first substantive strategic document – **The Strategy and Structure 2001-2005**. It set out to clarify, document and put into context, its role, functions, activities and plans for the future. The document was descriptive and aspirational in nature, however, setting out overall goals for the industry to 2005, including the preferred projected funding allocations for the Board itself. It did not include formal time-specific objectives, quantifiable performance indicators or measures of success; nor did it provide a timetable for review of the process.

**4.1.2** In the course of this Expenditure Review, the current IFB Executive prepared a retrospective pro-forma paper reformulating the original stated actions from this 2001-2005 Strategy document shown against achievements/outcomes. This material is shown below:-

<b>Extract from Irish Film Board- Strategy and Structure 2001-2005 Overall Strategic Objectives</b>	<b>Retrospective Result/Outcome/Measurement</b>
<b>Priority</b>	<b>Outcome</b>
<i>Grow the industry from IR£145m (€184 mill) substantially over the next 5 years.</i>	2000 €184 million. 2001 €259 million. 2002 €190 million. 2003 €304 million. 2004 €159 million.
<i>Develop dynamic and financially strong production companies.</i>	CDI 1 and 2 schemes launched to run from 2001-2004 and 2002-2005 respectively.
<i>Raise and enhance the profile of the Irish film industry, both nationally and internationally.</i>	- Marketing Unit established in 2001. - Inclusion of Irish Screen Commission into new IFB organizational structure.
<i>Position the indigenous industry at the forefront of new technologies.</i>	Low and Micro Budget Feature Initiatives introduced 2001 to enable less experienced filmmakers make feature films, especially using digital technology.
<b>Priority</b>	<b>Outcome</b>
<i>Enable Irish crews to operate to the highest international standards and encourage the best</i>	-Screen Training Ireland supported annually to deliver wide range of training courses.

<i>labour relations practices.</i>	-IFB provided funding to SPI for independent facilitator to undertake Industrial Relations framework negotiations.
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### **Governance and decision-making processes**

<b>Priority</b>	<b>Outcome</b>
<i>New role for Board.</i>	Board more focused on policy and strategic development, having been freed up by introduction of Production Panel process.
<i>New Role For Executive.</i>	Management team and other support staff recruited in 2001.
<i>New Decision Making Process.</i>	<ul style="list-style-type: none"> <li>- Panel Processes introduced to the Board and the Industry.</li> <li>- Production panel process successfully independently reviewed in 2002.</li> </ul>
<i>Industry Development Forum.</i>	Not implemented; instead IFB took active membership of IBEC Audiovisual Federation, which has a similar role and composition.

### **Structure and Staffing**

<b>Priority</b>	<b>Outcome</b>
<i>Management Team.</i>	Management team introduced in 2001.
<i>Management Structure and Roles.</i>	IFB adopted proposed structure and roles in 2001 (some further refinements in 2003).
<i>Location.</i>	IFB adopted bi-location in 2001.

### **Development**

<b>Priority</b>	<b>Outcome</b>
<b><i>Project Development – Strategies:</i></b>	
<i>Full time development manager working with producers/writers at early stage research early in the development process.</i>	Implemented.
<i>Engagement of script editors/doctors to work with writers, and encourage training.</i>	Implemented.
<i>Significantly increase development budget so that more projects can avail of loans up to IR£50K. *Encourage producers to use this increased funding to engage in market.</i>	Implemented.
<i>Once-off fund for new project development.</i>	Not implemented – plan envisaged special lottery funding which was not forthcoming.
<b>Priority</b>	<b>Outcome</b>
<b><i>Company Slate Development Funding: Introduce Company Development/Slate Initiative to:</i></b>	10 companies in receipt of company

<p><i>Assist producers to build up equity in their companies to ensure long term growth.</i></p> <p><i>Enable producers to develop management systems and practices that best allow them to manage their growth.</i></p> <p><i>Encourage the process of consolidation between production companies with complementary skills and talent, leading to companies with adequate resources to compete at an international level.</i></p>	<p>development funding over a 3 year period, allowing them to achieve proposed actions including developing relationships with targeted international partners and developing a slate of projects.</p>
<p><b>Priority</b></p>	<p><b>Outcome</b></p>
<p><i>Close co-operation with Enterprise Ireland to review the effectiveness of CDI in it's second phase and consider future initiatives.</i></p> <p><i>Close co-operation with Screen Training Ireland in the design of programmes that complement the initiatives in slate funding and Enterprise Ireland.</i></p> <p><i>Explore ways in which IFB can assist producers leverage the benefit derived from S481 to retain equity in a production with a view to building up capital in production companies.</i></p>	<p>While Enterprise Ireland not involved in CDI program, EI funded a number of companies to undertake feasibility studies in two phases in the lead up to the CDI scheme.</p> <p>Achieved</p> <p>Not actioned.</p>
<p><i>Identify and encourage suitable producers to participate in the various relevant courses run by MEDIA.</i></p> <p><i>Establish long term equity fund - the board endorses this proposal from the strategic review group. If the minister feels that such a fund is appropriate, the board undertakes to prepare specific proposals within an agreed time frame.</i></p>	<p>Achieved - Irish receipts from MEDIA € million 2003 and 2004; also, STI provides support.</p> <p>Not achieved – after initial research by IFB in 2002 there was felt to be insufficient support for concept at the time.</p>

**Talent Development**

<p><b>Priority</b></p>	<p><b>Outcome</b></p>
<p><i>Prioritise development of Irish creative producers, directors and script writers.</i></p> <p><i>Attract and retain new talent into the industry.</i></p>	<p>Development of talent and projects a main focus of the entirety of the agency's activities.</p>

<p><i>Irish film industry to be self sufficient in casting and crewing Irish stars.</i></p> <p><i>Increase employment four-fold within the next 10 years.</i></p> <p><i>Proposed Activities:</i>  <i>Pilots Seminar, Script Masterclass, Fleadh Film School, Producer Briefings: Financial Management Script Readings.</i></p>	<p>Achieved via training of the industry via Screen Training Ireland and increased consistency of production.</p> <p>Only measurable in 2011.</p> <p>Galway Fleadh Film School supported annually. STI holds masterclasses. Producer briefings held periodically.</p>
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### **Fiction Production**

<b>Priority</b>	<b>Outcome</b>
<p><b><i>Fiction Production</i></b>  <i>Implementation of the following schemes and funds:</i></p>	
<i>Short Cuts.</i>	Introduced in 1993 and continuing.
<i>Oscailt.</i>	Introduced in 1998 and continuing.
<i>Frameworks.</i>	Introduced in 1996 and continuing.
<i>Short Shorts.</i>	Achieved 2001.
<b>Priority</b>	<b>Outcome</b>
<i>Irish Flash.</i>	Achieved 2001.
<i>Digital Media Fund.</i>	Not implemented, owing to funding from special digital funds not forthcoming.
<p><i>Documentaries:</i>  <i>6 – 8 Documentaries Produced</i>  <i>Ireland Now! Short Documentaries.</i></p>	<p>Achieved – ongoing.</p> <p>Not Achieved, but documentaries of any length can apply for regular production co-financing.</p>
<p><i>Animation</i>  <i>Up to 3 Production Loans per year</i>  <i>Talent Development via Shorts.</i></p>	<p>Achieved – ongoing.</p> <p>Achieved – ongoing.</p>
<p><b><i>Fiction Production</i></b>  <i>-Increase overall level of funding available for feature films from the Board.</i>  <i>-Increase feature film production to 15 projects per annum.</i></p>	<p>Achieved - funding for feature films increased 267% from 2001 to 2004.</p> <p>Not achieved. Average film production per year is 11.5 films.</p>
<b><i>Primary Fund</i></b>	Not implemented, owing to budget cut in 2003, but aims of the proposed fund are included in decision making criteria for Production Loans.

### **Marketing**

<b>Priority</b>	<b>Outcome</b>
<i>Raise the profile of Irish cinema, both at home and abroad.</i>	Establishment of the Marketing Unit in 2001, which coordinates such activities as Cannes Pavilion, DVD talent mail outs, etc, and oversees the Location Services side of the business.

<i>Assist in bringing new projects to the international market place.</i>	Achieved via attendance and activities at various high profile festivals and markets – especially Cannes Pavilion and DVD mail outs, etc.
<i>Raise the profile and promote the activities and schemes of the IFB.</i>	Achieved via ongoing press and publicity campaigns.
<i>Joint marketing initiative with the NIFTC to highlight the incentives available in Ireland.</i>	Achieved with various joint attendances at trade shows and joint marketing campaigns.
<i>P&amp;A Loans Introduced.</i>	Achieved.
<i>Video Label Extensions.</i>	Not pursued.
<i>Ireland on Screen.</i>	Achieved.
<i>New Irish Cinema Trailer/Short Shorts as Promotional Tool.</i>	Achieved.
<i>Arthouse Feasibility Study.</i>	Cultural Cinema Consortium with Arts Council launched in 2003.
<i>Interactive Website.</i>	New website launch in 2002.
<i>Cinemobile.</i>	Achieved.

### **Partnerships and relationships with stakeholders**

<b>Priority</b>	<b>Outcome</b>
<i>Build on relationships with: Department of Arts, Sport &amp; Tourism; European Union/MEDIA; Other Semi-State Agencies such as the Arts Council; Industry Guilds; Craft Unions; Film Resource Centres; Irish and International Broadcasters; Other Film Agencies.</i>	Achieved via regular communication and or development of partnerships with many of these organisations.
<i>Build on relationships with the General Public.</i>	Profile of the Irish film industry increased via audience development (Short shorts/P&A Loans and generation of press).

- 4.1.3** The retrospective exercise undertaken by the present Executive demonstrated the Board's results; while this is by definition a review of its activities, rather than linking the priority with the deliverables, it does nevertheless highlight the moves made by the Board into a strategic development mode. **(A summary of the Programmes operated by the Irish Film Board is included at Appendix 3.)**

### **Conclusions**

- 4.2** The current phase from 2000 to 2004 marked the first indication of strategy development. There is however, no evidence of a review process or systematic quantifiable measurement of objectives/achievements being carried out in the context of the 1980 legislation. While the retrospective paper mentioned at 3.5.1 reported positively on progress, the original document contained no benchmarking pointers or critical success factors.

## Chapter 5.

### Overview of Audiovisual Sector in Ireland, 1982 to 2004

#### 5.1 Value of audiovisual production activity.

A significant increase in the level of activity is evident within the Irish film industry in the period from 1993 to 2000 and from 2000 to 2004. As indicated at 3.4.1 above, a number of influences were at work here. The increase in overall activity outlined in the Table below demonstrates the fact that the value of audiovisual production activity in Ireland grew from an annual average of just €14m in the period 1982 to 1992 to €151m in 2003, i.e., by a factor of over ten.

Year	No. of productions	Ireland Spend €m
'82 to '92(Annual average)	6	€14
1993	16	€39
1994	61	€72
1995	97	€81
1996	122	€78
1997	105	€112
1998	132	€108
1999	125	€117
2000	162	€129
2001	175	€139
2002	148	€123
2003*	179	€151

\*from IBEC Audiovisual Federation Review

## 5.2 **Film production infrastructures and personnel :-**

**Employment** in the audiovisual sector in Ireland stands on average at approx.

1,500\*\* full-time equivalents, more than 800 of which are involved in the production of feature film and major TV dramas. (\*\*Source: IFB/ Screen Producers Ireland).

**Training** – there are an estimated 1,000 students enrolled in courses with film-specific content in Ireland. In addition, Screen Training Ireland has provided training services to more than 2,000 individuals since its inception in 1987.

**Production crews-** there were six feature film production crews in 2003 compared with one just ten years ago. Ireland can now support the production of a number of big budget productions at any one time – with nearly all senior positions (i.e. heads of department) occupied by Irish personnel.

**Production studios** – two major production studios (in Dublin and Galway), which offer a range of services including sound stages. The significant investment in and development of Ardmore Studios has been particularly important in the attraction of bigger budget films to shoot in Ireland.

**Post-production facilities** – the post-production sector in Ireland has invested heavily in the upgrading of its services in recent years. Ardmore Sound, for example, has specialised in the area of sound post-production. At this point, the only postproduction services not available in Ireland are film process laboratories, which are highly capital intensive.

**CERTIFICATION OF PROJECTS UNDER SECTION 481 OF THE TAXES  
CONSOLIDATION ACT, 1997**

**Summary of Key Statistics 1994-2006**

Total of Projects Certified		Total Certified Spend €m	Of which Irish Spend €m	Section 481 Amount €m
1994-2001	240	1294.1	697.5	581.8
2002	22	142.9	87.9	62.2
2003	25	282.7	135.6	84.8
2004	22	119.6	66.5	58.1
2005	28	125.5	63.9	54.8
2006	39	202.6	116	110.8
<b>Total</b>	<b>376</b>	<b>2,167.4</b>	<b>1,167.4</b>	<b>952.5</b>

**Exchequer Funding for Irish Film Board 1993-2005**

YR.	CURRENT	% INC/ DEC	CAPITAL	% INC/ DEC	TOTAL
1993	.254		1.200		1,454
1994	.470	+85%	2.540	+112 %	3.010
1995	.508	+8%	3.619	+42%	4.127
1996	.520	+2%	3.810	+5%	4.330
1997	.532	+2%	4.724	+24%	5.256
1998	.796	+50%	5.270	+12%	6.066
1999	.825	+4%	6.070	+15%	6.895
2000	1.020	+24%	9.142	+51%	10.162
2001	1.527	+50%	9.967	+9%	11.494
2002	1.600	+8%	10.665	+7%	12.265
2003	1.615	+ .9%	9.153	-14%	10.768
2004	1.845	+14%	10.000	+9%	11.845
2005	2.050	+11%	12.400	+24%	14.450
<b>TOTAL</b>	<b>13.562</b>		<b>88.560</b>		<b>102.122</b>

## Chapter 6.

### **Irish Film Board- Exposition /Statement of position**

- 6.1.1** During the period 1993-2003, the Board received a total capital allocation of €76.1m with a cumulative average recoupment rate of 13% on production feature loans during 1993-2000. In that same period (i.e. 1993 – 2003), the Board provided production support in respect of 100 feature films and TV series, and almost 300 short dramas, documentaries and animation. It also provided development funding for over 500 feature film projects.
- 6.1.2** In relation to the apparent low rate of recoupment, (to which reference is made by the quality evaluator) the Film Board considers that it is generally accepted that outside the Hollywood studio system, few films return their budgets to their investors let alone turn a profit, hence the need for subsidy. This is especially evident in small countries such as Ireland, where the commercial marketplace for Irish film is limited.
- 6.1.3** The rationale behind making subsidies available to filmmaking is to ensure cultural diversity by the telling of local stories through film together with the establishment of film infrastructure able to service inwards and indigenous filmmaking as this is beneficial to the economy. In broad strokes, this dual mandate is served firstly by Section 481 as an overarching incentive to stimulate economic activity and secondly, by the Board to stimulate cultural and indigenous activity.
- 6.1.4** Governmental imprimatur for the subsidisation of film is on a par with support for other cultural activities such as performing and visual arts, which are generally supported by grants from public bodies such as the Arts Council. Many state supports for film outside of Ireland are considered soft money, with little or no expectation of recoupment. In the non US English speaking world (Australia, New Zealand, Canada and the UK), it is standard for public film bodies to treat their inputs into film production as investments to be recouped pro rata pari passu with other equity investors.

- 6.1.5** The IFB takes full security on its investment for the duration of the life of the loan and the security ranks according to recoupment position. The purpose of this is to ensure that in the event that the public body has backed a box office success, proportionate monies from local box office, international sales, DVD and TV sales are returned to the agency for further investment in other film projects. This actually happens very occasionally and can take years to accumulate from a single title.
- 6.1.6** Film is a high risk investment and the availability of subsidy defrays some of this risk. From 1993 to 2006 two Film Board feature films have returned their investments and gone into profit: *Circle of Friends* and *About Adam*. Other films that have achieved a high rate of return include *Ordinary Decent Criminal*, *The Magdalene Sisters*, *Omagh*, and *Intermission*. This revenue is usually generated via international sales rather than in the domestic market. The Irish territory is not substantial, and very often revenues raised in Ireland offset some of the cost of releasing the film in the UK and other territories in an attempt to raise further box office and sales.
- 6.1.7** Other funds recouped by IFB come from development loans, whereby IFB development loans are repaid when a film goes into production. This repayment applies to all development activities including Company Development.
- 6.1.8** Local box office success depends on a vast variety of factors including mounting costly advertising campaigns. A local distributor has to generate posters and advertising and film prints to support the release of an indigenous film in direct competition with the Hollywood titles which arrive in Ireland complete with posters, prints, advertising and often, audience awareness and expectation. The Board offers limited print and advertising support to distributors to offset up to 50% of these costs for Irish films. Competing with Hollywood titles, however, is severely challenging.

## **6.2 Irish Film Board Comparisons with related jurisdictions**

**6.2.1** The submission from the IFB at Appendix 6 outlines the Board’s activities for the period 1993-2004. The Board demonstrates its capacity for significant leverage of EU and Eurimages funds and, inter alia, shows the support of an average 267 full time equivalent jobs each year through IFB financed projects in the period 1993-2004.

**6.2.2** In relation to staffing, the Board considers that the Table below shows that it is understaffed compared with similar agencies operating in territories with proportionately lower populations.

**Staffing levels compared to Equivalent Agencies (2004)**

<b>Staffing levels of selected regional funding bodies.</b>	<b>Number</b>
<b>BSE/IFB</b>	<b>16</b>
Northern Ireland Film & TV Commission	18
New South Wales Film & TV Office (Australia)	24
Film Victoria (Australia):	35
Scottish Screen*	41
Danish Film Institute*	91

**\*Denotes Agency staff comparable to IFB (i.e.: excluding other activities such as archiving)**

Average administration cost as percentage of overall budget from 2000 – 2004 is 11.7%. This figure represents purely administrative costs (salaries, rent, travel, overheads, etc). Unlike other agencies, there are ‘program and initiatives’ related expenditures coming out of BSE/IFB’s administration budget, such as subscriptions to organisations and some distribution supports.

From 1993 - 2004, the Board’s recoupment rate on production, development and distribution activities (excluding short films) is 10.96%.

From 2000 – 2004 the Board’s recoupment rate on production, development and distribution activities (excluding short films) is 13.28%.

### Operations: Comparative Recoupment

<b>Agency</b>	<b>Estimated Rate of Recoupment</b>
Swedish Film Institute	3%
Eurimages	5%
<b>Irish Film Board</b>	<b>13.28%</b>
FFC Australia	21%
UK Film Council New Cinema Fund	35%

Table show higher recoupment rate than Swedish Film Institute or Eurimages.

- 6.2.3** The IFB believes that without its investment, there would be almost no Irish films produced in Ireland. The IFB is the only National screen agency and if it did not exist, filmmakers would have to rely on Section 481 which delivers up to 12% of a production budget and source the remaining 88% overseas in an increasingly competitive market. This would result in significantly fewer Irish films and perhaps the dilution of Irish culture on screen.
- 6.2.4** A key determinant underpinning the assessment of all projects by the Board is additionality, whereby decision makers ask themselves whether a project needs public support from the Board or whether it could be made without the Board's investment.
- 6.2.5** Further, applications to fund international productions are sometimes made by producers and the Board considers the issue of additionality in taking the decision to accept and assess the application. Usually, these types of applications are either withdrawn or receive a negative assessment.

### **6.3 Summary and Conclusions**

- 6.3.1** In terms of the overall economic benefits deriving from the Irish film and audiovisual industry, it is noted that the 2003 PricewaterhouseCoopers Review of the Section 481 tax incentive scheme concluded that the scheme generated a net positive economic benefit to the Exchequer. It must be acknowledged, however,

that a similar review has not been carried out in respect of the activities of the Irish Film Board, in the context of this report<sup>5</sup>.

**6.3.2** The submission at **Appendix 5** from the IFB sets out a number of instances of its capacity to utilise its available resources to the best advantage. While the establishment of a direct causal impact of the Board's activities on economic performance is difficult to determine absolutely, it is clearly regarded as an important facilitatory agency, bearing in mind that the role and impact of the Irish Film Board go beyond the purely economic arena and are inextricably linked to the wider cultural sphere. Taken together with the incentives offered by the Section 481 tax scheme, it can be argued that the IFB contribution has acted as a catalyst to the development of the audiovisual industry in Ireland.

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<sup>5</sup> The study carried out by Indecon in the context of the 2008 renewal of Section 481 encompassed IFB activity and determined that there is a net overall benefit economically from public intervention in the film and TV production market in Ireland.

## Chapter 7

### Industry Consultation Process and Outcome

#### 7.1 Outcome of Industry responses

7.1.1 The overall responses from industry representatives indicated that: -

- The IFB support is seen as fundamental to the existence of the indigenous industry;
- Overall the IFB offered a good range of supports, but that it did not have sufficient funds to adequately fulfil all of its responsibilities;
- In general, the presence of IFB funding in a project was as important as the actual amount on offer; Film Board finance is vital in leveraging funding from international sources; The Film Board has a fundamental role in fostering new talent, a role which is not being catered for elsewhere;
- The Board definitely had a serious role in developing art-house or culturally focused projects;
- A greater proportion of their funds should be focused on a smaller number of productions rather than a ‘scatter gun’ approach;
- They should be involved in more risky ventures; the approach being taken of late was more commercially orientated and business focused; BSÉ/IFB should have a clear policy on development and should take on the role of first investor and risk-taker;
- The new Sales Agent/distribution element now generally perceived as being required was causing some difficulty and might not necessarily guarantee the result intended;
- There should be more regular and structured lines of communication between the IFB and the industry; they welcomed recent moves towards such dialogue;
- IFB could usefully become more involved with associated agencies e.g. Enterprise Ireland /Screen Training Ireland;
- On a micro-level, that applicants for the Board’s schemes be made more aware of the Board’s policies and requirements and that greater consistency in grant allocations be applied; concerns were expressed in relation to the

revised production panel arrangements whereby some applications were stated to have been refused on the grounds of faults in the script, although in the face-to-face discussions with the panel, the issue of the script was deliberately set aside, with only the economics of the project being discussed;

- In the area of development loans, that average loan amounts seem to be decreasing to be between €8,000 – €10,000, which imposes serious problems on projects trying to match MEDIA funding;
- Recommend a review of the Company Development initiative; suggest a model of Slate Funding (a rolling credit line for project development) be introduced with the focus on project development rather than on offsetting the Company overhead.

#### **7.1.1 Responses from IFB applicants;**

Replies to questionnaires sent to a small number of both successful and unsuccessful IFB clients (rather than the Producers' Association) elicited varied comments, reflecting mainly the effects of the changes introduced by the Board, viz., streamlining of dealings with applicants, including introduction of structured application and assessment procedures; revised composition of production panels, structured feedback to applicants, insistence on inclusion of sales agents /distribution, etc. Some considered these structures to be too restrictive and even within them, they considered that the Board's actual objectives were not reflected in the final decisions made. It is probably too early to judge the effectiveness of these new arrangements, as there is a learning curve involved on the part of practitioners and the Board and in assessing the outcome of the Board's decision-making process in terms of results achieved.

#### **7.1.3 Response of CEO of the Broadcasting Commission of Ireland.**

- In terms of the overall perception and role of the IFB, the BCI considers that the Board's role should be fundamentally a supportive and nurturing one, particularly for the development of new talent and to assist in low-

budget non-commercial film projects. They felt that commercially orientated or big-budget film projects did not need IFB support.

- In general, the BCI is positively disposed towards the Board.
- BCI have relatively limited and only recent contacts with the Board. These relate to the operation of the new broadcasting fund that has been delegated to the BCI from the Department of Communications, Marine and Natural Resources and which BCI see as complementary to the Board's work.

## **7.2 Responses of IFB to issues raised by interested parties**

**7.2.1** Several representatives raised the issue regarding the new application procedures, involving the presence of sales agent/distributor prior to receiving IFB support. As this issue was mentioned across the various interests, the Expenditure Review Steering Committee considered it to be important to gain the IFB views.

**7.2.2** In responding to this query the IFB stated that they regarded themselves as neither a first nor last investor but that they don't wish to become involved in too many "first in" investments or films that may never get financed. The Board maintains that no applicant has been told that they cannot apply for finance because of a lack of a sales agent and/or distributor. There appears, however, to be a clear perception in the industry that the IFB has recently become more insistent on sales agent distribution agreements needing to be in place before committing funds to productions.

## **Chapter 8**

### **Results of Evaluation**

#### **8.1. Results of Evaluation**

**8.1.1** The Terms of Reference of this Expenditure Review set out, in the context of the validity of the relevance or justification of overall Exchequer funding support for the film industry, to: -Evaluate the objectives (including statutory objectives) of the Irish Film Board, to:

- a) Establish how clear, specific and appropriate the objectives are;
- b) Establish whether there is clear ordering of priorities within these objectives;
- c) Establish whether the allocation of resources effectively reflects these objectives;
- d) Determine whether the objectives are being achieved in a measurable way and in line with IFB targets, if any.

**8.1.2** Taking account of the difficulties experienced in the early phases of the Board's existence to 1987, it has been considered more appropriate to concentrate on the period from 1993 onwards and, in particular, the interval from 2000 to date, for the purposes of critical examination in this Review.

#### **8.2 Establish how clear, specific and appropriate the objectives are.**

**8.2.1** Chapter 3 presented the objectives of the Irish Film Board as elaborated in the governing legislation and outlined the historical context of Board's development from 1980 to date. It also described the underpinning intentions of the legislation, their subsequent interpretation and implementation by the Board and its Executive, through its various programmes, schemes and supports in operation since the Board's inception. Chapter 3A set out a summary of the Board's current suite of programmes in operation and other related audiovisual references.

**8.2.2** As appropriate to a fast moving, ever evolving sector, it is apparent that this initial legislation was formulated in very broad terms. The text allowed the Board to expand, adapt and to set priorities. It did not attempt to define how cultural and commercial considerations, or the priority afforded to indigenous, as opposed to international productions, should be balanced.

**8.3 Establish whether there is clear ordering of priorities within these objectives.**

**8.3.1** The legislation provided for the support of film production through the disbursement of funds allocated by the Exchequer. The Board adopted and introduced various schemes and programmes over time in response to the perceived evolving needs of the industry, including training needs; and national and international market forces. The first Strategic Plan 2001-2005 indicating the Board's view of its objectives did not specifically relate to programmes and schemes and to particular objectives within the Board's broader remit, or allocate priorities to individual programmes or schemes. Critically, it did not lay down Performance Indicators against which future outcomes could be measured.

**8.4 Establish whether the allocation of resources effectively reflects these objectives.**

**8.4.1** The Board has established a mix of schemes and supports designed to further its broad statutory remit. Resources have been allocated based on the Board's view of relative priority and need. There is no basis for questioning the professional IFB decisions within the overall allocation of resources available to them, as schemes are well subscribed and generally seem to be operating well.

**8.5 Determine whether the objectives are being achieved in a measurable way and in line with IFB targets, if any.**

**8.5.1** General data which is available from other sources, such as the total output level of the Irish Audiovisual Sector, as included in the IBEC Audiovisual Federation Review 2003, suggest that the film industry in Ireland is growing over time and, by extension, that Irish Film Board supports are achieving their objectives, demonstrating the value of continued State support.

**8.5.2** A systematic application of Performance Indicators is not in place and specific targets have not been set. It is, therefore not possible to systematically measure success or otherwise in meeting targets. It is however, clear from industry feedback that without Irish Film Board input, a great many productions would not proceed and the number of incoming productions would dramatically reduce.

**8.5.3** The IFB consider that without its investment, there would be almost no Irish films produced in Ireland. The IFB is the only National screen agency and if it did not exist, filmmakers would have to rely on Section 481 which delivers up to 12% of a production budget and source the remaining 88% overseas in an increasingly competitive market. This would result in significantly fewer Irish films and perhaps the dilution of Irish culture on screen.

**8.5.4** A key determiner underpinning the assessment of all projects by the Board is additionality whereby decision makers test whether a project needs public support from the Board or whether it could be made without the Board's investment.

**8.5.5** Further, applications to fund international productions are sometimes made by producers and the Board considers the issue of additionality in taking the decision to accept and assess the application. Usually, these types of applications are either withdrawn or receive a negative assessment.

## **Chapter 9.**

### **Findings and Recommendations**

#### **9.1 Findings.**

- 9.1.1** The 1980 legislation set out objectives for the Irish Film Board only at a general level.
- 9.1.2** The Irish Film Board has, since its inception, had to deal with its own varying and uncertain financial and personnel resources; the differing expectations from within and outside an ever-changing, evolving and challenging national and international industry; and a changing political, economic and cultural landscape.
- 9.1.3** In terms of the overall economic benefits deriving from the Irish film and audiovisual industry, it is noted that the 2003 PricewaterhouseCoopers Review of the Section 481 tax incentive scheme concluded that the scheme generated a net positive economic benefit to the Exchequer. It must be acknowledged, however, that a similar review has not been carried out in respect of the activities of the Irish Film Board.
- 9.1.4** The submission at Appendix 5 from the IFB sets out a number of instances of its capacity to utilise its available resources to the best advantage. The establishment of a direct causal impact of the Board's activities on economic performance is difficult to absolutely determine, but it is clearly regarded as an important facilitatory agency. It must be borne in mind that the role and impact of the Irish Film Board go beyond the purely economic arena and are inextricably linked to the wider cultural sphere. Taken together with the incentives offered by the Section 481 tax scheme, it can be argued that the IFB contribution has acted as a catalyst to the development of the audiovisual industry.

- 9.1.5** It is accepted that there will always be difficulty in isolating the specific impact of the IFB programmes; given the many other factors that affect economic activity in the film industry.
- 9.1.6** This Review has concluded that the Irish Film Board has established a system of schemes and supports, designed to support all levels of the industry, that discharge its statutory remit.
- 9.1.7** However, for the crucial period –2000 to 2004, there was quite weak emphasis on performance indicators or benchmarking criteria, for the measurement and monitoring of outcomes.
- 9.1.8** The draft Strategy document 2005-2009 (now) adopted by the Board, together with the Statement of Value and the Potential Performance Indicators contained therein, submitted by the IFB Executive, is a positive and welcome means of addressing this shortcoming.

## **9.2** **Recommendations**

- 9.2.1** The objective of all IFB policy and initiatives is to promote filmmaking in Ireland. In the context of future IFB planning, it is necessary to better define its objectives and to clearly set outcome targets and to measure the degree to which they are achieved. The draft Strategy 2005-2009 includes targets and deadlines but these relate to outputs rather than outcomes.
- 9.2.2** A fundamental issue that needs to be addressed is whether the Board should be prepared to commit to projects in advance of other funds, or only after other funds have been secured and other security measures (e.g., sales agents) are in place. This is a key issue and one on which the Board should clarify its own position more definitively.

**9.2.3** The Irish Film Board should therefore: -

Draw up and submit for approval to the Department of Arts, Sport and Tourism, a definitive Strategy including a series of measurable targets for the period 2006-2010, and consequent business plans. Performance indicators employed in this context should relate both to the overall status of the Irish film industry and, (where possible), specifically to the Board's activities and they should also address outcomes as well as outputs.

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**MEMBERSHIP OF STEERING GROUP**

- Chair: Michael Grant;
- Barry Murphy, (Arts Division),
- Sabina O'Donnell(Review Processor),
- Eugenie Deegan (Tourism Development)

External representatives from:-

- The Departments of Finance (Frank Grffin) Expenditure Review / Vote Division)
- Jim O'Hanlon-(PriceWaterhouseCoopers). Mr. O'Hanlon conducted review of Section 481 scheme in 2003.

**The Strategic Development of the Irish Film and Television Industry**

**2000 to 2010 – "Kilkenny Report"**

**Key recommendations relating to the Irish Film Board:-**

The main driving force for the strategic development of the industry must be a strengthened and restructured Bord Scannán na hÉireann/Irish Film Board.

The Government must express its partnership with the industry through a strengthened and restructured Film Board. The Board will consolidate and develop its existing functions and undertake additional tasks to enable it to drive the implementation of the industry's strategic development in a co-ordinated way. This will require minimal amending legislation. The agency will be responsible for:-

- (a) The provision, either directly or by access, of expertise in high quality script development that is strong on both artistic and commercial criteria;
- (b) New project development and production financing;
- (c) Strategic business development, including the development of new forms of film company financing;
- (d) Co-ordination of generic marketing programmes;
- (e) Marketing of Ireland's film making capacity;
- (f) Training and development: provide effective interface between the industry and Screen Training Ireland;
- (g) Production expertise;
- (h) Technological foresight;
- (i) Co-ordination with the television broadcasting sector.

This strengthened and expanded agency will require a governance structure and executive functions to reflect the cultural and enhanced strategic/commercial mission, goals and strategic direction for the industry as outlined in this Report.

The strengthened and restructured Film Board must be funded properly to enable it to undertake the expanded role and tasks envisaged in this report and particularly to enable it to radically increase its ongoing investment in high quality script and project developments. The Review Group estimates that the annual budget appropriation will increase to at least £9.5m over the next two years with the rapid implementation of this plan.

A co-ordinated marketing programme under the aegis of a restructured Film Board should complement the efforts of individual companies and reduce their unit marketing costs. The marketing mission must be to (a) collect and disseminate marketing intelligence, (b) form marketing networks and distribution linkages and (c) promote Irish film as a generic product throughout the global market through all channels of communication and distribution.

**Summary of Programmes operated by the Irish Film Board  
and related audiovisual references**

1. The Board offers funding to the development and production of projects as follows:-
  - a) **Development** loans (repayable on the first day of principal photography) to a limit of €75,000 per project, as research, development and feasibility loans;
  - b) **Production** loans for projects with budgets up to €1,500,000, not to exceed 50% of the production budget;
    - in excess of €1,500,000 not to exceed the greater of €750,000 or 25% of the production budget,
    - in the case of difficult and low budget films, production loans up to 65% of the production budget,
2. Both development and production loan applications are assessed by a number of criteria:
  - i) Creative strength of project.
  - ii) Track record of creative team.
  - iii) Irish employment in all grades.
  - iv) Spend in Irish economy.
  - v) Commercial potential.
  - vi) Equity (profit potential).
3. Support is offered in respect of Feature film, TV, animation, and documentary projects, as well as by way of a suite of developmental schemes encouraging ‘short’ features by new talent. New initiatives include a Company Development initiative; a Regional support fund to encourage production away from Dublin; a test screening scheme; film location services; and completion funding.

**4. Activities**

In addition the Board also provides financial support to the following activities: -

**4.1 Cinemobile**

The Cinemobile is a travelling 100-seater mobile cinema housed in an adapted articulated vehicle. It visits towns and villages throughout the 32 counties who otherwise have no access to the world of cinema and shows Irish and international features, short films, documentaries and animation as well as educational films to support the school curriculum. Cinemobile is a subsidiary of the Irish Film Institute and is financed by ESAT, RTE, The Arts Council and The National Lottery through the Arts Council of Northern Ireland.

**4.2 Cultural Cinema Consortium**

In 2003 the Board made available €200,000 for the Cultural Cinema Consortium, a joint initiative with the Arts Council to promote the expansion of Irish Arthouse

exhibition. In 2003 two major projects were awarded funding from the Consortium, Kino in Cork and the Belltable in Limerick.

#### **4.3 Screen Training Ireland**

The Board provides funding annually for Industry Training of which the bulk is paid to FÁS Screen Training Ireland for the direct provision of Industry Training.

#### **4.4 Economic Database**

The Audiovisual Federation of IBEC, in conjunction with the Board and representatives of the Department of Arts, Sport and Tourism, Screen Producers Ireland, TG4, and RTÉ, publishes an annual Report and Review –“Film Production in Ireland-Audiovisual Federation Review” based on the information provided by producers in respect of projects produced in that year, by way of an Economic Database form. This report deals with film and television projects made in Ireland each year.

### **5. Contribution to European Agencies**

Bord Scannán na hÉireann/the Irish Film Board contributes financial support to the following organisations:

#### **5.1 Eurimages**

Eurimages, founded by the Council of Europe, provides production finance to support European co-productions. Ireland has participated in the scheme since 1992. While the Department of Arts, Sport and Tourism is the designated member of Eurimages, for practical purposes, a senior IFB official represents Ireland at Eurimages. The Board pays Ireland’s annual subscription to the fund.

#### **5.2 MEDIA Desk Ireland and MEDIA Antenna**

The Board contributes to the running costs of MEDIA Desk Ireland and MEDIA Antenna, who provide information and advice on the MEDIA Programmes, Eurimages, and Eureka Audiovisual and also on EU audiovisual policy. They are located respectively, in the Dublin and Galway Film Centres, with the Antenna having a particular remit to provide information and services to the growing Irish language audiovisual community. The MEDIA programmes provide funds for pre- and post-production purposes for cross- frontier audiovisual productions and for training.

#### **5.3 European Audiovisual Observatory**

The Observatory is an information network, which collects and distributes legal, economic and practical information on the audiovisual industry in Europe for the benefit of professionals and companies within the fields of television, film and video. The Board pays Ireland’s annual subscription fee.

**Further information can be found at [www.irishfilmboard.ie](http://www.irishfilmboard.ie)**



Bord Scannán na hÉireann  
The Irish Film Board

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# Draft Strategic Work Plan

## 2005 – 2009

## **Introduction**

The Irish Film Board (IFB) has been operating successfully for more than 12 years. It is Ireland's national screen agency, responsible for the development, co-financing and promotion of films, television drama, documentaries, animation and short films, as well as marketing Ireland as a location for inward international production and overseeing the relationship with Screen Training Ireland.

IFB experienced a change in its leadership in late 2003 and, as of January 2005, a new Board was to be appointed. Late 2004, therefore, seemed like an opportune time to assess IFB's service to the Irish screen industry, its key activities and its goals for the future. This was undertaken in the context of considering IFB's remit, landmark reports, the limited level of staff resources available, international financing realities and the service standards of comparable overseas agencies.

The planning process was undertaken after a number of key changes were already in train, including several staffing changes at the deputy level, the introduction of several new processes to further systemise existing activities (such as the pre-panel pitching days, development exit meetings, cost centres and putting all staff into dedicated business units), the introduction of a project manager system for all applications (to improve the quality of applications to IFB and to bring a stronger end-user focus to co-financing), a strong sales and distribution (audience/exploitation) focus, and the commencement of a consultation and guideline process for existing initiatives. These activities were designed to focus the service of IFB and, in return, to seek a focus and professionalism from applicants. The next stage was to engage an external consultant to focus the CEO and management team on key priorities for the agency and on what was deliverable by IFB within the limitation of its present staff resource levels.

With the help of a strategic business planning facilitator, the Management Committee spent two and a half days working intensively on planning IFB's future. The current status of the industry and the present status of the agency were evaluated in some detail by SWOT analyses. The Mission Statement, Vision of the agency in five years and the professional Values that underpin the agency's operations were discussed and recorded. When the Management Committee reached a consensus on all these issues, a Strategic Plan was developed. The final step determined, in detail and in priority order, how to implement the Plan.

This document lays out the Strategic Work Plan of the Irish Film Board for 2005 to 2009. It highlights the organisation's activities, priorities and objectives. It is a vital operating document that will guide the agency as it moves through 2005 particularly, and will help it adapt and change to better serve the Irish screen industry in future years.

The Management Team has divided the work of implementing this Strategic Plan amongst its members under the supervision of the Chief Executive.

## **Mission Statement**

Ireland's national screen agency, the Irish Film Board, promotes the creation and commercial development of Ireland's screen industry by:

- co-financing quality Irish screen content, for domestic and international audiences, which expresses Ireland's culture and tells Irish stories
- stimulating market support for Irish screen content from broadcasters, distributors, sales agents and audiences, thereby maximising the leveraging of BSE/IFB funds
- promoting the discovery and growth of Irish talent: writers, directors, producers, actors and technicians to the world's film financiers by audiences and the world's film financiers through distribution and sales support, co-financing efforts and marketing activities
- encouraging and promoting the incentives for inward international production
- seeking greater visibility for the Irish screen industry nationally and internationally
- representing the Irish screen industry to government

## **Values**

The Irish Film Board will carry out its activities consistently demonstrating the following principles:

1. Honesty, transparency and professionalism in all of its financial transactions.
2. Fairness, consistency and integrity in its service to the Irish screen industry.
3. Respect and courtesy in all of its personal interactions.
4. Proactive and forward thinking in the execution of its duties.
5. Conviction, pride and a passion for Irish screen content.

**Background:**

Now in its 13<sup>th</sup> year of operation since reconstitution, the Irish Film Board (IFB) has co-financed more than 120 feature films, multiple television series, animations, documentaries and 300 short films, winning hundreds of awards globally. From fostering new talent and script development to co-financing screen production, supporting distribution and marketing Ireland as a location for international incoming productions, Ireland's national screen agency continues to be active in all stages of talent and content investment activity from script to screen.

IFB co-finances projects at various stages, projects that are aimed at national and international audiences, projects that reflect Irish culture. IFB promotes the commercial development of Ireland's screen industry by marketing the Irish industry national and internationally, encourages foreign production into Ireland and stimulates support for the industry from broadcasters, distributors, sales agents, the Irish government and Irish and global audiences.

All of these endeavours help promote the discovery and growth of Irish talent - writers, directors, producers, actors and technicians – by audiences and the world's film financiers.

IFB has a limited staff of 16 supported by a Board of Directors and, regularly, engages specialised independent industry consultants to assist in project assessment. Its employees serve a wide client base of production and industry infrastructure companies and guilds in Ireland together with an ever-growing number of co-financiers such as local and overseas broadcasters, co-producing partners, distributors and world sales agents. Also, staff interface regularly with national organisations such as the Arts Council, IBEC and with international organisations like the UK Film Council and Eurimages.

As IFB is entrusted with almost €15,000,000 of public funding per year, it has stringent legal regulations and financial reporting obligations. IFB holds the values of honesty, transparency and professionalism in the highest regard in order to deliver a fair, open and non-discriminatory service to its stakeholders.

**The Planning Process:**

Five key IFB executives (the CEO, Policy Executive and the management team) worked on developing a Strategic Work Plan to focus and improve the organisation and to meet the challenges of 2005 and beyond.

The Chief Executive will supervise the process of implementing the plan and its progress is being monitored by the Policy Executive. Many of the actions needed to implement the strategies have been started, some even completed, while others are longer term ideas that will be acted on during 2005 and 2006.

### **The Strategies:**

1. Government support for the Irish screen industry comes from a number of initiatives. IFB will act as an industry policy hub working more closely with the government's support mechanisms.
2. The Irish market, like many of the other small countries in the European Union, cannot fully pay for its film projects itself. IFB will encourage, through a variety of actions, international co-financing and exploitation of Irish projects.
3. A key financing partners for Irish production is the UK; stronger relations – both for IFB and for the industry must be established with the key players in the UK industry, especially the UK Film Council (already in evidence with the SuperSlate deal), regional bodies such as the Northern Ireland Film and TV Commission, Scottish Screen and Sgrin, broadcasters, distributors and world sales agents.
4. Co-production is the way of the future in Europe and while Irish filmmakers espouse this, the industry needs to make better inroads into Europe and to create and strengthen relations with key European players. IFB will pursue a number of initiatives to promote a high involvement in our industry by Europeans. Ireland has continued to enjoy a rewarding relationship with Eurimages.
5. Inward production levels need to be increased to create a healthier industry so IFB plans to initiate a number of initiatives aimed at marketing and promoting Ireland abroad, specifically addressing IFB's strategy in LA and the UK.
6. IFB wants to create a more effective engagement with the Irish and overseas broadcasters and will work closely with them developing new links, new ideas and greater co-operation as such productions provide clear economic, employment and training benefits.
7. (a) In order to strengthen the Irish industry nationally and internationally, and to increase regional participation, IFB intends to increase and diversify its products and its programs commensurate with both budget levels and staff resource levels – this shall mean more programs but programs which are focussed on further supporting and enhancing IFB's core activities of content financing and exploitation.  
  
(b) The work involved in serving IFB's primary industry clients needs further to be streamlined and systemised to guarantee that all applicants get consistently fair and transparent treatment.
8. Human resources are key to the organisation and to the industry. IFB will come up with a human resources plan for itself and will work to increase skills levels across the industry and across the pre-entry level future participants in the industry.

**In summary:**

Thus, the Agency, and the industry it serves, are entering a new phase of development and the challenge is to devise strategically targeted initiatives and products that support and stimulate financially and creatively ambitious content from mid-career producers, while at the same time continuing to reach out to the talent of tomorrow. It is, therefore a natural progression the BSE/IFB, like most other Anglophone screen agencies, shall seek to incentivise the involvement of distributors, sales agents and other end users in Irish scripts as early as possible in the creative process – since these are the parties that indicate audience demand for content at the financing stage as well as being the parties that facilitate audiences and financiers discovering Irish talent – and that BSE/IFB shall work closely and proactively with Irish producers to attach end-user marketplace co-financier involvement in Irish scripts.

After a year of consolidating its services in 2004, IFB remains determined to ensure Irish content with strong audience potential is backed with a range of programmes and initiatives that enable Irish stories, and the talent behind them, to be discovered by the world's film financiers and embraced by audiences at home and abroad.

## **Vision of The Irish Film Board in 2008 - 2009**

### **Industry objectives:**

- 1 film in competition at Cannes regularly
- 1 global box office hit
- An independent distribution sector
- More co-productions
- More market end user funding
- Celtic country co-operation
- Regular, increased RTE/TG4/TV3 support
- Stronger presence on UK TV
- More females in the industry (esp. in East Ireland)
- Stable industrial relations
- Stronger, more competitive tax incentives
- Improved banking support

### **Funding:**

- €20,000,000

### **Irish project targets:**

- 1,000 applications
- 12 fiction features
- Documentary features
- 40 shorts including animation
- Animation series or features
- Micro-budget or experimental features
- 30 TV documentaries: 10 each for arts, national interest and history, science or other similar subjects
- 5 to 8 TV dramas: 2 to 3 children's, 3 to 4 event type mini-series,
- 1 adult series every two years
- Festival and market support: 4 Irish festivals, support at 10 different international festivals
- Support for 20 Irish filmmakers at international events
- 20 young talent (school or university) productions
- 120 projects in development

### **Other activity targets:**

- Up to €5,000,000 in incentive funding (eg: regional rebates)
- €125,000,000 incoming production
- Two incoming long running TV series
- 32 staff and adequate resources
- IFB stability (triennial budget over time rather than annual)
- Hands on support for projects
- More executive production involvement and hands-on support for projects - particularly content investment

**IFB - STATEMENT OF VALUE**

*Contents:*

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- 7 Possible Key Performance Indicators 2005**

## **1.0 Value: Introduction**

Since its re-establishment in 1993, BSE/IFB has been the driving force in the establishment of a film industry in the Republic of Ireland.

From an environment of low and sporadic production, Ireland now enjoys a steady number of films, animations, TV dramas, documentaries and short films produced each year with strategic co-financing from BSE/IFB. Most of these productions were developed by BSE/IFB before going into production.

BSE/IFB now focuses more strongly on supporting and incentivising the involvement of end users in the process of financing and producing the content that shall be released in cinemas, on DVD and on TV, ensuring Irish taxpayers have access to the content that they have co-financed.

The progress indicators in this submission show clearly the impact of BSE/IFB during the period under review – and especially when compared to the time of the agency's re-establishment - on the following:

- production of local content.
- outreach to audiences, and export.

It should be noted that some aspects of these indicators are not directly in control of BSE/IFB.

Indeed, this is a key factor influencing the planning for BSE/IFB – the unusual position as a national screen agency which is a minority investor not in control of key outcomes, such as lacking ‘greenlighting’ power. This, combined with other unpredictable elements of film financing, makes it difficult to guarantee set levels, for example, of production and releasing year by year.

Without the presence of the national screen agency, levels of production of Irish screen stories would undoubtedly fall – especially in view of the fact that Ireland differs from the rest of Europe and other Anglophone territories in lacking key extra sources of feature film financing (such as TV money). It is worth noting that few industrialised nations lack a screen agency. Indeed, governments in Canada, New Zealand, Australia, the UK and Europe have all, through various means, increased state support for their film industries in recent years - a sentiment echoed by the Irish Government in 2003 and 2004.

The submission also demonstrates the value for money of BSE/IFB's work in an international comparative context in terms of leveraging factors of subsidy levels, investments and subscriptions, staffing levels and administration costs.

In summary, therefore, this submission and its progress indicators seek to demonstrate the value of BSE/IFB to the public and government in terms of:

1. Value For Money: Operations & Services (in terms of staffing, budget, recoupment, administration costs, applications, services).
2. Value For Money: Investments (in terms of leveraging, subscriptions, conversions, production levels).
3. Value For Money: Audience & Export (in terms of cinema releases, box office, awards, foreign sales, outreach).
4. Value for Money: Industry development (employment, training).

## 2.0 Background Information

### 2.1 Irish Cinema Sector Trends 1992 – 2002

BSE/IFB is part of a growing and dynamic industry, as evidenced below:

Number of Cinemas	-15%
Number of Screens	+72%
Number of Admissions	+109%
Average ticket prices	+66%

\*source Media Salles European Cinema Yearbook 2003

### 2.1 Net worth of the Irish Audiovisual industry

However, production levels vary from year to year owing to various creative and financing issues, as evidenced below:

1993	€ 74 million
2000	€184 million
2001	€259 million
2002	€190 million
2003	€304 million
2004	€159 million

\* source: IBEC

### 2.2 Government Subventions to BSE/IFB 2001 – 2004

Government Subvention	2000	2001	2002	2003	2004
Administration Grant	1,020,869	1,527,495	1,600,000	1,615,000	1,845,000
Capital Grant	7,797,847	9,967,444	10,665,000	9,153,000	10,000,000
Total	8,818,716	11,491,939	12,265,000	10,768,000	11,845,000

## 3. Value for money: Operations

BSE/IFB is a tightly resourced agency by international standards, offering an increasing number of services and transactions, with administration costs at a low percentage of overall budget and those costs are covered by recoupment levels, meaning more money finds its way directly to clients.

### 3.1 Operations: Staffing Levels compared to Equivalent Agencies

The table below demonstrates that comparable agencies in territories (or states) of similar population consume higher levels of staff resources to discharge their function than BSE/IFB

<b>Staffing levels of selected regional funding bodies with comparable populations to Ireland.</b>	<b>Number</b>
<b><i>BSE/IFB</i></b>	<b><i>16</i></b>
Northern Ireland Film & TV Commission	18
New South Wales Film & TV Office (Australia)	24
Film Victoria (Australia):	35
Scottish Screen*	41
Danish Film Institute*	91

\*denotes Agency staff comparable to IFB (ie: excluding other activities such as archiving)

#### 3.2.1 Operations: Administration expense against overall budget

Average Administration cost as percentage of overall budget from 2000 – 2004 is 11.7%.

*This figure represents pure administrative costs (salaries, rent, travel, overheads, etc). Unlike other agencies, there are ‘program and initiatives’ related expenditures coming out of BSE/IFB’s administration budget, such as subscriptions to organisations and some distribution supports.*

#### 3.2.2 Operations: Comparative Admin Costs as % of Overall Budget

BSE/IFB’s administration costs compare favourably to other overseas screen agencies, beaten only by Australia’s FFC which is a pure content investor, and does not support development, training, inward production etc.

<b>Country</b>	<b>Administration Costs</b>
FFC (Australia)	10%
<b><i>Ireland’s BSE/IFB</i></b>	<b><i>11.7%</i></b>
UK – Film Council	12 – 15%
NSW FTO	17%

#### 3.3.1 Operations: Rate of Recoupment

From 1993 - 2004, the Board’s recoupment rate on production, development and distribution activities (excluding short films) is 10.96%

From 2000 – 2004 the Board’s recoupment rate on production, development and distribution activities (excluding short films) is 13.28%

The above figures show that for the period under review, BSE/IFB’s administration costs were covered by its recoupment rate.

### 3.3.2 Operations: Comparative Recoupment

BSE/IFB's recoupment rate has headed in the right direction between 1993 and the period under review.

It compares favourably with continental Europe, and, the Australian and UK industries are more mature industries with robust television buyers.

<b>Agency</b>	<b>Estimated Rate of Recoupment</b>
Swedish Film Institute	3%
EurImages	5%
<b>Irish Film Board</b>	<b>13.28%</b>
FFC Australia	21%
UK Film Council New Cinema Fund	35%

### 3.4.1 Services: Total Applications to BSE/IFB 1993 – 2004

One means of accounting for the use of staff and budget resources, is the number of applications.

Applications to the national screen agency between 1993-2004 have increased by almost 400%.

<b>Year</b>	<b>Number</b>
1993	177
1994	279
1995	306
1996	414
1997	401
1998	407
1999	503
2000	547
2001	869
2002	783
2003	799
2004	695
Total	6,180

The average number of applications annually during the period 2000 – 2004 is: 740.

### 3.4.2 Services: Competent Authority Co-Productions Certified

BSE/IFB also operates as Ireland's Competent Authority for Co-Production Certification. The table below illustrates the number of projects certified by the agency.

Year	Number
2000	2
2001	10
2002	11
2003	9
2004	12

The average number of co-productions certified annually by BSE/IFB during the period under review is 9.

### 3.4.3 Services: Production Enquires to Location Services Unit 2000-04

BSE/IFB also operates as a Film Commission, with the agency's Location Services Unit encouraging international mobile production to come to Ireland.

The table below shows the number of production enquiries handled by the Unit during the period under review.

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
N/A	40	87	147	<b>111</b>

The average number of production enquiries annually from 2001 – 2004 is **96**.

### 3.4.4 BSE/IFB film & TV projects location spread by county 2000-2004

BSE/IFB operates as a national agency and wishes to stimulate interest in shooting throughout the country. This is entirely consistent with the agency's NDP responsibilities.

This was evidenced by the 2004 launch of the (pilot) Regional Support Fund, which is now confirmed as a continuing program.

Below shows the range and number of counties where BSE/IFB projects shot during the period under review.

2000 (7) Dublin, Wicklow, Limerick, Cork, Galway, Kildare, Meath.

2001 (6) Dublin, Wicklow, Monaghan, Leitrim, Sligo, Fermanagh.

2002 (2) Dublin, Wicklow.

2003 (4) Dublin, Wicklow, Limerick, Cork.

2004 (6) Dublin, Wicklow, Galway, Kildare, Meath, Donegal.

#### 4.0 Value for money: Investments

BSE/IFB is an agency that makes its production investment money work hard.

The agency has one of the lowest levels of subsidy available to its client base (as a proportion of budget levels) and one of the highest leveraging factors in terms of production budget levels stimulated by its investments.

Its subscriptions to various production and development organisations return multiples of amounts put in, while production levels now suggest that the agency has met its historical objective of generating a steady level of production.

##### 4.1.1 Leverage of BSE/IFB Production Finance

BSE/IFB production investment outlays have a leveraging factor of 1:10, as the €44.5 million worth of Production Loans in features and TV drama between 1993 – 2004 stimulated production with combined budgets of €450 million. For every €1 of IFB investment, €10 is generated from the industry.

BSE/IFB's average leveraging factor is 1:10

##### 4.1.2 Leverage: Comparison of Leveraging Factor

Comparing BSE/IFB's leveraging factor to the national screen agencies in the UK and Australia, BSE/IFB is making its production investments work the hardest.

Country	Leveraging Factor of State Production Funding to Other Production Monies Generated
<i>Ireland's BSE/IFB</i>	<i>1:10</i>
UKFC's New Cinema Fund	1:3.25
Australia's FFC	1:2.5

##### 4.1.3 Leverage: Level of Subsidy Comparison

Related to the above measure is the fact that BSE/IFB's cap on the amount of assistance available to any one project is considerably lower than any other Anglophone agency.

Country	Maximum Level (as % of film budget) of <u>State Agency Subsidy Available per project</u>
<i>Ireland</i>	<i>25%</i>
UK	50%
New Zealand	50%
Australia	60%
Canada	65%

Therefore, BSE/IFB is an agency that requires its clients to raise more money from the international marketplace than comparable agencies – the agency's very structure demands that BSE/IFB production investment monies will lever other funds.

#### 4.1.4 Leverage: Outcome of Eurimages Subscription since 2000

BSE/IFB's expenditure of taxpayer money on an annual subscription to EurImage has been money well spent, as evidenced in the table below:

Year	BSE/IFB Subscription	Eurimages Contribution to Irish Co-Productions
2000	€95,992	€ 823,225
2001	€103,362	€ 340,000
2002	€191,933	€1,120,000
2003	€195,558	€0
2004	€222,560	€ 890,000
Total	€809,405	€3,173,225

From its subscription to Eurimages, BSE/IFB has managed to generate a leverage factor of almost 4:1.

#### 4.1.5 Leverage: MEDIA Programme

BSE/IFB contributes to the operation of both the MEDIA Desk and MEDIA Antenna. As the table below illustrates, it is a small investment for a large return to BSE/IFB's client base.

Year	BSE/IFB Contribution	MEDIA Contribution to Irish Productions and Practitioners
2001	€48,250	€65,000
2002	€0,155	€2,013,000
2003	€4,655	€1,070,000
2004	€4,655	€2,027,000
Total	€62,615	€5,675,000

Measuring BSE/IFB's contribution to the Desk and Antenna against the returns from MEDIA to Ireland, there is a leveraging factor of 22:1.

#### 4.2.0 Levels of Production

Prior to the re-establishment of BSE/IFB in 1993, on average 1.5 feature films were produced per year, while since that time post 1993 the average is 9 feature films per year, (most of them developed by the agency) as well as numerous shorts as the tables below indicate.

#### **4.2.1 Production: Numbers of BSE/IFB backed films produced**

<b>Year</b>	<b>Number</b>
1993	7
1994	5
1995	9
1996	11
1997	8
1998	9
1999	13
2000	9
2001	6
2002	10
2003	15
2004	8
Total	110

The average number of feature films annually from 2000 – 2004 is 9.

#### **4.2.2 Production: Numbers of BSE/IFB backed Short Films produced**

<b>Year</b>	<b>Number of Short Films</b>
1993	0
1994	7
1995	4
1996	0
1997	5
1998	5
1999	6
2000	20
2001	39
2002	37
2003	35
2004	40
Total	184

Average annual short film production between 2000 – 2004 is 34.

#### **4.2.3 Production: Projects Receiving Production Loans Developed by IFB**

Average proportion of projects developed by BSE/IFB as a % of all projects supported for Production Loans since 2000 is 60%.

#### 4.2.4 Production: Cumulative Strike Rate of Scripts Developed In Production

The statistic of cumulative projects developed by BSE/IFB that go into production since 1993 is being prepared by the agency's Production & Development Department.

The soonest it will be available is mid-April.

#### 5.0 Value for money: Audience & Export

BSE/IFB is an agency which wants its content to reach audiences at home and abroad, and takes every measure possible to ensure end users are involved in Irish content and incentivized to give the best release to Irish content. This maximises the access to content by Irish taxpayers and further facilitates the export of content.

##### 5.1.1 Audience: Irish cinema releases of BSE/IFB Films 2000 – 2004

A healthy flow of local content now finds release locally, as the table below indicates.

Worthy of highlighting is the marked increase in short films gaining cinema release, something which rarely happens in comparable overseas territories.

Category	2000	2001	2002	2003	2004
Shorts	0	4	3	11	13
Features	10	9	5	7	11

The average number of BSE/IFB co-financed feature films released annually from 2000 – 2004 is 8.

The average number of BSE/IFB films (features and shorts) released annually in cinemas in the Republic of Ireland from 2000 – 2004 is 14.5.

##### 5.1.2 Audience: Irish box office for BSE/IFB Features 2000- 2004

Year	Total Local Box Office for Irish Films	Estimated Audience-ship*
1993	0	
2000	€2.47 million	411,666
2001	€2.8 million	459,016
2002	€1.26 million	206,557
2003	€4.24 million	669,826
2004	€3.6 million	553,846
<b>Total</b>	<b>€14.37</b>	<b>2,300,911</b>
Average	€2.87 million	460,182

\*based on average ticket price estimates of 2000 €6, 2001 €6.10, 2002 €6.20, 2003 €6.33, 2004 €6.50

On average, almost half a million people go to the cinema in the Republic of Ireland to see films BSE/IFB co-financed films, generating an annual average of €2.87 million in box office revenues.

This is equivalent to 12% of the population.

It should be noted that this figure does not include video/DVD rental and TV broadcast, which, if included, would significantly increase the percentage of the Irish population viewing BSE/IFB content.

### 5.1.3 Audience: CineMobile attendance 2001 – 2004

The above figures do not include those persons viewing BSE/IFB content in CineMobile, the travelling cinema co-funded by BSE/IFB which brings specialised cinema to regional Ireland in keeping with NDP objectives.

Year	Attendance
2001	15,412
2002	26,829
2003	28,067
2004	26,733

Each year, CineMobile has an average rural audience of 24,260.

### 5.2.1 Export & Audience: Major International Awards

Exposure – especially of a prize winning nature - of any independent film at any of the five (5) key film festivals around the world (Cannes, Venice, Berlin, Sundance and Toronto) greatly improves the international sales fortunes of the film. Exposure is a key part of any film’s export effort.

BSE/IFB is one of the few agencies to be able to claim prizes at each of the 5 major festivals for its content, as the table below shows.

Major Awards at the 5 Key Festivals for IFB Films 1993 – 2004:

Festival	Year	Film	Prize
Cannes	1998	The General	Best Director
Sundance	2002	Bloody Sunday	Audience Prize
Berlin	2002	Bloody Sunday	Golden Bear
Venice	2002	Magdalene Sisters	Golden Lion
Toronto	2002	Magdalene Sisters	Discovery Award
Toronto	2004	Omagh	Discovery Award

### 5.2.2 Export & Audience: Other Awards

Gaining exposure at other festivals around the world is very important in terms of launching the local release of an arthouse film in a given territory. This is another important step in the export strategy of a film.

The table below shows the number of prize-winning international festival outings by BSE/IFB-backed films in the period 2000 – 2004.

2000	5
2001	28
2002	31
2003	32
2004	40

The average number of Awards annually for BSE/IFB-backed films is 27.

### 5.2.3 International sales for BSE/IFB films 1995 - 2003

Building on both the home audience figures and the award-winning international festival exposure is the overseas sales of BSE/IFB-backed films for export to multiple territories overseas.

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of Films	9	11	8	9	13	9	6	10	15
Territories sold	25	29	28	32	33	29	33	32	22

On an annual basis, therefore, Irish films are exported to an average number of 29 territories.

### 5.3.1 Audience Outreach: Education & Schools

*Number of IFB films on Senior School Curriculum:*

1993 – 2000	0
2004	1

BSE/IFB recognises the need to reach out to the audiences of tomorrow and to generate an appetite for Irish content amongst the youth of Ireland.

Pleasingly, BSE/IFB now has one film on the high school curriculum.

In 2004, BSE/IFB, in association with TG4 and IFI, produced *Gearsannain*, a DVD and Education Workbook containing 9 BSE/IFB co-financed Irish short films including *Clare sa Speir*.

Every secondary school in Ireland has received a free DVD pack.

The reach of this DVD is around 1000 schools and more than 55,000 students a year.

The NCCA (National Council for Curriculum & Assessment) is now exploring adding additional BSE/IFB titles to the national curriculum.

### **5.3.2 Audience Outreach: Marketplace**

BSE/IFB takes its commitment to talent and audience development seriously.

In 2005, a DVD showcasing a selection of BSE/IFB short films was compiled for mailing to key local and international contacts with a view to showcasing emerging talent to key festival programmers, producers, sales agents, buyers and financiers around the world.

In total, the DVD will have been seen by more than 1,000 decision makers, including:

Over 150 World Sales Agents and Broadcasters
Over 200 US contacts
Over 70 key international festivals
Over 300 international production companies
Over 400 Irish production companies
Key Irish and international press contacts

## **6.0 Value for money: Industry development impacts**

In addition to the above indicators, BSE/IFB's activities also have impacts on such areas as training and employment.

### **6.1 Training**

BSE/IFB is the major funder for Screen Training Ireland and the table below shows the number of industry practitioners taking STI courses during the period under review.

<b>Year</b>	<b>Number of Participants</b>
2000	618
2001	663
2002	465
2003	602
2004	723
<b>Total</b>	<b>3,071</b>
<i>Average</i>	<i>614</i>

*Note:* Employment of Trainees is a requirement of the Section 481 incentive and from 2005 it is a requirement that 2 trainees are employed per €million raised under S481.

### **6.2 Employment Generated by BSE/IFB Projects**

More than 58,000 cumulative 'employment transactions' have occurred as a direct result of BSE/IFB production investments in major feature film and TV productions.

This means that the total number of full time equivalent jobs generated by BSE/IFB productions since 1993 is 2,969.

The table below shows the full time equivalent jobs each year (from IBEC statistics using a full time job equivalent multiplier).

<b>Year</b>	<b>Full Time Equivalent Job</b>
1993	170
1994	100
1995	169
1996	276
1997	484
1999	485
2000	356
2001	185
2002	234
2003	224
2004	286
Total	2,969
Average2000-2004	257

*NOTE:* These figures do not include employment generated by development funding (such as the work of scriptwriters, producers and script editors), nor employment generated by documentary and short film projects.

Therefore, the average number of full time equivalent jobs generated by BSE/IFB Productions from 2000 – 2004 is 257.

## **7. Possible Key Performance Indicators**

BSE/IFB’s Executive would make preliminary suggestions that the following may be reasonable targets for the agency to work toward over time. Many of the targets have been arrived at by averaging the performances of the agency in recent years.

It is difficult to set pure numeric targets for any agency in the creative area, and the most advanced Anglophone agencies (the UK Film Council and Australia’s FFC) do not operate with box office or number of films as targets.

It is especially more difficult to set targets for an agency such as BSE/IFB because – unlike other major international screen agencies, BSE/IFB is not in full and direct control of its outcomes. As a consistent minority co-financier, the agency does not have the power to ‘greenlight’ feature films or TV drama. Therefore, neither production levels nor releases can be guaranteed. Likewise, export success is, in part, determined by international marketplace factors beyond the control of the agency, as is the level of foreign co-financing the agency’s producers are so heavily reliant upon.

More detailed forward planning would be subject to clearance by the recently installed Board of BSE/IFB.

**Possible targets:**

1. 9 Feature Films supported by BSE/IFB produced per annum.
2. 30 Short Films supported by IFB produced per annum.
3. For every €1 of IFB production expenditure, €10 are generated by the industry.
4. IFB support for production activity aims to continue to generate at least 257 full time job equivalents.
5. IFB continues to receive at least 740 applications per year.
6. 15 IFB films (including short films) are released theatrically per annum in Ireland with a target box office minimum of €1.5 million.
7. Recoupment levels are maintained at 13% across development, production and distribution activities.
8. Administration costs do not exceed 12% of overall budget.
9. Mindful of its NDP responsibilities, BSE/IFB seeks to facilitate production in more than five counties per annum, with special use made of such mechanisms as the Regional Film Offices and the Regional Film & TV Fund.
10. BSE/IFB Location Services answers 100 enquiries per year.
11. BSE/IFB films receive no less than 25 Awards from film festivals per year.
12. BSE/IFB films are exported to no less than 25 territories each year.
13. BSE/IFB continues to develop the majority of projects that receive Production Loans.
14. Screen Training Ireland trains at least 600 participants per year.